

## **US PERSONS MAY NOT ACQUIRE SHARES OF THE ICAV**

**If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the ICAV or the suitability for you of investment in the ICAV, you should consult your solicitor, accountant or other professional adviser.**

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

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## **UBP PRIVATE DEBT ICAV**

(an umbrella type Irish collective asset management vehicle with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to Part 2 of the Irish Collective Asset-Management Vehicles Act, 2015) with registration number C163877

**30 November, 2022**

## **P R O S P E C T U S**

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### **CONSOLIDATED PROSPECTUS FOR SWITZERLAND**

**THIS IS A CONSOLIDATED PROSPECTUS OF THE ICAV DATED 30 NOVEMBER 2022 TOGETHER WITH THE FUND SUPPLEMENT FOR UBP PRIVATE DEBT FUND III DATED 30 NOVEMBER 2022 UBP SOCIAL INVESTMENT PRIVATE DEBT FUND DATED 30 NOVEMBER 2022 AND THE "ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND" .**

**THIS DOCUMENT IS FOR DISTRIBUTION IN SWITZERLAND ONLY. IT DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF IRISH APPLICABLE LAW. THIS CONSOLIDATED PROSPECTUS REFERS TO THE OFFERING OF THE FUNDS LISTED IN THE TABLE OF CONTENTS.**

## IMPORTANT INFORMATION

### The Prospectus

This Prospectus describes UBP Private Debt ICAV (the "**ICAV**"), an umbrella type Irish collective asset management vehicle with variable capital and with segregated liability between Funds registered with and authorised by the Central Bank of Ireland with registration number C163877 pursuant to Part 2 of the Irish Collective Asset-Management Vehicles Act, 2015.

The Funds may be established as open-ended, closed-ended or limited liquidity sub-funds. In the case of funds established as closed-ended or limited liquidity funds Shareholders will not have the right to request the redemption (whether in whole or in part) of their Shares. Instead, in such cases capital will be returned to Shareholders and a corresponding quantity of Shares will be redeemed on Capital Redemption Days in accordance with the ICAV's return of capital policy as described under "RETURN OF CAPITAL POLICY" in this Prospectus.

Each Fund will constitute a separate portfolio of assets maintained by the ICAV in accordance with its Instrument. The Directors may in their absolute discretion differentiate between Classes of Shares, without limitation, as to currency of denomination of a particular Class, voting rights, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses, subscription or redemption procedures or the minimum subscription applicable. A separate pool of assets shall not be maintained in respect of each Class save in specific circumstances permitted by the Central Bank. The Directors have power to issue further Classes of Shares upon prior notification and clearance by the Central Bank.

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

### Authorisation by the Central Bank

**The ICAV is registered with and authorised and supervised by the Central Bank. The Central Bank shall not be liable by virtue of its Authorisation of this Qualifying Investor AIF or by reason of its exercise of the functions conferred on it by legislation in relation to this Qualifying Investor AIF for any default of this Qualifying Investor AIF. Authorisation of this Qualifying Investor AIF does not constitute a warranty by the Central Bank as to the credit worthiness or financial standing of the various parties to the Qualifying Investor AIF. Authorisation of the ICAV by the Central Bank shall not constitute a warranty as to the creditworthiness or financial standing of the various parties to the ICAV. The authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus nor has the Central Bank reviewed this Prospectus.**

**The ICAV has been authorised by the Central Bank to be marketed solely to Qualifying Investors pursuant to the Central Bank's Rulebook. The minimum subscription for each investor shall not**

**be less than €100,000 or its equivalent in another currency except in the case of certain investors as further detailed in the section of the Prospectus entitled “Application for Shares”. Accordingly, while the ICAV is authorised by the Central Bank, the Central Bank has not set any limits or other restrictions on the investment objectives, the investment policies or the degree of leverage which may be employed by any Fund.**

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

### *In General*

Within the EU, Qualifying Investor AIFs such as the ICAV may only be marketed to professional investors as defined in the AIFM Regulations unless the Member State in question permits, under the laws of that Member State, the Qualifying Investor AIF to be sold to other categories of investors and this permission encompasses the following types of investors:

- (i) an investor who receives appraisal from an EU credit institution, a MiFID firm or a UCITS management company that the investor has the appropriate expertise, experience and knowledge to adequately understand the investment in the relevant Fund; or
- (ii) an investor who certifies that they are an informed investor by providing the following:
  - confirmation (in writing) that the investor has such knowledge of and experience in financial and business matters as would enable the investor to properly evaluate the merits and risks of the prospective investment; or
  - confirmation in writing that the investor’s business involves, whether for its own account or the account of others, the management, acquisition or disposal of property of the same kind as the property of the ICAV.

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

The Directors may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the ICAV. Any restrictions applicable to Shares or a particular Class shall be specified in this Prospectus or relevant Supplement. Any person who is holding Shares in contravention of the restrictions set out in this Prospectus or relevant Supplement or, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction or whose holding could, in the opinion of the Directors, cause the ICAV or any Shareholder to incur any liability to taxation or to suffer any pecuniary disadvantage which any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the ICAV, the Directors, the AIFM, the Investment Manager, the Administrator, the Depositary and

Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the ICAV.

The Directors, have the power under the Instrument to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of the restrictions imposed by them as described herein.

This Prospectus has been drafted in accordance with Irish law only. While the Directors believe that the following statements are an accurate summary of the market restrictions as the date hereof there is no guarantee that they fully set out local restrictions or that they have not changed. These disclaimers and information are supplemental to and do not limit the general provision that this Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. The Directors have been advised of disclaimers and selling restriction language in certain markets and include information for those markets without accepting any responsibility for other markets.

#### *Restrictions in Relation to Specified Jurisdictions*

None of the Shares have been, nor will be, registered under the United States Securities Act of 1933 (the “1933 Act”) and none of the Shares may be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a US Person. Neither the ICAV nor any Fund will be registered under the United States Investment Company Act of 1940. Therefore, prospective investors should note that investment in the ICAV and each Fund will be restricted to non US Persons.

Further details of any restrictions on marketing in specific jurisdictions shall be disclosed in the relevant Supplement.

#### **Reliance on this Prospectus**

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

#### **Risk Factors**

The attention of investors is drawn to the potential for above average risk associated with an investment in the ICAV. Accordingly, such investment should only be undertaken by people in a position to take such a risk. **The price of the Shares as well as any income in the ICAV may fall as well as rise. Investors should read and consider the section entitled “Risk Factors” before investing in the**

## **ICAV.**

### **Subscription and Redemption Charge**

The Directors are empowered under the Instrument to levy a redemption or subscription charge, up to a maximum of 5% of the Net Asset Value of Shares being purchased or redeemed. Details of applicable subscription and redemption charges are set out in the Supplement of each Fund. The difference at any one time between the sale and repurchase price of Shares means that an investment in the ICAV should be viewed as medium to long term.

### **Translations**

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

## DIRECTORY

### Directors

John Fitzpatrick  
David Dillon  
Jean-Luc Eyssautier  
Patrick Palffy  
Rémy Portes.

### Registered Office

1st Floor  
2 Grand Canal Square  
Grand Canal Harbour  
Dublin 2  
Ireland

### Alternative Investment Fund Manager

Carne Global Fund Managers (Ireland) Limited  
2<sup>nd</sup> Floor, Block E  
Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

### Investment Manager

Union Bancaire Privée, UBP SA, London Branch  
Seymour Mews House  
26-37 Seymour Mews  
London  
W1H 6BN  
United Kingdom

### Distributor

Union Bancaire Privée, UBP SA  
Rue du Rhône 96-98 – CP 1320  
CH-1211 Geneva 1  
Switzerland

### Depositary

The Bank of New York Mellon SA/NV,  
Dublin Branch  
Riverside II,  
Sir John Rogerson's Quay,  
Dublin 2,  
Ireland

### Administrator and Company Secretary

Link Fund Administrators (Ireland) Limited  
1<sup>st</sup> Floor  
2 Grand Canal Square  
Grand Canal Harbour  
Dublin 2  
Ireland

### Legal Advisors in Ireland

Dillon Eustace  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Auditors

Deloitte  
Deloitte House  
Earlsfort Terrace  
Dublin 2  
Ireland

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## DEFINITIONS

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

<b>“Accounting Date”</b>	means 31 <sup>st</sup> December in each year or such other date as the Directors may from time to time decide.
<b>“Accounting Period”</b>	means a period ending on the Accounting Date and commencing, in the case of the first such period on the date of the ICAV’s registration and, in subsequent such periods, on the day following expiry of the last Accounting Period. The first Accounting Period for the ICAV ended on 31 <sup>st</sup> December, 2017.
<b>“Act”</b>	means the Irish Collective Asset-Management Vehicle Act, 2015 as may be amended or re-enacted from time to time.
<b>“Accumulation Shares”</b>	means Shares where the income of a Fund relative to the Shareholders’ holding of Accumulation Shares is accumulated and added to the capital property of the Fund.
<b>“Administrator”</b>	means Link Fund Administrators (Ireland) Limited or any successor(s) thereto appointed by the ICAV to provide administration services to the ICAV and subject to the requirements of the Central Bank
<b>“Administration Agreement”</b>	means the administration agreement made between the ICAV, the AIFM and the Administrator dated 25 January 2017 as may be amended and / or supplemented from time to time.
<b>“AIF”</b>	has the meaning given in the AIFM Regulations.
<b>“AIFM”</b>	means Carne Global Fund Managers (Ireland) Limited or any successor(s) thereto appointed by the ICAV in accordance with AIFM Legislation.
<b>“AIFM Directive”</b>	means the European Union Directive on Alternative Investment Fund Managers; 2011/61/EU.
<b>“AIFM Agreement”</b>	means the alternative investment fund management agreement dated 25 January 2017 made between the ICAV and the AIFM, as may be amended, supplemented or substituted from time to time.
<b>“AIFM Regulations”</b>	means the European Communities (Alternative Investment Fund Managers) Regulations, 2013 (S.I. No. 257 of 2013).
<b>“AIFM Legislation”</b>	means the AIFM Regulations, the AIFM Directive, the Level 2 Regulation, the Act and any applicable rules, or any of them, as the case may be.
<b>“Auditors”</b>	means Deloitte or any alternative(s) or successor(s) thereto appointed by the ICAV to

act as auditors of one or more Funds as detailed in the relevant Supplement.

- “Bank Regulations”** means regulations made by the Central Bank under Part 8 of the Central Bank (Supervision and Enforcement) Act 2013.
- “Base Currency”** means the currency of account of a Fund as specified in the relevant Supplement relating to that Fund.
- “Business Day”** means in relation to a Fund, such day or days as shall be so specified in the relevant Supplement for that Fund.
- “Call Notice”** a written notice served by the ICAV on an investor or Shareholder requiring that investor or Shareholder to make Capital Subscriptions for Shares in respect of all or part of such investor’s Capital Commitment/Subscription in the relevant Fund on a Capital Subscription Day;
- “Capital Commitment”** in respect of an investor or Shareholder, the total capital agreed to be subscribed by such investor or Shareholder pursuant to the relevant Capital Commitment Agreement;
- “Capital Commitment Agreement”** the agreement between each investor or Shareholder in UBP Private Debt Fund and UBP Private Debt Fund II, and the ICAV pursuant to which the relevant investor or Shareholder has agreed to make Capital Commitments for Shares of the relevant Fund;
- “Capital Redemption Day”** a Business Day as of which the Directors may redeem Shares for the purposes of returning income and/or capital to Shareholders in accordance with the capital return policy of the relevant Fund;
- “Capital Subscription”** in respect of an investor or Shareholder, the amount of capital subscribed or required to be subscribed by that investor or Shareholder for Shares of a Class pursuant to such investor’s or Shareholder’s Capital Subscription Agreement;
- “Capital Subscription Agreement”** the agreement between each investor or Shareholder and the ICAV pursuant to which the relevant investor or Shareholder has agreed to make Capital Subscriptions for Shares of the relevant Fund;
- “Capital Subscription Day”** a Business Day, specified in the relevant Call Notice, on which a Capital Subscription is required to be made or is made for Shares of a Class in respect of all or part of such investor’s Capital Subscription.
- “Cash Account”** means a cash account opened in the name of the ICAV on behalf of each Fund or all Funds (as appropriate) into which (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Capital Subscription Day; and/or (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors;

and/or (iii) distribution payments owing to Shareholders are deposited and held until paid to such Shareholders.

<b>"Central Bank"</b>	means the Central Bank of Ireland.
<b>"Class"</b>	means a particular division of Shares of a Fund of the ICAV.
<b>"Closing Date"</b>	the date on which a closing will take place in respect of a Commitment Offer Period as detailed in the relevant Supplement.
<b>"Clear Days"</b>	means in relation to a period of notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
<b>"Commitment"</b>	means the undertaking of each investor to purchase and pay for Shares in the relevant Fund when required to do so by the AIFM or the Investment Manager.
<b>"Commitment Offer Period"</b>	the period ending on the relevant Closing Date during which the Directors have determined that they will accept applications to enter into Capital Commitments/Subscriptions in respect of Shares of the relevant Fund;
<b>"Debenture"</b>	means debenture stock, bonds and any other securities of an the ICAV whether constituting a charge on the assets of the ICAV or not.
<b>"Depository"</b>	means The Bank of New York Mellon SA/NV, Dublin Branch or any alternative(s) or successor(s) thereto appointed by the ICAV and approved by the Central Bank to act as depository of the ICAV.
<b>"Depository Agreement"</b>	means the depository agreement dated 25 January 2017 (as amended) made between the ICAV, the Investment Vehicles, the AIFM and the Depository.
<b>"Distributor"</b>	means Union Bancaire Privée, UBP SA or any successor(s) thereto appointed by the AIFM.
<b>"Distribution Agreement"</b>	means the distribution agreement dated 12 March, 2020 made between the AIFM and the Distributor, pursuant to which the Distributor was appointed as the global distributor of the ICAV.
<b>"Directors"</b>	means the directors of the ICAV or any duly authorised committee or delegate thereof.
<b>"EEA"</b>	the European Economic Area.
<b>"EMIR"</b>	European Union Regulation No 648/2012 on OTCs, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation).
<b>"ESMA"</b>	means the European Securities and Markets Authority.

<b>“ESMA Guidelines on Remuneration”</b>	means the ESMA Guidelines on sound remuneration policies under the AIFM Directive (ESMA/2016/411), as may be further amended or supplemented from time to time.
<b>“External Valuer”</b>	means any natural or legal person appointed by the AIFM to value the assets of a Fund in accordance with the requirements of the Central Bank.
<b>“Final Closing Date”</b>	the date on which a final closing will take place in respect of a Fund as detailed in the relevant Supplement.
<b>“First Investment Vehicle”</b>	means UBP Private Debt Fund DAC.
<b>“Fourth Investment Vehicle”</b>	means UBP Social Investment Private Debt DAC.
<b>“Fund”</b>	means a sub-fund of the ICAV representing the designation by the Directors of a particular class of Shares as a sub-fund the proceeds of issue of which are pooled separately and invested in accordance with the investment objective, investment policy and strategy applicable to such sub-fund and which is established by the Directors from time to time with the prior approval of the Central Bank. Funds may be established as open-ended with limited liquidity funds.
<b>“GDPR”</b>	means the Regulation (EU) 2016/679 of the European Parliament and of the Council on general data protection.
<b>“Income Shares”</b>	means Shares where the income of a Fund relative to the Shareholders’ holding of the Income Shares may be distributed in accordance with the distribution policy of a Fund as set out in the relevant Supplement.
<b>“Initial Closing Date”</b>	the date on which the initial closing will take place in respect of a Fund as detailed in the relevant Supplement.
<b>“Initial Commitment Offer Period”</b>	the period, as specified in the Supplements for UBP Private Debt Fund and UBP Private Debt Fund II, during which investors may apply to enter into Capital Commitments to make Capital Commitments for Shares, ending on the Initial Closing Date;
<b>“Initial Offer Period”</b>	means the Initial Commitment Offer Period or Initial Subscription Offer Period as applicable;
<b>“Initial Offer Price”</b>	means the price, as specified in the relevant Supplement as the Initial Subscription Offer Price or the Initial Commitment Offer Price, at which Shares will be offered during the Initial Commitment Offer Period or Initial Subscription Offer Period as applicable;
<b>“Initial Subscription Offer Period”</b>	the period, as specified in the relevant Supplement, during which investors may apply to enter into Capital Subscriptions to make Capital Subscriptions for Shares, ending on the Initial Closing Date;

<b>“Instrument”</b>	the Instrument of Incorporation of the ICAV as amended from time to time in accordance with the requirements of the Central Bank.
<b>"Investment Manager"</b>	means Union Bancaire Privée, UBP SA, London Branch acting as investment manager or any one or more investment managers or any successor(s) thereto appointed by the AIFM and approved by the Central Bank to act as investment manager of one or more Funds as detailed in the relevant Supplement.
<b>"Investment Management Agreement"</b>	means the investment management and distribution agreement made between the AIFM and the Investment Manager dated 25 January 2017 (as amended and novated).
<b>“Investment Period”</b>	the period commencing on the Initial Closing Date of the relevant Fund and ending on the date set out in the relevant Fund Supplement.
<b>“Investment Vehicle(s)”</b>	a subsidiary of the ICAV created for the purpose of facilitating the implementation of the investment strategies of a particular Fund as may be set out in the Supplement for the relevant Fund, which can, as the context so requires, be taken to mean the First Investment Vehicle and/or the Second Investment Vehicle and/or the Third Investment Vehicle and/or the Fourth Investment Vehicle
<b>"Ireland"</b>	means the Republic of Ireland.
<b>“Knowledgeable Person(s)”</b>	a person who meets the criteria of the Knowledgeable Persons exemption as set out under “Qualifying Investors and Knowledgeable Persons Exemption” in this Prospectus.
<b>“Level 2 Regulation”</b>	Commission Delegated Regulation No. 231/2013 of 19 December, 2012 as may be amended, supplemented or substituted from time to time.
<b>“Management Shares”</b>	a management share in the capital of the ICAV which shall have the right to receive profits or income arising from the acquisition, holding, management or disposal of Investments of the ICAV in an amount not to exceed the consideration paid for such management share.
<b>"Member"</b>	means a Shareholder or a person who is registered as the holder of one or more non-participating shares in the ICAV.
<b>"Member State"</b>	means a member state of the European Union.
<b>“MiFID”</b>	means the Markets in Financial Instruments Directive 2004/39/EC.
<b>“NAV” or “Net Asset Value”</b>	means the Net Asset Value of a Fund or attributable to a Class (as appropriate), as described in the section of the Prospectus entitled “NET ASSET VALUE AND VALUATION OF ASSETS”.

- “NAV per Share” or “Net Asset Value per Share”** means the Net Asset Value of a Fund divided by the number of Shares in issue in that Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to 4 decimal places.
- “Ordinary Resolution”** a resolution of the Members or of the Shareholders of a particular Fund or Class of Shares in general meeting passed by a simple majority of the votes cast in person or by proxy at a general meeting of the ICAV, a Fund or Class of Shares as the case may be.
- “Prime Broker”** means any one or more prime brokers or any successor(s) thereto appointed to act as prime broker of one or more Funds as detailed in the relevant Supplement.
- “Prospectus”** the prospectus of the ICAV and any Supplements and addenda thereto issued in accordance with the requirements of the Central Bank.
- “Qualifying Investor”** means:
- (a) An investor who is a professional client within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive) (“MiFID”); or
  - (b) An investor who receives an appraisal from an EU credit institution, a MiFID firm or a UCITS management company that the investor has the appropriate expertise, experience and knowledge to adequately understand the investment in the scheme; or
  - (c) An investor who certifies that they are an informed investor by providing the following:
    - (i) Confirmation (in writing) that the investor has such knowledge of and experience in financial and business matters as would enable the investor to properly evaluate the merits and risks of the prospective investment; or
    - (ii) Confirmation (in writing) that the investor’s business involves, whether for its own account or the account of others, the management, acquisition or disposal of property of the same kind as the property of the ICAV.

Qualifying investors must certify in writing to the ICAV that they meet the minimum criteria listed above and are aware of the risks involved in the proposed investment and of the fact that inherent in such investments is the potential to lose all of the sum invested. The Minimum Subscription for Qualifying Investors is €100,000 (or its equivalent in other currencies) (except for “**Knowledgeable Persons**”). The aggregate of an investor’s investments in different Funds or Classes can be taken into account for the purposes of determining this requirement. The Directors may also increase this amount to take into account legal or regulatory requirements of



other jurisdictions and will notify investors subscribing for Shares of any changes in advance of each subscription. The Directors have full discretion to limit investment by an investor who would meet the above criteria, but their investment would result in the legal or beneficial ownership of such Shares by a person in contravention of any restrictions on ownership or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, a Fund or Class or Shareholders as a whole.

Within the EU, the ICAV may only be marketed to professional investors as defined in the AIFM Directive unless the Member State in question permits, under the laws of that Member State, the ICAV to be sold to other categories of investors and that such investors encompass Qualifying Investors as set out in (b) and (c) above.

<b>"Redemption Charge"</b>	means the charge, if any, (which is charged for the benefit of the Fund) to be paid out of the Redemption Price which Shares may be subject to, as specified in the relevant Supplement.
<b>"Redemption Price"</b>	means the price at which a Share may be redeemed as specified in the relevant Fund Supplement.
<b>"Reference Currency"</b>	means the currency of account of a Class of Shares as specified in the relevant Supplement relating to that Fund.
<b>"Rulebook"</b>	means any rulebook issued by the Central Bank in accordance with the Act.
<b>"Second Investment Vehicle"</b>	means UBP Private Debt Fund II DAC.
<b>"Share"</b>	means a redeemable participating share or, save as otherwise provided in this Prospectus, a fraction of a participating share in the capital of the ICAV. Shares are intangible personal property which give the holders thereof certain legal rights.
<b>"Shareholder"</b>	means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the ICAV.
<b>"Special Resolution"</b>	means a special resolution of the Members or the Shareholders of a particular Fund or Class in general meeting passed by a majority of 75 (seventy five) % of votes cast in person or by proxy at a general meeting of the ICAV, a Fund or Class as the case may be.
<b>Specified US Person"</b>	means (i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration

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

<b>"Subscription Charge"</b>	means the charge, if any, (which is charged for the benefit of the Fund) to be paid out of the Subscription Price which Shares may be subject to, as specified in the relevant Supplement.
<b>"Subscription Price"</b>	the price at which Shares may be subscribed on a Capital Subscription Day as specified in the relevant Fund Supplement.
<b>"Supplement"</b>	means a supplement to this Prospectus specifying certain information in respect of a Fund.
<b>"Taxes Act"</b>	means the Taxes Consolidation Act, 1997 (of Ireland) as amended.
<b>"Third Investment Vehicle"</b>	means UBP Private Debt Fund III DAC.
<b>"U.S." or "US" or "United States"</b>	means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.
<b>"US Person"</b>	means <ol style="list-style-type: none"> <li>1. any natural person who is a citizen of the United States (including dual citizens and U.S. born);</li> <li>2. any natural person resident of or in the United States;</li> </ol>

3. any partnership or corporation organized or incorporated under the laws of the United States;
4. any estate of which any executor or administrator is a U.S. Person or the income of which is subject to US income tax regardless of source;
5. any trust of which any trustee is a U.S. Person or the income of which is subject to US income tax regardless of source;
6. any agency or branch of a foreign entity located in the United States;
7. 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;
8. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
9. any partnership or corporation if:
  - (i) organized or incorporated under the laws of any foreign jurisdiction; and
  - (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the US Securities Act 1933 as amended, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the US Securities Act 1933 as amended) who are not natural persons, estates or trusts.
10. any entity organised principally for passive investment such as a pool, investment company or other similar entity; provided that the units of participation in the entity held by US Persons or persons otherwise not qualifying as “qualified eligible persons” (as defined in Rule 4.7 under the US Commodity Exchange Act) represent in the aggregate 10% or more of the beneficial interest in the entity, and that such entity was formed principally for the purpose of facilitating investment by US Persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 under the US Commodity Exchange Act regulations by virtue of its participants being non-US Persons.

U.S. Person does not include:

1. any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated or, if an individual, resident in the United States;
2. any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if:
  - (i) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and
  - (ii) the estate is governed by non-U.S. law;
3. any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;
4. an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices

and documentation of such country;

5. any agency or branch of a U.S. Person located outside the United States if:

(i) the agency or branch operates for valid business reasons; and

(ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; or

6. the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

**"Valuation Point"** means such time as shall be specified in the relevant Supplement for each Fund.

## THE ICAV

### **Establishment**

The ICAV is an umbrella type Irish collective asset management vehicle with variable capital and segregated liability between Funds registered in Ireland with the Central Bank on the 15<sup>th</sup> December, 2016 with registration number C163877 and authorised by the Central Bank, pursuant to Part 2 of the Act.

### **Structure**

The ICAV is structured as an umbrella type Irish collective asset-management vehicle consisting of different Funds each comprising one or more Classes of Shares.

Each Fund may be established as a limited liquidity Fund. Additional Funds in respect of which a Supplement or Supplements will be issued may be established by the Directors with the prior approval of the Central Bank. Additional Classes may be established by the Directors and notified to and cleared in advance with the Central Bank. Where disclosed in the relevant Supplement, series of Shares in respect of a Class of Shares of a Fund may be created by the Directors. In such cases, references to “Class” herein shall, where the context requires it, be deemed to include reference to “series” save where otherwise disclosed in the relevant Supplement.

The Shares issued in each Fund will rank pari passu with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged to a Fund or Class or the Minimum Subscription applicable or otherwise in accordance with the requirements of the Central Bank.

### **Segregated Liability of Funds**

The ICAV is an umbrella investment vehicle with segregated liability between its Funds. Pursuant to the Act any liability incurred on behalf of or attributable to any one Fund may only be discharged solely out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability. In addition, any contract entered into by the ICAV in respect of one Fund will, by operation of Irish law, include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any other Fund other than the Fund in respect of which the contract was entered into.

The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each Class save in specific circumstances as permitted by the Central Bank and as may be described in the Supplement for the relevant Fund. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement which forms part of and should be read in conjunction with this Prospectus. The Base Currency of each Fund is specified in the relevant Supplement.

At the date of this Prospectus, the ICAV has established four Funds: UBP Private Debt Fund, UBP Private Debt Fund II, UBP Private Debt Fund III and UBP Social Investment Private Debt Fund.

### **Legal implications of an investment in the ICAV**

The main legal implications of the contractual relationship which an investor subscribing for Shares would enter into by investing in a Fund are as follows:

- (i) By completing and submitting the Capital Commitment/Subscription Agreement, an investor will have made an offer to subscribe for Shares which, once it is accepted by the ICAV and Shares are issued, has the effect of a binding contract.
- (ii) The applicant will be obliged to make representations, warranties, declarations and certifications in the Capital Commitment/Subscription Agreement relating to its eligibility to invest in the Fund and its compliance with the applicable anti-money laundering laws and regulations. For further details, refer to the section of the Prospectus entitled "Risk Factors - Limitation on Liability of Shareholders".
- (iii) Upon the issue of Shares, an investor will become a Shareholder in the relevant Fund and will be bound by the terms of the Instrument as if the Instrument had been signed and sealed by the Shareholder and contained covenants by the Shareholder to observe all the provisions of the Instrument.
- (iv) The Instrument is governed by, and construed in accordance with, the laws of Ireland. The Capital Commitment/Subscription Agreement is governed by, and construed in accordance with, the laws of Ireland.
- (v) Any judgment for a definite sum obtained against the ICAV in the courts of a foreign (non-Irish) jurisdiction (a "**Foreign Judgment**") should generally be recognised and enforced by the courts of Ireland without a retrial or examination of the case where Council Regulation EC No.44/2001 on the Jurisdiction and the Recognition of Judgments in Civil and Commercial Matters (the "**2001 Brussels Regulation**") applies. Where the 2001 Brussels Regulation does not apply, the Foreign Judgment would not automatically be enforced in Ireland and it would be necessary to initiate legal proceedings before a court of competent jurisdiction in Ireland. In such circumstance, an Irish court would generally recognise and enforce such a Foreign Judgment without retrial or examination of the merits of the case provided certain common law principles are complied with.

The Directors, a committee of the Directors or the AIFM may, at their sole and absolute discretion, agree with any existing or prospective investor, whether by means of a side letter or other agreement, to waive or modify the application of any of the terms described herein in this Prospectus or in the Capital Commitment/Subscription Agreement (a "Side Letter"). Such investors may include entities or persons who are affiliated with the AIFM or the Investment Manager and /or investors who hold a majority or substantial interest in the ICAV or the Fund. Any such Side Letter may be agreed in accordance with the requirements of the Central Bank and the AIFMD legislation in relation to (but is not limited to) the application or calculation of fees, most favoured nation provisions, indemnification

obligations and/or additional representations, warranties and covenants. For the avoidance of doubt, the Directors, a committee of the Directors or the AIFM will not agree any Side Letter which will restrict them from treating all Shareholders in the Fund fairly and shall ensure that any preferential treatment accorded to one or more Shareholders does not result in an overall material disadvantage to other Shareholders of the Fund.

The provisions detailed under sub-paragraph (v) above apply to the recognition and enforcement of a Foreign Judgement obtained against the ICAV in relation to a Side Letter.

### **Investors Rights Against the Service Providers**

Absent a direct contractual relationship between a Shareholder and a service provider to the ICAV, a Shareholder will generally have no direct rights against the service provider, and there are only limited circumstances in which a Shareholder could potentially bring a claim against a service provider. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the ICAV or the AIFM by the relevant service provider is the ICAV or AIFM.

### **Investment Objective and Policies**

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

Each Fund may, subject to its investment objective and policy, invest in other Funds of the ICAV. In addition, no Fund that invests in another Fund shall charge a management fee in respect of that portion of its assets invested in another Fund as more particularly outlined in paragraph 6 below under "Investment Restrictions".

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

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Fund's assets may be invested in money market funds or instruments, including but not limited to certificates of deposit, floating rate notes and fixed or variable rate commercial paper listed or traded on exchanges and in cash deposits denominated in such currency or currencies the relevant Investment Manager may determine.

### **Changes to the Investment Objective and Policies of a Fund**

In relation to a Fund which is established as open-ended or has realistic liquidity provisions, the

investment objective of such Fund may not be altered and material changes in the investment policy of such Fund may not be made without the written approval of all Shareholders of the relevant Fund or on the basis of a majority of votes cast at a meeting of the Shareholders of the particular Fund duly convened. In the event of a change in the investment objective and/or policy of a Fund, on the basis of an Ordinary Resolution (50% majority of votes cast) majority of votes cast at a general meeting, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them to redeem their Shares prior to implementation of such a change.

In relation to a Fund which is established as closed-ended or has no realistic liquidity provisions, the investment objective of such Fund may not be altered and material changes in the investment policy of such Fund may not be made without the written approval of all Shareholders of the relevant Fund or on the basis of a Special Resolution (75% majority of votes cast) at a meeting of the Shareholders of the particular Fund duly convened. In relation to a Fund which is established as closed-ended or has no realistic liquidity provisions, Shareholders shall be notified of non-material changes to investment policies by means of appropriate disclosure in the next annual report of the ICAV.

### **Closed Ended Funds**

In respect of any Funds of the ICAV that are closed-ended (as highlighted in the relevant Supplement), investors that wish to purchase Shares in any such Fund should be aware they that may not be entitled to request the redemption of their Shares prior to the expiry of the term of the relevant Fund. Each closed ended Fund shall have a term disclosed in the relevant Supplement. In the case of a closed-ended Fund where there is no opportunity for Shareholders to redeem their Shares or otherwise exit the Fund, changes to the term of the Fund may not be made without the written approval of all Shareholders of the relevant Fund or on the basis of 75% of votes cast at a meeting of the Shareholders of the particular Fund duly convened. At the expiry of the term, the Directors may take any of the following steps;

- wind up the Fund and apply to the Central Bank for the revocation of the Fund's approval;
- redeem all outstanding shares in the Fund and apply to the Central bank for the revocation of the Fund's approval;
- convert the Fund into an open-ended Fund and disclose the relevant details in a revised Supplement; or
- obtain Shareholder approval to extend the closed-ended period (subject to the voting majority referenced above) for a further finite period.

### **Investment Restrictions**

Each Fund must comply with the limits on investments contained in the Central Bank's Rulebook applicable to Qualifying Investor AIFs, this Prospectus and in the relevant Supplements. In addition, a Fund must adhere to any criteria necessary to obtain and/or maintain any credit rating in respect of any Class of Shares in a Fund, subject to the requirements of the Central Bank and the AIFM Legislation.

The limits on investments contained in the Central Bank's Rulebook applicable to Qualifying Investor AIFs, this Prospectus and in the relevant Supplements apply at the time of purchase of the investments and continue to apply thereafter. If those limits are subsequently exceeded for reasons beyond the



control of a Fund or as a result of the exercise of subscription rights, the ICAV must record such matters and adopt as a priority objective the remedying of that situation, taking due account of the interests of the Fund and its Shareholders.

The AIFM may impose further investment restrictions in respect of any Fund. Any specific investment and borrowing restrictions applicable to each Fund (over and above the generic investment restrictions imposed by the Central Bank as detailed below) will be set out in the relevant Supplement and will be formulated by the ICAV at the time of establishment of the relevant Fund.

- 1 The ICAV, or the AIFM in connection with all of the collective investment schemes it manages, may not acquire shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body. This requirement does not apply to investments in other investment funds. It may also be disapplied where a Fund is a venture capital, development capital or private equity fund provided its Supplement indicates its intentions regarding the exercise of legal and management control over underlying instruments.
- 2 The ICAV on behalf of any Fund may not raise capital from the public through the issue of debt securities. That does not preclude the issue of notes by the ICAV, on a private basis, to lending institutions to facilitate financing arrangements.
3. Save where otherwise disclosed in the relevant Supplement in the case of a loan originating Fund complying with the requirements of the Rulebook in respect of such Funds, the ICAV is not permitted to grant loans or act as a guarantor on behalf of third parties. This is without prejudice to the right of a Fund to acquire debt securities. It will also not prevent Funds from acquiring securities which are not fully paid or from entering into bridge financing arrangements where the financing extended to the Fund is backed by sufficient legally binding commitments to discharge the financing within a time period determined by the at least simultaneous triggering of obligations on Shareholders to make capital contributions which they are previously contractually committed to making at the time the bridge financing is entered into.

#### *Funds investing in other funds*

The Central Bank imposes restrictions on Funds which invest in other funds as summarised below.

#### *General*

1. Where the ICAV invests in a collective investment scheme which is managed by the AIFM (or of its duly appointed delegates or sub-delegates), or by an associated or related company of the AIFM (or of its duly appointed delegates or sub-delegates), the manager of the scheme, in which the investment is being made, must waive any preliminary/initial/redemption charge which it would normally charge.
2. Where a Fund (the "Investing Fund") invests in the units of other Funds (each a "Receiving Fund"), the rate of the annual investment management fee which investors in the Investing

Fund are charged in respect of that portion of the Investing Fund's assets invested in Receiving Funds (whether such fee is paid directly at the Investing Fund level, indirectly at the level of the Receiving Funds or a combination of both) may not exceed the rate of the maximum annual investment management fee which investors in the Investing Fund may be charged in respect of the balance of the Investing Fund's assets, such that there shall be no double charging of annual investment management fee to the Investing Fund as a result of its investments in the Receiving Fund.

#### *Fund of Funds*

3. A Fund may invest up to 100% of its assets in other funds, subject to a maximum of 50% of net assets in any one underlying unregulated fund. A Fund must not make investments which circumvent this restriction, for example, by investing more than 50% of net assets in two or more unregulated investment funds which have identical investment strategies.

#### *Funds investing more than 50% of net assets in one other investment fund*

4. Where a Fund invests more than 50% of its net assets in one other investment fund, the underlying investment fund must be authorised in Ireland or in another jurisdiction by a supervisory authority established in order to ensure the protection of Shareholders and which, in the opinion of the Central Bank, provides an equivalent level of investor protection to that provided under Irish laws, regulations and conditions governing Qualifying Investor AIFs. A Fund may not invest in an investment fund which itself invests more than 50% of net assets in another investment fund and the annual report of the ICAV must have the annual report of the underlying investment fund attached.

Acceptable investment funds are broken down into two categories:

#### Category 1 Investment funds:

- established in a Member State of the European Union which are authorised under Directive 2009/65/EC;
- established in a Member State of the European Economic Area which are authorised under domestic legislation implementing Directive 2009/65/EC;
- established in Guernsey and authorised as Class A Schemes;
- established in Jersey as Recognised Funds;
- established in the Isle of Man as Authorised Schemes;
- authorised AIFs.

#### Category 2 Investment funds:

- authorised in a Member State of the European Union;
- established in Guernsey and authorised as Class B Schemes;
- established in Jersey which are not Recognised Funds;
- established in the Isle of Man as unauthorised schemes;

- authorised by the US Securities and Exchanges Commission under the Investment Companies Act 1940;
- such other funds which the Central Bank may specify upon application and which comply “*in all material aspects*”, with the provision of these requirements in respect of Qualifying Investor AIFs.

The Central Bank has indicated in its Rulebook that the consideration of “all material respects” should include, inter alia, consideration of the following:

- supervision by the regulatory authority of the investment fund;
- the existence of an independent depositary with similar duties and responsibilities in relation to both safe-keeping and supervision;
- availability of pricing information and reporting requirements; and
- restrictions in relation to dealings by related parties.

In the case of Category 1 investment funds, the ICAV must provide the Central Bank with the prospectus of the underlying investment fund in advance of investing more than 50% of net assets in one other investment fund. In the case of Category 2 investment funds, the ICAV must not invest more than 50% of net assets in one other investment fund without having obtained a confirmation in writing from the Central Bank that it has no objection. In addition, the ICAV must provide the Central Bank with the prospectus of the underlying investment fund.

The ICAV must provide a letter to the Central Bank confirming that the underlying investment fund complies in all material respects with the provisions of the Rulebook in respect of Qualifying Investor AIFs and the periodic reports of the ICAV must have the periodic reports of the underlying investment fund attached.

#### *Funds with €500,000 minimum subscription limit*

5. The preceding requirements do not apply where a Fund has a minimum subscription limit of €500,000 or its equivalent in other currencies. However, the aggregate of an investor’s investments in the Funds cannot be taken into account for the purposes of determining this requirement.

#### **Use of Subsidiaries**

The ICAV may, subject to the prior approval of and in accordance with the requirements of the Central Bank, establish and invest through wholly owned companies where the AIFM considers it necessary or desirable to do so for the purpose of entering into transactions or contracts and/or holding certain of the investments or other property of a Fund. None of the investment restrictions set out in the Prospectus or relevant Supplement shall apply to investment in or deposits with or loans to any such subsidiary company and the investments or other property held by or through any such entity shall be deemed for such purposes to be held directly for the relevant Fund. The names of any such subsidiary companies shall be disclosed in relevant Supplement and in the annual report.

## **Securities Financing Transactions Regulation**

As may be further specified in the Supplement for a Fund, a Fund may engage in securities financing transactions (“SFTs”) within the meaning of EC Regulation 2015/2365 (the “SFT Regulation”). Information relating to the use of SFTs and total return swaps entered into by a Fund shall be reported pursuant to the SFT Regulation and any applicable guidelines.

In accordance with the investment policy of a Fund, a Fund may use total return swaps, engage in securities lending and enter into repurchase or reverse repurchase agreements as set out in the relevant Supplement.

A Fund may utilise total return swaps under which the Fund may exchange floating or fixed payments for payments based on the total return of a reference asset (such as equity or a fixed income instrument). Total return swaps allow the Fund to manage its exposure to certain securities or reference securities.

A Fund may engage in securities lending. In such a transaction, the Fund may temporarily transfer one of its assets to a third party, under agreement by the third party to return an equivalent asset to the Fund at a pre-agreed time. In entering into such a transaction the Fund may increase the return on its asset by receiving a fee for making its asset available to the third party.

A Fund may enter into repurchase or reverse repurchase agreements under which one party sells another party an asset at a specified price with a commitment to buy the asset back at a later date for another specified price. A Fund may enter into these agreements for various purposes (not limited to treasury management, cash flow generation, to manage exposure to nominal and real interest rates or the credit market, or to obtain use of a particular security).

Both the maximum and expected exposure of a Fund in respect of SFTs and total return swaps shall be specified in the Supplement for the relevant Fund.

Please see the section headed “Risk Factors” for details of the risks involved in these practises, including under “Risks inherent to OTC contracts”, “Securities Lending Risk” and “Repurchase and Reverse Repurchase Agreement Risk”. Please also refer to the section “Risk Factors” in the relevant Supplement.

## **Counterparty Selection Criteria**

A Fund may enter into transactions with counterparties, including counterparties to OTC financial derivative instruments, whereby cash or other assets belonging to such Fund may be passed outside the custodial network of the Depositary to an unlimited extent in order to support the Fund’s transactions; provided that:

- (a) any transaction with an OTC counterparty is carried out in accordance with the requirements of the Central Bank; and

- (b) any transaction involving a prime broker must be carried out in accordance with the requirements of the AIF Rulebook and specific details of such will be disclosed in the Supplement for the relevant Fund as appropriate.

When selecting and appointing counterparties with respect to the ICAV or its Funds, the AIFM is required to exercise due skill, care and diligence before entering into an agreement and on an ongoing basis thereafter taking into account the full range and quality of their services.

When selecting counterparties in an OTC derivatives transaction, in a securities lending or in a repurchase agreement, the AIFM is required ensure that those counterparties fulfil all of the following conditions:

- (a) they are subject to ongoing supervision by a public authority;
- (b) they are financially sound; and
- (c) they have the necessary organisational structure and resources for performing the services which are to be provided by them to the AIFM or the Fund.

Counterparties with which a Fund will trade will typically be established in an Organisation for Economic Co-operation and Development Member Country.

The AIFM also operates an eligible counterparty list. While a counterparty will not be required to have a specific minimum credit rating to be deemed acceptable for adding to the eligible counterparty list, the AIFM in its selection process will take into account the long term, unsecured and unsubordinated indebtedness of the counterparty. When adding to the eligible counterparty list, the AIFM will normally assess if a counterparty has an appropriate credit rating based on the AIFM's internal rating process. The AIFM will typically require that a counterparty has a rating of at least A3 (as determined by Moody's) or A- (as determined by Standard & Poor's) (or any such successor rating agency of Moody's or Standard & Poor's) in order to be deemed suitable for the AIFM's eligible counterparty list.

### **Collateral**

A Fund may pass cash or other assets to its counterparties as margin or collateral and such assets may be therefore be passed outside the custodial network of the Depositary to an unlimited extent in order to support the Fund's transactions.

Collateral received by a Fund shall be sufficiently liquid (as determined by the AIFM) so that it can be sold quickly at a price that is acceptable to the AIFM. Among other things, a Fund may receive as collateral cash, government bonds and liquid securities to the extent deemed acceptable by the AIFM in respect of the over-the-counter derivative transactions (including total return swaps, repurchase agreements and reverse repurchase agreements) and other relevant transactions of the Fund.

The AIFM will typically only accept collateral that is issued by an entity that is independent from the counterparty entering into a trade, such that there is no direct correlation between the collateral received and the performance of the counterparty.

The AIFM intends that collateral received should be valued on a periodic basis as deemed appropriate in light of the terms of the associated over-the-counter contract, which may involve daily mark-to-market valuation and daily margin calls. Where considered appropriate by the AIFM, depending on the over-the-counter contract involved, such valuations and margin calls may be effected by the AIFM on a less frequent basis.

The AIFM intends to only accept collateral on a title-transfer basis. Collateral received on a title transfer basis should be held by the Depositary or its agent on behalf of the Fund.

The Supplement for a Fund shall provide further information on any collateral reuse arrangements applicable to the Fund.

### **Borrowing and Leverage**

Where specified in the relevant Supplement, a Fund may borrow from brokers, banks and others on a secured or unsecured basis, and may employ leverage to the extent deemed appropriate by the AIFM. Leverage may take the form of loans (including trading on margin), and investments in derivative instruments that are inherently leveraged, in addition to other forms of direct or indirect borrowings.

A Fund also may borrow for cash management purposes for example, including but not limited to, margin arising under foreign exchange hedging or in anticipation of additional subscriptions and to fund redemptions, and may do so when deemed appropriate by the AIFM. A Fund will bear all of the costs and expenses incurred in connection therewith, including any interest expense charged on funds borrowed or otherwise accessed.

The borrowing and leverage limit for each Fund (if applicable) will be set out in the relevant Supplement for each Fund. The maximum leverage to be employed by the Funds will be set out in the relevant Supplement, calculated in accordance with

- (i) the gross method (i.e. the sum of the absolute value of all positions of the Fund save for certain positions such as, inter alia, cash and highly liquid instruments); and
- (ii) the commitment method (i.e. the sum of the absolute value of all positions of the Fund including, inter alia, derivatives but netting and hedging can be taken into account).

Each method will be calculated in accordance with the Level 2 Regulation.

For the purpose of providing margin or collateral in respect of a Fund's investment activities, the Fund may transfer, mortgage, charge or encumber any assets or cash forming part of its assets. The ICAV may also charge, pledge, mortgage or otherwise encumber its assets or any part thereof as security for its borrowings.

Further details in relation to any restrictions on the use of leverage and the provision of collateral and / or asset re-use arrangements applicable to each Fund will be set out in the relevant Supplement.

Information on changes to the maximum level of leverage calculated in accordance with the gross and commitment methods and any right of re-use of collateral or any guarantee under the leveraging arrangements shall be disclosed without undue delay and shall include:

- (a) the original and revised maximum level of leverage calculated in accordance with the relevant provisions of the AIF Legislation, whereby the level of leverage shall be calculated as the relevant exposure divided by the net asset value of a Fund;
- (b) the nature of the rights granted for the reuse of collateral;
- (c) the nature of guarantees granted; and
- (d) details of changes in any service providers relating to one of the items above.

Such information relating to the above if applicable shall be disclosed in an Annex to the Prospectus and in the annual reports of the ICAV.

The total amount of leverage employed by the Funds during the Accounting Period, calculated in accordance with the gross and commitment methods, shall be disclosed to investors in the annual reports of the ICAV.

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

It is intended that the ICAV shall have the power subject to the prior approval of the Central Bank to avail itself of any change in the investment and borrowing restrictions specified in the Rulebook.

### **Efficient Portfolio Management**

Where specified in the relevant Supplement, the ICAV may, on behalf of each Fund, employ techniques and instruments for efficient portfolio management purposes in accordance with the investment objectives of the Fund. Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of transferable securities held by the relevant Fund. The ICAV may also employ techniques and instruments intended to provide protection against exchange risks in the context of the management of its assets and liabilities. Additional techniques and instruments which the ICAV may use in respect of a Fund will be set out in the relevant Supplement. For the purpose of providing margin or collateral in respect of transactions in such techniques and instruments, the ICAV may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund.

### **Hedged Classes**

Where specified in the relevant Supplement, the ICAV may (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class (including Side Pocket Classes) into the currency of denomination of the relevant Class. In addition, a Class designated in a currency other than the Base Currency may be hedged against exchange rate fluctuation risks between the designated currency of the Class and the

Base Currency of the Fund. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Where a Class of Shares is to be hedged this will be disclosed in the Supplement for the Fund in which such Class is issued. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

While not the intention of the AIFM or relevant Investment Manager, over-hedged or under-hedged positions may arise due to factors outside of its control. Unless otherwise permitted in the Supplement for the relevant Fund such over-hedged positions will not be permitted to exceed 110% of the Net Asset Value of the Class. Currency Share Classes shall not be leveraged otherwise than within the permitted limit disclosed in the Supplement. Further, in that regard, hedged positions will be kept under review with the aim of ensuring that over-hedged positions do not exceed the permitted level and that positions materially in excess of 100% will not be carried forward to the next month. Subject to the provisions outlined above, a Class will not be leveraged as a result of currency hedging transactions. The annual report of the ICAV will indicate how transactions undertaken on behalf of a Fund to provide protection against exchange rate risks have been utilised. To the extent that hedging is successful for a particular Class the performance of the Class is likely to move in line with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the particular Fund are denominated.

#### **Availability of the Subscription and Redemption Price Per Share**

Shareholders are advised that the Subscription Price and the Redemption Price will be available promptly on request from the Administrator during normal business hours.

#### **Liquidity Management Policy**

**The AIFM seeks to ensure that the investment strategy, the liquidity profile and the redemption policy of each Fund are consistent with one another. The investment strategy, liquidity profile and redemption policy will be considered to be aligned when investors have the ability to redeem their investments in a manner consistent with the fair treatment of all investors and in accordance with the relevant Fund's redemption policy and obligations. In assessing the alignment of the investment strategy, liquidity profile and redemption policy, the AIFM shall have regard to the impact that redemptions may have on the underlying prices or spreads of the individual assets of the Fund.**

**The AIFM has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of each Fund to ensure the liquidity profile of the investments of the AIFM will facilitate compliance with its underlying obligations. The AIFM's liquidity policy takes into account the investment strategy, the liquidity profile, redemption policy and other underlying obligations of the relevant Fund. The liquidity management systems and procedures include appropriate escalation measures to address anticipated or actual liquidity shortages or other distressed situations of the Fund. The AIFM's liquidity management policy monitors the**



**profile of investments held by the Fund and ensures that such investments are appropriate to the redemption policy as stated herein and will facilitate compliance with the Fund's underlying obligations. Further, the liquidity management policy includes details on periodic stress testing carried out by the AIFM to manage the liquidity risk of the Funds in exceptional and extraordinary circumstances.**

### **Side Pockets**

In accordance with Article 5.06 (b) of the Instrument of Incorporation and the requirements of the Central Bank and where disclosed in the relevant Supplement, the ICAV may avail of certain protective measures when a Fund faces liquidity constraints or other market disruption events. These include the power to create side pockets in accordance with the terms of the Instrument of Incorporation.

The Instrument of Incorporation outlines the provisions whereby, in certain circumstances, the Directors, taking into account the interests of all Shareholders and acting in accordance with the requirements of the Central Bank may create and issue at their discretion from time to time, a new Class or Classes of Shares ("Side Pocket Class") to which assets and liabilities of a Fund which become illiquid or otherwise difficult to value or realise are allocated at the discretion of the Directors. Shares in such Side Pocket Class ("Side Pocket Shares") shall be redeemable by the ICAV and/or by the holders thereof only when so determined by the Directors.

The Directors may also, at their discretion create and issue a Side Pocket Class to which assets and liabilities of a Fund which are illiquid at the time of purchase are allocated

The creation of a Side Pocket Class within any Fund shall be subject to compliance with the requirements of the Central Bank and shall be disclosed in the Supplement of the relevant Fund.

### **Dividend Policy**

The dividend policy and information on the declaration and payment of dividends for each Fund or Class of Share will be specified in the relevant Supplement. Whether Accumulating or Income Shares will be issued in relation to a particular Fund will be described in the relevant Supplement.

The Instrument empowers the Directors to declare dividends in respect of any Shares in a Fund out of net income of the Fund and/or net realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses) less accrued expenses of the Fund, subject to certain adjustments. Any dividend unclaimed after six years from the date when it first became payable or on the winding up of the ICAV or a Fund, if earlier, shall be forfeited automatically and shall revert to the relevant Fund, without the necessity for any declaration or other action by the ICAV.

Pending payment to the relevant Shareholder, dividend payments will be held in a Cash Account and will be treated as an asset of the relevant Fund until paid to that Shareholder and will not benefit from the application of any investor money protection rules (i.e. the dividend monies in such circumstance will not be held on trust for the relevant Shareholder). In such circumstance, the Shareholder will be an unsecured creditor of the relevant Fund with respect to the distribution amount held by the Fund until paid to the Shareholder and the Shareholder entitled to such distribution amount will be an unsecured

creditor of the Fund. In the event of an insolvency of the Fund, there is no guarantee that the Fund will have sufficient funds to pay unsecured creditors in full. Shareholders due dividend monies which are held in a Cash Account will rank equally with all other unsecured creditors of the Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Your attention is drawn to the section of the Prospectus entitled “*Risk Factors*” –“*Operation of Cash Accounts*” below.

## MANAGEMENT AND ADMINISTRATION

The powers of management of the ICAV and the ICAV's assets are vested in the Directors pursuant to the Instrument. The Directors have delegated the day to day management and running of the ICAV to the AIFM. The address of the Directors is the registered office of the ICAV.

The AIFM is authorised by the Central Bank as an alternative investment fund manager. In accordance with the requirements of the Central Bank, the AIFM delegates certain of its fund administration duties and some of its portfolio management functions to the Investment Manager in accordance with AIFM Legislation. The liability of the AIFM to the ICAV will not be affected by the fact that it has delegated certain of its functions.

### Directors

The Directors of the ICAV are John Fitzpatrick, David Dillon, Jean-Luc Eyssautier, Patrick Palffy and Rémy Portes.

Details on the experience and backgrounds of each of the Directors is outlined below.

**John Fitzpatrick** (Irish) has over 35 experience in the fund management industry and currently acts as chair and independent director to a number of management and investment fund entities with a broad base of asset class structures.

Mr. Fitzpatrick, was previously a senior executive in a very large funds solution company which he chaired and, was responsible in that business for legal affairs, business development, product development and overall business effectiveness. He has been involved in the actual creation and setting up of a fund administration operation. He also previously was employed in two of the largest audit accountancy firms in Ireland and indeed globally where he was involved with the taxation, liquidation and company law practices.

Mr. Fitzpatrick is a past Chair of the Irish Funds Industry representative body – Irish Funds and was also a former member of the IFSC Funds Group, a joint government/industry group to advise the Irish government on investment fund related matters.

Mr. Fitzpatrick was also a director and former Vice-President of the European Funds and Asset Managers industry representative association (EFAMA). He is also a member of the Chartered Institute for Securities and Investment.

Mr. Fitzpatrick is an experienced presenter at conferences and interactor with regulatory bodies.

**David Dillon** (Irish) was admitted to practice as a solicitor in 1978. A graduate of University College Dublin with an MBA from Trinity College Dublin, Mr. Dillon was one of the founding partners of Dillon Eustace where he worked principally in the areas of financial services. He is also a director of a number of Irish based investment and management companies. He has served as a member of a number of committees and sub-committees established by the Irish Law Society relating to commercial law and financial service and is former chair of the Investment Funds Committee (Committee I) of the

International Bar Association and a past chairman of the government's IFSC Funds Working Group. He is currently a member of the IFSC Funds Working Group. Mr. Dillon is now a Director of Bridge Consulting Limited which provides consultancy and management services to the Funds Industry.

**Jean-Luc Eyssautier** (French national UK resident) has over 19 years' experience in the fund management industry and is currently a Managing Director at Union Bancaire Privée, UBP SA. based in London.

Mr. Eyssautier is currently Head Rep. for the London Asset Management business of Union Bancaire Privée, UBP SA. and is the Head of UK and Nordics Sales and Marketing. In his role he is responsible for the Asset Management activities in London representing the Co-CEOs of Asset Management based in Switzerland.

Mr. Eyssautier is also responsible for a team of sales managers focusing on institutional and wholesale in the UK and the Nordics. In his previous role at Union Bancaire Privée, UBP SA., Mr. Eyssautier was responsible for setting-up and launching new equity funds and mandates.

Mr. Eyssautier joined the UBP group in December 2012 initially in a Senior Investment Specialist role for European and Impact equity strategies as well as being responsible for the distribution of UBP group's strategies in the UK.

Mr. Eyssautier joined the UBP group after spending four years in Hong Kong and Singapore responsible for distribution sales at Martin Currie and AXA Investment Managers. With over 19 years' experience in asset management, Jean-Luc spent several years in New York, London and Paris in sales and investment focused roles.

Mr. Eyssautier graduated in Business from the Ecole Supérieure du Commerce Extérieur in Paris. He passed the Licence 4 from the Hong Kong SFC and the IMC from the UK Society of Investment Professionals.

Mr. Eyssautier is multi-cultural and is an experienced presenter at conferences and events.

**Patrick Palffy** (French) is the Chief Operating Officer for Alternative Investments of Union Bancaire Privée, UBP SA. Previously, Mr. Palffy was the Chief Operating Officer – Europe for Nexar Capital Group, which he joined in June 2009. From 2002 until joining Nexar Capital, he worked for SG Asset Management in Paris as Head of Hedge Funds Solutions and Engineering, where he was responsible for the financial and regulatory engineering of all developed vehicles and solutions. He was a member of the Board of Directors of SGAM Ireland and served as a representative of the entity to the regulators. Prior to this, he spent three years as Head of Business Analysis and Information Systems at the Risk and Economic Capital Department of the Risk Division of Société Générale where he developed counterparts and transactions rating tools. From 1992 to 1999, Mr. Palffy held a number of positions in the Investment Banking Division of Société Générale; in particular, he worked as a business analyst on risk management limits for banks and financial institutions and on financial instruments modeling. Mr. Palffy holds a Master's Degree in Sciences & Technology with a focus on Information System and a Postgraduate Degree in Marketing from the University of Paris XII.

**Rémy Portes** (French) is a Senior Product Manager at Union Bancaire Privée, UBP SA. Previously, Mr. Portes was Nexar Capital Group's Head of Hedge Fund Solutions and Engineering of which he was a partner of the since its inception. Prior to joining Nexar, Mr. Portes was Deputy Head of Hedge Funds Solutions and Engineering for Société Générale Asset Management ("SG AM") in Paris since 2005. In that role, Mr. Portes participated in the development of financial and regulatory innovations and set up numerous investment vehicles under different regulations. From 2002 to 2004, Mr. Portes was Deputy Head of the Business Analysis and Information Systems teams for Economic and Regulatory Capital (Basel II) in the Risk Division of SG. From 2000 to 2001, Mr. Portes was Head of the Business Analysis team for the RAROC (Risk Adjusted Return On Capital) project in the Risk Division of SG. Prior to 2000, Mr. Portes held different positions in the Risk Division of SG, including a Financial Engineer responsible for credit and counterparty risk modeling. Mr. Portes holds a Masters Degree in International Economics and a Postgraduate Degree in Finance from the University of Aix en Provence II.

## **AIFM**

Pursuant to the AIFM Agreement the ICAV has appointed Carne Global Fund Managers (Ireland) Limited as the alternative investment fund manager of the ICAV. The AIFM will be responsible for the management and general administration of the ICAV with power to delegate such functions subject to the overall supervision and control of the AIFM.

Under the terms of the AIFM Agreement, the AIFM has responsibility for the performance of portfolio management, risk management and certain other functions and services in respect of the ICAV and the Funds' investments and, in connection therewith, to act as the AIFM of the ICAV for the purposes of the AIFMD.

The Directors of the AIFM are described below:

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

Mr. Clifford is a Director with the Carne Group. He is an experienced Irish-based investment professional and fund director with wide experience of the governance and operations of alternative investments at the institutional level, including infrastructure and private equity funds. He has also had experience as an equity fund manager and is a qualified risk management professional. Mr. Clifford joined the AIFM in October 2014 from Irish Life Investment Managers ("ILIM") (April 2006 – September 2014), where he was head of alternative investments. He also supervised ILIM's illiquid investments in private equity and infrastructure, including acting as an independent director on a number of investment companies. Mr. Clifford began his career with Irish Life as a sector-focused equity fund manager. Prior to this, Mr. Clifford was a senior equity analyst for Goodbody Stockbrokers (September 2000 - April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland. Mr. Clifford has a bachelor of electrical engineering from University College Cork and a master of business administration from the Smurfit School of Business, University College, Dublin. He is a chartered alternative investment analyst and a financial risk manager (FRM – Global Association of Risk Professionals).

**Teddy Otto** (nationality: German – Irish resident)

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

**Michael Bishop** (nationality: British – U.K. resident)

Mr. Bishop was with UBS Global Asset Management (U.K.) Ltd. (1990 – 2011) holding executive director and then managing director positions and was responsible for the development and management of the U.K. business's range of investment funds. His areas of expertise include U.K. open-ended investment companies, unit trusts, unit linked funds and Irish, Cayman Islands, Channel Islands and other investment structures. Mr. Bishop was a director of and responsible for the launch of UBS Global Asset Management Life Ltd. and UBS (Ireland)plc. Mr. Bishop has designed and launched products catering for all capabilities including equities, fixed income and alternative strategies. He has also been responsible for service provider appointment and management, as well as holding senior accounting and managerial roles with other financial services companies including Flemings and Tyndall. Mr. Bishop has served on a number of the Investment Management Association's committees, industry forums and consultation groups specialising in U.K. and international regulation, product development and taxation. Mr. Bishop is a Fellow of the Association of Chartered Certified Accountants. Since retiring in 2011, he has been involved with various charities.

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

Ms. Murphy is a Director of Oversight at Carne, with a particular focus on the governance and operations of management companies and fund platforms. She currently acts as a Director and Chief Operations Officer of Carne's management companies in addition to serving on the boards of Carne's UCITS and QIAIF platforms. Ms. Murphy is primarily responsible for leading the execution of the firm's management companies' operations, which collectively oversee more than \$48bn in assets. Ms. Murphy began her career at Carne as a business manager where she was tasked with leading the launch and development of a number of the firm's corporate services businesses.

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

Ms. Murphy is a Fellow of the Institute of Chartered Secretaries and Administrators and is currently completing the Chartered Alternative Investment Analyst certification.

**David McGowan** (nationality: Irish – Irish resident)

Mr. McGowan joined Carne as the Global Chief Operating Officer in October 2019. He has over 15 years' experience in building and managing complex operations teams across a variety of industries. Mr. McGowan has responsibility for a multitude of operational functions across a number of business lines across the Carne Group. As part of Mr. McGowan's remit within Carne Group, he is responsible for ensuring that the most appropriate operating model is in place for the AIFM's regulatory environment as the AIFM grows in terms of assets under management, number of funds under management and number of delegate arrangements.

In Mr. McGowan's role prior to joining Carne, he served as a Director of Global Business Services with LinkedIn leading a number of global business lines, including heading up functions of over 400 full time employees with global accountability for relationship management and management operating systems implementation. Prior to his role with LinkedIn, Mr. McGowan was a Director of Global Business Services with Accenture Plc providing domain and analytical support for outsourced relationships in EMEA and project implementation across a number of areas including Customer Success and Sales.

Mr. McGowan holds a BSc in Supply Chain Management and Logistics from the Aston University Birmingham.

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

Ms. Beazley is a Director with the Carne Group specialising in corporate governance, product development, financial reporting and fund oversight for both mutual and hedge funds. Ms. Beazley has an 20-year track record in financial services. As Group Chief of Staff for Carne Group, Ms. Beazley works on various strategic projects within the Executive Committee and oversees the Global Onboarding team at Carne which is responsible for overseeing a team project managing the establishment of UCITS and AIFs and several third-party management companies covering service provider selection, governance documentation drafting and operational set-up.

Ms. Beazley currently acts as Director on a number of funds/management companies. Prior to joining Carne Ms. Beazley spent four years with AIB/BNY Fund Management in Ireland, and before that worked for HSBC. Ms. Beazley has been a member of various industry working groups including the Technical committee and the ETF committee and currently sits on the Irish Funds Management Company working group. She graduated with a Bachelor of Commerce from University College Cork and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business. Ms. Beazley is a member of the Association of Chartered Certified Accountants.

**Christophe Douche** (nationality: French)

Mr. Douche is a Director with the Carne Group with over 23 years' experience in the funds industry, focusing on risk management, compliance, AML and corporate governance. His roles have included

acting as conducting officer, executive director and chairman on fund boards, committees and management companies.

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

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

The AIFM is authorised and regulated as an alternative investment fund manager by the Central Bank under the AIFMD Regulations and has the necessary permissions to manage the ICAV. The AIFM was incorporated in Ireland as a private company on 10 November 2003 with limited liability under registration number 377914 and approved by the Central Bank with effect from 16 August 2013 to act as an alternative investment fund manager for QIAIFs pursuant to the AIFMD Regulations. The AIFM's main business is the provision of fund management services to collective investment schemes such as the ICAV.

As at the date of this Prospectus, the authorised share capital of the AIFM is €10,000,000, divided into 10,000,000 ordinary shares of €1.00 each. The issued and paid up share capital of the AIFM is €1,575,100. The AIFM will, at all times, maintain a minimum capital in accordance with the requirements with the AIF Rulebook. As at 15 August 2021, the AIFM had approximately €90 billion of assets under management. The AIFM also acts as a management company for UCITS schemes pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended.

A summary of the terms of the AIFM Agreement is set out in the section headed "Material Contracts".

### **Delegation by the AIFM**

The AIFM may delegate part of its function to another party in accordance with the AIFMD Regulations and the AIFM Agreement. The AIFM has sub-delegated: (a) to the Investment Manager responsibility for investment management (b) to the Distributor the non-exclusive authority to market the Shares of the Funds globally, and (c) to the Administrator, the right and obligation to provide administrative services. Such sub-delegation is detailed in the section headed "**Investment Manager**", "**Distributor**" and "**Administrator**" below.

### **Investment Manager**

The AIFM has appointed Union Bancaire Privée, UBP SA, London Branch as the Investment Manager of the ICAV with discretionary powers pursuant to the Investment Management Agreement.



The Investment Manager was registered on 9 January 1991 under the Laws of the United Kingdom having its registered office at Seymour Mews House, 26-37 Seymour Mews, London, W1H 6BN, United Kingdom, is authorized by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority of the United Kingdom in the conduct of financial services and investment management activities. As at 30 September 2021, the Investment Manager had assets under management of approximately \$7billion.

Under the terms of the Investment Management Agreement, the Investment Manager provides day to day portfolio management of the Funds to the ICAV under the supervision and subject to the control of the AIFM.

The Investment Manager may delegate certain of its investment management responsibilities but the Investment Manager remains responsible for the proper performance by any such company of those responsibilities, including the authority to trade in the underlying assets of the ICAV. Any delegation by the Investment Manager will be made in accordance with the AIFMD Legislation and the requirements of the Central Bank.

The Investment Manager (and any of its duly appointed delegates) is authorised to enter into transactions on behalf of the ICAV and to select agents, brokers and dealers through whom it can execute transactions in respect of the Funds provided that the selection of any OTC counterparties are within a list of OTC counterparties that meet the selection criteria of the AIFM in accordance with the provisions of the Level 2 Regulation) and provide the AIFM with such reports as it may require.

A summary of the terms of the Investment Management Agreement is set out in the section headed "Material Contracts".

The Investment Manager may also establish an advisory committee. Such a committee would comprise senior members of the Investment Manager and may include third parties or investors in a Fund. The role of the advisory committee would be to provide advice on investment strategy, investment origination, country risk, counterparties to the ICAV, business expansion and to provide an additional resource to the investment committee in connection with any investment specific matters.

### **Distributor**

The AIFM has appointed Union Bancaire Privée, UBP SA as Distributor of the ICAV pursuant to the Distribution Agreement.

The Distributor is authorized and regulated in Switzerland by the Swiss Financial Market Supervisory Authority.

The Distributor is one of the leading Swiss private banks and specialises in asset management for institutional and private clients. The Distributor has developed, manages and distributes a range of products on the long-only as well as alternative side which respond to the aims of absolute or relative return, whilst providing an approach to risk management that is highly-focused and adapted to the clients' needs.

## **Depositary**

The Depositary is a limited liability company established in Belgium on 30 September 2008. The principal activity of the Depositary is asset servicing, which is provided to both third party and to internal clients within The Bank of New York Mellon group. The Depositary is regulated and supervised as a significant credit institution by the European Central Bank (“ECB”) and the National Bank of Belgium (“NBB”) for prudential matters and under the supervision of the Belgian Financial Services and Markets Authority (FSMA) for conduct of business rules. It is regulated by the Central Bank of Ireland for conduct of business rules.

The Depositary is a wholly-owned subsidiary of The Bank of New York Mellon (“BNY Mellon”). BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 30 June 2021, it had US\$45 trillion in assets under custody and administration and US\$2.3 trillion in assets under management.

### *Duties of the Depositary*

The duty of the Depositary is to provide safekeeping/custody, oversight and asset verification services in respect of the assets of the ICAV and the Funds in accordance with the provisions of the AIFM Legislation and the Depositary Agreement. The Depositary will also provide cash monitoring services in respect of the ICAV’s cash flows and subscriptions.

The Depositary will be obliged, inter alia, to ensure that the issue and repurchase of Shares in the ICAV is carried out in accordance with the relevant legislation and the Instrument. The Depositary will carry out the instructions of the Directors unless they conflict with the Act or the Instrument. The Depositary is also obliged to enquire into the conduct of the ICAV in each financial year and report thereon to the Shareholders.

### *Depositary’s Liability*

Pursuant to the Depositary Agreement, the Depositary will be liable to the ICAV or to the Shareholders for loss of assets in custody (i.e. those assets which are required to be held in custody pursuant to the AIFM Regulations) or in the custody of any sub-custodian, unless it can provide that loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall be liable for any loss suffered as a result of the Depositary’s negligence or intentional failure to properly fulfil its obligations under the Depositary Agreement and the AIFM Regulations.

In the event that there are any changes to the Depositary liability, the AIFM will inform shareholders of

such changes without delay.

### *Delegation*

The Depositary Agreement also provides that the Depositary may appoint sub-custodians for the safekeeping of the assets of the ICAV (each a “**Sub-Custodian**”) provided (i) the tasks are not delegated to a Sub-Custodian with the intention of avoiding the requirements of the AIFM 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 a Sub-Custodian and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of each Sub-Custodian. The liability of the Depositary will not be affected by the fact that it has entrusted to any such Sub-Custodian some or all of such assets in its safekeeping.

The AIFM will inform investors before they invest in the ICAV of any arrangement made by the Depositary to discharge itself contractually of any liability.

### **Administrator**

The AIFM has appointed Link Fund Administrators (Ireland) Limited to act as administrator of each Fund.

The Administrator is responsible for performing the day to day administration of the ICAV including the registrar and transfer agency function and for providing fund accounting for the ICAV, including the calculation of the Net Asset Value of the ICAV and the Net Asset Value per Share.

The Administrator is a private limited company. It was incorporated in Ireland on 22 February 2006 and is ultimately owned by Link Group. The authorised share capital of the Administrator is €150,000 with a paid up share capital of €2.00. The Administrator is authorised and regulated by the Central Bank. The main activities of the Administrator are to provide administration, registrar and transfer agency services to other collective investment schemes.

A summary of the terms of the Administration Agreement is set out under the heading “Material Contracts”.

### **Valuer**

The AIFM is responsible for ensuring that proper and independent valuation of the assets of the ICAV can be performed. Save as may be set out in the Supplement for the relevant Fund, neither ICAV nor the AIFM intends to appoint an External Valuer to perform the valuation function. The assets and liabilities of each Fund will be valued in accordance with the valuation policy of the AIFM consistent with the provisions outlined in this Prospectus.

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

Local laws/regulations in EEA Member States may require the appointment of paying agents/representatives/distributors/correspondent banks (“**Paying Agents**”) and maintenance of

accounts by such agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Depositary (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the ICAV or the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Unless otherwise disclosed in the relevant Supplement fees and expenses of Paying Agents appointed by the ICAV or the AIFM on behalf of the ICAV or a Fund which will be at normal commercial rates will be paid out of the assets of the relevant Fund.

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

### **Prime Broker**

Details pertaining to a Prime Broker (if any) appointed in respect of a particular Fund shall be outlined in the relevant Supplement.

### **Fair Treatment of Investors**

In all of its decisions the ICAV and the AIFM shall ensure fair treatment of investors in the ICAV and that any preferential treatment accorded by the ICAV or the AIFM to one or more investors does not result in an overall material disadvantage to other investors. In operating in accordance with the principles of treating investors fairly, which – although not contractually binding or enforceable by investors – comprises a policy that is applied by the ICAV and AIFM.

The AIFM seeks to ensure that the investment strategy, the liquidity profile and the redemption policy of each Fund are aligned. The investment strategy, liquidity profile and redemption policy of a Fund will be considered to be aligned when investors have the ability to redeem their investments in a manner consistent with the fair treatment of all investors and in accordance with the Fund's redemption policy and its obligations. In assessing the alignment of the investment strategy, liquidity profile and redemption policy, the AIFM shall have regard to the impact that redemptions may have on the underlying prices or spreads of the individual assets of each Fund.

## CONFLICTS OF INTEREST

The Directors, the AIFM, the Investment Manager, the Administrator, the Depositary, the Distributor, the Prime Broker and any other service provider or advisor to the ICAV and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the ICAV or a Fund and/or their respective roles with respect to the ICAV. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the ICAV may invest. In particular, the AIFM, and the Investment Manager may advise or manage other collective investment schemes which have similar or overlapping investment objectives to or with the ICAV or its Funds.

The Investment Manager may be consulted by the AIFM in relation to the valuation of investments which are not listed, quoted or dealt in on an exchange. There may be a conflict of interest between any involvement of the Investment Manager in this valuation process and with the Investment Manager's entitlement to any proportion of a management fee or performance fee (if applicable) which are calculated on the basis of the Net Asset Value.

The Investment Manager may also be appointed by the AIFM as a competent person for the purpose of verifying the calculation of any performance fee by the Administrator. There may be a conflict of interest between any involvement of the Investment Manager in this verification process and with the Investment Manager's entitlement to such performance fee.

A Fund may invest in or be exposed to entities where controlling interests are held by other managed funds and accounts to whom any of the AIFM or Investment Manager or any of their affiliates provides investment advice and/or discretionary management. The Fund may purchase assets from, and sell assets to, such entities and may also invest in or be exposed to different tranches of securities in such entities.

The Investment Manager or any of its affiliates may contract or enter into any financial or other transaction with any Shareholder of a Fund or with any company or body any of whose shares or securities are held by or for the account of the Fund and may be interested in any such contracts or transaction.

Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly.

The ICAV shall only enter into a transaction with the Depositary, the AIFM, the Investment Manager or delegates or group companies of these where it is effected on normal commercial terms negotiated at arm's length and such transactions are in the best interests of Shareholders. Transactions permitted are subject to:

- (a) a certified valuation by a person approved by the Depositary (or in the case of a transaction involving the Depositary, the ICAV) as independent and competent; or
- (b) execution on best terms on an organised investment exchange under their rules; or
- (c) where (a) and (b) above are not practical, execution on terms which the Depositary (or in the case of a transaction involving the Depositary, the ICAV) is satisfied conform to the principles that the transaction is negotiated at arm's length and is in the best interests of the Shareholders.

The periodic reports of the ICAV will confirm (i) whether the Directors are satisfied that there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out above are applied to all transactions with connected parties and (ii) whether the Directors are satisfied that the transactions with connected parties entered into during the period complied with the obligations outlined above.

The AIFM or an associated company of the AIFM or the Investment Manager may invest in Shares so that a Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the AIFM, the Investment Manager or its or their associated companies may hold a high proportion of the Shares of a Fund or Class in issue.

None of the Directors, or their connected persons, has any interest, direct or indirect, in the share capital of the ICAV.

### **Competition for AIFM / Investment Management Services**

The principals of the AIFM / Investment Manager will devote as much of their time to the business of the ICAV as is reasonably required in their judgment. They may potentially have conflicts of interest in allocating management time, services and functions among the ICAV and any other fund or ventures which they may organise although such conflicts will be managed by the Investment Manager in line with their agreed best execution policy.

### **Soft Commissions**

The AIFM or the Investment Manager may effect transactions with or through the agency of another person with whom the AIFM or the Investment Manager or an entity affiliated to the AIFM or the Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the AIFM or the Investment Manager and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software. No direct payment may be made for such goods or services but the AIFM or the Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and the services provided must be of a type which assist in the provision of investment services to the ICAV and Funds. A report will be included in the ICAV's annual report describing the AIFM's and the Investment Manager's soft commission arrangement affecting the ICAV, if applicable.



## **FEES AND EXPENSES**

### **Allocation of Fees and Expenses to the Funds**

In accordance with the Instrument, each Fund shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and all fees, expenses and liabilities attributable to the particular Fund shall be allocated to that Fund and within such Fund to the Classes in respect of which they were incurred. A description of the fees and expenses attributable to a particular Fund will be detailed in the relevant Supplement for that Fund. Where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated to all Funds in proportion to the Net Asset Value of the Funds or otherwise on such basis as the Directors deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in proportions over any period. The following disclosures relate to fees and expenses which are generally borne by the ICAV as a whole being attributable to one or more Funds and applied on a pro rata basis by the Directors in their discretion and in accordance with the Instrument.

### **Fees and Expenses of the AIFM, Administrator, Investment Manager, Distributor and Depository**

#### **AIFM**

The AIFM shall be entitled to receive a management fee in relation to each Fund as specified in the relevant Supplement. The AIFM shall also be entitled to reimbursement of all reasonably incurred and vouched out-of-pocket expenses and disbursements, and for any value added tax payable on any such disbursement, incurred with respect to the relevant Fund, by deduction from the gross income of the relevant Fund subject to the terms of the relevant Supplement.

Unless otherwise provided in any relevant Supplement, the ICAV will pay the AIFM fees out of the assets of the relevant Fund and the AIFM shall be entitled to reimbursement by the ICAV for any value added tax payable in relation thereto.

#### **Administrator**

The Administrator shall be entitled to receive a fee out of the assets of each Fund calculated in the manner set out in the relevant Supplement.

Notwithstanding the above, the Administrator will be entitled to a fee of €7,500 per set of annual financial statements in respect of the ICAV and the first Fund which will be reduced pro-rata and charged to additional Funds created thereafter. The Administrator will also be entitled to a fee of €2,500 per preparation of annual financial statements for each additional Fund thereafter.

#### **Investment Manager**

The Investment Manager shall be entitled to be paid an investment management fee out of the assets of each Fund, details of which shall be set out in the relevant Supplement. The Investment Manager



may also be entitled to a performance fee out of the assets of a Fund, details of a performance fee (if any) shall be set out in the relevant Supplement. The Investment Manager will be reimbursed out of the assets of the relevant Fund all of its reasonable out-of-pocket expenses and other expenses incurred by it in the performance of its duties.

### **Distributor**

The Distributor is entitled to a fee payable out of the Investment Management Fee which is set out in the relevant Supplement.

### **Depositary Fee**

The Depositary shall be entitled to receive a fee out of the assets of each Fund calculated in the manner set out in the relevant Supplement.

### **Dealing Fees**

Details of Subscription Charges, Redemption Charges and any other dealing fees or charges, if applicable, in respect of each Fund or Class will be set out in the relevant Supplement for each Fund.

### **Establishment Expenses**

All fees and expenses relating to the establishment and organisation of the ICAV and the initial Fund including the fees of the ICAV's professional advisers (including legal, accounting and taxation advisers) will be borne by the ICAV. Such fees and expenses are estimated to amount to approximately €90,000 (plus VAT, if any) and it is intended will be amortised over a 3 year period or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair and shall be subject to such adjustment following the establishment of new Funds as the Directors may determine.

### **Operating Expenses and Fees**

The ICAV will pay all its operating expenses and the fees hereinafter described as being payable by the ICAV. Expenses paid by the ICAV throughout the duration of the ICAV, in addition to fees payable to the AIFM and the Investment Manager and the fees and expenses payable to the Depositary include but are not limited to charges payable in respect of foreign exchange transactions, brokerage and banking commissions and charges, margin and premium, other costs and expenses associated with the purchase, sale or transfer of assets including any and all costs associated with arranging, negotiating and securing terms in relation to a Fund's investment in any underlying collective investment scheme, legal and other professional advisory fees, company secretarial fees, all filings and statutory fees, regulatory fees, Central Bank fees, the fees of the Irish Stock Exchange if applicable, auditing fees, translation and accounting expenses, interest on borrowings, taxes and governmental expenses applicable to the ICAV costs of preparation, translation, printing and distribution of reports and notices, all marketing material and advertisements and periodic update of the Prospectus, stock exchange listing fees, all expenses in connection with registration, distribution of the Shares issued or to be issued, all expenses in connection with obtaining and maintaining a credit rating for any Funds or Classes or Shares or any asset of any Funds, expenses of Shareholders meetings, Directors' insurance premia,

expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of Shares, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax. Any such expenses may be deferred and amortised by the ICAV, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the ICAV will be provided for in the calculation of the Net Asset Value of each Fund. Operating expenses and the fees and expenses of service providers which are payable by the ICAV shall be borne by all Funds in proportion to the Net Asset Value of the relevant Fund or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Fund or Class shall be borne solely by the relevant Fund or Class.

### **Directors' Fees**

The Instrument authorises the Directors to charge a fee for their services at a rate determined by the Directors and may be entitled to special remuneration if called upon to perform any special or extra services to the ICAV. The maximum aggregate pre-tax fee payable to all Directors, in any one calendar year, is currently €90,000 (exclusive of taxes). Jean-Luc Eyssautier, Patrick Palffy and Rémy Portes do not receive fees for acting as directors of the ICAV.

### **Fee Increases**

In relation to Funds which are established as open-ended or have realistic liquidity provisions, the maximum annual fee payable to the AIFM and the Investment Manager as outlined above or in the relevant Supplement shall not be increased without the approval of Shareholders on the basis of an Ordinary Resolution (50% majority of votes cast) at a meeting of the Shareholders of the relevant Fund or Class duly convened and held. In the event of an increase in the maximum annual fee payable to the AIFM and the Investment Manager on the basis of a majority of votes cast at a meeting of the Shareholders of the relevant Fund or Class, Shareholders in the relevant Fund or Class will be given reasonable notice of such increase to enable them redeem their Shares prior to implementation of such an increase.

In relation to Funds which are established as closed-ended or have no realistic liquidity provisions, the maximum annual fee payable to the AIFM and the Investment Manager as outlined above or in the relevant Supplement shall not be increased without the approval of Shareholders on the basis of a Special Resolution (75% majority of votes cast) at a meeting of the Shareholders of the relevant Fund or Class duly convened and held.

### **Remuneration Policy**

The AIFM is subject to remuneration policies, procedures and practices (together, the “**Remuneration Policy**”). The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of each of the Funds it manages. The Remuneration Policy is in line with the business strategy, objectives, value and interests of the AIFM, the ICAV and the Funds, and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the AIFM or the Funds, and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy

will be reviewed internally annually. The AIFM will be held ultimately responsible for the implementation of the Remuneration Policy.

With respect to the delegation of any part of the portfolio or risk management functions, the AIFM requires that:

- (a) the Investment Manager or any of its delegates to which a certain part of such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines on Remuneration/Annex II of the AIFM Directive; or
- (b) appropriate contractual arrangements are put in place with any Investment Manager or any of its delegates to which a certain part of such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines on Remuneration /Annex II of the AIFM Directive.

The AIFM will ensure that the remuneration of those engaged in the performance of risk management reflects the achievement of the objectives linked to the risk management function, independently of the performance of the business areas in which they are engaged.

Any delegate of the AIFM must have remuneration policies and practices in place for their staff consistent with the requirements of the Remuneration Guidelines and Schedule 2 of the AIFMD Regulations.

### **Fees payable in respect of investment in Underlying Collective Investment Schemes**

Where a Fund invests in another Fund or other collective investment schemes, that Fund may be liable to pay subscription, redemption, advisory, performance, distribution, management, administration and/or custody fees or charges in respect of each Fund or collective investment scheme in which that Fund invests provided that a Fund may not charge management fees in respect of that portion of its assets invested in other Funds of the ICAV as detailed in the section “The ICAV – Investment Restrictions” in this Prospectus. Further detail relating to fees payable in respect of investment in other collective investment schemes will be set out in the relevant Supplement if applicable pursuant to the investment policy of the particular Fund.

Where a commission is received by virtue of an investment by a Fund in units of another collective investment scheme, this commission must be paid into the property of the relevant Fund and if not detail regarding any such payment will be disclosed in the annual report of the ICAV.

## CAPITAL COMMITMENTS/SUBSCRIPTIONS

### Initial Closing

In order to apply to enter into Capital Commitments/Subscriptions, prospective investors must:-

- (a) validly complete and execute a Capital Commitment/Subscription Agreement together with the declarations referred to therein in accordance with the Capital Commitment/Subscription Agreement; and
- (b) validly complete any additional documentation required by the Administrator (including for anti-money laundering purposes),

**and** send such documentation and information to the Administrator by post, email or facsimile, all such documentation and information to be received prior to the deadline set out in the relevant Fund Supplement on the Initial Closing Date. Each Capital Commitment/Subscription Agreement is subject to acceptance by the ICAV.

Investors who apply to enter into a Capital Commitment/Subscription Agreement in respect of Shares of any Class of the Fund during the Initial Offer Period will be required to pay a percentage of the Capital Commitment/Subscriptions for which they have applied under their Capital Commitment/Subscription Agreement (the “**Initial Drawdown Amount**”). Details of the Initial Drawdown Amount for each Fund are available from the Investment Manager.

Any such payments must be received in cleared funds by no later than the deadline specified in the relevant Fund Supplement (or such later time as the Directors may determine either generally or in specific circumstances).

Conditional only upon the Capital Commitment/Subscription Agreement becoming binding on the ICAV as provided in the Capital Commitment/Subscription Agreement, the Initial Drawdown Amount will be applied:-

1. first, to settle the Eligible Investor's pro rata share of any preliminary expenses of the ICAV and the relevant Fund as determined by the Directors; and
2. second, as to the remaining balance, to make Capital Subscriptions for Shares of the relevant Share Class, which will be subscribed on the Capital Subscription Day falling on the Business Day following the Initial Closing Date at the Subscription Price.

### Subsequent Closings

Following the Initial Closing Date, the Directors may, in their discretion, accept applications to enter into additional Capital Commitments/Subscriptions from existing investors and/or applications to enter into Capital Commitments/Subscriptions from new investors.

For the purposes of such applications, the Directors may specify one or more additional Commitment Offer Periods and Closing Dates.

In order to apply to enter into additional or new Capital Commitments/Subscriptions, prospective existing or new investors respectively must:-

- (a) validly complete and execute a Capital Commitment/Subscription Agreement together with the declarations referred to therein in accordance with the Capital Commitment/Subscription Agreement; and
- (b) validly complete any additional documentation required by the Administrator (including for anti-money laundering purposes),

**and** send such documentation and information to the Administrator by post, email or facsimile, all such documentation and information to be received prior to the deadline set out in the relevant Fund Supplement on the relevant Closing Date. Each Capital Commitment/Subscription Agreement is subject to acceptance by the ICAV.

Investors must make separate applications and validly complete, execute and return a separate Capital Commitment/Subscription Agreement in each additional application for Capital Commitments/Subscriptions.

Applications to enter into Capital Commitments/Subscriptions may not be submitted after the Final Closing Date.

Investors making Capital Commitments/Subscriptions on a Closing Date after the Initial Closing Date and investors who increase their Capital Commitments/Subscriptions on a Closing Date after the Initial Closing Date will have their remaining Capital Commitments/Subscriptions drawn down in priority to Existing Investors who have had a greater proportion of their Capital Commitments/Subscriptions drawn down until such time as all investors have had the same proportion of their respective Capital Commitments/Subscriptions drawn down. Subsequent drawdowns will be made across all investors pro rata to their Capital Commitments/Subscriptions. In the event that Existing Investors have different proportions of their Capital Commitments/Subscriptions drawn down as at any Closing Date, the Directors will apply this priority drawdown mechanism so as to equalise on such basis as the Directors shall consider fair and reasonable.

### **Minimum Capital Commitments/Subscriptions**

The minimum Capital Commitment/Subscriptions per investor shall be set out in the relevant Fund Supplement. The minimum Capital Commitment/Subscription per investor may be increased or decreased or waived, in each case at the discretion of the Directors, either generally or in specific cases, provided that the minimum Capital Commitment/Subscription amount will not be reduced below €100,000 or its equivalent in the currency of the relevant Class. Knowledgeable Persons may be exempted from such a minimum at the discretion of the Directors.

## **Minimum Offering**

The minimum size of the offering in respect of a Fund shall be set out in the relevant Fund Supplement. If aggregate Capital Commitments/Subscriptions are not received from investors in an amount equalling or exceeding such minimum size by the Initial Closing Date, the Directors may in their discretion elect not to continue with the offering.

## **Capital Commitment/Subscription Application Procedure**

### *General*

Applications to enter into Capital Commitments/Subscriptions should be made in writing using the Capital Commitment/Subscription Agreement in accordance with the procedures outlined therein and in this Prospectus and the relevant Supplement.

Failure to properly complete the Capital Commitment/Subscription Agreement and provide any requisite documentation, including any documentation requested for the purpose of money laundering prevention checks, may result in the application, any Capital Commitment/Subscription or subsequent Capital Subscription being cancelled and, subject to any regulatory requirements to the contrary, monies being returned to the account from which it was received.

Amendments to any investors' details or a Shareholder's registration details and payment instructions may only be made following receipt of original written instructions from the relevant investor or Shareholder.

### *Anti-Money Laundering Procedures*

Measures aimed at the prevention of money laundering may require a detailed verification of the investor's identity. Depending on the circumstances of each application, a detailed verification might not be required where the application is made through a recognised financial institution. This exception may only apply if the financial institution or intermediary referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering regulations or satisfies other applicable conditions. By way of example an individual may be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence together with two original or certified pieces of evidence of his/her address such as a utility bill or bank statement not less than three months old and disclose his/her occupation and date of birth. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), and of the names, dates of birth and residential and business addresses of all directors and beneficial owners and of the authorised signatories of the applicant, which must be certified. Amendment to any investor records may only be effected by the Administrator upon receipt of original evidencing documentation.

The details given above are by way of example only and the Administrator and the ICAV each reserves the right to request such information as is necessary to verify the identity of an investor. Applicants should refer to the Capital Commitment/Subscription Agreement for a more detailed list of requirements

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 or the ICAV may refuse to accept the Capital Commitment/Subscription monies. Each applicant for Shares acknowledges that the ICAV and its delegates shall be held harmless against any loss arising as a result of a failure to process or a delay in processing his application for Shares or redemption request if such information and documentation as has been requested by the ICAV or its delegates has not been provided by the applicant.

Any failure to supply the Administrator or the ICAV with any documentation requested by it for anti-money laundering and terrorist financing procedures may result in a delay in the settlement of return of capital or dividend proceeds. In circumstances the redemption or dividend proceeds will be held in a Cash Account and therefore shall remain an asset of the ICAV. The relevant Shareholder will rank as an unsecured creditor of the ICAV until such time as the Administrator or the ICAV is satisfied that its anti-money laundering and terrorist financing procedures have been fully complied with, following which redemption or dividend proceeds will be released. Therefore a Shareholder is advised to ensure that all relevant documentation requested by the Administrator or the ICAV in order to comply with anti-money laundering and terrorist financing procedures is submitted to the Administrator or the ICAV promptly. Your attention is drawn to the section of the Prospectus titled “*Risk Factors*” – “*Operation of Cash Accounts*” below.”

### **Call Notices**

Drawdowns of Capital Subscriptions will be made by giving investors of the relevant Fund written notice in the form of a Call Notice. The Directors will give to investors Call Notices (on such dates from time to time as the Directors consider fit) to make Capital Subscriptions in amounts up to in aggregate each investor’s Capital Commitment/Subscription. A Call Notice requiring an investor to make Capital Subscriptions/Capital Commitments may be at any time during the Investment Period, unless otherwise specified in the Fund Supplement

Subject to as may be set out in the Supplement for the relevant Fund, the Call Notice will specify, inter alia:-

- (a) the amount of the Capital Subscription required to be paid by the investor and the date on which the investor must pay that amount;
- (b) the Capital Subscription Day on which the Capital Subscriptions drawn down will be applied to subscribe Shares in the ICAV, which may not be earlier than 10 Business Days following the date of the Call Notice; and
- (c) the account of the ICAV to which payment of the Capital Subscription is required to be made.

Subject to “Subsequent Closings” above, drawdowns from investors who have entered into Capital Commitment/Subscription Agreements on the Initial Closing Date shall be made pro rata to their respective Capital Commitments/Subscriptions.

## **Payment of Capital Subscriptions**

Investors in receipt of a Call Notice should make payment in cleared funds to the account of the ICAV specified in the Call Notice of an amount equal to the Capital Subscription, such payment to be received no later than the deadline for the settlement of Capital Subscriptions specified in the relevant Fund Supplement.

## **Capital Subscription Monies Held in a Cash Account**

Capital Subscription monies received from an investor in advance of a Capital Subscription Day in respect of which a Call Notice has been issued will be deposited and held in the relevant Cash Account and will be treated as an asset of the relevant Fund upon receipt and will not benefit from the application of any investor money protection rules (i.e. the Capital Subscription monies in such circumstance will not be held on trust as investor monies for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the Fund with respect to the amount subscribed and held in the relevant Cash Account until such Shares are issued as of the relevant Capital Subscription Day. Your attention is drawn to the section of the Prospectus titled “*Risk Factors*” – “*Operation of Cash Accounts*” below.

## **Issue of Shares**

Capital Subscriptions will be applied, after deduction of the amount of any initial charges payable, to subscribe Shares on the relevant Capital Subscription Day. As described in greater detail below under “Capital Subscription Defaults”, failure by the investor to provide cleared funds within the relevant time limit will result in the cancellation of any Shares issued unless the equivalent of the net issue price is paid into the assets of the relevant Fund within a reasonable time. Shares will be issued at a subscription price equal to the Net Asset Value per Share of the relevant Shares, plus duties and charges, if any.

## **Capital Subscription Defaults**

If an investor fails to make a Capital Subscription as required in a Call Notice, the Directors may, at any time thereafter during such time as such failure continues, serve a written notice on such investor requiring such failure to be remedied (together with interest thereon) (the “**Default Notice**”).

The Default Notice shall name a further day (not earlier than 5 Business Days from the date of the Default Notice) on or before which the payment required by the Default Notice is to be made and shall state that, in the event of non-payment at or before the time appointed (a “**Default**”), the investor may be designated by the Directors as in default (a “**Defaulting Investor**”).

The Directors may take any or all of the following actions with respect to a Defaulting Investor: (i) require a transfer of the Defaulting Investor’s Shares of the applicable Class; (ii) require such Defaulting Investor to be fully liable for payment of up to its pro rata share of establishment and ICAV expenses as if the Default has not occurred; (iii) cause the Defaulting Investor’s Shares to be compulsorily redeemed or transferred, as applicable; (iv) apply amounts otherwise distributable to such Defaulting Investor in satisfaction of all amounts payable by such Defaulting Investor; (v) charge such Defaulting Investor interest on any amount that is in Default and any other amounts not timely paid from the date such amounts were due and payable through the date that full payment of such amounts is actually



made and to the extent not paid such interest charge may be deducted from amounts otherwise distributable to such Defaulting Investor; (vi) cancel all or part of the Defaulting Investor's undrawn Capital Commitments/Subscriptions and, if so determined at the discretion of the Directors, arrange for such undrawn Capital Commitments/Subscriptions to be assumed by another party; and/or (vii) any other action permitted under the laws of the Ireland.

In addition, such Defaulting Investor shall have no further right to make Capital Subscriptions and shall be treated as no longer a Shareholder in respect of the winding up of the ICAV, as applicable. Whenever the vote, consent or decision of the Defaulting Investor is required or permitted pursuant to the Instrument, unless otherwise agreed by the Directors and the Defaulting Investor or required by Irish law, a Defaulting Investor shall not be entitled to participate in such vote, or to make such decision, and such vote or decision shall be tabulated or made as if such Defaulting Investor were not a shareholder.

The Directors shall have the right to pursue all remedies at law or in equity available to them with respect to the Default of a Defaulting Investor.

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

The Directors, at their discretion, reserve the right to accept Capital Subscriptions 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.

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. 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 are not such as are likely to result in any material prejudice to the existing Shareholders.

### **Shares Issued in Registered Form**

Shares will be issued on each Capital Subscription Day in registered form only and denominated in the Base Currency or the Reference Currency of the particular Class. Written confirmation of ownership, evidencing entry in the ICAV's Shareholder register, will be issued upon receipt of cleared funds, and in respect of initial and subsequent Capital Commitments/Subscriptions, on receipt of the Capital Commitment/Subscription Agreement (by post, email or facsimile) and upon the release of the relevant Net Asset Value.

Amendments to a Shareholder's registration details and payment instructions may only be made following receipt of original written instructions from the relevant Shareholder. The Administrator shall

be responsible for maintaining the ICAV's register of Shareholders in which all issues, redemptions, and transfers of Shares will be recorded. Written confirmations of ownership shall be issued by email, post or facsimile in relation to each issue of Shares. The Administrator shall 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 shall be available for inspection upon reasonable notice at the registered office of the ICAV during normal business hours where a Shareholder may inspect only his entry on the register.

### **“Ineligible Applicants” and Ownership Restrictions**

Shares may only be held by Qualifying Investors (subject to the exemptions set out in “Qualifying Investors Knowledgeable Persons Exemption” below). Investors must certify in writing that they meet the minimum criteria to constitute a Qualifying Investor and that they are aware of the risks involved in proposed investment and of the fact that inherent in such investment is the potential to lose all of the sum invested. Any transferee of Shares (constituting a new Shareholder in the ICAV) will be required to certify in like terms before any transfer is registered.

The Directors may decline to accept any application for Shares without giving any reason and may restrict the ownership of Shares by any person, firm or corporation in certain circumstances including where such ownership would be in breach of any regulatory or legal requirement or might affect the tax status of the ICAV or might result in the ICAV or a Fund suffering certain disadvantages which it might not otherwise suffer. Please see the section of the Prospectus entitled “Restrictions on Distribution and Sale of Shares” for further information.

### **Qualifying Investors and Knowledgeable Persons Exemption**

The Directors may, in their discretion waive or reduce any minimum holding with respect to any Shareholder or applicant for Shares or category thereof or, in accordance with exemptions permitted by the Central Bank, waive the Minimum Subscription with respect to the following:-

1. the AIFM;
2. the Investment Manager and any other company appointed to provide investment management or advisory services to the ICAV;
3. a director of the ICAV, the AIFM, the Investment Manager or a director of any other company appointed to provide investment management or advisory services to the ICAV;
4. an employee of the ICAV, the AIFM, the Investment Manager or an employee of any other company appointed to provide investment management or advisory services to the ICAV, where the employee:
  - is directly involved in the investment activities of the ICAV; or
  - is a senior employee of such company and has experience in the provision of

investment management services.

(collectively “**Knowledgeable Persons**”) provided that the ICAV is satisfied that prospective investors fall within the criteria outlined.

Investing employees meeting the relevant criteria for waiver of the Minimum Subscription must certify that they are availing of the exemption provided for above and are aware that the ICAV is normally marketed solely to qualifying investors who are subject to a Minimum Subscription of €100,000.

All applicants availing of the exemption by meeting the relevant criteria must certify that they are aware of the risk involved in the proposed investment and that inherent in such investment is the potential to lose the entire sum invested.

### **Liability Statement**

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

### **Fractions**

Subscription monies representing less than the Subscription Price will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the Subscription Price for one Share, provided however, that fractions shall not be less than 0.01 of a Share. Subscription monies, representing less than 0.01 of a Share will not be returned to the investor but will be retained by the ICAV in order to defray administration costs.

### **Method of Payment**

Capital Subscription payments net of all bank charges should be paid to the bank account specified in the Capital Commitment/Subscription Agreement. Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Subscription Day.

### **Currency of Payment**

Capital Subscription monies are payable in the Reference Currency of a Class of Shares.

### **Abusive Shareholder Dealing Practices**

The Directors generally encourage investors to invest in the Funds as part of a long-term investment strategy and discourages excessive or short term or abusive trading practices. Such activities may have a detrimental effect on the Funds and Shareholders. For example, depending upon various factors such as the size of the Fund and the amount of its assets maintained in cash, short-term or excessive

trading by Shareholders may interfere with the efficient management of the Fund's portfolio, increased transaction costs and taxes and may harm the performance of the Fund.

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

## **Suspension**

The Directors may declare a suspension of the issue of the Shares in certain circumstances as described in the section headed "Suspension of Valuation of Assets". No Shares will be issued during any such period of suspension.

## **Data Protection Information**

Prospective investors should note that by completing the Capital Commitment/Subscription Agreement they are providing information to the ICAV which may constitute personal data within the meaning of the GDPR. This data will be used by or on behalf of the ICAV for the purposes of client identification and the subscription process, management and administration of your holding in the ICAV and to comply with any applicable legal, taxation or regulatory requirements. Such data may be disclosed and / or transferred to third parties including regulatory bodies, tax authorities, delegates, advisers and service providers of the ICAV and their or the ICAV's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in Ireland) for the purposes specified.

*It should also be noted that the Depositary may act as a data controller of the personal data provided to the ICAV where this is necessary for compliance with a legal obligation to which it is directly subject (i.e. to comply with applicable law in the area of anti-money laundering and counter terrorist financing or where mandated by a court order or regulatory sanction).*

*In circumstances where the Depositary acts as a data controller of such personal data, all rights afforded to Shareholders as data subjects under the GDPR shall be exercisable by a Shareholder solely against the Depositary.*

Investors have a right to obtain a copy of their personal data kept by the ICAV and the Depositary, the right to rectify any inaccuracies in personal data held by the ICAV and the Depositary and in a number of circumstances a right to be forgotten and a right to restrict or object to processing. In certain limited circumstances a right to data portability may apply.

The ICAV and its appointed service providers will retain all documentation provided by a Shareholder in relation to its investment in the ICAV for such period of time as may be required by Irish legal and regulatory requirements, but for at least seven years after the period of investment has ended or the date on which a Shareholder has had its last transaction with the ICAV.

A copy of the data privacy statement of the ICAV is available upon request from the ICAV.

## **RETURN OF CAPITAL POLICY**

Save as may be set out in the relevant Fund Supplement, Shareholders will not have the right to request the redemption (whether in whole or in part) of their Shares. Instead, capital will be returned to Shareholders and a corresponding quantity of Shares will be redeemed on Capital Redemption Days in accordance with the ICAV's return of capital policy as outlined below.

### **Return of Capital Policy**

Unless otherwise specified in the relevant Fund Supplement, the Funds will not re-invest capital. As such, any realised capital will be returned to Shareholders at the discretion of the Directors as and when the underlying debt obligations are repaid subject to making provision for expenses and investment management and operating requirements.

Unless otherwise specified in the relevant Fund Supplement the relevant Fund will be managed with the objective of realising its underlying investments and returning the net proceeds of realisation to Shareholders over the course of the Investment Period. Although the ICAV expects that a Fund's investments will be realised prior to termination of the Investment Period, a default in a debt obligation may mean that a Fund has to hold an asset beyond the Investment Period or that it may have to sell, distribute or otherwise dispose of unrealised investments at a disadvantageous time as a result of termination.

### *Manner of Return of Capital*

Capital may be returned to Shareholders through:-

1. compulsory redemptions of Shares on a pro rata basis; and/or
2. such other means as the Director may from time to time determine.

Redemptions will be given effect on Capital Redemption Days. Shareholders will be notified of compulsory redemptions by the Administrator.

### *Redemption Prices*

Shares will be redeemed at a Redemption Price equal to the Net Asset Value per Share calculated as at the Valuation Point on the Valuation Day (as defined in the Supplement for the relevant Fund) in respect of the relevant Capital Redemption Day.

The Directors may adjust the Redemption Price per Share in accordance with its discretions set out in the section "Net Asset Value and Valuation of Assets" below.

### **Redemption Payments**

#### *Cash Payments*

Redemption proceeds, less any deductions on account of Performance Fees, will normally be paid within the period set out in the relevant Fund Supplement, provided, however, that such redemption proceeds will be paid to Shareholders within 90 calendar days of the relevant Capital Redemption Day.

#### *In Specie or In Kind Payments*

The Directors may, with the consent of the Shareholder whose Shares are being redeemed, effect any redemption of Shares by the transfer in specie or in kind to such Shareholder of assets of the relevant Fund having a value equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer.

Where the redemption proceeds to be paid to a Shareholder represent five per cent. or more of the Net Asset Value of the relevant 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 the Fund, having a value equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash. The costs of effecting such transfer shall be deducted from the redemption proceeds. The relevant Shareholder(s) may in such instances further elect for the relevant assets to be held in a segregated account of the relevant Fund and for the proceeds of disposal of such assets, less costs, to be distributed to the relevant Shareholder(s). In the case of redemption in specie or in kind, asset allocation will be subject to the approval of the Depositary.

The Instrument provides that the Directors may in extraordinary market circumstances, with the consent of the Depositary and in the best interests of Shareholders, disapply the preceding conditions regarding the satisfaction of redemptions in specie or in kind from time to time, in accordance with the requirements of the Central Bank.

#### **Redemption Payments Held in a Cash Account**

Redemption monies payable to an investor subsequent to a Capital Redemption Day as of which Shares of that investor were redeemed will be held in the relevant Cash Account and will be treated as an asset of the relevant Fund until paid to that investor and will not benefit from the application of any investor money protection rules (i.e. the redemption monies in such circumstance will not be held on trust for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the Fund with respect to the redemption amount held in the relevant Cash Account until paid to the investor. Your attention is drawn to the section of the Prospectus titled "*Risk Factors*" – "*Operation of Cash Accounts*" below.

#### **Limited Redemption Rights**

All, but not some, of the Shares may be redeemed if the Directors determine in good faith that such action would be advisable and in the best interests of a majority of the Shareholders as a result of a material change in the legal or regulatory status of the ICAV, provided that they provide not less than four weeks' notice, ending on a Capital Redemption Day, to Shareholders of their intention compulsorily to redeem such Shares. The ICAV may also be wound up in certain circumstances as described in "GENERAL INFORMATION".

## Compulsory Redemption/Transfer

Shareholders are required to notify the Administrator through whom Shares have been purchased immediately if they are no longer Qualifying Investors or Knowledgeable Persons. Such Shareholders (and Shareholders who are Defaulting Investors (as described under "CAPITAL SUBSCRIPTIONS")) may be required to redeem or transfer their Shares.

The ICAV has the right at any time to compulsorily 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) a person who is, or any person who has acquired such Shares on behalf of, or for the benefit of a US Person;
- (iii) any person, whose holding would cause or be likely to cause the ICAV to be required to register as an "investment company" under the United States Investment Company Act of 1940 or to register any class of its securities under the Securities Act or similar statute;
- (iv) by or for the benefit of a person who is not a Qualifying Investor (other than persons which benefit from an exemption from the minimum subscription requirement and qualifying investor criteria as described in "Ineligible Applicants" and Ownership Restrictions" and "Qualifying Investors and Knowledgeable Persons Exemption" above);
- (v) by any person who, otherwise than as a result of depreciation in the value of his holding, holds less than the minimum holding or who does not supply any information or declaration required under the Instrument within seven days of a request to do;
- (vi) 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;
- (vii) where the continued ownership of such Shares by the Shareholder would require the Investment Manager to register under a particular regulation or statute;
- (viii) 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 any Fund or the Shareholders of the ICAV or a Fund as a whole incurring any liability to taxation or suffering any tax, legal, fiscal, pecuniary, regulatory liability or material administrative disadvantage which the ICAV, the Fund or Class or Shareholders or any of them might not otherwise have incurred or suffered.

and the Directors (or any duly appointed delegate on behalf of the ICAV) may reject in their discretion any application for Shares by or any transfer of Shares to any persons who are so excluded from purchasing or holding Shares and pursuant to the Instrument at any time redeem or require the transfer of Shares held by Shareholders who are so excluded from purchasing or holding Shares.

The ICAV intends to limit the sale and transfer of Shares in the ICAV, and may exercise the ICAV's right compulsorily to redeem Shares, to the extent necessary, to prevent Benefit Plan Investors from

acquiring or holding 25 per cent. or more of any Class of Shares, and consequently to prevent the underlying assets of the ICAV from being treated as “plan assets” of any plan investing in the ICAV.

The rights and privileges attaching to Shares which are to be compulsorily redeemed or transferred may be suspended by the Directors and will not be capable of being exercised during such period as Shares are held by persons in breach of the requirements regarding the holding of Shares.

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. Relevant Shareholders will indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the happening of an event giving rise to a charge to taxation.

Any such compulsory redemption shall, as determined by the Directors taking due account of the interests of the remaining Shareholders, be made at a price equal to the Redemption Price less interest accrued or penalties, if any, and in accordance with such procedures as shall be described in this Prospectus.

For the purpose of effecting a compulsory redemption or transfer, the Directors shall, in accordance with the Instrument, be authorised to execute or authorise some person to execute and deliver such documents, including without limitation, instruments of transfer and also to receive the redemption proceeds or sale proceeds as agent on behalf of the Shareholder whose Shares are being compulsorily redeemed or transferred and to cause the register of shareholders of the ICAV maintained by the Administrator to be updated to reflect the compulsory redemption or transfer of the Shares as the case may be.

The attention of investors is drawn to the section of this Prospectus entitled “TAXATION” which details circumstances in which the ICAV shall be entitled to deduct from payments to Shareholders who are resident or ordinarily resident in the Ireland amounts in respect of liability to Irish taxation including any penalties and interest thereon and/or compulsorily redeem Shares to discharge such liability.

In addition the Directors have wide powers to effect the compulsory redemption of Shares in circumstances where the Directors are of the opinion, consistent with the investment objective and policy of the relevant Fund, that the Fund has assets which are surplus to the investment opportunities which the AIFM believes to be available to the Fund.

### **Total Redemption**

All of the Shares of any Fund or Class may be redeemed:

- (a) on the giving by the ICAV of not less than 5 business days’ notice expiring on a Capital Redemption Day to Shareholders of that Fund or Class of its intention to redeem such Shares; or
- (b) if the holders of 75% in value of the Shares in issue in the relevant Fund or Class resolve at a meeting of Shareholders of that Fund or Class duly convened and held that such



Shares should be redeemed.

The Directors may resolve in their absolute discretion to retain sufficient monies prior to effecting a total redemption of shares to cover the costs associated with the subsequent termination of a Fund or Class or the liquidation of the ICAV.

### **Suspension**

The Directors may declare a suspension of the redemption of the Shares in certain circumstances as described in the section headed "Suspension of Valuation of Assets".

### **Switching of Shares**

Investors may not switch between Share Classes of the Fund, or switch into a Share Class of the Fund from a Class issued in another sub-fund of the ICAV.

## NET ASSET VALUE AND VALUATION OF ASSETS

### General

The Net Asset Value of each Fund or, if there are different Classes within a Fund, each Class, will be calculated by the Administrator as at each Valuation Point in accordance with the Instrument. The Net Asset Value of a Fund shall be determined as at each Valuation Point by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund (including a provision for duties and charges, accrued expenses and fees and other liabilities) to which may be applied a price adjustment as set out below. The Net Asset Value attributable to a Class shall be determined as at the Valuation Point by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class subject to adjustment to take account of assets and/or liabilities attributable to the Class. The Net Asset Value of a Fund will be expressed in the Base Currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case.

The valuation of assets and calculation of net asset value is calculated at least once a year, at a minimum.

The Net Asset Value per Share shall be calculated as at the Valuation Point by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Fund or Class at the relevant Valuation Point and rounding the resulting total to four decimal places.

Unless otherwise provided in the relevant Supplement, in determining the Net Asset Value of the ICAV and each Fund:-

1. cash on hand or on deposit will be valued at its nominal value plus accrued interest, where applicable, to the end of the relevant Business Day on which the Valuation Point occurs;
2. the value of transferable securities, money market instruments and financial derivative instruments will be valued on the basis of the last available price of the relevant stock exchange or regulated market on which these securities or assets are traded or admitted for trading. Where such securities or other assets are quoted or dealt in more than one stock exchange or regulated market, the AIFM or its delegate shall adopt policies as to the order of priority in which such stock exchanges or other regulated markets shall be used for the provisions of prices of securities or assets;
3. if a transferable security or money market instrument is not traded or admitted on any official stock exchange or an regulated market, or in the case of transferable securities or money market instruments so traded or admitted where the last available price is not representative of their fair market value, the AIFM or its delegate shall proceed on the basis of their reasonably foreseeable sales price, which shall be valued with prudence and in good faith;

4. the financial derivative instruments which are not listed on any official stock exchange or traded on any other regulated market will be valued in accordance with market practice subject to the valuation provisions detailed in Article 11 of Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) and the related Commission Delegated Regulation (EU) No 149/2013;
5. units or shares of undertakings for collective investment shall be valued on the basis of their last available net asset value, as reported by such undertakings; and
6. liquid assets and money market instruments will be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner.
7. forward foreign exchange contracts will be valued in accordance with market practice which is to determine the cost of closing the relevant foreign exchange contract having regard to the relevant spot FX rate and the forward points applicable to the remaining maturity.
8. private debt obligations will be measured at amortised cost (net of any write down for impairment). The amortised cost for private debt obligations is the cost adjusted for (i) amortisation of any discount or premium at time of acquisition, (ii) amortisation of principal if any, and (iii) accrual of interest.
9. Where a private debt obligation is not performing in accordance with its terms or there is otherwise an expected credit loss the debt instrument will be written down in accordance with the AIFM's valuation policy. In such instances the Investment Manager will report to the AIFM the nature of any defaults, expected credit losses, specific circumstances applicable to the issuer including its financial condition, an assessment of the realisable value of security, and the Investment Manager's proposed valuation. The AIFM may request further information from the Investment Manager or may solicit or rely on input or valuations from third parties. The AIFM will determine the value of any impaired private debt obligations.

If any of the aforementioned valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Fund's assets, the AIFM or its delegate may adopt different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.

For example, a debt obligation may be performing in accordance with its terms but exogenous factors may apply such that some adjustment to the general valuation methodology may be appropriate. Such exogenous factors may include political risk, an Act of God or other event or circumstances that may impact the valuation of a debt obligation that is otherwise performing in accordance with its terms.

The value of all assets and liabilities not expressed in the Base Currency of a Fund or the Reference Currency of a Class will be converted into the Base Currency of such Fund or the Reference Currency of such Class at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the AIFM.

The assets relating to a Fund means the assets which are attributed to that Fund less the liabilities attributed to that Fund and where any asset or liability of the Fund cannot be considered to be attributed to a Fund such asset or liability shall be allocated to the assets or liabilities relating to all the Funds or all the relevant Funds pro rata to the Net Asset Values thereof.

Calculations of Net Asset Value are made by the Administrator and are made generally in accordance with generally accepted accounting principles. In the absence of bad faith, negligence or manifest error, every decision in calculating Net Asset Values taken by the Administrator will be final and binding on the Fund and on present, past and future Shareholders.

The Instrument contains further information on the principles used to value the assets and liabilities of the ICAV. The ICAV's annual audited financial statements will also detail the valuations used with regard to recognised audit and accounting standards.

### **Suspension of Valuation of Assets**

The Directors may at any time and from time to time temporarily suspend the determination of the Net Asset Value of any Fund and the issue and redemption of Shares in any Fund:

- (a) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the exchanges or other markets on which the relevant Fund's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or
- (b) during the whole or part of any period when circumstances outside the control of the ICAV or the AIFM exist as a result of which any disposal or valuation of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the ICAV; or
- (c) during the whole or any part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the relevant Fund's investments; or
- (d) during the whole or any part of any period when for any reason the value of any of the Fund's investments cannot be reasonably, promptly or accurately ascertained;
- (e) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of any Fund or the ICAV is unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the AIFM, be carried out at normal rates of exchange;
- (f) upon mutual agreement between the ICAV and the Depositary for the purpose of winding up the ICAV or terminating any Fund;

- (g) during any period when, as a result of political, economic, military or monetary events or any circumstances outside of the control, responsibility and power of the ICAV and the AIFM, disposal or valuation of a substantial portion of the investments of the relevant Fund is not reasonably practicable without being seriously detrimental to the interests of the Shareholders of the relevant Fund or if, in the opinion of the AIFM, the Net Asset Value of the Fund cannot be fairly calculated;
- (h) if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the Investments of the ICAV or any Fund.

Any suspension of valuation shall be notified by or on behalf of the Directors to the Central Bank immediately and in any event within the working day on which such suspension takes place. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

#### **Taxation on the occurrence of certain events**

The attention of investors is drawn to the section of the Prospectus headed "TAXATION" and in particular the taxation liability arising on the occurrence of certain events such as the encashment, redemption or transfer of Shares by or payment of dividends to Shareholders who are Irish Resident or Ordinarily Resident in Ireland. If the ICAV becomes liable to account for tax including any interest or penalties thereon if an event giving rise to a tax liability occurs, the ICAV shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of shares held by the Member or the beneficial owner of the Shares as have a value sufficient after the deduction of any Redemption Charges to discharge any such liability.

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

Shareholders are advised that the Subscription Price and the Redemption Price will be available promptly on request from the Administrator during normal business hours.

## **RISK FACTORS**

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. In addition, different risks may apply to different Funds and/or Classes. Details of specific risks attaching to a particular Fund or Class which are additional to those described in this section will be disclosed in the relevant Supplement. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares. Prospective investors are advised that the value of Shares and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested and an investment should only be made by persons who can sustain the loss of their investment. Past performance of the Investment Manager or any Fund should not be relied upon as an indicator of future performance. The securities and instruments in which the Funds invest are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur. There can be no guarantee that the investment objective of a Fund will actually be achieved.

### **Country, Political and Economic Risk**

Political unrest and other factors may disrupt financial markets and economic conditions in certain markets. A government's political inexperience, the instability of the political system and domestic or international policies and events affecting the economic system may increase the risk of fundamental shifts in the economy and politics of a nation or region. The consequences can include confiscation of assets with no compensation, the restriction of rights of disposal over assets, or a dramatic reduction in the value of assets as a result of state intervention or the introduction of state monitoring and control mechanisms affecting the operation of markets in that country. These and other actions could also adversely affect the ability to value investments in a Fund which could result in a temporary suspension of the determination of the Net Asset Value in any Fund during which time investors may not be able to acquire or redeem Shares in that Fund. Emerging market economies are more sensitive to changes in interest and inflation rates, which are subject to greater swings than in other established countries. Funds which invest in multiple countries have less exposure to the risks of any one country, but will be exposed to a larger number of countries.

### **Euro, EU Related and Brexit Risks**

A Fund may have investment exposure to Europe and the Eurozone. A European sovereign debt crisis, for example like the one following the global financial crash in and around 2008 may not be excluded and as a result, such investment exposure to Europe and the Eurozone may subject a Fund to certain risks. It is possible that various Eurozone member countries could abandon the euro and return to a national currency and/or that the euro will cease to exist as a single currency in its current form. The effects of such an abandonment or a country's forced exit from the euro on that country, the rest of the Eurozone, and global markets are impossible to predict, but are likely to be negative and may adversely affect the value of a Fund's investments in Europe. The exit of any country out of the euro would likely

have an extremely destabilising effect on all Eurozone countries and their economies and a negative effect on the global economy as a whole. While the governments of many European countries, the European Commission, the European Central Bank, the International Monetary Fund and other authorities are taking measures (such as undertaking economic reforms, providing rescue packages and imposing austerity measures on citizens) to address the current fiscal conditions, there is a possibility that these measures may not have the desired effect and the future stability and growth of Europe remains uncertain.

In addition, under these circumstances, it may be difficult to value investments denominated in euros or in a replacement currency. It is also possible that a country which exits the euro might seek to impose controls on the flow of capital in and out of that country which could result in the ICAV being unable to accept further subscriptions from, or make redemption payments to, Shareholders in that jurisdiction.

The Funds may face potential risks associated with the United Kingdom's exit of the EU. The UK's exit could materially and adversely affect the regulatory regime to which the Investment Manager, is currently subject in the United Kingdom, particularly in respect of financial services regulation and taxation. Furthermore, the UK's exit may result in substantial volatility in foreign exchange markets and may lead to a sustained weakness in the British pound's exchange rate against the United States dollar, the euro and other currencies which may have a material adverse effect on the Funds. The UK's exit from the EU may result in a sustained period of uncertainty. It may also destabilize some or all of the other 27 members of the EU and/or the Eurozone. There may be detrimental implications for the value of certain of a Fund's investments, its ability to enter into transactions, to value or realise certain of its investments or otherwise to implement its investment policy. This may be due to, among other things, increased uncertainty and volatility in United Kingdom, EU and other financial markets, fluctuations in asset values, fluctuations in exchange rates, increased illiquidity of investments located, traded or listed within the United Kingdom, the EU or elsewhere, changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price and terms on which they are prepared to transact; and/or changes in legal and regulatory regimes to which the ICAV, the Investment Manager and/or certain of a Fund's assets are or become subject to.

Furthermore, the exit of the United Kingdom from the EU could have a material impact on the United Kingdom's economy and the future growth of that economy, impacting adversely the ICAV's investments in the United Kingdom. It could also result in prolonged uncertainty regarding aspects of the United Kingdom economy and damage customers' and investors' confidence. Any of these events, as well as an exit or expulsion of a Member State other than the United Kingdom from the EU, could have a material adverse effect on the Funds.

#### **No Guarantee on Investment Model and Potential to Lose All of the Sum Invested and Investor Certification**

Investors, when completing a Capital Commitment/Subscription Agreement, will be required to certify in writing that they are a Qualifying Investor and that they are aware of the risks involved in the proposed investment and of the fact that inherent in such investments is the potential to lose the entire sum invested. Prospective purchasers of the Shares should ensure that they understand the nature of such Shares and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, accounting, regulatory and financial

evaluation of the merits and risks of investment in such Shares and that they consider the suitability of such Shares as an investment in the light of their own circumstances and financial condition. An investment in a Fund should not in itself be considered a balanced investment program, but rather is intended to provide diversification in a more complete investment portfolio. The Investment Manager makes discretionary trading decisions. Trading decisions will be reflective of the judgment, experience, and expertise of personnel of the Investment Manager. Trading decisions informed by the use of statistical methods, trading models, and quantitative research tools depend upon the accurate forecasting of major price moves or trends. No assurance can be given of the accuracy of models, the forecasts or the existence of price moves.

### **Limitation on Liability of Shareholders**

The liability of Shareholders is limited to any unpaid amount of the nominal value of its Shares and all Shares in the ICAV will only be issued on a fully paid basis. However, under the Capital Commitment/Subscription Agreement and the Instrument, investors will be required to indemnify the ICAV and other parties as stated therein for certain matters including inter alia losses incurred as a result of the holding or acquisition of Shares by a person other than a qualified holder, any liabilities arising due to any tax the ICAV is required to account for or on an investor's behalf, including any penalties and interest thereon, any losses incurred as a result of a mis-representation by an investor, etc.

### **Lack of Operating History**

The ICAV was authorised on 25 January, 2017. There can be no assurance that any Fund will achieve its investment objective. The past investment performance of the AIFM or Investment Manager cannot be construed as an indication of the future results of an investment in Shares.

### **Substantial Charges**

The Funds are subject to substantial charges, and must generate profits and income which exceed their fixed costs in order to avoid depletion of its assets. Funds are required to pay the service provider fees, expenses and commissions regardless of its performance.

### **Cross-Contamination**

Pursuant to the Act, any liability attributable to the Fund may only be discharged out of the assets of the Fund and the assets of other Funds of the ICAV may not be used to satisfy the liability. Notwithstanding the foregoing, there is no guarantee that recourse between Funds will be restricted in every case or that such liabilities will be identified or capable of being solely attributable to a Fund. There is no guarantee that a person will not take proceedings against the ICAV claiming entitlement to the assets of one or more Funds. There is no guarantee that segregation of Funds under Irish law will be realised in other jurisdictions.

### **Cross Class Liabilities**

Although the Instrument requires the establishment of separate Class accounts for each Class of



Shares in a Fund and the attribution of assets and liabilities to the relevant Class account, if the liabilities of a Class exceed its assets, creditors of the ICAV may seek to have recourse to the assets attributable to the other Classes in that Fund.

### **Dependence on Key Personnel**

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

### **Investment Management Risk**

For any given Fund, there is a risk that investment techniques or strategies are unsuccessful and may incur losses for the Fund. Shareholders will have no right or power to participate in the day-to-day management or control of the business of the Funds, nor an opportunity to evaluate the specific investments made by the Funds or the terms of any of such investments.

The nature of and risks associated with the Fund's future performance may differ materially from those investments and strategies historically undertaken by the Investment Manager. There can be no assurance that the Investment Manager will realise returns comparable to those achieved in the past or generally available on the market.

### **Custodial Risk**

Some of the markets in which the ICAV or Investment Vehicle may invest may increase settlement risk and/or result in delays in realising investments made by the ICAV or the Investment Vehicle (as the case may be). Those markets may also have substantially less volume and generally be less liquid than other more liquid markets.

As the Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks in circumstances whereby the Depositary will have no liability.

The ICAV and the Investment Vehicle will be exposed to credit risk on parties with whom they trade and will bear the risk of settlement default. The Depositary may be instructed by the AIFM to settle transactions on a delivery free of payment basis where the AIFM believes that this form of settlement is common market practice. Shareholders should be aware, however, that this may result in a loss to the ICAV and/or the Investment Vehicle if a transaction fails to settle and the Depositary will not be liable to the ICAV, the Investment Vehicle or the Shareholders for such a loss.

There may be practical or timing problems associated with enforcing rights attached to the ICAV's or Investment Vehicle's assets in the case of the Depositary's insolvency or the insolvency of a sub-custodian.

In certain circumstances the ICAV or an Investment Vehicle may not be able to recover, or may encounter delays in the recovery of, some of its assets. Such circumstances may include uncertainty relating to, or the retroactive application of, legislation relating to the imposition of exchange controls or improper registration of title. Evidence of title to some of the assets of the ICAV or an Investment Vehicle is maintained in “book-entry” form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of the ICAV’s or Investment Vehicle’s holdings of assets being lost through fraud, negligence or mere oversight on the part of such independent registrars.

### **Diverse Shareholders**

The Shareholders may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests of individual Shareholders may relate to or arise from, among other things, the nature of Investments made by a Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Investment Manager that may be more beneficial for one Shareholder than for another Shareholder, especially with respect to any Shareholder’s individual tax situation.

In selecting and structuring investments appropriate for a Fund, the Investment Manager will consider the investment objective of such Fund.

### **Liquidity Risk**

Some markets, on which a Fund may invest, may prove at time to be insufficiently liquid or illiquid. This affects the market price of such a Fund’s securities and therefore its Net Asset Value.

Furthermore, there is a risk that, because of a lack of liquidity and efficiency in certain markets due to unusual market conditions or unusual high volumes of repurchase requests or other reason, Funds may experience some difficulties in purchasing or selling holdings of securities and, therefore, meeting subscriptions and redemptions in the time scale indicated in the relevant Supplement.

In such circumstances, the Directors may, in accordance with the ICAV’s Instrument and in the Shareholders’ interests, suspend subscriptions and redemptions or extend the settlement timeframe.

### **Securities and Other Investments may be Illiquid**

A Fund may invest in private debt obligations that by their nature are illiquid and may only be realised when payment is made in accordance with the terms of their issuance. A Fund will be reliant on the performance of its assets for liquidity and should any of its assets fail to pay in accordance its terms the Fund would suffer a reduction in liquidity and may be unable to repay capital to Shareholders in line with the investment objective of the Fund.

### **Indirect Exposure to Real Estate**

A Fund may, through its investment in debt securities, be substantially exposed to the effects of the real estate market. As a result, a Fund’s performance may be adversely affected should there be a downturn

in real estate segments in which the Fund's investment in debt securities are secured over.

### **Concentration Risk**

A Fund will call capital to acquire investments and will repay capital as and when investments mature. A Fund may at certain times, but in particular in the months following the Initial Close and preceding the end of the Investment Period, hold relatively few investments or have a significant exposure to a single issuer, counterparty or asset. A Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer or counterparty. Additionally, historical correlations may undergo dramatic change, thereby reducing expected diversification protection.

### **Leverage Risk**

While leverage presents opportunities for increasing the total return of a Fund, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment, either directly or indirectly could be magnified to the extent that leverage is employed. The cumulative effect of the use of leverage by a Fund or an underlying fund, directly or indirectly, in a market that moves adversely to the investments of the entity employing the leverage, could result in a loss to the Fund that would be greater than if leverage were not employed by the Fund or such underlying fund.

### **Investing in Private Debt Securities and Exit Risk**

A Fund would normally adopt a "buy and hold" strategy holding any debt instruments to maturity. It is possible that the Investment manager may wish to sell a debt instrument prior to its maturity. In such event the ability of the relevant Fund to dispose of positions may be restricted, delayed or prevented to the extent that any conditions to transfer are required to be satisfied. Such conditions may include, without limitation, obligations on the Fund, as transferee, to provide satisfactory confidentiality undertakings to the borrower, grantor of a participation or transferor to procure the same from any onward transferee. The underlying documents governing the Fund's holding of a private debt security position may contain restrictions on the Fund's ability to transfer its private debt security position, including that the consent of the grantor of any participation may be required. There may also be restrictions on transfer in the underlying private debt security documents. In addition, illiquidity in the market for trading loan positions may affect the Fund's ability to dispose of, and realise value in respect of, its private debt security positions.

### **Investing in Fixed Income Securities**

A Fund may invest in private bonds or other fixed income securities, including without limitation, commercial paper and "higher yielding" (including unrated and non-investment grade and, therefore, higher risk) debt securities. The relevant Fund will, therefore, be subject to credit, liquidity and interest rate risks. Higher-yielding debt securities may be subordinated to other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer's assets. The lower rating of debt obligations in the higher-yielding sectors reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair

the ability of the issuer to make payments of principal and interest. Unrated and non-investment grade debt securities may not be protected by financial covenants or limitation on additional indebtedness. In addition, evaluation of credit risk for private debt securities involves uncertainty. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. It is likely that a major economic event, such as a recession or reduction of liquidity in the market could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that such an economic event could adversely affect the ability of issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

### **Investments Longer than Term of Fund**

A Fund may not make investments that have a contractual maturity beyond the Investment Period. Although the ICAV expects that a Fund's investments will be realised prior to termination of the Investment Period, a default in a debt obligation may mean that a Fund has to hold an asset beyond the Investment Period or that it may have sell, distribute or otherwise dispose of unrealised investments at a disadvantageous time as a result of termination.

### **Exchange Control and Repatriation Risk**

It may not be possible for Funds to repatriate capital, dividends, interest and other income from certain countries, or it may require government consent to do so. Funds could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

### **Regulatory Risk**

The regulatory environment for investment funds is evolving, and changes in the regulation of funds may adversely affect the value of investments held by a Fund. The effect of any future regulatory change on a Fund could be substantial and adverse.

### **Changes in Interest Rates**

The value of Shares may be affected by substantial adverse movements in interest rates. Interest rate risk involves the risk that, when interest rates increase, the market value of fixed-income securities tends to decline. Conversely, when interest rates decline, the market value of fixed-income securities tends to increase. As a result, the Net Asset Value may be affected. Long-term fixed-income securities will normally have more price volatility because of this risk than short-term securities.

### **Credit Risk**

A Fund's performance may be affected by default or perceived credit impairment of any individual security or debt obligation and by general or sector-specific or rating class-specific credit spread movement. There can be no assurance that issuers of the securities or other instruments in which the

Fund invests will not be subject to credit difficulties or a reduction in credit quality. The value of the Fund's instruments may be affected by adverse changes in the issuer's creditworthiness leading to a reduction in the value or loss of some of the sums invested in such securities or instruments or payments due on such securities or instruments.

### **Lower-rated securities**

Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to be more sensitive to corporate and market developments to a greater extent than higher-rated securities which respond significantly to fluctuations in the general level of interest rates.

### **GDPR**

Under the GDPR, data controllers are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the GDPR relating to data processing and must provide data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include more enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the GDPR, data subjects are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances.

The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the ICAV. Further there is a risk that the measures will not be implemented correctly by the ICAV or its service providers. If there are breaches of these measures by the ICAV or any of its service providers, the ICAV or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the ICAV suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

### **Pandemic Risk**

In March 2020, the World Health Organisation declared Coronavirus disease 2019 ("COVID 19") a pandemic. While the full impact of a pandemic, including for example COVID 19, is not always known, it may result in continued market volatility and a period of economic decline globally. A pandemic may also have a significant adverse impact on the value of a Fund's investments and the ability of the Investment Manager to access markets or implement the Fund's investment policy in the manner originally contemplated. Government interventions or other limitations or bans introduced by regulatory authorities or exchanges and trading venues as temporary measures in light of significant market volatility may also negatively impact on the Investment Manager's ability to implement a Fund's investment policy. Funds' access to liquidity could also be impaired in circumstances where the need

for liquidity to meet redemption requests may rise significantly. Services required for the operation of the ICAV may in certain circumstances be interrupted as a result of a pandemic.

## **Derivatives and Techniques and Instruments Risk**

### **General**

Where disclosed in the relevant Fund Supplement, a Fund may opt to utilize derivatives for investment or efficient portfolio management purposes or for any other reason that the Investment Manager deems appropriate. The Investment Manager is not required to attempt to hedge portfolio positions in a Fund and, for various reasons, may determine not to do so. Furthermore, the Investment Manager may not anticipate a particular risk so as to hedge against it. While a Fund may enter into hedging transactions in seeking to reduce risk, such transactions may result in a poorer overall performance for a Fund than if it had not engaged in any such hedging transaction. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to risk of loss. The success of the hedging strategy of a Fund is subject to the Investment Manager's ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Fund's hedging strategy is also subject to the Investment Manager's ability to recalculate continually, readjust and execute hedges in an efficient and timely manner. Moreover, it should be noted that the portfolio will be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties).

### **Counterparty Risk**

Most of the markets in which a Fund may effect derivative transactions are "over-the-counter" or "interdealer" markets. The participants in such markets typically are not subject to the same credit evaluation and regulatory oversight as are members of "exchange-based" markets. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, might not be available in connection with such "over-the-counter" transactions. This exposes a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing a Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Fund has concentrated its transactions with a single or small group of counterparties.

The AIFM or the Investment Manager as the case may be trades derivatives only with approved counterparties and is not restricted from dealing with any particular counterparty or from concentrating any or all of a Fund's derivative transactions with one counterparty. The counterparties with which a Fund effects transactions may, from time to time, cease making markets or quoting prices in certain of the instruments. In such instances, a Fund may be unable to enter into a desired currency transaction, or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments forward contracts do not provide

a trader with the right to offset its obligations through an equal and opposite transaction. For this reason, in entering into forward contracts, a Fund may be required, and must be able, to perform its obligations under the contract.

Most of the currency hedge agreements may involve the ICAV entering into contracts with counterparties on behalf of one or more Funds. Pursuant to such contracts, the counterparties agree to make payments to the Funds under certain circumstances. The Funds will be exposed to the credit risk of the counterparty with respect to any such payments.

## **Risks Inherent to OTC Contracts**

### *General*

OTC transactions are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Such trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the underlyings and these markets can experience periods of illiquidity, sometimes of significant duration.

### *Counterparty Exposure, Legal Risk and Liquidity Risk*

The use of OTC derivatives, such as forward contracts and swap agreements will expose the relevant Fund to credit risk with respect to the counterparty involved and the risk that the legal documentation of the contract may not accurately reflect the intention of the parties. In the event of the insolvency, bankruptcy or default of any such counterparty the Fund bears the risk that the counterparty may not settle a transaction in accordance with market practice due to credit or liquidity problems of the counterparty, or due to the insolvency, fraud or regulatory sanction of the counterparty, thus causing the Fund to suffer a loss. As some of the derivative instruments in which a Fund may invest may be traded on markets where the trading, settlement and custodial systems are not fully developed, the derivative instruments of a Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Depositary will have no liability. Where a Fund delivers collateral to its trading counterparties under the terms of its trading agreements with such parties, a counterparty may be over-collateralised and the Fund will, therefore, be exposed to the creditworthiness of such counterparties to the extent of the over-collateralisation. Collateral provided to a trading counterparty may be subject to counterparty risk. In addition, the Fund may from time to time have uncollateralised exposure to its trading counterparties in relation to its rights to receive securities and cash under contracts governing its trading positions. In the event of the insolvency of a trading counterparty, the Fund will rank as an unsecured creditor in relation to amounts equivalent to both any uncollateralised exposure to such trading counterparties and any such over collateralisation, and in such circumstances it is likely that the Fund will not be able to recover any debt in full, or at all. With respect to exchange traded derivatives and centrally cleared OTC derivatives, the risk is more complex in that it involves the potential default of the exchange, clearing house or the clearing broker. In these circumstances, a Fund may encounter delays and encounter

difficulties with respect to court procedures in seeking recovery of the Fund's assets. The Manager may have contractual remedies upon any default pursuant to the agreements related to the transactions.

Such remedies could be inadequate, however, to the extent that the collateral or other assets available are insufficient. OTC positions are, by definition, illiquid, but the Fund will only enter into OTC transactions with counterparties which are contractually obliged to close out a position on request.

### **Securities Lending Risk**

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

### **Repurchase and Reverse Repurchase Agreement Risk**

Where a Fund uses repurchase agreements and reverse repurchase agreements it will be set out in the relevant Supplement. If a repurchase/reverse repurchase agreement counterparty should default, as a result of bankruptcy or otherwise, the Fund will seek to sell the securities which it holds as collateral which could involve procedural costs or delays in addition to a loss on the securities if the value should fall below their repurchase price.

### **Forward Foreign Exchange Contracts**

Forward foreign exchange contracts are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward foreign exchange contracts are substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the currency markets are not required to continue to make markets in the currencies they trade and these markets can experience periods of illiquidity. Market illiquidity or disruption could result in major losses to a Fund.

### **Pricing and Valuation Risk**

For quoted investments, a valuation price can be obtained from an exchange or similarly verifiable source. However, investment in unquoted and/or illiquid investments and investments in markets that may be closed for holidays or other reasons will increase the risk of mispricing. In these and similar cases, an objective verifiable source of market prices will not be available and the AIFM or its delegate will invoke a fair value process which will determine a fair value price for the relevant investments and this fair value process may involve assumptions and subjectivity.

### **Investment Manager Valuation Risk**

The AIFM may consult the Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in



determining the valuation price of each Fund's investments and the other duties and responsibilities of the Investment Manager in relation to the Funds, the Investment Manager will follow industry standard procedures for valuing unlisted investments.

### **Performance Fee Risk**

Where set out in the relevant Supplement, certain Funds may pay the Investment Manager a performance fee. The existence of a performance fee may create an incentive for the Investment Manager of the relevant Fund to engage in riskier or more speculative investments than it would otherwise make in the absence of such fee.

### **Currency Risk**

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's Assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments. Funds may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor currency exchange forward contracts eliminate fluctuations in the prices of a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held. A Fund may enter into currency exchange transactions and/or use techniques and instruments to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

### **Cyber Security Risk**

The ICAV and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to

intended users). Cyber security incidents affecting the ICAV, the AIFM, the Investment Manager, the Administrator, the Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the ICAV's ability to calculate its Net Asset Value; impediments to trading for the ICAV's portfolio; the inability of Shareholders to transact business with the ICAV; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which the ICAV invests, counterparties with which the ICAV engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

### **Operation of Cash Accounts**

The ICAV has established Cash Accounts (which may be designated in different currencies) at umbrella level in the name of the ICAV into which (i) Capital Subscriptions received from investors are deposited and held until Shares are issued as of the relevant Capital Subscription Day; (ii) redemption monies due to investors are deposited and held until paid to the relevant investors; or (iii) dividend payments owing to Shareholders are deposited and held until paid to such Shareholders.

In circumstances where Capital Subscription monies are received from an investor in advance of a Capital Subscription Day in respect of which a Call Notice has been issued and are held in the relevant Cash Account, any such investor shall rank as an unsecured creditor of the relevant Fund until such time as Shares are issued as of the relevant Capital Subscription Day. Therefore in the event that such monies are lost prior to the issue of Shares to the relevant investor as of the relevant Capital Subscription Day, the ICAV, on behalf of the relevant Fund, may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor (in its capacity as a creditor of the Fund), in which case such loss will need to be discharged out of the assets of the ICAV and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the Fund.

Similarly in circumstances where redemption monies are payable to an investor subsequent to a Capital Redemption Day as of which Shares of that investor were redeemed or dividend monies are payable to an investor and such redemption / dividend monies are held in the relevant Cash Account, any such investor / Shareholder shall rank as an unsecured creditor of the Fund until such time as such redemption / dividend monies are paid to the investor. Therefore in the event that such monies are lost prior to payment to the relevant investor / Shareholder, the ICAV, on behalf of the relevant Fund, may be obliged to make good any losses suffered by the investor/ Shareholder (in its capacity as an unsecured creditor of the Fund), in which case such loss will need to be discharged out of the assets of the Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the Fund.

Certain additional risks associated with the operation of the Cash Accounts are set out in the following

sections of the Prospectus:- “DISTRIBUTION POLICY”; “CAPITAL COMMITMENTS/SUBSCRIPTIONS”; “CALL NOTICES”; and “RETURN OF CAPITAL POLICY”.

### **Taxation Risk**

Any change in the taxation legislation in Ireland, or elsewhere, could affect (i) the ICAV or any Fund’s ability to achieve its investment objective, (ii) the value of the ICAV or any Fund’s investments or (iii) the ability to pay returns to Shareholder or alter such returns. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein based on current tax law and practice. Prospective investors and Shareholders should note that the statements on taxation which are set out herein and, and, as applicable, in any Supplement, are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the ICAV will endure indefinitely.

If, as a result of the status of a Shareholder, the ICAV or a Fund becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon if an event giving rise to a tax liability occurs, the ICAV or the Fund shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as have a value sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Shareholder shall indemnify and keep the ICAV or the Fund indemnified against any loss arising to the ICAV or the Fund by reason of the ICAV or the Fund becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

Shareholders and prospective investors’ attention is drawn to the taxation risks associated with investing in the ICAV. Please refer to the section headed “Taxation”.

### **Foreign Account Tax Compliance Act**

The foreign account tax compliance provisions (“FATCA”) of the Hiring Incentives to Restore Employment Act 2010 which apply to certain payments are essentially designed to require reporting of Specified US Person’s direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service, with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, both US investors and non-US investors are likely to be required to provide information regarding themselves and their investors. In this regard the Irish and US Governments signed an intergovernmental agreement (“Irish IGA”) with respect to the implementation of FATCA (see section entitled “Compliance with US reporting and withholding requirements” for further detail) on 21 December 2012.

Under the Irish IGA (and the relevant Irish regulations and legislation implementing same), foreign financial institutions (such as the ICAV) should generally not be required to apply 30% withholding tax. To the extent the ICAV however suffers US withholding tax on its investments as a result of FATCA, or is not in a position to comply with any requirement of FATCA, the Administrator acting on behalf of

the ICAV may take any action in relation to a Shareholder's investment in the ICAV to redress such non-compliance and/or ensure that such withholding is economically borne by the relevant Shareholder whose failure to provide the necessary information or to become a participating foreign financial institution or other action or inaction gave rise to the withholding or non-compliance, including compulsory redemption of some or all of such Shareholder's holding of shares in the ICAV.

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

### **Common Reporting Standard**

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard ("CRS") to address the issue of offshore tax evasion on a global basis. Additionally, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("DAC2").

The CRS and DAC2 provide a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS and DAC2, participating jurisdictions and EU member states will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures.

The ICAV is required to comply with the CRS and DAC2 due diligence and reporting requirements, as adopted by Ireland. Shareholders may be required to provide additional information to the ICAV to enable the ICAV to satisfy its obligations under the CRS and DAC2. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of their Shares in the relevant Fund.

Shareholders and prospective investors should consult their own tax advisor with respect to their own certification requirements associated with an investment in the ICAV.

### **EU Anti-Tax Avoidance Directives**

As part of its anti-tax avoidance package, the EU Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016, which was formally adopted by the EC Council on 12 July 2016 in Council Directive (EU) 2016/1164 (the "**Anti-Tax Avoidance Directive**" or "**ATAD**"). This was then subsequently amended by Council Directive (EU) 2017/952 ("**ATAD 2**").

*Anti-Hybrid Rules* - As part of the implementation of ATAD and ATAD 2, anti-hybrid rules have been recently introduced into Irish tax legislation. Broadly speaking, these rules are intended to prevent arrangements that exploit differences in the tax treatment of a financial instrument or an entity under the tax laws of two or more jurisdictions to generate a tax advantage. The new legislation is effective for relevant payments made or arising on or after 1 January 2020 (although the provisions on reverse hybrid mismatches for which implementation can be postponed to 31 December 2021, have not yet been transposed into Irish legislation).

It is important to note that these rules generally only apply to particular cross-border arrangements between associated enterprises and to certain “structured arrangements”. Given that the ICAV is not subject to any Irish taxes on their income or gains, it is not expected that the Irish anti-hybrid rules should impact the ICAV.

*Interest Limitation Rules* - Also as part of the requirements of ATAD, Ireland is currently in the process of developing interest limitation rules which are expected to be implemented into Irish tax legislation from 2021 (although, as a result of the current COVID-19 crisis, this implementation date may now be extended). As required by ATAD, these rules are designed to limit the ability to deduct borrowing costs when calculating taxable profits. It operates by limiting the allowable tax deduction for ‘exceeding borrowing costs’ (in broad terms, net interest costs) in a tax period to 30% of Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA).

Nevertheless, Member States may exclude financial undertakings with respect of the aforementioned interest limitation rules and, on that basis, the ICAV is not expected to fall within scope. Notwithstanding this, once implemented, it may be relevant for the tax treatment of any Investment Vehicle.

**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.**

## TAXATION OF THE ICAV

### General

The following is a brief summary of certain aspects of Irish taxation law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.

The information given is not exhaustive and does not constitute legal or tax advice. It does not purport to deal with all of the tax consequences applicable to the ICAV or its current or future Funds or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of the ICAV or its current or future Funds if one or more were to be considered an IREF. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.

Dividends, interest and capital gains (if any) which the ICAV receives with respect to its investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the ICAV may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the ICAV the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

### Irish Taxation

The Directors have been advised that on the basis that the ICAV is resident in Ireland for taxation purposes the taxation position of the ICAV and the Shareholders is as set out below.

### Definitions

For the purposes of this section, the following definitions shall apply.

#### **“Exempt Irish Investor” means;-**

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;

- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying management company within the meaning of Section 739B of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- the Motor Insurers’ Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurer Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018), and the Motor Insurers’ Bureau of Ireland has made a declaration to that effect to the ICAV;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the ICAV;
- a company that is within the charge to corporation tax in accordance with Section 739G(2) of the Taxes Act in respect of payments made to it by the ICAV, that has made a declaration to that effect and that has provided the ICAV with its tax reference number but only to extent that the relevant Fund is a money market fund (as defined in Section 739B of the Taxes Act); or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Irish Revenue Commissioners without giving rise to a charge to tax in the ICAV or jeopardising tax exemptions associated with the ICAV giving rise to a charge to tax in the ICAV;

provided that they have correctly completed the Relevant Declaration.

**“IREF”**

means an Irish non-UCITS regulated fund or, where that non-UCITS regulated fund is an umbrella fund, a sub-fund of the regulated fund—

- (a) in which 25% or more of the value of the assets at the end of the immediately preceding accounting period is derived directly or indirectly from certain Irish real estate type assets (“IREF assets”), or
- (b) where paragraph (a) above does not apply, it would be reasonable to consider that the main purpose, or one of the main purposes, of the fund or the sub-fund, as the case may be, was to acquire IREF assets or to carry on activities involving IREF assets, the profits or gains of which, apart from the specific exemption set out in the legislation dealing with regulated funds, would be chargeable to income tax, corporation tax or capital gains tax, including, but without limitation to the generality of the preceding words, activities which would be regarded as (i) dealing in or developing land, or (ii) a property rental business;

and where this applies to a sub-fund of an umbrella fund, for the purposes of the calculation, assessment and collection of any tax due, each sub-fund of such umbrella scheme shall be treated as a separate legal person;

**“Irish Resident”** in the case of:-

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

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

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

A company incorporated in Ireland and also companies not so incorporated but that are managed and controlled in Ireland, will be tax resident in Ireland except to the extent that the company in question is, by virtue of a double taxation treaty between Ireland and another country, regarded as resident in a territory other than Ireland (and thus not resident in Ireland).

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

**“Ordinarily Resident in Ireland”** in the case of:-

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

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2020 to 31 December 2020 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2023 to 31 December 2023.

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



**“Intermediary”** means a person who:-

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

**“Ireland”** means the Republic of Ireland

**“Recognised Clearing System”** means any clearing system listed in Section 246A of the Taxes Act (including, but not limited to, Euroclear, Clearstream Banking AG, Clearstream Banking SA and CREST) or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners, as a recognised clearing system.

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

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

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

### **Taxation of the ICAV**

The Directors have been advised that, under current Irish law and practice, the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Act., so long as the ICAV is resident in Ireland. Accordingly the ICAV is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a “chargeable event” in the ICAV. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares or the appropriation or cancellation of Shares of a Shareholder by the ICAV for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the ICAV in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration or the ICAV satisfying and availing of equivalent measures (see paragraph headed *“Equivalent Measures”* below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

- An exchange by a Shareholder, effected by way of an arms-length bargain where no payment is made to the Shareholder, of Shares in the ICAV for other Shares in the ICAV;

- Any transactions (which might otherwise be a chargeable event) in relation to shares held in a Recognised Clearing System as designated by order of the Irish Revenue Commissioners;
- A transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the ICAV with another investment undertaking.

If the ICAV becomes liable to account for tax if a chargeable event occurs, the ICAV shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Dividends received by the ICAV from investment in Irish equities may be subject to Irish dividend withholding tax at a rate of 25% (such sum representing income tax). However, the ICAV can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the ICAV to receive such dividends without deduction of Irish dividend withholding tax.

### **Stamp Duty**

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the ICAV. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets.

No Irish stamp duty will be payable by the ICAV on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act (that is not an IREF) or a “qualifying company” within the meaning of Section 110 of the Taxes Act) which is registered in Ireland.

### **Shareholders Tax**

#### *Shares which are held in a Recognised Clearing System*

Any payments to a Shareholder or any encashment, redemption, cancellation or transfer of Shares held in a Recognised Clearing System will not give rise to a chargeable event in the ICAV (there is however ambiguity in the legislation as to whether the rules outlined in this paragraph with regard to Shares held in a Recognised Clearing System, apply in the case of chargeable events arising on a deemed disposal, therefore, as previously advised, Shareholders should seek their own tax advice in this regard). Thus the ICAV will not have to deduct any Irish taxes on such payments regardless of whether they are held by Shareholders who are Irish Residents or Ordinarily Resident in Ireland, or whether a non-resident Shareholder has made a Relevant Declaration. However, Shareholders who are Irish Resident or

Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Shares are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Shares.

To the extent any Shares are not held in a Recognised Clearing System at the time of a chargeable event (and subject to the discussion in the previous paragraph relating to a chargeable event arising on a deemed disposal), the following tax consequences will typically arise on a chargeable event.

#### *Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland*

The ICAV will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration on or about the time when the Shares are applied for or acquired by the Shareholder and (c) the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the ICAV satisfying and availing of equivalent measures (see paragraph headed “*Equivalent Measures*” below) tax will arise on the happening of a chargeable event in the ICAV regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the ICAV on the occasion of a chargeable event provided that either (i) the ICAV satisfied and availed of the equivalent measures or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the ICAV has satisfied and availed of the equivalent measures or (ii) such Shareholders have made Relevant Declarations in respect of which the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares.

Where tax is withheld by the ICAV on the basis that no Relevant Declaration has been filed with the ICAV by the Shareholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

#### *Shareholders who are Irish Residents or Ordinarily Resident in Ireland*

Unless a Shareholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the ICAV is not in possession of any information which would reasonably suggest that the information

contained therein is no longer materially correct or unless the Shares are purchased by the Courts Service, tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) will be required to be deducted by the ICAV from a distribution (where payments are made annually or at more frequent intervals) to a Shareholder who is Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) will have to be deducted by the ICAV on any other distribution or gain arising to the Shareholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Shares by a Shareholder who is Irish Resident or Ordinarily Resident in Ireland.

The Finance Act 2006 introduced rules (which were subsequently amended by the Finance Act 2008) in relation to an automatic exit tax for Shareholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Shares held by them in the ICAV at the ending of a Relevant Period. Such Shareholders (both companies and individuals) will be deemed to have disposed of their Shares ("deemed disposal") at the expiration of that Relevant Period and will be charged to tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) on any deemed gain (calculated without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Shares since purchase or since the previous exit tax applied, whichever is later.

For the purposes of calculating if any further tax arises on a subsequent chargeable event (other than chargeable events arising from the ending of a subsequent Relevant Period or where payments are made annually or at more frequent intervals), the preceding deemed disposal is initially ignored and the appropriate tax calculated as normal. Upon calculation of this tax, credit is immediately given against this tax for any tax paid as a result of the preceding deemed disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding deemed disposal, the ICAV will have to deduct the difference. Where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal, the ICAV will refund the Shareholder for the excess (subject to the paragraph headed "*15% threshold*" below).

#### 10% Threshold

The ICAV will not have to deduct tax ("exit tax") in respect of this deemed disposal where the value of the chargeable shares (i.e. those Shares held by Shareholders to whom the declaration procedures do not apply) in the ICAV (or Fund being an umbrella scheme) is less than 10% of the value of the total Shares in the ICAV (or the Fund) and the ICAV has made an election to report certain details in respect of each affected Shareholder to the Irish Revenue Commissioners (the "Affected Shareholder") in each year that the de minimus limit applies. In such a situation the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Shareholder on a self-assessment basis ("self-assessors") as opposed to the ICAV or Fund (or their service providers). The ICAV is deemed to have made the election to report once it has advised the Affected Shareholders in writing that it will make the required report.

#### 15 % Threshold

As previously stated where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal (e.g. due to a subsequent loss on an actual disposal), the ICAV will refund the Shareholder the excess. Where however immediately before the subsequent chargeable event, the value of chargeable shares in the ICAV (or Fund being an umbrella scheme) does not exceed 15% of the value of the total Shares, the ICAV may elect to have any excess tax arising repaid directly by the Irish Revenue Commissioners to the Shareholder. The ICAV is deemed to have made this election once it notifies the Shareholder in writing that any repayment due will be made directly by the Irish Revenue Commissioners on receipt of a claim by the Shareholder.

#### *Other*

To avoid multiple deemed disposal events for multiple Shares an irrevocable election under Section 739D(5B) can be made by the ICAV to value the Shares held at the 30th June or 31st December of each year prior to the deemed disposal occurring. While the legislation is ambiguous, it is generally understood that the intention is to permit a fund to group shares in six month batches and thereby make it easier to calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

The Irish Revenue Commissioners have provided updated investment undertaking guidance notes which deal with the practical aspects of how the above calculations/objectives will be accomplished.

Shareholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of their Shares. Alternatively they may be entitled to a refund of all or part of any tax deducted by the ICAV on a chargeable event.

#### *Equivalent Measures*

The Finance Act 2010 ("Act") introduced measures commonly referred to as equivalent measures to amend the rules with regard to Relevant Declarations. The position prior to the Act was that no tax would arise on an investment undertaking with regard to chargeable events in respect of a shareholder who was neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, provided that a Relevant Declaration was in place and the investment undertaking was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of a Relevant Declaration there was a presumption that the investor was Irish Resident or Ordinarily Resident in Ireland. The Act however contained provisions that permit the above exemption in respect of shareholders who are not Irish Resident nor Ordinarily Resident in Ireland to apply where the investment undertaking is not actively marketed to such investors and appropriate equivalent measures are put in place by the investment undertaking to ensure that such shareholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Irish Revenue Commissioners in this regard.

#### *Personal Portfolio Investment Undertaking*

The Finance Act 2007 introduced provisions regarding the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold shares in investment undertakings. These provisions introduced the concept of a personal portfolio investment undertaking ("PPIU"). Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor can influence the selection of some or all of the property held by the investment undertaking either directly or through persons acting on behalf of or connected to the investor. Depending on individuals' circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors (i.e. it will only be a PPIU in respect of those individuals' who can "influence" selection). Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual on or after 20<sup>th</sup> February 2007, will be taxed at the rate of 60%. Specific exemptions apply where the property invested in has been widely marketed and made available to the public or for non-property investments entered into by the investment undertaking. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

## **Reporting**

Pursuant to Section 891C of the Taxes Act and the Return of Values (Investment Undertakings) Regulations 2013, the ICAV is obliged to report certain details in relation to Shares held by investors to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the value of the Shares held by, a Shareholder. In respect of Shares acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. No details are to be reported in respect of Shareholders who are;

- Exempt Irish Investors (as defined above);
- Shareholders who are neither Irish Resident nor Ordinarily Resident in Ireland (provided the relevant declaration has been made); or
- Shareholders whose Shares are held in a Recognised Clearing System.

## **Capital Acquisitions Tax**

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the ICAV falls within the definition of investment undertaking (within the meaning of Section 739B (1) of the Taxes Act), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Shareholder disposing ("disponer") of the Shares is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponer will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless;

- i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and
- ii) that person is either resident or ordinarily resident in Ireland on that date.

### **Taxation of Investment Vehicles incorporated in Ireland**

Investment Vehicles incorporated in Ireland will be liable to Irish tax on their income and gains but will be structured in a way to ensure that only nominal taxable profits arise in Ireland within each such Investment Vehicle and, instead, that such profits arise at the level of the ICAV, where they will be tax exempt. This is achieved by the Investment Vehicle transmitting such profits via a profit participating note to the ICAV. Provided it satisfies various Irish tax conditions, the Investment Vehicle will be able to offset all expenses (including amounts payable on the profit participating note) against income and gains, leaving only nominal taxable profits within the Investment Vehicle.

### **Compliance with US reporting and withholding requirements**

The foreign account tax compliance provisions (“**FATCA**”) of the Hiring Incentives to Restore Employment Act 2010 represent an expansive information reporting regime enacted by the United States (“**US**”) aimed at ensuring that Specified US Persons with financial assets outside the US are paying the correct amount of US tax. FATCA will generally impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends paid to a foreign financial institution (“**FFI**”) unless the FFI enters directly into a contract (“**FFI agreement**”) with the US Internal Revenue Service (“**IRS**”) or alternatively the FFI is located in a IGA country (please see below). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the ICAV would fall within the definition of a FFI for the purpose of FATCA.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement (“**Irish IGA**”) on the 21<sup>st</sup> December 2012 and provisions were included in Finance Act 2013 for the implementation of the Irish IGA and also to permit 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 which is effective from 1 July 2014. Supporting Guidance Notes have been issued by the Irish Revenue Commissioners and are updated on ad-hoc basis.

The Irish IGA is intended to reduce the burden for Irish FFIs of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish FFI (unless the FFI is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners. The Irish

Revenue Commissioners will then provide such information to the IRS (by the 30<sup>th</sup> September of the following year) without the need for the FFI to enter into a FFI agreement with the IRS. Nevertheless, the FFI will generally be required to register with the IRS to obtain a Global Intermediary Identification Number commonly referred to as a GIIN.

Under the Irish IGA, FFIs should generally not be required to apply 30% withholding tax. To the extent the ICAV does suffer US withholding tax on its investments as a result of FATCA, the Directors may take any action in relation to an investor's investment in the ICAV to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI gave rise to the withholding.

### **Common Reporting Standard**

On 14 July 2014, the OECD issued the Standard for Automatic Exchange of Financial Account Information (“**the Standard**”) which therein contains the Common Reporting Standard (“**CRS**”). This has been applied in Ireland by means of the relevant international legal framework and Irish tax legislation. Additionally, on 9 December 2014, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (“**DAC2**”) which, in turn, has been applied in Ireland by means of the relevant Irish tax legislation.

The main objective of the CRS and DAC2 is to provide for the annual automatic exchange of certain financial account information between relevant tax authorities of participating jurisdictions or EU member states.

The CRS and DAC2 draw extensively on the intergovernmental approach used for the purposes of implementing FATCA and, as such, there are significant similarities between the reporting mechanisms. However, whereas FATCA essentially only requires reporting of specific information in relation to Specified US Persons to the IRS, the CRS and DAC2 have significantly wider ambit due to the multiple jurisdictions participating in the regimes.

Broadly speaking, the CRS and DAC2 will require Irish Financial Institutions to identify Account Holders (and, in particular situations, Controlling Persons of such Account Holders) resident in other participating jurisdictions or EU member states and to report specific information in relation to these Account Holders (and, in particular situations, specific information in relation to identified Controlling Persons) to the Irish Revenue Commissioners on an annual basis (which, in turn, will provide this information to the relevant tax authorities where the Account Holder is resident). In this regard, please note that the ICAV will be considered an Irish Financial Institution for the purposes of the CRS and DAC2.

For further information on the CRS and DAC2 requirements of the ICAV, please refer to the below “CRS/DAC2 Data Protection Information Notice”.

Shareholders and prospective investors should consult their own tax advisor regarding the requirements under CRS/DAC2 with respect to their own situation.

*CRS/DAC2 Data Protection Information Notice*



The ICAV hereby confirms that it intends to take such steps as may be required to satisfy any obligations imposed by (i) the Standard and, specifically, the CRS therein, as applied in Ireland by means of the relevant international legal framework and Irish tax legislation and (ii) DAC2, as applied in Ireland by means of the relevant Irish tax legislation, so as to ensure compliance or deemed compliance (as the case may be) with the CRS and the DAC2 from 1 January 2016.

In this regard, the ICAV is obliged under Section 891F and Section 891G of the Taxes Act and regulations made pursuant to those sections to collect certain information about each Shareholder's tax arrangements (and also collect information in relation to relevant Controlling Persons of specific Shareholders).

In certain circumstances, the ICAV may be legally obliged to share this information and other financial information with respect to a Shareholder's interests in the ICAV with the Irish Revenue Commissioners (and, in particular situations, also share information in relation to relevant Controlling Persons of specific Shareholders). In turn, and to the extent the account has been identified as a Reportable Account, the Irish Revenue Commissioners will exchange this information with the country of residence of the Reportable Person(s) in respect of that Reportable Account.

In particular, information that may be reported in respect of a Shareholder (and relevant Controlling Persons, if applicable) includes name, address, date of birth, place of birth, account number, account balance or value at year end (or, if the account was closed during such year, the balance or value at the date of closure of the account), any payments (including redemption and dividend/interest payments) made with respect to the account during the calendar year, tax residency(ies) and tax identification number(s).

Shareholders (and relevant Controlling Persons) can obtain more information on the ICAV's tax reporting obligations on the website of the Irish Revenue Commissioners (which is available at <http://www.revenue.ie/en/business/aeoi/index.html>) or the following link in the case of CRS only: <http://www.oecd.org/tax/automatic-exchange/>.

All capitalised terms above, unless otherwise defined above, shall have the same meaning as they have in the Standard or DAC2 (as applicable).

### **Mandatory Disclosure Rules**

Council Directive (EU) 2018/822 (amending Directive 2011/16/EU), commonly referred to as "DAC6", became effective on 25 June 2018. Relevant Irish tax legislation has since been introduced to implement this Directive in Ireland.

DAC6 creates an obligation for persons referred to as "intermediaries" to make a return to the relevant tax authorities of information regarding certain cross-border arrangements with particular characteristics, referred to as "hallmarks" (most of which focus on aggressive tax planning arrangements). In certain circumstances, instead of an intermediary, the obligation to report may pass to the relevant taxpayer of a reportable cross-border arrangement.

The transactions contemplated under the prospectus may fall within the scope of DAC6 and thus may qualify as reportable cross-border arrangements. If that were the case, any person that falls within the definition of an “intermediary” (this could include the Administrator, the AIFM, the Investment Manager, the Distributor, the legal and tax advisors of the ICAV etc.) or, in certain circumstances, the relevant taxpayer of a reportable cross-border arrangement (this could include Shareholder(s)) may have to report information in respect of the transactions to the relevant tax authorities. Please note that this may result in the reporting of certain Shareholder information to the relevant tax authorities.

Shareholders and prospective investors should consult their own tax advisor regarding the requirements of DAC6 with respect to their own situation.

## GENERAL INFORMATION

### 1. Incorporation and Share Capital

- (a) The ICAV was registered in Ireland on 15<sup>th</sup> December, 2016 as an umbrella type Irish collective asset-management vehicle with segregated liability between funds registered with and authorised by the Central Bank with registration number C163877 pursuant to Part 2 of the Act.
- (b) The registered office of the ICAV is as stated in the Directory at the front of the Prospectus.
- (c) Clause 2 of the Instrument provides that the ICAV's sole object is the collective investment of its funds in property with the aim of giving Members the benefit of the results of the management of its investments.
- (d) The Instrument provides that the share capital of the ICAV shall be equal to the value for the time being of the issued share capital of the ICAV. The actual value of the paid up share capital of the ICAV shall at all times be equal to the value of the assets of the ICAV after deduction of its liabilities. The share capital of the ICAV is to be divided into a specified number of shares without assigning any nominal value to them.
- (e) The Instrument provides that shares of the ICAV shall be divided into ordinary participating shares of no nominal value ("Shares") and ordinary management shares of no nominal value ("Management Shares"). The ICAV may issue shares as fully paid up, or subscribed and partly paid up, in accordance with the Instrument, the requirements of the Central Bank, the Bank Regulations and the Act. The liability of Members in respect of payment on their shares shall be limited to the amount, if any, unpaid, on the shares respectively held by them.
- (f) Subject to the provisions of the Instrument, Shareholders have the right to participate in or receive profits or income arising from the acquisition, holding, management or disposal of investments of the relevant Fund, to vote at any general meeting of the ICAV or at any meeting of the relevant Fund or Class of Shares in respect of which such Shares have been issued and such other rights as may be provided in respect of Shares of a particular Fund or Class in each case as more particularly described in the Prospectus and/or relevant Supplement subject always to the requirements of the Central Bank, the Bank Regulations and the Act. Holders of Management Shares shall have the right to receive an amount not to exceed the consideration paid for such Management Shares and to vote at any general meeting of the ICAV in accordance with the provisions of the Instrument.
- (g) The Directors are generally and unconditionally authorised to exercise all the powers of the ICAV to issue shares subject to and in accordance with the requirements of the Central Bank, in the ICAV on such terms and in such manner as they may think fit.
- (h) No share capital of the ICAV has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.

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

- (a) The rights attaching to the Shares issued in any Class or Fund may, whether or not the ICAV is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued Shares of that Class or Fund, or with the sanction of a special resolution passed at a general meeting of the Shareholders of that Class or Fund.
- (b) A resolution in writing signed by all the Members of the ICAV, Fund or Class for the time being entitled to attend and vote on such resolution at a general meeting shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the ICAV, Fund or Class duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more Members.
- (c) Subject to the Central Bank's requirements, notwithstanding anything to the contrary in the Instrument, a resolution in writing that is described as being an Ordinary Resolution or a Special Resolution which is signed by a Member or Members who, at the time of the signing of the resolution concerned, represent more than 50%, in the case of an Ordinary Resolution or 75%, in the case of a Special Resolution, of the total voting rights of all the Members who, at that time, would have the right to attend and vote at a general meeting of the ICAV or relevant Fund or Class and in respect of which all Members of the ICAV or relevant Fund or Class (as the case may be) concerned entitled to attend and vote on the resolution have been circulated by the Directors (or other person proposing it) with the proposed text of the resolution, shall be as valid and effective for all purposes as if the Ordinary Resolution or Special Resolution, as the case may be, had been passed at a general meeting of the ICAV or relevant Fund or Class duly convened and held.
- (d) The rights conferred upon the holders of the shares of any Class of the ICAV issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that Class of the ICAV, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or by the liquidation of the ICAV or of any Fund and distribution of its assets to its Members in accordance with their rights or the vesting of assets in trustees for its Members in specie.
- (e) There are no rights of pre-emption upon the issue of Shares or Management Shares in the ICAV.
- (f) The Instrument enables the ICAV to create side pockets in any of its Funds if the investments of the relevant Fund become illiquid or otherwise difficult to value or realise or were illiquid or otherwise difficult to value or realise at the date they were required.

## **3. Voting Rights**

The following rules relating to voting rights apply:

- (a) Fractions of Shares do not carry voting rights.

- (b) On a show of hands every Shareholder (with applicable voting rights) present in person or by proxy shall be entitled to one vote and a holder of Management Shares shall be entitled to one vote in respect of all Management Shares.
- (c) The chairman of a general meeting of the ICAV or at least two Members present in person or by proxy or any Member or Members 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 a 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) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
- (f) 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.
- (g) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, shall be deposited at the registered office or at such other place as is specified for that purpose in the notice of meeting or in the instrument of proxy issued by the ICAV not less than such minimum time specified before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. The Directors may at the expense of the ICAV send, by post or otherwise, to the Members instruments of proxy (with or without prepaid postage for their return) for use at any general meeting or at any meeting of any Class of Members, either in blank or nominating in the alternative any one or more of the Directors or any other persons.
- (h) To be passed, ordinary resolutions of the Members or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Members or Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Members or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the Members or 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) The Directors may convene extraordinary general meetings of the ICAV at any time.
- (b) The Directors, in accordance with the provisions of the Instrument, may elect to dispense with the holding of an annual general meeting by giving 60 days' written notice to all of the ICAV's Members.

- (c) One or more Members of the ICAV holding, or together holding, at any time not less than 50 per cent of the voting rights in the ICAV may convene an extraordinary general meeting of the ICAV. The Directors of the ICAV shall, at the request of one or more Members holding, or together holding, at the date of the making of the request, not less than 10 per cent of the voting rights in the ICAV, proceed to convene an extraordinary general meeting of the ICAV. The request shall state the objects of the meeting and shall be signed by those making the request and deposited at the registered office of the ICAV and may consist of several documents in like form each signed by one or more of those making the request. If the Directors do not within 21 days after the date of the deposit of the request proceed to convene a meeting to be held within 2 months after that date, those making the request, or any of them representing more than 50 per cent of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held more than 3 months after the date the request was first made.
- (d) Not less than fourteen clear days' notice of every annual general meeting and any extraordinary meeting and any convened for the passing of a special resolution must be given to the Members.
- (e) Two Members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the Class rights of Shares shall be two Shareholders holding or representing by proxy at least one third of the issued Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such Fund or Class the quorum shall be one Shareholder holding Shares of the Fund or Class in question or his proxy. All general meetings will be held in Ireland.
- (f) The foregoing provisions with respect to the convening and conduct of meetings shall save to the extent expressly provided in the Instrument with respect to meetings of a Fund or Class, apply mutatis mutandis to separate meetings of each Fund or Class of Members.

## **5. Reports and Accounts**

The ICAV will prepare an annual report and audited accounts as of 31<sup>st</sup> December in each year. The first annual report was made up to 31<sup>st</sup> December, 2017.

The audited annual report and accounts will be prepared in accordance with IFRS and will be published within six months of the ICAV's financial year end and will be offered to subscribers before conclusion of a contract and supplied to Shareholders free of charge upon request and may also be obtained at the office of the Administrator.

## **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:

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

## 7. Transfer of Shares

- (a) Transfer of shares may be effected by transfer in writing or such other form as determined by the Directors accompanied by such evidence of ownership as the Directors may reasonably require to show the right of the transferor to make the transfer ("Instrument of Transfer"), signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee. A transfer of Participating Shares may only be effected by transfer in writing to Qualifying Investors.
- (b) The Directors may, before the end of the period of two months commencing with the date of receipt of the Instrument of Transfer, decline to register the transfer in the following circumstances:
- i. if in consequence of such transfer, the transferor or the transferee would hold a number of Shares less than the minimum holding;
  - ii. if all applicable taxes and/or stamp duties have not been paid in respect of the Instrument of Transfer and unless the Instrument of Transfer is deposited at the registered office or such other place as the Directors may reasonably require, accompanied by such relevant information and declarations as the Directors may reasonably require from the transferee including without limitation, information and declarations of the type which may be requested from an applicant for shares in the ICAV and such fee as may from time to time be specified by the Directors for the registration of any Instrument of Transfer;
  - iii. where the Directors are aware or reasonably believe the transfer would result in the beneficial ownership of Shares by a person 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 of Shares or Shareholders as a whole;
  - iv. unless the Instrument of Transfer is deposited with the Administrator together with such evidence as is required by the Administrator to satisfy the Administrator as to its or the ICAV's requirements to prevent money laundering;

- v. if the registration of such transfer would result in a contravention of any provision of law or result in a contravention of any provision of the Instrument; or would produce a result inconsistent with any provision of the ICAV's Prospectus.
- (c) The registration of transfers may be suspended for such periods as the Directors may determine provided always that each registration may not be suspended for more than 30 days in any year.

## **8. Directors**

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

- (a) The number of Directors shall not be less than two.
- (b) A Director need not be a Member.
- (c) The Instrument contains no provisions requiring Directors to retire on attaining a particular age.
- (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 company in which the ICAV is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.
- (e) The Directors of the ICAV for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in this 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) The provisions of the Act relating to restrictions on directors of an insolvent company or disqualifying persons from being appointed or acting as a director or other officer, statutory auditor, receiver or liquidator, or being in any way (directly or indirectly) concerned or taking part in the promotion, formation or management of a company apply to the ICAV.
- (g) Save as provided in the Instrument, a Director shall not vote in respect of any contract or arrangement or any proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the ICAV. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. A Director shall in the absence of some material interest other than that indicated below, be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters, namely:-
  - i. the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the ICAV or any of its subsidiaries or associated companies;
  - ii. the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the ICAV or any of its subsidiaries or associated companies for which



- he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- iii. any proposal concerning an offer of shares or other securities of or by the ICAV or any of its subsidiaries or associated companies for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
  - iv. any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever PROVIDED THAT he is not the holder of or beneficially interested in five per cent or more of the issued shares of any class of such company, or of any third company through which his interest is derived, or of any of the voting rights available to shareholders of the relevant company (any such interest being deemed for the purposes of this Clause to be a material interest in all circumstances); or
  - v. any proposal concerning the purchase of any policy of insurance against directors' and officers' liability.
- (h) The office of a Director must be vacated in any of the following events namely:-
- (i) if he resigns his office by notice in writing signed by him 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) if he becomes of unsound mind;
  - (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 in accordance with the provisions of the Act;
  - (viii) if he ceases to be approved to act as a director by the Central Bank.

The ICAV may by ordinary resolution remove a Director before the end of that Director's period of office despite anything in the Instrument or in any contract between the ICAV and the Director, in accordance with the provisions of the Act.

## 9. Directors' Interests

None of the Directors has or has had any direct interest in the promotion of the ICAV or in any transaction effected by the ICAV which is unusual in its nature or conditions or is significant to the business of the ICAV up to the date of this Prospectus or in any contracts or arrangements of the ICAV subsisting at the date hereof other than:

- (a) Jean-Luc Eyssautier is currently Head Rep. for the London Asset Management business of Union Bancaire Privée, UBP SA, the Distributor, and is the Head of UK and Nordics Sales and Marketing. Patrick Palfy is the Chief Operating Officer for Alternative Investments for the Distributor. Rémy Portes is a Senior Product Manager for the Distributor. As a result these Directors shall be interested in any contract entered into between the ICAV and the Distributor.
- (b) No present Director or any connected person has any interests beneficial or non-beneficial in the share capital of the ICAV.

## 10. Winding Up of ICAV

- (a) The ICAV may be wound up if:
  - a. the Members resolve to wind up the ICAV by Ordinary Resolution; or
  - b. if within a period of three months or such other period as agreed under the terms of the Depositary Agreement 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 depositary, no new depositary has been appointed. In such cases, the Directors shall instruct the Secretary to convene an extraordinary general meeting of the ICAV at which there shall be proposed an Ordinary Resolution to wind up the ICAV. Notwithstanding anything set out above, the Depositary 's appointment shall only terminate on revocation of the ICAV's authorisation by the Central Bank; or
  - c. when it becomes illegal or in the opinion of the Directors of the ICAV impracticable or inadvisable to continue operating the ICAV.
  - d. the AIFM desires to retire or the ICAV desires to remove the AIFM from office and no replacement AIFM, subject to the prior approval of the Central Bank, is appointed within such time frame agreed by the ICAV in the applicable AIFM Agreement or otherwise as determined by the Directors and the Members resolve to wind up the ICAV by Ordinary Resolution.
- (b) In all cases other than those set out above, the Members may resolve to wind up the ICAV by Special Resolution in accordance with the summary approval procedure as provided for in the Act.

- (c) In the event of a winding up the liquidator shall firstly apply the assets of the ICAV in satisfaction of creditors' claims in such manner and order as he thinks fit. The liquidator shall in relation to the assets available for distribution among Members make such transfers thereof to and from the Classes as may be necessary in order that the effective burden of creditors' claims may be shared between the Members of different Classes in such proportions as the liquidator in his discretion deems equitable.
- (d) The assets available for distribution among the Members shall be applied in the following priority:
  - a. Firstly, in the payment to the holders of the Shares of each Class or Fund of a sum in the Base Currency (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such Class or Fund held by such Shareholders respectively as at the date of commencement of winding up.
  - b. Secondly, in the payment to the holders of the Management Shares of sums up to the consideration paid therefor out of the assets of the ICAV not comprised within any Funds provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised in any of the Funds.
  - c. Thirdly, in the payment to the holders of Shares of each Class or Fund of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares of the relevant Class or Fund held.
  - d. Fourthly, any balance then remaining and not attributable to any Fund or Class of Shares shall be apportioned between the Funds and Classes of Shares pro-rata to the Net Asset Value of each Fund or Class of Shares 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.
- (e) 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.
- (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, then any such winding up shall be commenced in accordance with the summary approval procedure as provided for in the Act. Any liquidator appointed to wind up the ICAV shall distribute the assets of the ICAV in accordance with the provisions of the Instrument.

## **11. Periodic Disclosure to Investors**

The AIFM will ensure that the ICAV shall periodically disclose, in a clear and understandable way, to investors in each Fund:

- (a) the percentage of each Fund's assets which are subject to special arrangements, including but not limited to side pockets, lengthy settlement periods, due to their illiquid nature;
- (b) any new material arrangements for managing liquidity of the relevant Fund;
- (c) the current risk profile of the relevant Fund and risk management systems employed by the AIFM to manage those risks; and
- (d) historical performance of each Fund.

Such disclosure will be made to Shareholders at the same time as the publication of the Annual Report. On occasion, the AIFM may be requested to disclose information of a particular form or in a particular format to one or more investors as a result of their legal, regulatory, or structural requirements. In such instances the AIFM will make all reasonable efforts to ensure the same level of information is available to all investors.

## **12. The Capital Commitment/Subscription Agreement**

By subscribing for Shares using the Capital Commitment/Subscription Agreement, each investor agrees to enter into a contract with the ICAV in respect of a Fund. Any Shares subscribed for under the Capital Commitment/Subscription Agreement will be held subject to the terms and conditions of this Prospectus, as amended from time to time, the Instrument, as amended from time to time, and the applicable Capital Commitment/Subscription Agreement.

The Capital Commitment/Subscription Agreement shall be governed by and construed in accordance with the laws of Ireland.

## **13. Side Letters**

The ICAV or the AIFM may, in their sole and absolute discretion, agree with any existing or prospective investor, whether by means of a side letter or other agreement, to waive or modify the application of any of the terms described herein in this Prospectus or in the Capital Commitment/Subscription Agreement or to agree any specific terms with an investor ("Side Letter"). Such investors may include entities or persons who are affiliated with the AIFM or the Investment Manager and/or investors who hold a majority or substantial interest in the ICAV or a Fund. Any such Side Letter may be agreed in accordance with the requirements of the Central Bank and the AIFMD Legislation in relation to (but is not limited to) the application or calculation of fee provisions, indemnification obligations and/or additional representations, warranties and covenants. For the avoidance of doubt, neither the ICAV nor the AIFM will agree any Side Letter which provides an investor with different rights of access to portfolio information, disclosure of market sensitive events, or alter the liquidity provisions, redemption rights or

voting rights of any investor and in this regard, will ensure that investors are treated fairly. Neither the ICAV nor the AIFM is obligated to disclose the existence of specific terms of any Side Letter agreed with an investor to any other investors.

The provisions detailed in the section above titled “Legal Implications of Investing in the ICAV” apply to the recognition and enforcement of a foreign judgment obtained against the ICAV in relation to a Side Letter.

#### **14. Professional Liability, Indemnities and Insurance**

The AIFM will cover at all times the potential risks of loss or damage resulting from those activities which it carries out as an AIFM as required by the Central Bank caused by the professional negligence of any relevant person for which it has delegated legal responsibility by maintaining an amount of own funds or appropriate liability insurance, and will comply with the qualitative requirements addressing such risks, in each case, in accordance with the AIFMD Legislation.

The AIFM Agreement provides that in the absence of negligence, fraud, wilful misfeasance or bad faith on the part of the AIFM, its directors, employees, delegates and agents, the AIFM shall not be liable to the ICAV or to any Shareholder for any actions, costs, charges, losses, damages or expenses suffered as a result of any act or omission in the course of, or connected with, rendering services or otherwise under the AIFM Agreement and the AIFM shall not be liable in any circumstances for indirect, special or consequential loss or damage. In addition, the AIFM Agreement provides that the AIFM shall not be liable for any error or misjudgement or for any loss suffered by the ICAV or any person claiming under it as a result of the acquisition, holding or disposal of any Investment in the absence of the AIFM’s negligence, wilful misfeasance or bad faith hereunder or fraud or dishonesty or failure to comply with its obligations as set out herein or under the ICAV Act. The ICAV shall hold harmless and indemnify the AIFM, its directors, employees, delegates and agents (“Indemnified Parties”) from and against all actions, proceedings, claims, damages, costs, demands and expenses including, without limitation, reasonable legal and professional expenses on a full indemnity basis (each a “Loss”) which may be brought against, suffered or incurred by the Indemnified Parties solely in the performance of their duties under the AIFM Agreement other than due to the negligence, fraud, wilful misfeasance or bad faith of any of the Indemnified Parties in the performance of their obligations under the AIFM Agreement.

The ICAV will protect and indemnify its officers, directors and other representatives against liability to the extent set forth in the Instrument and in this Prospectus.

Every person or body corporate who is or has been a Director or Secretary of the ICAV or any person or body corporate who is or has acted as auditor of the ICAV and such person’s heirs, administrators and executors, shall be indemnified and secured harmless out of the assets and profits of the ICAV from and against all actions, costs, charges, losses, damages liabilities, claims, penalties, fines, obligations and/or expenses, which they or any of them, their or any of their heirs, administrators or executors shall or may incur or sustain by reason of any contract entered into or any act done, concurred in, or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own negligence, default, breach of duty or breach of trust, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the ICAV and have priority as between the Members over all other claims.

None of the foregoing shall be answerable for the acts, receipts, neglects, or defaults of the other or others of them, or for joining in any receipt for the sake of conformity, or for any bankers, brokers, or other persons into whose hands any money or assets of the ICAV may come, or for any defects of title of the ICAV to any property purchased, or for insufficiency or deficiency of or defect of title of the ICAV to any security upon which any moneys of or belonging to the ICAV shall be placed out or invested, or for any loss, misfortune or damage resulting from any such cause as aforesaid, or which may happen in the execution of their respective offices or trusts, or in relation thereto, unless the same shall happen by or through their own negligence, default, breach of duty or breach of trust. The ICAV may indemnify any Director, Secretary, or any auditor against any liability incurred by him in defending proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted. The rights of indemnification herein provided shall be severable, shall not affect any other rights to which any Director, Secretary or auditor may now or hereafter be entitled and shall have effect in so far as they are not avoided by section 190 of the Act. A Director for the purposes of this Clause shall include any alternate Director appointed by a Director from time to time in accordance with the Instrument.

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 (including the Auditors) 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.

The general rule under Irish law is that, where there is a wrongdoing alleged to have been committed against the ICAV, the proper plaintiff in an action in respect of that alleged wrongdoing is the ICAV itself. Accordingly, investors would have no direct right against the relevant service provider for breach of the agreement governing its appointment.

## **15. General**

As at the date of this Prospectus:

- (a) No share or loan capital of the ICAV is subject to an option or is agreed, conditionally or unconditionally, to be made the subject of an option.
- (b) The ICAV does not have, nor has it had since registration, any employees.
- (c) The ICAV does not intend to purchase or acquire nor agree to purchase or acquire any property.
- (d) The rights conferred on Shareholders by virtue of their shareholdings are governed by the Instrument, the general law of Ireland and the Act.
- (e) The ICAV is not engaged in any litigation or arbitration and no litigation or claim is known by the Directors to be pending or threatened against the ICAV.
- (f) Dividends which remain unclaimed for six years from the date on which they become payable will be forfeited. On forfeiture such dividends will become part of the assets of the Fund to which they relate. No dividend or other amount payable to any Shareholder shall bear interest against the ICAV.

- (g) No person has any preferential right to subscribe for any authorised but unissued capital of the ICAV.

## **16. Material Contracts**

The following contracts which are or may be material have been entered into otherwise than in the ordinary course of business:-

### **(a) AIFM Agreement**

An AIFM Agreement between the ICAV and the AIFM dated 25 January 2017 whereby the ICAV has appointed the AIFM as the alternative investment fund manager of the ICAV. The AIFM will be responsible for the management and general administration of the ICAV with power to delegate such functions subject to the overall supervision and control of the AIFM. Under the terms of the AIFM Agreement, the AIFM has responsibility for the performance of portfolio management, risk management and certain other functions and services in respect of the ICAV and the Funds' investments and, in connection therewith, to act as the AIFM of the ICAV for the purposes of the AIFMD.

The AIFM Agreement will continue in force until terminated by either party on 90 days' notice in writing to the other party. It may be terminated forthwith by either party on written notice if the other party (i) shall be dissolved (except a voluntary dissolution for the purposes of reconstructing or amalgamation upon terms previously approved in writing by the other parties) or be unable to pay its debts or commit any act of bankruptcy or if a receiver is appointed of any of the assets of any party; (ii) commits a material breach of its obligations under the AIFM Agreement and fails to remedy the breach within 30 days of receipt of written notice requiring the same; (iii) if the AIFM has given notice to the ICAV that (in the AIFM's reasonable opinion) the AIFM is unable to ensure compliance with implementing provisions of the AIFM Directive for which the ICAV is responsible and such matter has not been rectified by the ICAV within 30 days of receipt of such notice to the reasonable satisfaction of the AIFM.

The AIFM Agreement provides that in the absence of negligence, fraud, wilful misfeasance or bad faith on the part of the AIFM, its directors, employees, delegates and agents, the AIFM shall not be liable to the ICAV or to any Shareholder for any actions, costs, charges, losses, damages or expenses suffered as a result of any act or omission in the course of, or connected with, rendering services or otherwise under the AIFM Agreement and the AIFM shall not be liable in any circumstances for indirect, special or consequential loss or damage. In addition, the AIFM Agreement provides that the AIFM shall not be liable for any error or misjudgement or for any loss suffered by the ICAV or any person claiming under it as a result of the acquisition, holding or disposal of any Investment in the absence of the AIFM's negligence, wilful misfeasance or bad faith hereunder or fraud or dishonesty or failure to comply with its obligations as set out herein or under the ICAV Act. The ICAV shall hold harmless and indemnify the AIFM, its directors, employees, delegates and agents ("Indemnified Parties") from

and against all actions, proceedings, claims, damages, costs, demands and expenses including, without limitation, reasonable legal and professional expenses on a full indemnity basis (each a “Loss”) which may be brought against, suffered or incurred by the Indemnified Parties solely in the performance of their duties under the AIFM Agreement other than due to the negligence, fraud, wilful misfeasance or bad faith of any of the Indemnified Parties in the performance of their obligations under the AIFM Agreement.

(b) **Administration Agreement**

An Administration Agreement dated 25 January 2017, between the ICAV, the AIFM and the Administrator whereby the Administrator has been appointed to provide certain share issue and redemption and other administrative services to the ICAV. The Administration Agreement may be terminated by any party on 90 days’ notice in writing to the other parties and shall terminate immediately in the event that certain insolvency, receivership, liquidation or analogous events occur with respect to the Administrator. The Administration Agreement may be terminated forthwith by notice in writing (i) by the ICAV or the AIFM where the AIFM is directed to do so by the Central Bank; or (ii) by the Fund or the AIFM if the Administrator fails to perform the net asset value calculation and publication services pursuant to the Administration Agreement. The Administrator will not be liable for any loss incurred by the Fund as a result of the performance or non-performance of its obligations and duties under the Administration Agreement in the absence of wilful default, fraud or negligence on its part. The Fund has agreed to indemnify the Administrator against claims made against it by reason of its performance or non-performance of its duties other than where the same is due to its wilful default, fraud or negligence.

(c) **Investment Management Agreement**

An investment management agreement dated 25 January 2017 as amended and novated, between the AIFM and the Investment Manager whereby the AIFM has appointed the Investment Manager, subject to the overall control and supervision of the AIFM, to manage the investments of the Fund (the “Investment Management Agreement”). The Investment Management Agreement will continue in force until terminated by any party on 90 days’ notice in writing to the other parties. It may be terminated forthwith by any party on immediate written notice if another party commits any material breach of its obligations and fails to remedy the breach within seven days of receipt of written notice requiring the same, or if the other party is dissolved or otherwise enters into insolvency proceedings. In addition, the Investment Management Agreement shall terminate automatically if (i) the AIFM ceases to be authorised by the Central Bank to manage alternative investment funds; (ii) the AIFM Agreement terminates; (iii) the Investment Manager ceases to be authorised by the FCA or (iv) if the Investment Manager is deemed to be the alternative investment fund manager of the Fund by a relevant competent authority. In addition, the AIFM may terminate the Investment Management Agreement if it determines that (i) such termination is in the interests of shareholders or (ii) the Investment Manager is no longer able to carry out its functions effectively or is in breach of its regulatory or legal obligations outside the Investment Management Agreement or its legal or regulatory status results in reputational risk to the AIFM or the Fund. The Investment Manager will not be liable for any loss suffered by the Fund in connection with



the performance by the Investment Manager of its obligations under the Investment Management Agreement in the absence of negligence, wilful default or fraud on the part of the Investment Manager or that of any of its partners or employees in the performance or non-performance of its obligations and duties under the Investment Management Agreement. The Fund agrees to indemnify the Investment Manager and its directors, officers and employees against all liabilities incurred by it in the performance of its obligations under the Investment Management Agreement other than liabilities arising out of the fraud, negligence, wilful misfeasance, or reckless disregard by the Investment Manager or its partners or employees of its obligations.

(d) **Distribution Agreement**

A distribution agreement dated 12 March, 2020 between the AIFM and the Distributor whereby the AIFM has appointed the Distributor, subject to the overall control and supervision of the AIFM, to distribute the Shares of the ICAV. The AIFM shall be liable and shall indemnify and hold, out of the assets of the Fund, the Distributor and its employees, delegates, directors and agents (each an "Indemnitee") harmless against all actions, proceedings, claims, damages, costs, demands and expenses including, without limitation, legal and professional expenses ("Losses") suffered or incurred by any such person in connection with the Distribution Agreement, except to the extent that such Losses are as a result of the Negligence (as defined in the Distribution Agreement), fraud, bad faith or wilful default of any Indemnitee or as a result of a material breach of the Distribution Agreement and/or the Prospectus. The Distributor shall not be liable for any Losses suffered or incurred by the AIFM and/or the ICAV in connection with the Distributor's performance or non-performance of its duties under the Distribution Agreement except to the extent that such Losses are as a result of Negligence, fraud, bad faith or wilful default of the Distributor or as a result of a material breach of the Distribution Agreement and/or the Prospectus. Notwithstanding the foregoing, in no circumstances shall the AIFM or the Distributor be liable for special, indirect, consequential, punitive or exemplary damages, indirect loss of profits or loss of business. The Distribution Agreement may be terminated by either the AIFM or the Distributor by giving the other party three months prior written notice of such termination. The Distribution Agreement may be terminated forthwith without prior notice by either party ("Party X") if the other party ("Party Y") shall breach any of its obligation under the Distribution Agreement and shall fail to make good such breach within 30 days of receipt of notice Party Y requiring it to do so; or Party Y shall pass a resolution for its winding up (except a voluntary liquidation for the purpose of reconstruction or amalgamation on terms previously approved in writing by Party X) or if a Court of competent jurisdiction shall order a winding up of Party Y, or a receiver shall be appointed over Party Y's assets, or an examiner shall be appointed to Party Y or if some event having an equivalent effect occurs.

(e) **Depository Agreement**

A Depository Agreement dated 25 January 2017 (as amended) between the ICAV, the Depository, the Investment Vehicles and the AIFM pursuant to which the Depository has agreed to provide depository services to the ICAV and the Investment Vehicles. The Depository may retire or resign its appointment on 90 days' notice in writing to the other parties, or terminate

the Depositary Agreement forthwith (i) at any time on the ICAV or either of the Investment Vehicles going into liquidation or becoming insolvent or in the event of the appointment of a receiver over another party or an equivalent event; (ii) at any time if the ICAV or either of the Investment Vehicles commit a material breach of their obligations under the Depositary Agreement and fails within thirty days of notice to make good such breach, provided that such retirement, resignation or termination shall not take effect until a successor depositary approved by the Central Bank has been appointed and provided further that in the event that no successor depositary is appointed, such termination shall only take effect after revocation of authorisation of the ICAV. The Depositary Agreement may be terminated by the ICAV or either of the Investment Vehicles on 90 days' notice in writing to the Depositary or forthwith (i) at any time on the Depositary going into liquidation or becoming insolvent or in the event of the appointment of a receiver over the Depositary or an equivalent event; (ii) at any time if the Depositary commits material breach of its obligations under the Depositary Agreement and fails within thirty days of notice to make good such breach, or (iii) if the Depositary ceases to be authorised to act as a depositary to the ICAV or a fund authorised under the Act and or pursuant to the AIFM Directive or otherwise under applicable law to carry out its functions pursuant to the Depositary Agreement.

#### **17. Documents Available for Inspection**

Copies of the following documents, which are available for information only and do not form part of this document, may be inspected at the registered office of the ICAV in Ireland during normal business hours on any Business Day:-

- (a) The Instrument of Incorporation of the ICAV (copies may be obtained free of charge from the AIFM).
- (b) Once published, the latest Annual Report of the ICAV (copies of which may be obtained from the AIFM free of charge).

Copies of the Prospectus may also be obtained by Shareholders from the AIFM.

## UBP PRIVATE DEBT FUND

Supplement dated 30 November, 2022

**(an umbrella type Irish collective asset management vehicle with segregated liability between sub-funds)**

This Supplement contains specific information in relation to the UBP Private Debt Fund (the “**Fund**”), an open-ended with limited liquidity sub-fund of UBP Private Debt ICAV (the “**ICAV**”). The ICAV is an umbrella Irish collective asset management vehicle with segregated liability between sub-funds registered with and authorised by the Central Bank of Ireland with registration number C163877, pursuant to Part 2 of the Irish Collective Asset-Management Vehicles Act, 2015. The ICAV has three additional sub-funds, namely the UBP Private Debt Fund II, UBP Private Debt Fund III and UBP Social Investment Private Debt Fund.

**Capitalised terms used, but not defined, in this Supplement have the meanings given to them in the ICAV’s Prospectus dated 30 November, 2022 (the “Prospectus”). This Supplement forms part of and should be read together with and in the context of the Prospectus. The Prospectus is available from the ICAV at its registered office. The ICAV may create additional Funds with the prior approval of the Central Bank and details of such other Funds shall be made available upon request. To the extent that there is any inconsistency between the terms of this Supplement and the Prospectus, this Supplement shall prevail with respect to the Fund.**

The Fund is open-ended with limited liquidity. Capital will be returned to Shareholders and a corresponding quantity of Shares will be redeemed on each Capital Redemption Day as set out in the section “Return of Capital” below.

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

Under the Act, the Fund is a segregated and separate portfolio of assets maintained by the ICAV in accordance with the Instrument. As a result, unless stated to the contrary, references herein to actions taken by the Fund are to be construed as actions taken by the ICAV or its delegates (including but not limited to the AIFM and Investment Manager) in respect of the Fund. The ICAV is an umbrella fund with segregated liability between its Funds. Pursuant to the Act any liability incurred on behalf of or attributable to any one Fund may only be discharged solely out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability.

The ICAV and the Fund are both authorised and supervised by the Central Bank. The Fund is authorised to be marketed solely to “Qualifying Investors” as defined in the Prospectus and in accordance with Chapter 2 of the Rulebook.

## 1. Interpretation

The expressions below shall have the following meanings:

<b>“Business Day”</b>	any day (except Saturday or Sunday) on which banks in London, Dublin and New York are open for business, and Euroclear is open for business.
<b>“Capital Subscription Day”</b>	A Capital Subscription Day will fall on:-  (i) the Business Day following the Initial Closing Date; and (ii) such other and/or further day or days as the Directors may from time to time prescribe and notify to an investor or Shareholder in a Call Notice or otherwise pursuant to such investor’s or Shareholder’s Capital Commitment Agreement.
<b>“Capital Redemption Day”</b>	A Capital Redemption Day will fall on:-  (i) the first Business Day of each calendar quarter; and/or (ii) such other and/or further day or days as the Directors may from time to time prescribe and notify to Shareholders.
<b>“Final Closing Date”</b>	31 <sup>st</sup> May, 2017 or such earlier or later date as may be determined by the Directors in accordance with the requirements of the Central Bank.
<b>“Initial Closing Date”</b>	16 March, 2017 or such earlier or later date as may be determined by the Directors.
<b>“Initial Commitment Offer Period”</b>	means the period commencing at 9am on 26th January, 2017 and ending at 5pm on the Initial Closing Date or such other dates and times as the Directors may determine and notify to the Central Bank.
<b>“Initial Commitment Offer Price”</b>	EUR100.00 per Euro Class Share, GBP100.00 per GBP Class Share and US\$100.00 per US\$ Class Share.

<b>“Initial Drawdown Amount”</b>	a percentage of the Capital Commitment payable in respect of Shares of any Class of the Fund during the Initial Commitment Offer Period as notified by the ICAV or the Investment Manager to prospective investors.
<b>“Investment Period”</b>	the period commencing on the Initial Closing Date and ending on the fourth anniversary of the Initial Closing Date.
<b>“Investment Vehicle”</b>	UBP Private Debt Fund DAC.
<b>“Investment Vehicle Administrator”</b>	Apex IFS Limited or any successor(s) thereto appointed by the ICAV and the Investment Vehicle to provide administration services to the Investment Vehicle.
<b>“Valuation Day”</b>	The Business Day immediately preceding a Capital Subscription Day or Capital Redemption Day or such other dates as the Directors may determine.
<b>“Valuation Point”</b>	11.00 p.m. (Dublin time) on the relevant Valuation Day or such other time as the Directors may determine.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail with respect to the Fund.

## **2. Base Currency**

The Base Currency of the Fund is Euro.

## **3. Classes of Shares**

A Euro Share Class, US\$ Share Class and GBP Share Class are available for subscription in the Fund. Additional Classes may be established in the Fund in accordance with the requirements of the Central Bank. Information relating to the Classes of the Fund is set out below.

<b>Class</b>	<b>Reference Currency</b>	<b>Hedged Class</b>	<b>Distribution Policy</b>
Euro Share Class	Euro	No	Income Shares
US\$ Share Class	US\$	Yes	Income Shares
GBP Share Class	GBP	Yes	Income Shares

The minimum Capital Commitment per investor for the Euro Share Class, US\$ Share Class and GBP Share Class is €100,000.00 or its equivalent in the Reference Currency of non-Euro denominated Share Classes. The minimum Capital Commitment per investor may be increased or decreased or waived, in each case at the discretion of the Directors, either generally or in specific cases, provided that the minimum Capital Commitment amount will not be reduced below €100,000 or its equivalent in the Reference Currency of the relevant Class. Knowledgeable Persons may be exempted from such a minimum at the discretion of the Directors.

#### *Minimum Offering*

The minimum size of the offering is €50,000,000 or such lower amount as is agreed between the Directors and the Investment Manager. If aggregate Capital Commitments are not received from investors in an amount equalling or exceeding such minimum size by the Initial Closing Date, the Directors may in their discretion elect not to continue with the offering.

#### *Hedged Classes*

The Classes in the above table termed as “Hedged” are those Classes in respect of which the Investment Manager seeks to hedge undesired foreign exchange risk with respect to the Base Currency through the use of forward foreign exchange contracts. Where undertaken, the effects of this hedging will be reflected in the Net Asset Value and, therefore, in the performance of the Class(es). Similarly, any expenses arising from such hedging transactions will be borne by the Class(es) in relation to which they have been incurred.

It should be noted that these hedging transactions may be entered into whether the Base Currency is declining or increasing in value relative to relevant Reference Currency. Where such hedging is undertaken it may substantially protect investors in the relevant Class(es) against a decrease in the value of the Base Currency, but it may also preclude investors from benefiting from an increase in the Base Currency relative to the relevant Reference Currency. There can be no assurance that the currency hedging employed will fully eliminate the foreign currency exposure to the Base Currency.

### **4. Investment Objective and Policy**

#### *Investment Objective*

The Fund's investment objective is to earn attractive risk adjusted returns by investing in privately sourced debt obligations. The Fund will invest in debt obligations typically with 1-3 year maturities and will be self-liquidating, returning capital to investors as and when the underlying debt obligations mature.

#### *Investment Policy*

The Fund will seek to achieve its investment objective through investment in debt obligations that are typically (i) unlisted; (ii) secured obligations of the issuers; (iii) have a maturity between 1 and 3 years; and (iv) have principal amounts ranging from EUR7.5 million to EUR30 million. The Fund will follow a

buy and hold strategy and therefore investments in such debt obligations will typically be held by the Fund from issue to maturity. The Fund will not invest in distressed debt obligations.

Following the Final Closing Date, while the Fund is fully invested, the Fund's exposure to any one issuer or issuer group of such debt obligations shall not exceed 15% of the Net Asset Value of the Fund.

The Fund may acquire debt obligations in the secondary market and, while the Fund does not intend to actively trade the portfolio, there may be limited exits in the secondary market for example, when an exit is driven by the need to preserve value or when the exit is part of a refinancing undertaken by the issuer.

The Fund may hold 100% of any debt obligation or may co-invest in debt obligations where the principal amount is not consistent with the Fund's restrictions or the Investment Manager's desired allocation. Shareholders in the Fund may be offered the opportunity to co-invest alongside the Fund. Such co-investment opportunities will see the co-investor rank pari passu with the Fund in the debt obligation. No Shareholder will be obliged to co-invest alongside the Fund. The Investment Manager may invite other third party investors to co-invest alongside the Fund as it sees fit.

The Fund may hold warrants where they are issued in conjunction with a debt obligation, but otherwise will not transact in derivative instruments for investment purposes.

The Fund may also invest in cash, government and money market securities and regulated money market funds both pending investment and as part of the efficient portfolio management of the Fund.

#### *Portfolio Hedges*

In addition to hedging foreign exchange exposure at Share Class level as set out Section 3 above, the Investment Manager intends to hedge foreign exchange exposure on assets denominated in currencies other than the Base Currency through the use of forward foreign exchange contracts. Where undertaken, the effects of this hedging (including any expenses) will be reflected in the Net Asset Value and, therefore, in the performance of the Fund.

Where such hedging is undertaken it may substantially protect the Fund, and thereby its investors against a decrease in the value of assets denominated in other than the Base Currency, but it may also preclude investors from benefiting from an increase in the value of those assets when measured in the Base Currency. There can be no assurance that the currency hedging employed will fully eliminate the foreign currency exposure relative to the Base Currency.

#### *Investment Vehicle*

The Fund will pursue its investment objective by investing directly or indirectly through the Investment Vehicle, which will be managed by the Investment Manager and which is a designated activity company incorporated in the Ireland under the Companies Act 2014. The Investment Vehicle was created for the purpose of facilitating the implementation of the investment policy of the Fund.

## 5. Investment Restrictions

The Fund will be subject to the following investment restrictions in addition to the investment restrictions detailed in the section of the Prospectus titled “The ICAV – Investment Restrictions” where they are applicable:

- (a) The Fund will not acquire distressed debt obligations;
- (b) The debt obligations held by the Fund must be denominated in either EUR, GBP or US\$, or in such other currencies as the Investment Manager may determine provided that aggregate exposure to other currencies will not exceed 15% of the Net Asset Value of the Fund after the Final Closing Date when the Fund is fully invested;
- (c) The principal place of business of the issuers of the debt obligations in which the Fund shall invest shall be in the following developed markets:
  - (i) **Europe:** Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom.
  - (ii) **North America:** Canada and the United States of America.
- (d) Issuers of debt obligations whose principal business is real estate development may not account for more than 60% of the Net Asset Value of the Fund after the Final Closing Date when the Fund is fully invested.

In the event that any of these restrictions are exceeded for reasons beyond the control of the ICAV or as a result of the exercise of subscription rights, the ICAV will adopt as a priority objective the remedying of the situation, whilst taking due account of the interests of Shareholders.

It is intended that the Fund shall have the power subject to the prior approval of the Central Bank to avail itself of any change in the investment and borrowing restrictions specified in the Rulebook.

## 6. Borrowing and Leverage

The ICAV on behalf of the Fund may borrow up to 10% of Net Asset Value of the Fund for cash management purposes, including in anticipation of additional subscriptions and to fund redemptions, and may do so when deemed appropriate by the AIFM. The Fund will bear all of the costs and expenses incurred in connection therewith, including any interest expense charged on funds borrowed or otherwise accessed.

The Fund will not enter into derivative instruments for investment purposes but forward foreign exchange contracts will be used for hedging purposes as detailed under the sections entitled “Hedged Classes” and “Portfolio Hedges” above. The forward foreign exchange contracts described in “Hedged



Classes” above will be for that (approximate) amount of drawn capital in a currency denomination other than the Reference Currency. The maximum leverage on Hedged Classes foreign exchange contracts is the total subscribed capital of the Fund (assuming none of the subscribed capital is denominated in the Reference Currency). The forward foreign exchange contracts described in Portfolio Hedges above will be for that (approximate) amount of debt obligations in a currency denomination other than the Reference Currency. The maximum leverage on Portfolio Hedges foreign exchange contracts is the total NAV of the Fund (assuming none of the assets are denominated in the Reference Currency). The leverage which may be created through the use of forward foreign exchange for hedging purposes shall not exceed (i) 110% of Net Asset Value of the Fund calculated in accordance with the commitment method and (ii) 175% of the Net Asset Value of the Fund calculated in accordance with the gross method (as described in greater detail in the Prospectus in the section headed “Borrowing and Leverage”).

## **7. Capital Commitments**

Shares will be initially offered in the Fund during the Initial Commitment Offer Period at the Initial Commitment Offer Price per Share in accordance with the provisions set out in the section headed “Initial Closing” in the Prospectus.

Following the Initial Closing Date, the Directors may, in their discretion, accept applications to enter into additional Capital Commitments from existing investors and/or applications to enter into Capital Commitments from new investors as set out in the section headed “Subsequent Closings” in the Prospectus.

Applications to enter into Capital Commitments should be made in writing using the Capital Commitment Agreement in accordance with the procedures outlined therein and in the section headed “Capital Commitment Application Procedure” in the Prospectus.

Capital Commitment Agreements and accompanying anti-money laundering documentation must be received by 5pm on the Business Day prior to the Initial Closing Date and by 5pm on the Business Day prior to any subsequent Closing Date. Each Capital Commitment Agreement is subject to acceptance by the ICAV.

Applications to enter into Capital Commitments may not be submitted after the Final Closing Date.

## **8. Capital Subscriptions**

### *Initial Drawdown Amount*

Payment of the Initial Drawdown Amount must be received in cleared funds by no later than 5pm on the Business Day prior to the Initial Closing Date (or such later time or day as the Directors may determine either generally or in specific circumstances).

With respect to the Initial Drawdown Amount, Shares will be issued at the Initial Commitment Offer Price.

### *Call Notice*

Drawdowns of Capital Subscriptions will be made by giving investors of the Fund a minimum of 10 Business Days' written notice in the form of a Call Notice. The Directors will give to investors Call Notices (on such dates from time to time as the Directors consider fit) to make Capital Subscriptions in amounts up to in aggregate each investor's Capital Commitment. The Directors will issue their last Call Notice within eighteen months of the Initial Closing Date.

Investors in receipt of a Call Notice should make payment in cleared funds to the account of the ICAV specified in the Call Notice of an amount equal to the Capital Subscription, such payment to be received no later than 5pm on the Business Day prior to the Capital Subscription Day specified in the Call Notice. Capital Subscription monies are payable in the Reference Currency of a Class of Shares.

For each Capital Subscription, other than the Initial Drawdown Amount, Shares will be issued at the prevailing Net Asset Value per Share calculated as at the Valuation Point on the Valuation Day in respect of the relevant Capital Subscription Day.

## **9. Return of Capital**

Capital will be returned to Shareholders in accordance with the procedures outlined in the section headed "Return of Capital Policy" in the Prospectus and as set out below.

The Fund will not re-invest capital. As such, capital will be returned to Shareholders at the discretion of the Directors as and when the underlying debt instruments are repaid subject to making provision for expenses and investment management and operating requirements. The Fund will be managed with the objective of realising its underlying investments and returning the net proceeds of realisation to Shareholders over the course of the Investment Period.

Capital will be returned to Shareholders by way of pro rata redemptions of Shares or such other means as the Directors of the Company may from time to time determine. Such redemptions will be given effect on each Capital Redemption Day.

In addition, each Shareholder may submit a redemption request for up to 20% of any outstanding Shares held by such Shareholder to be redeemed upon not less than twenty four calendar months' notice in writing to the Administrator, such notice taking effect on the Capital Redemption Day falling on or immediately following forty two calendar months from the Initial Closing Date. Any periodic returns of capital undertaken during such notice period at the initiative of the ICAV in respect of a Shareholder who has submitted a voluntary redemption request shall be applied in part or total satisfaction of such voluntary redemption request. Voluntary redemption requests will be treated *pari passu* with periodic returns of capital proposed for the same Capital Redemption Day and the Directors shall have the discretion to defer such redemption requests and/or proposed periodic returns of capital in whole or in part in order to ensure the fair and equitable treatment of Shareholders.

In the event that a redemption is to be made pursuant to a voluntary redemption request (rather than a

periodic return of capital undertaken at the initiative of the ICAV), the AIFM shall appoint an External Valuer to carry out the relevant valuation of the assets of the Fund or such valuation may otherwise be carried out in accordance with procedures agreed between the AIFM and the ICAV, subject to the AIFMD Regulations and the section of the Prospectus headed "Net Asset Value and Valuation of Assets". The Directors shall defer all voluntary redemption requests until after the External Valuer has been duly appointed.

Shares will be redeemed at a Redemption Price equal to the Net Asset Value per Share calculated as at the Valuation Point on the relevant Valuation Day in respect of the relevant Capital Redemption Day.

Redemption proceeds, less any deductions for transaction costs, will be paid in the Reference Currency of the relevant Share Class, normally within 15 Business Days of the relevant Capital Redemption Day, provided, however, that such redemption proceeds will be paid to Shareholders within 90 days of the relevant Capital Redemption Day. In the event, that there are insufficient assets to satisfy redemptions or a default in a debt obligation means that the Fund has to hold an asset beyond the Investment Period, the Directors will schedule and process all outstanding redemptions taking due account of the interests of the remaining Shareholders.

## **10. Distribution Policy**

It is the current intention of the Directors to declare a dividend on a quarterly basis in respect of the Euro Class, GBP Class and US\$ Class Shares of a sum equal to the aggregate of the income received by the Fund in respect of its investments (whether in the form of dividends, interest or otherwise) subject to retaining adequate provision for expenses and investment management and operating requirements. Shareholders in the Euro Class, GBP Class and US\$ Class Shares as of the last Business Day of the calendar quarter as of which the relevant dividend is distributable shall be entitled to such dividends. It is intention that dividends will be paid within 15 Business Days of the declaration date.

Dividends will be paid by telegraphic 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 Share Class(es).

## **11. Switching**

Investors may not switch between Share Classes of the Fund, or switch into a Share Class of the Fund from a Class issued in another sub-fund of the ICAV, as described in the Prospectus in the section "Switching".

## **12. Fees and Expenses**

### *Establishment and Operating costs of the Fund*

The Fund will share pro-rata in the establishment and operating costs of the ICAV. Please refer to the section of the Prospectus entitled "Fees and Expenses". The fees and expenses relating to the establishment of the Fund including the fees of the Fund's professional advisers will be borne by the

Fund. Such fees and expenses are estimated not to exceed EUR90,000 (excluding any costs and expenses associated with registering a Class for sale, marketing or distribution in another jurisdiction). The fees and expenses will be amortised over a period of up to 3 years from the date of the launch of the Fund. Fees and expenses are charged pro rata to each Class, or otherwise in such manner as set out in this Supplement or the Prospectus or as the Directors in their absolute discretion deem fair.

In addition, the following management, administration and investment management fees are payable by the Fund.

### **Management**

The Fund will pay to the AIFM a management fee that is payable monthly in arrears at an annual rate calculated as follows (the “**Management Fee**”):

<b>NAV of the Fund (€)</b>	<b>% of NAV</b>
0 to €150million	up to 0.05% per annum
150 million to 300million	up to 0.04% per annum
300million to 500million	up to 0.03% per annum
500million to 1billion	up to 0.02% per annum
Over 1billion	up to 0.015% per annum

The Management Fee shall be paid in Euro, the Base Currency of the Fund, and is subject to an annual minimum fee of up to €60,000. The AIFM shall also be entitled to a one-off set up cost of €15,000 which shall be amortised over 3 years.

### **Depositary**

The Depositary receives out of the assets of the Fund a fee that is payable monthly in arrears at an annual rate calculated as follows (the “**Depositary Fee**”):

<b>NAV of the Fund</b>	<b>% of NAV</b>
0 to US\$150million	0.03% per annum
US\$150million to US\$225million	0.0175% per annum
Over US\$225million	0.01% per annum

Initially, the Depositary Fee is subject to an annual minimum fee of \$30,000 which will increase to \$40,000 with effect from 1<sup>st</sup> December, 2017. The Depositary shall also be entitled to an annual fixed fee of US\$1,000 out of the assets of the Fund in relation to the maintenance of the umbrella cash account and provision of daily cash reconciliation and monitoring services in respect of same.

The Depositary shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

### **Administration**

The Administrator shall receive out of the assets of the Fund an annual administration fee of up to 0.06% of the Net Asset Value of the Fund (the “**Administration Fee**”). The Administration Fee is subject to an annual minimum fee of €36,000. The Administration Fee shall be paid monthly in arrears. The Administrator may also charge an additional monthly fee of €200 per month per Class where there is in excess of six Classes in existence in the Fund.

The Administrator will also charge a transaction fee per subscription, transfer or redemption of €25 payable out of the assets of the Fund.

The Administrator shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

### **Investment Management**

The Investment Vehicle has appointed the Investment Manager to provide discretionary investment management services to the Investment Vehicle pursuant to an investment management agreement dated 25 January 2017 as amended and novated, between the Investment Manager, the Investment Vehicle, the AIFM and the ICAV.

#### *Investment Management Fee*

The Fund will pay to the Investment Manager an investment management fee that is payable quarterly in arrears at an annual rate of 1.75% of the Net Asset Value of the relevant Class (the “**Investment Management Fee**”). The Investment Manager may also recover out of pocket expenses reasonably incurred by it in the performance of its duties on behalf of the Fund.

#### *Performance Fee*

The Investment Manager will also be paid a performance fee out of the assets of the Fund calculated separately for each combination of Share Class and closing (each a “**Share Class Closing**”) as described below.

From time to time, the Fund may make payments to Shareholders (“**Shareholder Payments**”) whether by way of dividends (as set out under Distribution Policy) or redemption of Shares (as set out under Return of Capital).

In general, for each Share Class Closing, the performance fee is calculated on the outperformance of (x) the internal rate of return (“**IRR**”) of the Capital Subscriptions and Shareholder Payments over (y) a hurdle IRR of 5% (the “**Hurdle IRR**”).

At each Valuation Day and for each Share Class Closing, the provisional IRR (the “**Provisional IRR**”) will be calculated by reference to the relevant:

- (i) Capital Subscriptions (which will be assigned negative values, denoting investment for IRR calculations and where each Capital Subscription will be dated as of its Capital Subscription Day);
- (ii) prior Shareholder Payments (which will be assigned positive values, denoting return for IRR calculations and where each Shareholder Payment will be dated as of the date of such payment to Shareholders);
- (iii) cash provisionally available for Shareholder Payments as of that Valuation Day (which will be assigned a positive value, denoting return for IRR calculations and dated as of the Valuation Day); and
- (iv) the performance fee provision (if any) as of the prior Valuation Day (which will be assigned a positive value, denoting return for IRR calculations and dated as of the current Valuation Day).

For each Valuation Day, and for each Share Class Closing, where the Provisional IRR outperforms the Hurdle IRR the Investment Manager shall be entitled to a performance fee and a provision for such performance fee shall be determined as the cash amount (in the relevant Share Class currency) that reduces the Provisional IRR by 15% of the outperformance of the Provisional IRR over the Hurdle IRR. Calculations of IRR for performance fee purposes shall be rounded to 4 decimal places (i.e. x.xxxx%).

The performance fee provision(s) will be retained by the Fund and the performance fee will be payable on the earlier of (i) the date on which the Fund makes its final distribution to Shareholders or (ii) the expiry of the Investment Period. If the latter applies there may be a second performance fee payable as of the date the Fund (or its alternate) makes its final distribution to Shareholders

In calculating the Performance Fee payable, the Directors may in their discretion make such adjustments as they consider to be appropriate in their absolute discretion to give effect to the intent of these provisions.

The performance fee shall be calculated by the Administrator. The calculation of the Performance Fee will be verified by a competent person appointed by the AIFM and approved for this purpose by the Depositary. In this regard, Shareholders should note the section of the Prospectus headed "Conflicts of Interest."

The Investment Manager may waive, permanently or temporarily, some or all the Investment Management Fee or Performance Fee, in respect of all or part of the assets under management.

### **Distribution Fee**

The Distributor is entitled to a fee payable out of the Investment Management Fee.

### **Investment Vehicle Fees**

All administrative, accounting, auditing expenses, management fees, legal fees and other expenses

relating to the operation of the Investment Vehicle, including the fees of the Investment Vehicle Administrator as set out below will be borne by the Investment Vehicle and hence indirectly by the Fund.

The Fund has appointed the Investment Vehicle Administrator to, inter alia, calculate the Net Asset Value of the Investment Vehicle pursuant to an administration agreement dated 25 January 2017 between the AIFM, the ICAV and the Investment Vehicle. The Fund will pay to the Investment Vehicle Administrator an annual fee of €19,500 that is payable annually in advance (the “**Investment Vehicle Administration Fee**”). In addition the Investment Vehicle Administrator will act as calculation agent and shall receive an annual fee of €6,000 in respect of this service which is payable annually in advance.

### **Subscription, Redemption and Switching Charge**

The Directors shall not charge any subscription, redemption or switching fees.

## **13. Risk Factors**

**Potential investors should consider the risks referred to in the “Risk Factors” section of the main Prospectus. The following additional risk factors should be considered.**

### *Debt Obligations*

The Fund will invest in debt obligations and will, therefore, be subject to credit, liquidity and interest rate risks. The debt obligations may be subordinated to certain other outstanding obligations of the issuer.

### *Investments in Private Obligations*

The Fund will invest in private debt obligations. Because of the absence of any trading market for these investments, it is unlikely to be possible to liquidate these positions. Although these obligations may be resold in privately negotiated transactions, prices realised on these sales could be less than the theoretical value of the individual obligations. The lack of an actively traded market in these private obligations may also give rise to uncertainty regarding the value of such obligations.

### *Credit Risk*

A Fund's performance may be affected by default or perceived credit impairment of any individual security or debt obligation and by general or sector-specific or rating class-specific credit spread movement.

### *Currency Hedging*

The Euro Class Shares are issued and redeemed in Euros. The GBP Class Shares are issued and redeemed in Sterling and the US\$ Class Shares are issued and redeemed in US Dollars. The Fund anticipates that a proportion of the Fund's investments will be denominated in currencies (principally GBP & US\$) other than the Base Currency (Euro). Accordingly, the value of the Fund, as well as the value of an investment in Shares of the relevant Class, may be affected favourably or unfavourably by

fluctuations in exchange rates, notwithstanding efforts made to hedge such fluctuations for the GBP Class Shares and the US\$ Class Shares. In addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the currency in which the Class of Shares they have invested is denominated should take into account the potential risk of losses arising from fluctuations in the rate of exchange between the currency of their Shares and such other currency. The Fund may utilise forwards to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective or beneficial. Any such currency hedge placed by the Fund will be for an amount based on the estimated value of the assets of the Fund and may thus represent an over or under hedge of the actual value of the relevant security.

#### *Dependence on Key Personnel*

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

#### *Co-Investment Risk*

The Fund may enter into a co-investment arrangement with one or more other investors when the Fund acquires less than a 100% interest in a particular debt security and the remaining ownership interest is held by one or more third parties. These co-investment arrangements may expose the Fund to the risk that:

1. co-investors become insolvent or bankrupt, or fail to fund their share of any capital contribution which might be required, which may result in the Fund having to pay the co-investor's share or risk losing the investment;
2. disputes develop between the Fund and co-investors, with any litigation or arbitration resulting from any such disputes increasing the Fund's expenses and distracting the Investment Manager, the Directors and/or the AIFM from their other managerial tasks;
3. a co-investor breaches agreements related to an investment, which may cause a default under such agreements and result in liability for the Fund; and
4. a default by a co-investor may constitute a default under a loan financing arrangement relating to the investment, which could result in a foreclosure and the loss of all or a substantial portion of the investment made by the Fund.

**Past performance of similar investments is not necessarily a guide to the future performance of the Fund's investments. The value of any investment can go down as well as up. There is no guarantee that the investment objective will be achieved.**

**An investment in the Fund is not suitable for all investors. A decision to invest in the Fund should take into account your own financial circumstances and the suitability of the investment**



**as a part of your portfolio. You should consult a professional investment advisor before making an investment.**

**The foregoing list of risk factors is not complete. Prospective Shareholders should consult with their own advisers before deciding to subscribe for Shares.**

## UBP PRIVATE DEBT FUND II

Supplement dated 30 November, 2022

**(an umbrella type Irish collective asset management vehicle with segregated liability between sub-funds)**

This Supplement contains specific information in relation to the UBP Private Debt Fund II (the “**Fund**”), a closed-ended sub-fund of UBP Private Debt ICAV (the “**ICAV**”). The ICAV is an umbrella Irish collective asset management vehicle with segregated liability between sub-funds registered with and authorised by the Central Bank of Ireland with registration number C163877, pursuant to Part 2 of the Irish Collective Asset-Management Vehicles Act, 2015. The ICAV has three additional sub-funds, namely the UBP Private Debt Fund, UBP Private Debt Fund III and UBP Social Investment Private Debt Fund.

**Capitalised terms used, but not defined, in this Supplement have the meanings given to them in the ICAV’s Prospectus dated 30 November, 2022 (the “Prospectus”). This Supplement forms part of and should be read together with and in the context of the Prospectus. The Prospectus is available from the ICAV at its registered office. The ICAV may create additional Funds with the prior approval of the Central Bank and details of such other Funds shall be made available upon request. To the extent that there is any inconsistency between the terms of this Supplement and the Prospectus, this Supplement shall prevail with respect to the Fund.**

The Fund is closed-ended. Capital will be returned to Shareholders and a corresponding quantity of Shares will be redeemed on each Capital Redemption Day as set out in the section “Return of Capital” below.

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

Under the Act, the Fund is a segregated and separate portfolio of assets maintained by the ICAV in accordance with the Instrument. As a result, unless stated to the contrary, references herein to actions taken by the Fund are to be construed as actions taken by the ICAV or its delegates (including but not limited to the AIFM and Investment Manager) in respect of the Fund. The ICAV is an umbrella fund with segregated liability between its Funds. Pursuant to the Act any liability incurred on behalf of or attributable to any one Fund may only be discharged solely out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability.

The ICAV and the Fund are both authorised and supervised by the Central Bank. The Fund is authorised to be marketed solely to “Qualifying Investors” as defined in the Prospectus and in accordance with Chapter 2 of the Rulebook. The AIFM shall avail of the exemption contained in Article 3(2)(a)(1) of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) from the requirement to publish a prospectus in accordance with the Prospectus Directive for the Company. This Supplement

does not constitute a prospectus published in accordance with the Prospectus Directive.

## 1. Interpretation

The expressions below shall have the following meanings:

<b>“Business Day”</b>	any day (except Saturday or Sunday) on which banks in London, Dublin and New York are open for business, and Euroclear is open for business.
<b>“Capital Subscription Day”</b>	A Capital Subscription Day will fall on:-  (i) the Business Day following the Initial Closing Date; and (ii) such other and/or further day or days as the Directors may from time to time prescribe and notify to an investor or Shareholder in a Call Notice.
<b>“Capital Redemption Day”</b>	A Capital Redemption Day will fall on:-  (i) the first Business Day of each calendar quarter; and/or (ii) such other and/or further day or days as the Directors may from time to time prescribe and notify to Shareholders.
<b>“Final Closing Date”</b>	31 <sup>st</sup> March, 2019 or such earlier or later date as may be determined by the Directors in accordance with the requirements of the Central Bank.
<b>“Initial Closing Date”</b>	31 <sup>st</sup> October, 2018 or such earlier or later date as may be determined by the Directors.
<b>“Initial Commitment Offer Period”</b>	means the period commencing at 9am on 28 September, 2018 and ending at 5pm on the Initial Closing Date or such other dates and times as the Directors may determine and notify to the Central Bank.
<b>“Initial Commitment Offer Price”</b>	EUR100.00 per Euro Class Share, GBP100.00 per GBP Class Share and US\$100.00 per US\$ Class Share.

<b>“Initial Drawdown Amount”</b>	a percentage of the Capital Commitment payable in respect of Shares of any Class of the Fund during the Initial Commitment Offer Period as notified by the ICAV or the Investment Manager to prospective investors.
<b>“Investment Period”</b>	the period commencing on the Initial Closing Date and ending on the fourth anniversary of the Initial Closing Date.
<b>“Investment Vehicle”</b>	UBP Private Debt Fund II DAC.
<b>“Investment Vehicle Administrator”</b>	Apex IFS Limited or any successor(s) thereto appointed by the ICAV and the Investment Vehicle to provide administration services to the Investment Vehicle.
<b>“Valuation Day”</b>	The Business Day immediately preceding a Capital Subscription Day or Capital Redemption Day or such other dates as the Directors may determine.
<b>“Valuation Point”</b>	11.00 p.m. (Dublin time) on the relevant Valuation Day or such other time as the Directors may determine.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail with respect to the Fund.

## **2. Base Currency**

The Base Currency of the Fund is Euro.

## **3. Classes of Shares**

A Euro Share Class, US\$ Share Class and GBP Share Class are available for subscription in the Fund. Additional Classes may be established in the Fund in accordance with the requirements of the Central Bank. Information relating to the Classes of the Fund is set out below.

<b>Class</b>	<b>Reference Currency</b>	<b>Hedged Class</b>	<b>Distribution Policy</b>
Euro Share Class	Euro	No	Income Shares
US\$ Share Class	US\$	Yes	Income Shares
GBP Share Class	GBP	Yes	Income Shares

The minimum Capital Commitment per investor for the Euro Share Class, US\$ Share Class and GBP Share Class is €100,000.00 or its equivalent in the Reference Currency of non-Euro denominated Share Classes. The minimum Capital Commitment per investor may be increased or decreased or waived, in each case at the discretion of the Directors, either generally or in specific cases, provided that the minimum Capital Commitment amount will not be reduced below €100,000 or its equivalent in the Reference Currency of the relevant Class. Knowledgeable Persons may be exempted from such a minimum at the discretion of the Directors.

#### *Minimum Offering*

The minimum size of the offering is €50,000,000 or such lower amount as is agreed between the Directors and the Investment Manager. If aggregate Capital Commitments are not received from investors in an amount equalling or exceeding such minimum size by the Initial Closing Date, the Directors may in their discretion elect not to continue with the offering.

#### *Hedged Classes*

The Classes in the above table termed as “Hedged” are those Classes in respect of which the Investment Manager seeks to hedge undesired foreign exchange risk with respect to the Base Currency through the use of forward foreign exchange contracts. Where undertaken, the effects of this hedging will be reflected in the Net Asset Value and, therefore, in the performance of the Class(es). Similarly, any expenses arising from such hedging transactions will be borne by the Class(es) in relation to which they have been incurred.

It should be noted that these hedging transactions may be entered into whether the Base Currency is declining or increasing in value relative to relevant Reference Currency. Where such hedging is undertaken it may substantially protect investors in the relevant Class(es) against a decrease in the value of the Base Currency, but it may also preclude investors from benefiting from an increase in the Base Currency relative to the relevant Reference Currency. There can be no assurance that the currency hedging employed will fully eliminate the foreign currency exposure to the Base Currency.

### **4. Investment Objective and Policy**

#### *Investment Objective*

The Fund's investment objective is to earn attractive risk adjusted returns by investing in privately sourced debt obligations. The Fund will invest in debt obligations typically with 1-3 year maturities and will be self-liquidating, returning capital to investors as and when the underlying debt obligations mature over the course of the Investment Period.

#### *Investment Policy*

The Fund will seek to achieve its investment objective through investment in debt obligations that are typically (i) unlisted; (ii) secured obligations of the issuers; (iii) have a maturity between 1 and 3 years;

and (iv) have principal amounts ranging from EUR7.5 million to EUR30 million. The Fund will follow a buy and hold strategy and therefore investments in such debt obligations will typically be held by the Fund from issue to maturity. The Fund will not invest in distressed debt obligations.

Following the Final Closing Date, while the Fund is fully invested, the Fund's exposure to any one issuer or issuer group of such debt obligations shall not exceed 15% of the Net Asset Value of the Fund.

The Fund may acquire debt obligations in the secondary market and, while the Fund does not intend to actively trade the portfolio, there may be limited exits in the secondary market for example, when an exit is driven by the need to preserve value or when the exit is part of a refinancing undertaken by the issuer.

The Fund may hold 100% of any debt obligation or may co-invest in debt obligations where the principal amount is not consistent with the Fund's restrictions or the Investment Manager's desired allocation. Shareholders in the Fund may be offered the opportunity to co-invest alongside the Fund. Such co-investment opportunities will see the co-investor rank pari passu with the Fund in the debt obligation. No Shareholder will be obliged to co-invest alongside the Fund. The Investment Manager may invite other third party investors to co-invest alongside the Fund as it sees fit.

The Fund may hold warrants where they are issued in conjunction with a debt obligation, but otherwise will not transact in derivative instruments for investment purposes.

The Fund may also invest in cash, government and money market securities and regulated money market funds both pending investment and as part of the efficient portfolio management of the Fund.

#### *Portfolio Hedges*

In addition to hedging foreign exchange exposure at Share Class level as set out Section 3 above, the Investment Manager intends to hedge foreign exchange exposure on assets denominated in currencies other than the Base Currency through the use of forward foreign exchange contracts. Where undertaken, the effects of this hedging (including any expenses) will be reflected in the Net Asset Value and, therefore, in the performance of the Fund.

Where such hedging is undertaken it may substantially protect the Fund, and thereby its investors against a decrease in the value of assets denominated in other than the Base Currency, but it may also preclude investors from benefiting from an increase in the value of those assets when measured in the Base Currency. There can be no assurance that the currency hedging employed will fully eliminate the foreign currency exposure relative to the Base Currency.

#### *Investment Vehicle*

The Fund will pursue its investment objective by investing directly or indirectly through the Investment Vehicle, which will be managed by the Investment Manager and which is a designated activity company incorporated in the Ireland under the Companies Act 2014. The Investment Vehicle was created for the purpose of facilitating the implementation of the investment policy of the Fund.

## 5. Investment Restrictions

The Fund will be subject to the following investment restrictions in addition to the investment restrictions detailed in the section of the Prospectus titled “The ICAV – Investment Restrictions” where they are applicable:

- (e) The Fund will not acquire distressed debt obligations;
- (f) The debt obligations held by the Fund must be denominated in either EUR, GBP or US\$, or in such other currencies as the Investment Manager may determine provided that aggregate exposure to other currencies will not exceed 15% of the Net Asset Value of the Fund after the Final Closing Date when the Fund is fully invested;
- (g) The principal place of business of the issuers of the debt obligations in which the Fund shall invest shall be in the following markets:
  - (iii) **Europe:** Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom.
  - (iv) **North America:** Canada and the United States of America.
  - (v) **Other:** any other country including developing or emerging market countries, provided that aggregate investment in such other countries will not exceed 15% of the Net Asset Value of the Fund after the Final Closing Date when the Fund is fully invested

In the event that any of these restrictions are exceeded for reasons beyond the control of the ICAV or as a result of the exercise of subscription rights, the ICAV will adopt as a priority objective the remedying of the situation, whilst taking due account of the interests of Shareholders.

It is intended that the Fund shall have the power subject to the prior approval of the Central Bank to avail itself of any change in the investment and borrowing restrictions specified in the Rulebook.

## 6. Borrowing and Leverage

The ICAV on behalf of the Fund may borrow up to 25% of Net Asset Value of the Fund for cash management purposes, including in anticipation of additional subscriptions and to fund redemptions, or otherwise when deemed appropriate by the AIFM. The Fund will bear all of the costs and expenses incurred in connection therewith, including any interest expense charged on funds borrowed or otherwise accessed.

The Fund will not enter into derivative instruments for investment purposes but forward foreign exchange contracts will be used for hedging purposes as detailed under the sections entitled “Hedged

Classes” and “Portfolio Hedges” above.

The nominal value of the forward foreign exchange contracts described in “Hedged Classes” above will be for the (approximate) Fund NAV attributable to Hedged Classes. The maximum leverage to be used on Hedged Classes foreign exchange contracts will be the total NAV of the Fund (assuming none of the subscribed capital is denominated in the Base Currency).

The nominal value of the forward foreign exchange contracts described in Portfolio Hedges above will be for the (approximate) aggregate principal of debt obligations (together with an estimate for interest thereon) denominated in a currency other than the Base Currency. The maximum leverage on Portfolio Hedges foreign exchange contracts is the sum of principal plus interest on all assets (assuming none of the assets are denominated in the Base Currency).

The leverage which may be created through the use of borrowing and/or forward foreign exchange for hedging purposes shall not exceed (i) 150% of Net Asset Value of the Fund calculated in accordance with the commitment method and (ii) 200% of Net Asset Value of the Fund calculated in accordance with the gross method (as described in greater detail in the Prospectus in the section headed “Borrowing and Leverage”).

## **7. Capital Commitments**

Shares will be initially offered in the Fund during the Initial Commitment Offer Period at the Initial Commitment Offer Price per Share in accordance with the provisions set out in the section headed “Initial Closing” in the Prospectus.

Following the Initial Closing Date, the Directors may, in their discretion, accept applications to enter into additional Capital Commitments from existing investors and/or applications to enter into Capital Commitments from new investors as set out in the section headed “Subsequent Closings” in the Prospectus.

Applications to enter into Capital Commitments should be made in writing using the Capital Commitment Agreement in accordance with the procedures outlined therein and in the section headed “Capital Commitment Application Procedure” in the Prospectus.

Capital Commitment Agreements and accompanying anti-money laundering documentation must be received by 5pm on the Business Day prior to the Initial Closing Date and by 5pm on the Business Day prior to any subsequent Closing Date. Each Capital Commitment Agreement is subject to acceptance by the ICAV.

Applications to enter into Capital Commitments may not be submitted after the Final Closing Date.

## **8. Capital Subscriptions**

*Initial Drawdown Amount*



Payment of the Initial Drawdown Amount must be received in cleared funds by no later than 5pm on the Business Day prior to the Initial Closing Date (or such later time or day as the Directors may determine either generally or in specific circumstances).

With respect to the Initial Drawdown Amount, Shares will be issued at the Initial Commitment Offer Price.

#### *Call Notice*

Drawdowns of Capital Subscriptions will be made by giving investors of the Fund written notice in the form of a Call Notice.

A Call Notice requiring the investor to make Capital Subscriptions prior to the Initial Closing Date shall be issued no later than 5 Business Days prior to the settlement date specified in the relevant Call Notice. All other Call Notices requiring investors to make Capital Subscriptions may be given no earlier than 10 Business Days prior to the settlement date specified in such Call Notice.

The Directors will give to investors Call Notices (on such dates from time to time as the Directors consider fit) to make Capital Subscriptions in amounts up to in aggregate each investor's Capital Commitment. The Directors will issue their last Call Notice within eighteen months of the Initial Closing Date.

Investors in receipt of a Call Notice should make payment in cleared funds to the account of the ICAV specified in the Call Notice of an amount equal to the Capital Subscription, such payment to be received no later than 5pm on the Business Day prior to the Capital Subscription Day specified in the Call Notice. Capital Subscription monies are payable in the Reference Currency of a Class of Shares.

For each Capital Subscription, other than the Initial Drawdown Amount, Shares will be issued at the prevailing Net Asset Value per Share calculated as at the Valuation Point on the Valuation Day in respect of the relevant Capital Subscription Day.

### **9. Return of Capital**

Capital will be returned to Shareholders in accordance with the procedures outlined in the section headed "Return of Capital Policy" in the Prospectus and as set out below.

The Fund will not re-invest capital. As such, capital will be returned to Shareholders at the discretion of the Directors as and when the underlying debt instruments are repaid subject to making provision for expenses and investment management and operating requirements. The Fund will be managed with the objective of realising its underlying investments and returning the net proceeds of realisation to Shareholders over the course of the Investment Period.

Capital will be returned to Shareholders by way of pro rata redemptions of Shares or such other means as the Directors of the Company may from time to time determine. Such redemptions will be given effect on each Capital Redemption Day.

Shares will be redeemed at a Redemption Price equal to the Net Asset Value per Share calculated as at the Valuation Point on the relevant Valuation Day in respect of the relevant Capital Redemption Day.

Redemption proceeds, less any deductions for transaction costs, will be paid in the Reference Currency of the relevant Share Class, normally within 15 Business Days of the relevant Capital Redemption Day, provided, however, that such redemption proceeds will be paid to Shareholders within 90 days of the relevant Capital Redemption Day. In the event, that there are insufficient assets to satisfy redemptions or a default in a debt obligation means that the Fund has to hold an asset beyond the Investment Period, the Directors will schedule and process all outstanding redemptions taking due account of the interests of the remaining Shareholders.

## **10. Distribution Policy**

It is the current intention of the Directors to declare a dividend on a quarterly basis in respect of the Euro Class, GBP Class and US\$ Class Shares of a sum equal to the aggregate of the income received by the Fund in respect of its investments (whether in the form of dividends, interest or otherwise) subject to retaining adequate provision for expenses and investment management and operating requirements. Shareholders in the Euro Class, GBP Class and US\$ Class Shares as of the last Business Day of the calendar quarter as of which the relevant dividend is distributable shall be entitled to such dividends. It is intention that dividends will be paid within 15 Business Days of the declaration date.

Dividends will be paid by telegraphic 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 Share Class(es).

## **11. Switching**

Investors may not switch between Share Classes of the Fund, or switch into a Share Class of the Fund from a Class issued in another sub-fund of the ICAV, as described in the Prospectus in the section "Switching".

## **12. Fees and Expenses**

### *Establishment and Operating costs of the Fund*

The Fund will share pro-rata in the establishment and operating costs of the ICAV. Please refer to the section of the Prospectus entitled "Fees and Expenses". The fees and expenses relating to the establishment of the Fund including the fees of the Fund's professional advisers will be borne by the Fund. Such fees and expenses are estimated not to exceed €50,000 (excluding any costs and expenses associated with registering a Class for sale, marketing or distribution in another jurisdiction). The fees and expenses will be amortised over a period of up to 3 years from the date of the launch of the Fund. Fees and expenses are charged pro rata to each Class, or otherwise in such manner as set out this Supplement or the Prospectus or as the Directors in their absolute discretion deem fair.

In addition, the following management, administration and investment management fees are payable by the Fund.

### **Management**

The Fund will pay to the AIFM a management fee that is payable monthly in arrears at an annual rate calculated as follows (the “**Management Fee**”):

<b>NAV of the Fund (€)</b>	<b>% of NAV</b>
0 to €150million	up to 0.05% per annum
150 million to 300million	up to 0.04% per annum
300million to 500million	up to 0.03% per annum
500million to 1billion	up to 0.02% per annum
Over 1billion	up to 0.015% per annum

The Management Fee shall be paid in Euro, the Base Currency of the Fund, and is subject to an annual minimum fee of up to €60,000. The AIFM shall also be entitled to a one-off set up cost of €15,000 which shall be amortised over 3 years.

### **Depositary**

The Depositary receives out of the assets of the Fund a fee that is payable monthly in arrears at an annual rate calculated as follows (the “**Depositary Fee**”):

<b>NAV of the Fund</b>	<b>% of NAV</b>
0 to US\$150million	0.03% per annum
US\$150million to US\$225million	0.0175% per annum
Over US\$225million	0.01% per annum

The Depositary Fee is subject to an annual minimum fee of \$40,000. The Depositary shall also be entitled to an annual fixed fee of US\$1,000 out of the assets of the Fund in relation to the maintenance of the umbrella cash account and provision of daily cash reconciliation and monitoring services in respect of same.

The Depositary shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

### **Administration**

The Administrator shall receive out of the assets of the Fund an annual administration fee of up to 0.06% of the Net Asset Value of the Fund (the “**Administration Fee**”). The Administration Fee is subject to an annual minimum fee of €36,000. The Administration Fee shall be paid monthly in arrears. The Administrator may also charge an additional monthly fee of €200 per month per Class where there is in excess of six Classes in existence in the Fund.

The Administrator will also charge a transaction fee per subscription, transfer or redemption of €25 payable out of the assets of the Fund.

The Administrator shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

## **Investment Management**

The Investment Vehicle has appointed the Investment Manager to provide discretionary investment management services to the Investment Vehicle pursuant to an investment management agreement dated 27 September 2018 as amended and novated, between the Investment Manager, the Investment Vehicle, the AIFM and the ICAV.

### *Investment Management Fee*

The Fund will pay to the Investment Manager an investment management fee that is payable quarterly in arrears at an annual rate of 1.75% of the Net Asset Value of the relevant Class (the “**Investment Management Fee**”). The Investment Manager may also recover out of pocket expenses reasonably incurred by it in the performance of its duties on behalf of the Fund.

### *Performance Fee*

The Investment Manager will also be paid a performance fee out of the assets of the Fund calculated separately for each combination of Share Class and closing (each a “**Share Class Closing**”) as described below.

From time to time, the Fund may make payments to Shareholders (“**Shareholder Payments**”) whether by way of dividends (as set out under Distribution Policy) or redemption of Shares (as set out under Return of Capital).

In general, for each Share Class Closing, the performance fee is calculated on the outperformance of (x) the internal rate of return (“**IRR**”) of the Capital Subscriptions and Shareholder Payments over (y) a hurdle IRR of 5% (the “**Hurdle IRR**”).

At each Valuation Day and for each Share Class Closing, the provisional IRR (the “**Provisional IRR**”) will be calculated by reference to the relevant:

- (v) Capital Subscriptions (which will be assigned negative values, denoting investment for IRR calculations and where each Capital Subscription will be dated as of its Capital Subscription Day);
- (vi) prior Shareholder Payments (which will be assigned positive values, denoting return for IRR calculations and where each Shareholder Payment will be dated as of the date of such payment to Shareholders);

- (vii) cash provisionally available for Shareholder Payments as of that Valuation Day (which will be assigned a positive value, denoting return for IRR calculations and dated as of the Valuation Day); and
- (viii) the performance fee provision (if any) as of the prior Valuation Day (which will be assigned a positive value, denoting return for IRR calculations and dated as of the current Valuation Day).

For each Valuation Day, and for each Share Class Closing, where the Provisional IRR outperforms the Hurdle IRR the Investment Manager shall be entitled to a performance fee and a provision for such performance fee shall be determined as the cash amount (in the relevant Share Class currency) that reduces the Provisional IRR by 15% of the outperformance of the Provisional IRR over the Hurdle IRR. Calculations of IRR for performance fee purposes shall be rounded to 4 decimal places (i.e. x.xxxx%).

The performance fee provision(s) will be retained by the Fund and the performance fee will be payable on the earlier of (i) the date on which the Fund makes its final distribution to Shareholders or (ii) the expiry of the Investment Period. If the latter applies there may be a second performance fee payable as of the date the Fund (or its alternate) makes its final distribution to Shareholders

In calculating the Performance Fee payable, the Directors may in their discretion make such adjustments as they consider to be appropriate in their absolute discretion to give effect to the intent of these provisions.

The performance fee shall be calculated by the Administrator. The calculation of the Performance Fee will be verified by a competent person appointed by the AIFM and approved for this purpose by the Depositary. In this regard, Shareholders should note the section of the Prospectus headed "Conflicts of Interest."

The Investment Manager may waive, permanently or temporarily, some or all the Investment Management Fee or Performance Fee, in respect of all or part of the assets under management.

### **Distribution Fee**

The Distributor is entitled to a fee payable out of the Investment Management Fee.

### **Investment Vehicle Fees**

All administrative, accounting, auditing expenses, management fees, legal fees, company secretarial fees and other expenses relating to the operation of the Investment Vehicle, including the fees of the Investment Vehicle Administrator as set out below will be borne by the Investment Vehicle and hence indirectly by the Fund.

The Fund has appointed the Investment Vehicle Administrator to, inter alia, calculate the Net Asset Value of the Investment Vehicle pursuant to an administration agreement dated 27 September 2018 between the AIFM, the ICAV and the Investment Vehicle. The Fund will pay to the Investment Vehicle

Administrator an annual fee of €19,500 that is payable annually in advance (the “**Investment Vehicle Administration Fee**”). In addition, the Investment Vehicle Administrator will provide cash management services to the Investment Vehicle and shall receive an annual fee of €6,000 in relation to these services which are payable annually in advance.

### **Subscription, Redemption and Switching Charge**

The Directors shall not charge redemption or switching fees.

The ICAV may levy a subscription charge, up to a maximum of 3% of the Net Asset Value of Shares being purchased. Such subscription charge may, at the discretion of the Directors, be payable to introducing agents, intermediaries or distributors.

## **13. Risk Factors**

**Potential investors should consider the risks referred to in the “Risk Factors” section of the main Prospectus. The following additional risk factors should be considered.**

### *Debt Obligations*

The Fund will invest in debt obligations and will, therefore, be subject to credit, liquidity and interest rate risks. The debt obligations may be subordinated to certain other outstanding obligations of the issuer.

### *Investments in Private Obligations*

The Fund will invest in private debt obligations. Because of the absence of any trading market for these investments, it is unlikely to be possible to liquidate these positions. Although these obligations may be resold in privately negotiated transactions, prices realised on these sales could be less than the theoretical value of the individual obligations. The lack of an actively traded market in these private obligations may also give rise to uncertainty regarding the value of such obligations.

### *Credit Risk*

A Fund's performance may be affected by default or perceived credit impairment of any individual security or debt obligation and by general or sector-specific or rating class-specific credit spread movement.

### *Currency Hedging*

The Euro Class Shares are issued and redeemed in Euros. The GBP Class Shares are issued and redeemed in Sterling and the US\$ Class Shares are issued and redeemed in US Dollars. The Fund anticipates that a proportion of the Fund's investments will be denominated in currencies (principally GBP & US\$) other than the Base Currency (Euro). Accordingly, the value of the Fund, as well as the value of an investment in Shares of the relevant Class, may be affected favourably or unfavourably by fluctuations in exchange rates, notwithstanding efforts made to hedge such fluctuations for the GBP

Class Shares and the US\$ Class Shares. In addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the currency in which the Class of Shares they have invested is denominated should take into account the potential risk of losses arising from fluctuations in the rate of exchange between the currency of their Shares and such other currency. The Fund may utilise forwards to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective or beneficial. Any such currency hedge placed by the Fund will be for an amount based on the estimated value of the assets of the Fund and may thus represent an over or under hedge of the actual value of the relevant security.

#### *Dependence on Key Personnel*

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

#### *Co-Investment Risk*

The Fund may enter into a co-investment arrangement with one or more other investors when the Fund acquires less than a 100% interest in a particular debt security and the remaining ownership interest is held by one or more third parties. These co-investment arrangements may expose the Fund to the risk that:

5. co-investors become insolvent or bankrupt, or fail to fund their share of any capital contribution which might be required, which may result in the Fund having to pay the co-investor's share or risk losing the investment;
6. disputes develop between the Fund and co-investors, with any litigation or arbitration resulting from any such disputes increasing the Fund's expenses and distracting the Investment Manager, the Directors and/or the AIFM from their other managerial tasks;
7. a co-investor breaches agreements related to an investment, which may cause a default under such agreements and result in liability for the Fund; and
8. a default by a co-investor may constitute a default under a loan financing arrangement relating to the investment, which could result in a foreclosure and the loss of all or a substantial portion of the investment made by the Fund.

#### *Liability Risk in respect of the Investment Vehicle Administrator*

Under the Investment Vehicle Administration Agreement, the Investment Vehicle Administrator's liability owed to the Investment Vehicle and/or the ICAV is capped on a per annum basis at three times the annual fees payable to the Investment Vehicle Administrator. save where such liability is as a result of the Investment Vehicle Administrator's fraud or wilful default. The Investment Vehicle Administration Agreement provides that the Investment Vehicle Administrator shall only be liable for any loss, damage, cost or expense sustained by the ICAV and/or the Investment Vehicle to the extent that it results from

the fraud, negligence, wilful default, breach of law, regulation or Investment Vehicle Administration Agreement of the Investment Vehicle Administrator, its employees or agents in the performance their obligations thereunder.

**Past performance of similar investments is not necessarily a guide to the future performance of the Fund's investments. The value of any investment can go down as well as up. There is no guarantee that the investment objective will be achieved.**

**An investment in the Fund is not suitable for all investors. A decision to invest in the Fund should take into account your own financial circumstances and the suitability of the investment as a part of your portfolio. You should consult a professional investment advisor before making an investment.**

**The foregoing list of risk factors is not complete. Prospective Shareholders should consult with their own advisers before deciding to subscribe for Shares.**



## **UBP PRIVATE DEBT FUND III**

**Supplement dated 30 November, 2022**

**(an umbrella type Irish collective asset management vehicle with segregated liability between sub-funds)**

This Supplement contains specific information in relation to the UBP Private Debt Fund III (the “**Fund**”), a closed-ended sub-fund of UBP Private Debt ICAV (the “**ICAV**”). The ICAV is an umbrella Irish collective asset management vehicle with segregated liability between sub-funds registered with and authorised by the Central Bank of Ireland with registration number C163877, pursuant to Part 2 of the Irish Collective Asset-Management Vehicles Act, 2015. The ICAV has three additional sub-funds, namely UBP Private Debt Fund UBP, Private Debt Fund II and UBP Social Investment Private Debt Fund.

**Capitalised terms used, but not defined, in this Supplement have the meanings given to them in the ICAV’s Prospectus dated 30 November, 2022 (the “Prospectus”). This Supplement forms part of and should be read together with and in the context of the Prospectus. The Prospectus is available from the ICAV at its registered office. The ICAV may create additional Funds with the prior approval of the Central Bank and details of such other Funds shall be made available upon request. To the extent that there is any inconsistency between the terms of this Supplement and the Prospectus, this Supplement shall prevail with respect to the Fund.**

The Fund is closed-ended. Capital will be returned to Shareholders and a corresponding quantity of Shares will be redeemed on each Capital Redemption Day as set out in the section “Return of Capital” below.

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

Under the Act, the Fund is a segregated and separate portfolio of assets maintained by the ICAV in accordance with the Instrument. As a result, unless stated to the contrary, references herein to actions taken by the Fund are to be construed as actions taken by the ICAV or its delegates (including but not limited to the AIFM and Investment Manager) in respect of the Fund. The ICAV is an umbrella fund with segregated liability between its Funds. Pursuant to the Act any liability incurred on behalf of or attributable to any one Fund may only be discharged solely out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability.

The ICAV and the Fund are both authorised and supervised by the Central Bank. The Fund is authorised to be marketed solely to “Qualifying Investors” as defined in the Prospectus and in accordance with Chapter 2 of the Rulebook. The AIFM shall avail of the exemption contained in Article 3(2)(a)(1) of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) from the requirement to publish a prospectus in accordance with the Prospectus Directive for the Company. This Supplement

does not constitute a prospectus published in accordance with the Prospectus Directive.

## 1. Interpretation

The expressions below shall have the following meanings:

<b>“Business Day”</b>	any day (except Saturday or Sunday) on which banks in London, Dublin and New York are open for business, and Euroclear is open for business.
<b>“Capital Subscription Day”</b>	A Capital Subscription Day will fall on:-  (i) the Business Day following the Initial Closing Date; and (ii) such other and/or further day or days as the Directors may from time to time prescribe and notify to an investor or Shareholder in a Call Notice.
<b>“Capital Redemption Day”</b>	A Capital Redemption Day will fall on:-  (i) the first Business Day of each calendar quarter; and/or (ii) such other and/or further day or days as the Directors may from time to time prescribe and notify to Shareholders.
<b>“Covenant Measurement Period”</b>	means the period of time starting on the first Business Day 18 months after the Initial Closing Date up to and including the Business Day before the Second Anniversary.
<b>“Final Closing Date”</b>	30 <sup>th</sup> June, 2021 or such earlier or later date as may be determined by the Directors in accordance with the requirements of the Central Bank.
<b>“Initial Closing Date”</b>	13 November, 2020 or such earlier or later date as may be determined by the Directors.
<b>“Initial Drawdown Amount”</b>	a percentage of the Capital Subscription payable in respect of Shares of any Class of the Fund during the Initial Subscription Offer Period as notified by the ICAV or the Investment Manager to prospective investors.

<b>“Initial Subscription Offer Period”</b>	means the period commencing at 9am on 8 <sup>th</sup> September, 2020 and ending at 5pm on the Initial Closing Date or such other dates and times as the Directors may determine and notify to the Central Bank.
<b>“Initial Subscription Offer Price”</b>	EUR100.00 per EUR Class Share, GBP100.00 per GBP Class Share, USD100.00 per USD Class Share, CHF100.00 per CHF Class Share and SEK100.00 per SEK Share Class.
<b>“Investment Period”</b>	the period commencing on the Initial Closing Date and ending 54 months after the Initial Closing Date.
<b>“Investment Vehicle”</b>	UBP Private Debt Fund III DAC.
<b>“Investment Vehicle Administrator”</b>	Apex IFS Limited or any successor(s) thereto appointed by the ICAV and the Investment Vehicle to provide administration services to the Investment Vehicle.
<b>“Second Anniversary”</b>	means the second anniversary of the Initial Closing Date.
<b>“SMEs”</b>	means Small, Medium and Micro Enterprises conforming to the staff headcount criterion set out in Annex 1 to the (EC) Regulation no. 800/2008, as amended from time to time.
<b>“Small Mid-Cap”</b>	means an enterprise which, together with the enterprises it controls and the enterprise(s) (if any) which has/have a direct control over it (as determined in accordance with Annex 1 to the (EC) Regulation no. 800/2008) has between 250 and 500 employees (on a full time equivalent basis) and which is not an SME
<b>“Subscription Period”</b>	means the period beginning at the start of the Initial Subscription Offer Period and ending on the Final Closing Date.
<b>“Valuation Day”</b>	The Business Day immediately preceding a Capital Subscription Day or Capital Redemption

Day or such other dates as the Directors may determine.

**“Valuation Point”**

11.00 p.m. (Dublin time) on the relevant Valuation Day or such other time as the Directors may determine.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail with respect to the Fund.

**2. Base Currency**

The Base Currency of the Fund is Euro.

**3. Classes of Shares**

A EUR Share Class, USD Share Class, CHF Share Class, GBP Share Class and SEK Share Class are available for subscription in the Fund. In addition, a EUR Institutional Share Class is available for those investors whose minimum Capital Subscription is EUR10,000,000, a USD Institutional Share Class is available for those investors whose minimum Capital Subscription is USD10,000,000 and a CHF Institutional Share Class is available for those investors whose minimum Capital Subscription is CHF10,000,000. Additional Classes may be established in the Fund in accordance with the requirements of the Central Bank. Information relating to the Classes of the Fund is set out below.

<b>Class</b>	<b>Reference Currency</b>	<b>Hedged Class</b>	<b>Distribution Policy</b>
EUR Share Class	Euro	No	Income Shares
EUR Institutional Share Class	Euro	No	Income Shares
CHF Share Class	Swiss Franc	Yes	Income Shares
CHF Institutional Share Class	Swiss Franc	Yes	Income Shares
USD Share Class	US Dollar	Yes	Income Shares
USD Institutional Share Class	US Dollar	Yes	Income Shares
GBP Share Class	Pounds Sterling	Yes	Income Shares
SEK Share Class	Swedish Krona	Yes	Income Shares

The minimum Capital Subscription per investor for the EUR Share Class, USD Share Class, CHF Share Class, GBP Share Class and SEK Share Class is EUR125,000.00, USD125,000, CHF125,000, GBP125,000 and SEK1,250,000 provided always that at the time of entering into a Capital Subscription, each such minimum Capital Subscription exceeds the equivalent of EUR100,000. The minimum Capital Subscription per investor for the EUR Institutional Share Class, USD Institutional Share Class and CHF Institutional Share Class is EUR10,000,000, USD10,000,000 and CHF10,000,000 respectively. The

minimum Capital Subscription per investor may be increased or decreased or waived, in each case at the discretion of the Directors, either generally or in specific cases, provided that the minimum Capital Subscription amount will not be reduced below EUR100,000 or its equivalent in the Reference Currency of the relevant Class. Knowledgeable Persons may be exempted from such a minimum at the discretion of the Directors.

#### *Minimum Offering*

The minimum size of the offering is €50,000,000 or such lower amount as is agreed between the Directors and the Investment Manager. If aggregate Capital Subscriptions are not received from investors in an amount equalling or exceeding such minimum size by the Initial Closing Date, the Directors may in their discretion elect not to continue with the offering.

#### *Hedged Classes*

The Classes in the above table termed as “Hedged” are those Classes in respect of which the Investment Manager seeks to hedge undesired foreign exchange risk with respect to the Base Currency through the use of forward foreign exchange contracts. Where undertaken, the effects of this hedging will be reflected in the Net Asset Value and, therefore, in the performance of the Class(es). Similarly, any expenses arising from such hedging transactions will be borne by the Class(es) in relation to which they have been incurred.

It should be noted that these hedging transactions may be entered into whether the Base Currency is declining or increasing in value relative to relevant Reference Currency. Where such hedging is undertaken it may substantially protect investors in the relevant Class(es) against a decrease in the value of the Base Currency, but it may also preclude investors from benefiting from an increase in the Base Currency relative to the relevant Reference Currency. There can be no assurance that the currency hedging employed will fully eliminate the foreign currency exposure to the Base Currency.

## **4. Investment Objective and Policy**

#### *Investment Objective*

The Fund’s investment objective is to earn attractive risk adjusted returns by investing in privately sourced debt securities.

#### *Investment Policy*

The Fund will seek to achieve its investment objective by investing, during the Investment Period, in privately sourced debt securities including notes and hybrid debt securities (with some debt and equity features) issued in the private debt capital markets. The debt securities that the Fund invests in typically (i) are unlisted; (ii) are secured securities of the issuers; (iii) have a maturity between 1 and 3 years; and (iv) have principal amounts ranging from EUR5 million up to EUR30 million.

The Fund takes a flexible approach to agreeing the structure and terms of its target investments, in light of the issuer’s credit profile and capital requirements and the Fund’s investment objective. The Fund

will primarily invest with issuers that are SPVs or that would qualify as SMEs or Small Mid-Caps located in Europe and North America (see “Investment Restrictions” below). The Fund’s debt capital can be used to support asset acquisitions, projects, buy-outs, re-structures and organic growth at the Investment Manager’s discretion. The Fund shall not grant loans. The Fund will not invest in distressed debt securities.

The Fund will follow a buy-and-hold strategy and therefore investments in such debt securities will typically be held by the Fund from issue to maturity. The Fund will invest in debt securities typically with 1-3 year maturities. Prior to the Second Anniversary, the Investment Manager may reinvest capital when underlying debt securities mature and thereafter up to 10% of the NAV as of the Second Anniversary. Other than the aforementioned, the Fund will be self-liquidating after the Second Anniversary, returning interest as and when received by the Fund, and capital upon maturity of the underlying debt securities. During the Covenant Measurement Period, the Fund’s exposure to any one issuer or issuer group of such debt securities shall not exceed 15% of the Net Asset Value of the Fund.

The Fund may acquire debt securities in the secondary market and, while the Fund does not intend to actively trade the portfolio, there may be limited exits in the secondary market for example, when an exit is driven by the need to preserve value or when the exit is part of a refinancing undertaken by the issuer.

The Fund may hold 100% of any debt security or may co-invest in debt securities where the principal amount is not consistent with the Fund’s restrictions or the Investment Manager’s desired allocation. Shareholders in the Fund may be offered the opportunity to co-invest alongside the Fund. Such co-investment opportunities will see the co-investor rank pari passu with the Fund in the debt security. No Shareholder will be obliged to co-invest alongside the Fund. The Investment Manager may invite other third party investors to co-invest alongside the Fund as it sees fit.

The Fund may hold warrants where they are issued in conjunction with a debt security, but otherwise will not transact in derivative instruments for investment purposes.

The Fund may also invest in cash, government and money market securities and regulated money market funds both pending investment and as part of the efficient portfolio management of the Fund.

#### *Portfolio Hedges*

In addition to hedging foreign exchange exposure at Share Class level as set out Section 3 above, the Investment Manager intends to hedge foreign exchange exposure on assets denominated in currencies other than the Base Currency through the use of forward foreign exchange contracts. Where undertaken, the effects of this hedging (including any expenses) will be reflected in the Net Asset Value and, therefore, in the performance of the Fund.

Where such hedging is undertaken it may substantially protect the Fund, and thereby its investors against a decrease in the value of assets denominated in other than the Base Currency, but it may also preclude investors from benefiting from an increase in the value of those assets when measured in the Base Currency. There can be no assurance that the currency hedging employed will fully eliminate the

foreign currency exposure relative to the Base Currency.

### *Investment Vehicle*

The Fund will pursue its investment objective by investing directly or indirectly through the Investment Vehicle, which will be managed by the Investment Manager and which is a designated activity company incorporated in the Ireland under the Companies Act 2014. The Investment Vehicle was created for the purpose of facilitating the implementation of the investment policy of the Fund.

## **5. Integration of Sustainability Risk**

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance (“ESG”) event or condition (“ESG Event”).

Using a qualitative process, sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

- (i) Prior to acquiring investments on behalf of a Fund, the Investment Manager assesses the relevant investment against sustainability risk and to identify whether it is vulnerable to such risk. This process incorporates applying both an exclusion policy (whereby potential investments are removed from the investment universe on the basis that they pose too great a sustainability risk to the Fund) and positive screening whereby those investments which have low sustainability risk, as well as strong financial performance are included in the investment universe.
- (ii) During the life of the Fund, sustainability risk is monitored by the Investment Manager on a quarterly basis through engagement with the issuers of investments that the Fund invests in, in order to assess the sustainability risk faced by each investment as compared against the initial assessment of sustainability risk. Where the sustainability risk associated with an investment has increased since the investment was initially made, the Investment Manager may consider engaging with the issuer of the investment with a view to encouraging the issuer to address the increased sustainability risk faced by it. However, due to the nature of the investments made by the Investment Manager on behalf of the Fund, it may not be possible for the Investment Manager to reduce the Fund's exposure to, or dispose of, a Fund's investment, where the sustainability risk for the relevant investment has increased.

The Investment Manager has determined that the sustainability risk (being the risk that the value of the Fund could be materially negatively impacted by an ESG Event) faced by the Fund is expected by the Investment Manager to be, under normal market conditions, low.

Pursuant to article 7(2) of Regulation (EU) 2019/2088 as may be amended, updated or supplemented from time to time (the “SFDR”), neither the AIFM nor the Investment Manager currently consider the adverse impacts of investment decisions on sustainability factors in respect of the Fund. This is on the basis that the AIFM and the Investment Manager are awaiting further clarity in respect of the detailed requirements in relation to the content, methodologies and presentation of information on sustainability indicators in relation to environment-related adverse impacts that are expected to be provided in final

regulatory technical standards by the European Commission pursuant to Article 4(6) of SFDR. Following the adoption and coming into force of such regulatory technical standards, the AIFM, in conjunction with the Investment Manager, will reconsider its position in relation to the consideration of adverse impacts of investment decisions on sustainability factors for the Fund. All investment decisions in respect of the Fund are made by the Investment Manager.

While sustainability risk forms part of the investment process implemented by the Investment Manager, the Fund does not fall within the scope of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## 6. Investment Restrictions

The Fund will be subject to the following investment restrictions in addition to the investment restrictions detailed in the section of the Prospectus titled “The ICAV – Investment Restrictions” where they are applicable:

- (h) The Fund will not acquire distressed debt securities;
- (i) The debt securities held by the Fund must be denominated in either EUR, GBP or USD, or in such other currencies as the Investment Manager may determine provided that aggregate exposure to other currencies will not exceed 15% of the Net Asset Value of the Fund;
- (j) The principal place of business of the issuers of the debt securities in which the Fund shall invest shall be in the following markets:
  - (vi) **Europe:** Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom.
  - (vii) **North America:** Canada and the United States of America.
  - (viii) **Other:** any other country including developing or emerging market countries, provided that aggregate investment in such other countries will not exceed 15% of the Net Asset Value of the Fund.

In the event that any of these restrictions are exceeded for reasons beyond the control of the ICAV or as a result of the exercise of subscription rights, the ICAV will adopt as a priority objective the remedying of the situation, whilst taking due account of the interests of Shareholders.

It is intended that the Fund shall have the power subject to the prior approval of the Central Bank to avail itself of any change in the investment and borrowing restrictions specified in the Rulebook.

Other than the investment restrictions and limitations that apply to the Fund pursuant to the Rulebook and



the AIFM Legislation, any self-imposed investment restrictions or limitations set out in this Supplement shall only apply during the Covenant Measurement Period.

## **7. Borrowing and Leverage**

The ICAV on behalf of the Fund may borrow up to 100% of the Net Asset Value of the Fund during the Subscription Period and thereafter 25% of the Net Asset Value of the Fund for cash management purposes, including in anticipation of additional subscriptions and to fund redemptions, or otherwise when deemed appropriate by the AIFM. The Fund will bear all of the costs and expenses incurred in connection therewith, including any interest expense charged on funds borrowed or otherwise accessed.

The Fund will not enter into derivative instruments for investment purposes but (i) the Fund may hold warrants where they are issued in conjunction with a debt security and (ii) forward foreign exchange contracts will be used for hedging purposes as detailed under the sections entitled “Hedged Classes” and “Portfolio Hedges” above.

The nominal value of the forward foreign exchange contracts described in “Hedged Classes” above will be for the (approximate) Net Asset Value of the Fund attributable to Hedged Classes.

The nominal value of the forward foreign exchange contracts described in Portfolio Hedges above will be for the (approximate) aggregate principal of debt securities (together with an estimate for interest thereon) denominated in a currency other than the Base Currency.

The leverage which may be created through the use of borrowing and/or forward foreign exchange contracts for hedging purposes (i) shall not exceed 250% of the Net Asset Value of the Fund but from the Second Anniversary it is not expected to exceed 200% of the Net Asset Value calculated in accordance with the commitment method and (ii) shall not exceed 350% of the Net Asset Value of the Fund but from the Second Anniversary it is not expected to exceed 250% of the Net Asset Value of the Fund calculated in accordance with the gross method (as described in greater detail in the Prospectus in the section headed “Borrowing and Leverage”).

## **8. Capital Subscriptions**

Shares will be initially offered in the Fund during the Initial Subscription Offer Period at the Initial Subscription Offer Price per Share in accordance with the provisions set out in the section headed “Initial Closing” in the Prospectus.

Following the Initial Closing Date, the Directors may, in their discretion, accept applications to enter into additional Capital Subscriptions from existing investors and/or applications to enter into Capital Subscriptions from new investors as set out in the section headed “Subsequent Closings” in the Prospectus. Shares offered in the Fund after the Initial Subscription Offer Period in respect of applications for additional Capital Subscriptions will be at either the Net Asset Value of the relevant Share Class where such Share Class is available but has launched, or, at the Initial Subscription Offer Price per Share where the relevant Share Class is available and has not yet launched.

Applications to enter into Capital Subscription should be made in writing using the Capital Subscription Agreement in accordance with the procedures outlined therein and in the section headed “Capital Commitment/Subscription Application Procedure” in the Prospectus.

Capital Subscription Agreements and accompanying anti-money laundering documentation must be received by 5pm on the Business Day prior to the Initial Closing Date and by 5pm on the Business Day prior to any subsequent Closing Date. Each Capital Subscription Agreement is subject to acceptance by the ICAV.

Applications to enter into Capital Subscriptions may not be submitted after the Final Closing Date.

## **9. Capital Subscriptions**

### *Initial Drawdown Amount*

Payment of the Initial Drawdown Amount must be received in cleared funds by no later than 5pm on the Business Day prior to the Initial Closing Date (or such later time or day as the Directors may determine either generally or in specific circumstances).

With respect to the Initial Drawdown Amount, Shares will be issued at the Initial Subscription Offer Price.

### *Call Notice*

Drawdowns of Capital Subscriptions will be made by giving investors of the Fund written notice in the form of a Call Notice.

A Call Notice requiring the investor to make Capital Subscriptions prior to the Initial Closing Date shall be issued no later than 5 Business Days prior to the settlement date specified in the relevant Call Notice. All other Call Notices requiring investors to make Capital Subscriptions may be given no earlier than 10 Business Days prior to the settlement date specified in such Call Notice.

The Directors will give to investors Call Notices (on such dates from time to time as the Directors consider fit) to make Capital Subscriptions in amounts up to in aggregate each investor’s Capital Subscription. The Directors will issue their last Call Notice within eighteen months of the Initial Closing Date.

Investors in receipt of a Call Notice should make payment in cleared funds to the account of the ICAV specified in the Call Notice of an amount equal to the Capital Subscription, such payment to be received no later than 5pm on the Business Day prior to the Capital Subscription Day specified in the Call Notice. Capital Subscription monies are payable in the Reference Currency of a Class of Shares.

For each Capital Subscription, other than the Initial Drawdown Amount, Shares will be issued at the prevailing Net Asset Value per Share calculated as at the Valuation Point on the Valuation Day in respect of the relevant Capital Subscription Day.

## **10. Return of Capital**

Capital will be returned to Shareholders in accordance with the procedures outlined in the section headed "Return of Capital Policy" in the Prospectus and as set out below.

The Fund may re-invest capital with respect to (i) any debt obligations that repay prior to the Second Anniversary, and (ii) debt obligations that repay on or after the Second Anniversary in an amount of up to 10% of the Net Asset Value of the Fund as of the Second Anniversary, otherwise the Fund will not re-invest capital. Capital will be returned to Shareholders at the discretion of the Directors as and when the underlying debt instruments are repaid subject to (i) any reinvestment and (ii) making provision for expenses and investment management and operating requirements. The Fund will be managed with the objective of realising its underlying investments and returning the net proceeds of realisation to Shareholders over the course of the Investment Period.

Capital will be returned to Shareholders by way of pro rata redemptions of Shares or such other means as the Directors of the Company may from time to time determine. Such redemptions will be given effect on each Capital Redemption Day.

Shares will be redeemed at a Redemption Price equal to the Net Asset Value per Share calculated as at the Valuation Point on the relevant Valuation Day in respect of the relevant Capital Redemption Day.

Redemption proceeds, less any deductions for transaction costs, will be paid in the Reference Currency of the relevant Share Class, normally within 15 Business Days of the relevant Capital Redemption Day, provided, however, that such redemption proceeds will be paid to Shareholders within 90 days of the relevant Capital Redemption Day. In the event that there are insufficient assets to satisfy redemptions or a default in a debt security means that the Fund has to hold an asset beyond the Investment Period, the Directors will schedule and process all outstanding redemptions taking due account of the interests of the remaining Shareholders.

## **11. Distribution Policy**

It is the current intention of the Directors to declare a dividend on a quarterly basis in respect of each Share Class of a sum equal to the aggregate of the income received by the Fund in respect of its investments (whether in the form of dividends, interest or otherwise) subject to retaining adequate provision for expenses and investment management and operating requirements. Shareholders of each Share Class as of the last Business Day of the calendar quarter as of which the relevant dividend is distributable shall be entitled to such dividends. It is intention that dividends will be paid within 15 Business Days of the declaration date.

Dividends will be paid by telegraphic 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 Share Class(es).

## **12. Switching**

Investors may not switch between Share Classes of the Fund, or switch into a Share Class of the Fund from a Class issued in another sub-fund of the ICAV, as described in the Prospectus in the section “Switching”.

### 13. Fees and Expenses

#### *Establishment and Operating costs of the Fund*

The Fund will share pro-rata in the operating costs of the ICAV. Please refer to the section of the Prospectus entitled “Fees and Expenses”. The fees and expenses relating to the establishment of the Fund including the fees of the Fund’s professional advisers will be borne by the Fund. Such fees and expenses are estimated not to exceed €50,000 (excluding any costs and expenses associated with registering a Class for sale, marketing or distribution in another jurisdiction). The fees and expenses will be amortised over a period of up to 3 years from the date of the launch of the Fund. Fees and expenses are charged pro rata to each Class, or otherwise in such manner as set out in this Supplement or the Prospectus or as the Directors in their absolute discretion deem fair.

In addition, the following management, administration and investment management fees are payable by the Fund.

#### **Management**

The Fund will pay to the AIFM a management fee that is payable monthly in arrears at an annual rate calculated as follows (the “**Management Fee**”):

<b>NAV of the Fund (€)</b>	<b>% of NAV</b>
0 to €150million	up to 0.05% per annum
150 million to 300million	up to 0.04% per annum
300million to 500million	up to 0.03% per annum
500million to 1billion	up to 0.02% per annum
Over 1billion	up to 0.015% per annum

The Management Fee shall be paid in Euro, the Base Currency of the Fund, and is subject to an annual minimum fee of up to €60,000. The AIFM shall also be entitled to a one-off set up cost of €15,000 which shall be amortised over 3 years.

#### **Depositary**

The Depositary receives out of the assets of the Fund a fee that is payable monthly in arrears at an annual rate calculated as follows (the “**Depositary Fee**”):

<b>NAV of the Fund</b>	<b>% of NAV</b>
0 to US\$150million	0.03% per annum
US\$150million to US\$225million	0.0175% per annum

Over US\$225million

0.01% per annum

The Depositary Fee is subject to an annual minimum fee of \$40,000. The Depositary shall also be entitled to an annual fixed fee of US\$1,000 out of the assets of the Fund in relation to the maintenance of the umbrella cash account and provision of daily cash reconciliation and monitoring services in respect of same.

The Depositary shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

### **Administration**

The Administrator shall receive out of the assets of the Fund an annual administration fee of up to 0.06% of the Net Asset Value of the Fund (the “**Administration Fee**”). The Administration Fee is subject to an annual minimum fee of €36,000. The Administration Fee shall be paid quarterly in arrears.

The Administrator will also charge a transaction fee for transfer agency services per transaction of €25 payable out of the assets of the Fund.

The Administrator shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

### **Investment Management**

The AIFM has appointed the Investment Manager to provide discretionary investment management services to the ICAV in respect of the Fund pursuant to the Investment Management Agreement. The Investment Vehicle has appointed the Investment Manager to provide discretionary investment management services to the Investment Vehicle pursuant to an investment management agreement dated 4 September, 2020 between the Investment Manager, the Investment Vehicle, the AIFM and the ICAV.

#### *Investment Management Fee*

The Fund will pay to the Investment Manager an investment management fee that is payable quarterly in arrears at an annual rate of the Net Asset Value of the relevant Class as set out below (the “**Investment Management Fee**”).

<b>Class</b>	<b>% of NAV</b>
EUR Institutional Share Class	1.25
USD Institutional Share Class	1.25
CHF Institutional Share Class	1.25
EUR Share Class	1.75
GBP Share Class	1.75
CHF Share Class	1.75
USD Share Class	1.75

The Investment Manager may also recover out of pocket expenses reasonably incurred by it in the performance of its duties on behalf of the Fund.

The Investment Manager shall negotiate on behalf of the Fund any upfront arrangement fees payable by the issuers of debt securities to the Fund. In return, the Investment Manager may receive from the Fund a portion of any such fees payable by the issuers of the debt securities. Any such fee payable to the Investment Manager shall be separate and distinct from the Investment Management Fee, shall be at commercially reasonable rates and shall be set out in the annual financial statements of the ICAV.

#### *Performance Fee*

The Investment Manager will also be paid a performance fee out of the assets of the Fund calculated separately for each combination of Share Class and closing (each a “**Share Class Closing**”) as described below.

From time to time, the Fund may make payments to Shareholders (“**Shareholder Payments**”) whether by way of dividends (as set out under Distribution Policy) or redemption of Shares (as set out under Return of Capital).

For each Share Class Closing the performance fee is calculated on the outperformance of (a) the internal rate of return (“**IRR**”) of the Capital Subscriptions and Shareholder Payments over (b) a hurdle IRR of 5% (the “**Hurdle IRR**”).

<b>Class</b>	<b>% outperformance of the Provisional IRR over the Hurdle IRR</b>
EUR Institutional Share Class	10
USD Institutional Share Class	10
CHF Institutional Share Class	10
EUR Share Class	15
GBP Share Class	15
CHF Share Class	15
USD Share Class	15
SEK Share Class	15

At each Valuation Day and for each Share Class Closing, the provisional IRR (the “**Provisional IRR**”) will be calculated by reference to the relevant:

- (ix) Capital Subscriptions (which will be assigned negative values, denoting investment for IRR calculations and where each Capital Subscription will be dated as of its Capital Subscription Day);

- (x) prior Shareholder Payments (which will be assigned positive values, denoting return for IRR calculations and where each Shareholder Payment will be dated as of the date of such payment to Shareholders);
- (xi) cash provisionally available for Shareholder Payments as of that Valuation Day (which will be assigned a positive value, denoting return for IRR calculations and dated as of the Valuation Day); and
- (xii) the performance fee provision (if any) as of the prior Valuation Day (which will be assigned a positive value, denoting return for IRR calculations and dated as of the current Valuation Day).

For each Valuation Day, and for each Share Class Closing, where the Provisional IRR outperforms the Hurdle IRR the Investment Manager shall be entitled to a performance fee and a provision for such performance fee shall be determined as the cash amount (in the relevant Share Class currency) that reduces the Provisional IRR by the percentage outlined above of the outperformance of the Provisional IRR over the Hurdle IRR. Calculations of IRR for performance fee purposes shall be rounded to four decimal places (i.e. x.xxxx%).

The performance fee provision(s) will be retained by the Fund and the performance fee will be payable on the earlier of (i) the date on which the Fund makes its final distribution to Shareholders or (ii) the expiry of the Investment Period. If the latter applies there may be a second performance fee payable as of the date the Fund (or its alternate) makes its final distribution to Shareholders

In calculating the Performance Fee payable, the Directors may in their discretion make such adjustments as they consider to be appropriate in their absolute discretion to give effect to the intent of these provisions.

The performance fee shall be calculated by the Administrator. The calculation of the Performance Fee will be verified by a competent person appointed by the AIFM and approved for this purpose by the Depositary. In this regard, Shareholders should note the section of the Prospectus headed "Conflicts of Interest."

The Investment Manager may waive, permanently or temporarily, some or all the Investment Management Fee or Performance Fee, in respect of all or part of the assets under management.

### **Investment Vehicle Fees**

All administrative, accounting, auditing expenses, management fees, legal fees, company secretarial fees and other expenses relating to the operation of the Investment Vehicle, including the fees of the Investment Vehicle Administrator as set out below will be borne by the Investment Vehicle and hence indirectly by the Fund.

The Fund has appointed the Investment Vehicle Administrator to, inter alia, calculate the Net Asset Value of the Investment Vehicle pursuant to an administration agreement dated 4 September, 2020 between the AIFM, the ICAV and the Investment Vehicle. The Fund will pay to the Investment Vehicle

Administrator an annual fee of €21,000 that is payable annually in advance (the “**Investment Vehicle Administration Fee**”). In addition, the Investment Vehicle Administrator will provide cash management services to the Investment Vehicle and shall receive an annual fee of €6,000 in relation to these services which are payable annually in advance.

#### **Distribution Fee**

The Distributor is entitled to a fee payable out of the Investment Management Fee.

#### **Subscription, Redemption and Switching Charge**

The Directors shall not charge redemption or switching fees.

The ICAV may levy a subscription charge, up to a maximum of 3% of the Net Asset Value of Shares being purchased. Such subscription charge may, at the discretion of the Directors, be payable to introducing agents, intermediaries or distributors.

### **14. Risk Factors**

**Potential investors should consider the risks referred to in the “Risk Factors” section of the main Prospectus. The following additional risk factors should be considered.**

#### *Debt Securities*

The Fund will invest in debt securities and will, therefore, be subject to credit, liquidity and interest rate risks. The debt securities may be subordinated to certain other outstanding obligations of the issuer.

#### *Investments in Private Obligations*

The Fund will invest in private debt securities. Because of the absence of any trading market for these investments, it is unlikely to be possible to liquidate these positions. Although these obligations may be resold in privately negotiated transactions, prices realised on these sales could be less than the theoretical value of the individual obligations. The lack of an actively traded market in these private obligations may also give rise to uncertainty regarding the value of such obligations.

#### *Credit Risk*

The Fund’s performance may be affected by default or perceived credit impairment of any individual security by general or sector-specific or rating class-specific credit spread movement or should there be a downturn in the market segments in which the issuers operate.

#### *Currency Hedging*

The EUR Class and EUR Institutional Class Shares are issued and redeemed in Euros. The GBP Class Shares are issued and redeemed in Sterling, the USD Class and USD Institutional Class Shares are



issued and redeemed in US Dollars, the CHF Class and CHF Institutional Class Shares are issued and redeemed in Swiss francs and the SEK Class Shares are issued and redeemed in Swedish krona. The Fund anticipates that a proportion of the Fund's investments will be denominated in currencies (principally GBP & USD) other than the Base Currency (Euro). Accordingly, the value of the Fund, as well as the value of an investment in Shares of the relevant Class, may be affected favourably or unfavourably by fluctuations in exchange rates, notwithstanding efforts made to hedge such fluctuations for the GBP Class Shares, the USD Class Shares, the USD Institutional Class Shares, the CHF Class Shares, the CHF Institutional Class Shares and SEK Class Shares. In addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the currency in which the Class of Shares they have invested is denominated should take into account the potential risk of losses arising from fluctuations in the rate of exchange between the currency of their Shares and such other currency. The Fund may utilise forwards to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective or beneficial. Any such currency hedge placed by the Fund will be for an amount based on the estimated value of the assets of the Fund and may thus represent an over or under hedge of the actual value of the relevant security.

#### *Dependence on Key Personnel*

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

#### *Co-Investment Risk*

The Fund may enter into a co-investment arrangement with one or more other co-investors when the Fund acquires less than a 100% interest in a particular debt security and the remaining ownership interest is held by one or more third parties. These co-investment arrangements may expose the Fund to the risk that:

9. co-investors become insolvent or bankrupt, or fail to fund their share of any capital contribution which might be required, which may result in the Fund having to pay the co-investor's share or risk losing the investment;
10. disputes develop between the Fund and co-investors, with any litigation or arbitration resulting from any such disputes increasing the Fund's expenses and distracting the Investment Manager, the Directors and/or the AIFM from their other managerial tasks;
11. a co-investor breaches agreements related to an investment, which may cause a default under such agreements and result in liability for the Fund; and
12. a default by a co-investor may constitute a default under a loan financing arrangement relating to the investment, which could result in a foreclosure and the loss of all or a substantial portion of the investment made by the Fund.

*Liability Risk in respect of the Investment Vehicle Administrator*

Under the Investment Vehicle Administration Agreement, the Investment Vehicle Administrator's liability owed to the Investment Vehicle is capped on a per annum basis at three times the annual fees payable to the Investment Vehicle Administrator, save where such liability is as a result of the Investment Vehicle Administrator's fraud or wilful default. The Investment Vehicle Administration Agreement provides that the Investment Vehicle Administrator shall only be liable for any loss, cost, damage or expense sustained by the Investment Vehicle to the extent that it results from the fraud, negligence or wilful default of the Investment Vehicle Administrator, its employees or agents in the performance their obligations thereunder.

**Past performance of similar investments is not necessarily a guide to the future performance of the Fund's investments. The value of any investment can go down as well as up. There is no guarantee that the investment objective will be achieved.**

**An investment in the Fund is not suitable for all investors. A decision to invest in the Fund should take into account your own financial circumstances and the suitability of the investment as a part of your portfolio. You should consult a professional investment advisor before making an investment.**

**The foregoing list of risk factors is not complete. Prospective Shareholders should consult with their own advisers before deciding to subscribe for Shares**

## **UBP SOCIAL INVESTMENT PRIVATE DEBT FUND**

**Supplement dated 30 November 2022**

**(an umbrella type Irish collective asset management vehicle with  
segregated liability between sub-funds)**

This Supplement contains specific information in relation to the UBP Social Investment Private Debt Fund (the “**Fund**”), a closed-ended sub-fund of UBP Private Debt ICAV (the “**ICAV**”). The ICAV is an umbrella Irish collective asset management vehicle with segregated liability between sub-funds registered with and authorised by the Central Bank of Ireland with registration number C163877, pursuant to Part 2 of the Irish Collective Asset-Management Vehicles Act, 2015. The ICAV has three additional sub-funds, namely the UBP Private Debt Fund, UBP Private Debt Fund II and the UBP Private Debt Fund III.

**Capitalised terms used, but not defined, in this Supplement have the meanings given to them in the ICAV’s Prospectus dated 30 November, 2022 (the “Prospectus”). This Supplement forms part of and should be read together with and in the context of the Prospectus. The Prospectus is available from the ICAV at its registered office. The ICAV may create additional Funds with the prior approval of the Central Bank and details of such other Funds shall be made available upon request. To the extent that there is any inconsistency between the terms of this Supplement and the Prospectus, this Supplement shall prevail with respect to the Fund.**

The Fund is closed-ended. Capital will be returned to Shareholders and a corresponding quantity of Shares will be redeemed on each Capital Redemption Day as set out in the section “Return of Capital” below.

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

Under the Act, the Fund is a segregated and separate portfolio of assets maintained by the ICAV in accordance with the Instrument. As a result, unless stated to the contrary, references herein to actions taken by the Fund are to be construed as actions taken by the ICAV or its delegates (including but not limited to the AIFM and Investment Manager) in respect of the Fund. The ICAV is an umbrella fund with segregated liability between its Funds. Pursuant to the Act any liability incurred on behalf of or attributable to any one Fund may only be discharged solely out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability.

The ICAV and the Fund are both authorised and supervised by the Central Bank. The Fund is authorised to be marketed solely to “Qualifying Investors” as defined in the Prospectus and in accordance with Chapter 2 of the Rulebook. The AIFM shall avail of the exemption contained in Article 3(2)(a)(1) of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) from the requirement to

publish a prospectus in accordance with the Prospectus Directive for the Company. This Supplement does not constitute a prospectus published in accordance with the Prospectus Directive.

## 1. Interpretation

The expressions below shall have the following meanings:

<b>“Business Day”</b>	any day (except Saturday or Sunday) on which banks in London, Dublin and New York are open for business, and Euroclear is open for business.
<b>“Capital Subscription Day”</b>	A Capital Subscription Day will fall on:-  (i) the Business Day following the Initial Closing Date; and (ii) such other and/or further day or days as the Directors may from time to time prescribe and notify to an investor or Shareholder in a Call Notice.
<b>“Capital Redemption Day”</b>	A Capital Redemption Day will fall on:-  (i) the first Business Day of each calendar quarter; and/or (ii) such other and/or further day or days as the Directors may from time to time prescribe and notify to Shareholders.
<b>“Covenant Measurement Period”</b>	means the period of time starting on the first Business Day 36 months after the Initial Closing Date up to and including the Business Day before the Fourth Anniversary.
<b>“Final Closing Date”</b>	36 months after Initial Closing Date or such earlier or later date as may be determined by the Directors in accordance with the requirements of the Central Bank.
<b>Fourth Anniversary</b>	means the fourth anniversary of the Initial Closing Date.
<b>“Initial Closing Date”</b>	28 February, 2022 or such earlier or later date as may be determined by the Directors.
<b>“Initial Drawdown Amount”</b>	a percentage of the Capital Subscription payable in respect of Shares of any Class of the Fund

during the Initial Subscription Offer Period as notified by the ICAV or the Investment Manager to prospective investors.

**“Initial Subscription Offer Period”**

Means, for all Classes other than Class S Shares, the period commencing at 9am on 1 November, 2021 and ending at 5pm on the Initial Closing Date or such other dates and times as the Directors may determine and notify to the Central Bank. For Class S Shares, means the period commencing at 9am on 18 January, 2022 and ending at 5pm on the Initial Closing Date or such other dates and times as the Directors may determine and notify to the Central Bank

**“Initial Subscription Offer Price”**

EUR100.00 per EUR Class Share, GBP100.00 per GBP Class Share, USD100.00 per USD Class Share, CHF100.00 per CHF Class Share, SEK100.00 per SEK Share Class and AUD100.00 per AUD Share Class.

**“Investment Period”**

the period commencing on the Initial Closing Date and ending 7 years after the Initial Closing Date provided that this period may, as described in further detail in the section “Investment Objective and Policy”, be shortened to 6 years from the Initial Closing Date or extended beyond 7 years in accordance with the requirements of the Central Bank.

**“Investment Vehicle”**

UBP Social Investment Private Debt DAC.

**“Investment Vehicle Administrator”**

Apex IFS Limited or any successor(s) thereto appointed by the ICAV and the Investment Vehicle to provide administration services to the Investment Vehicle.

**“Issuer”**

legal entity that issues the debt security as invested in by the Fund.

**“SMEs”**

means Small, Medium and Micro Enterprises conforming to the staff headcount criterion set out in Annex 1 to the (EC) Regulation no. 800/2008, as amended from time to time.

**“Small Mid-Cap”**

means an enterprise which, together with the enterprises it controls and the enterprise(s) (if any) which has/have a direct control over it (as determined in accordance with Annex 1 to the (EC) Regulation no. 800/2008) has between 250 and 500 employees (on a full time equivalent basis) and which is not an SME

**“Subscription Period”**

means the period beginning at the start of the Initial Subscription Offer Period and ending on the Final Closing Date.

**“Valuation Day”**

The Business Day immediately preceding a Capital Subscription Day or Capital Redemption Day or such other dates as the Directors may determine.

**“Valuation Point”**

23.00 (Dublin time) on the relevant Valuation Day or such other time as the Directors may determine.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail with respect to the Fund.

**2. Base Currency**

The Base Currency of the Fund is Euro.

**3. Classes of Shares**

Class A, I, S and E Shares are available for subscription in the Fund in the below listed currencies. Class A Shares are non-institutional Shares available to Qualifying Investors. Class I Shares are institutional Shares available to Qualifying Investors. Class E Shares are institutional Shares which are limited to Qualifying Investors who subscribe during the Initial Closing. Thereafter, the issuance of Class E Shares will be subject to the discretion of the Directors. Class S Shares are Shares which are limited to Qualifying Investors who subscribe during the Initial Closing. Thereafter, the issuance of Class S Shares will be subject to the discretion of the Directors. Additional Classes may be established in the Fund in accordance with the requirements of the Central Bank. Information relating to the Fund's Classes of Shares is set out below.

<b>Class</b>	<b>Reference Currency</b>	<b>Hedged Class</b>	<b>Distribution Policy</b>
Class A EUR Shares	Euro	No	Income Shares

Class A USD Shares	US Dollar	Yes	Income Shares
Class A CHF Shares	Swiss Franc	Yes	Income Shares
Class A GBP Shares	Pounds Sterling	Yes	Income Shares
Class E EUR Shares	Euro	No	Income Shares
Class E USD Shares	US Dollar	Yes	Income Shares
Class E CHF Shares	Swiss Franc	Yes	Income Shares
Class E GBP Shares	Pounds Sterling	Yes	Income Shares
Class E AUD Shares	Australian Dollar	Yes	Income Shares
Class E SEK Shares	Swedish Krona	Yes	Income Shares
Class I EUR Shares	Euro	No	Income Shares
Class I USD Shares	US Dollar	Yes	Income Shares
Class I CHF Shares	Swiss Franc	Yes	Income Shares
Class I GBP Shares	Pounds Sterling	Yes	Income Shares
Class I AUD Shares	Australian Dollar	Yes	Income Shares
Class I SEK Shares	Swedish Krona	Yes	Income Shares
Class S EUR Shares	Euro	No	Income Shares
Class S USD Shares	US Dollar	Yes	Income Shares
Class S CHF Shares	Swiss Franc	Yes	Income Shares
Class S GBP Shares	Pounds Sterling	Yes	Income Shares
Class S SEK Shares	Swedish Krona	Yes	Income Shares

#### *Minimum Subscription*

##### *Class A Shares*

The minimum Capital Subscription per investor for the Class A EUR Shares, Class A USD Shares, Class A CHF Shares and Class A GBP Shares is EUR125,000.00, USD125,000, CHF125,000 and GBP125,000 provided always that at the time of entering into a Capital Subscription, each such minimum Capital Subscription exceeds the equivalent of EUR100,000.

##### *Class I Shares*

The minimum Capital Subscription per investor for the Class I EUR Shares, Class I USD Shares, Class I CHF Shares, Class I GBP Shares, Class I AUD Shares and Class I SEK Shares is EUR5,000,000, USD5,000,000, CHF5,000,000, GBP5,000,000, AUD10,000,000 and SEK50,000,000 respectively.

##### *Class E Shares*

The minimum Capital Subscription per investor for the Class E EUR Shares, Class E CHF Shares, Class E GBP Shares, Class E USD Shares, Class E AUD Shares and Class E SEK Shares is EUR5,000,000, CHF5,000,000, GBP 5,000,000, USD5,000,000, AUD10,000,000 and SEK50,000,000 respectively.

##### *Class S Shares*

The minimum Capital Subscription per investor for the Class S EUR Shares, Class S CHF Shares, Class S GBP Shares Class S SEK Shares and Class S USD Shares is EUR125,000, CHF125,000, GBP125,000 SEK1.25M and USD125,000 respectively.

The minimum Capital Subscription per investor may be increased or decreased or waived, in each case at the discretion of the Directors, either generally or in specific cases, provided that the minimum Capital Subscription amount will not be reduced below EUR100,000 or its equivalent in the Reference Currency of the relevant Class. Knowledgeable Persons may be exempted from such a minimum at the discretion of the Directors.

#### *Minimum Offering*

The minimum size of the offering is €75,000,000 or such lower amount as is agreed between the Directors and the Investment Manager. If aggregate Capital Subscriptions are not received from investors in an amount equalling or exceeding such minimum size by the Initial Closing Date, the Directors may in their discretion elect not to continue with the offering.

#### *Hedged Classes*

The Classes in the above table termed as “Hedged” are those Classes in respect of which the Investment Manager seeks to hedge undesired foreign exchange risk with respect to the Base Currency through the use of forward foreign exchange contracts. Where undertaken, the effects of this hedging will be reflected in the Net Asset Value and, therefore, in the performance of the Class(es). Similarly, any expenses arising from such hedging transactions will be borne by the Class(es) in relation to which they have been incurred.

It should be noted that these hedging transactions may be entered into whether the Base Currency is declining or increasing in value relative to relevant Reference Currency. Where such hedging is undertaken it may substantially protect investors in the relevant Class(es) against a decrease in the value of the Base Currency, but it may also preclude investors from benefiting from an increase in the Base Currency relative to the relevant Reference Currency. There can be no assurance that the currency hedging employed will fully eliminate the foreign currency exposure to the Base Currency.

## **4. Investment Objective and Policy**

#### *Investment Objective*

The Fund's investment objective is to earn attractive risk adjusted returns by investing in privately sourced debt securities while promoting social characteristics.

#### *Investment Policy*

The Fund will seek to achieve its investment objective by investing, during the Investment Period<sub>1</sub> in privately sourced debt securities including notes and hybrid debt securities (with some debt and equity features) issued in the private debt capital markets. The debt securities that the Fund invests in typically



(i) are unlisted; (ii) are secured securities of the Issuers; (iii) have a maturity between 1 and 3 years; and (iv) have principal amounts ranging from EUR10 million up to EUR40 million. The Fund promotes social characteristics on an ongoing basis within the scope of Article 8 of Regulation (EU) 2019/2088 as may be amended, updated or supplemented from time to time (the “SFDR”). As part of its Investment Policy, the Fund seeks to promote social characteristics by deploying its capital to invest in the private debt securities of Issuers who develop mass market housing and other housing projects, as described in greater detail below. In addition, the Investment Manager will ensure that such Issuers of debt securities follow good governance practices.

While the restrictions regarding the selection of investable debt securities to attain the social characteristics being promoted by the Fund are binding, the Fund takes a flexible approach to agreeing the structure and terms of its target investments. This is particularly the case with regard to the relevant Issuer’s credit profile and capital requirements. The Fund will primarily invest with Issuers that are SPVs or that would qualify as SMEs or Small Mid-Caps located in Western Europe (see “Investment Guidelines” below). Subject to the social characteristics that the Fund is seeking to promote, the Fund’s capital can be used to support asset acquisitions, development and construction projects, buy-outs, re-structures and organic growth at the Investment Manager’s discretion. The Fund shall not grant loans. The Fund will not invest in distressed debt securities. The Fund will not invest in real assets or property.

The Investment Period currently ends on the seventh anniversary of the Initial Closing Date (subject to extension in accordance with the requirements of the Central Bank). Notwithstanding this, the intention of the Investment Manager is to manage the Fund such that the investment period for the investments made by the Investment Manager in respect of the Fund will end on the sixth anniversary of the Initial Closing Date. However, there may be situations where the Investment Manager believes it is in the interests of Shareholders to manage the Fund to the seventh anniversary of the Initial Closing Date, e.g. (i) investment opportunities may arise whose maturity is between the sixth and seventh anniversary of the Initial Closing Date, or (ii) the repayment of debt instruments may be delayed due to delays in the planning or construction processes. In the event that the Investment Manager considers it to be in the interests of Shareholders to manage the Fund to the seventh anniversary of the Initial Closing Date, the Investment Manager will advise the Directors accordingly and, if authorised by the Directors will manage the Fund to the seventh anniversary of the Initial Closing Date or such earlier date (after the sixth anniversary of the Initial Closing Date) as the Directors may determine.

The Fund will follow a buy-and-hold strategy and therefore investments in such debt securities will typically be held by the Fund from issue to maturity. Prior to the Fourth Anniversary, the Investment Manager may reinvest capital when underlying debt securities mature and thereafter up to 20% of the NAV as of the Fourth Anniversary. Other than the aforementioned, the Fund will be self-liquidating after the Fourth Anniversary, returning interest as and when received by the Fund, and capital upon maturity of the underlying debt securities. During the Covenant Measurement Period, the Fund’s exposure to any one Issuer of such debt securities is not anticipated to exceed 15% of the Net Asset Value of the Fund.

The Fund may acquire debt securities in the secondary market and, while the Fund does not intend to actively trade the portfolio, there may be limited exits in the secondary market for example, when an

exit is driven by the need to preserve value or when the exit is part of a refinancing undertaken by the Issuer.

The Fund may hold 100% of any debt security or may co-invest in debt securities where the principal amount is not consistent with the Fund's restrictions or the Investment Manager's desired allocation. Shareholders in the Fund may be offered the opportunity to co-invest alongside the Fund. Such co-investment opportunities will typically see the co-investor rank pari passu with the Fund in the debt security. No Shareholder will be obliged to co-invest alongside the Fund. The Investment Manager may invite other third party investors to co-invest alongside the Fund as it sees fit.

The Fund may hold warrants where they are issued in conjunction with a debt security, but otherwise will not transact in derivative instruments for investment purposes. The Fund may also invest in cash, government and money market securities and regulated money market funds both pending investment and as part of the efficient portfolio management of the Fund.

The Fund primarily seeks to promote social characteristics via its investment in private debt securities of Issuers whose projects address a shortage in mass market residential housing and other related projects in the countries outlined in the "Investment Guidelines" section below.

In identifying privately sourced debt securities which allow the Fund to promote the social characteristic of addressing housing shortages, the Investment Manager will identify Issuers who are developing projects related to: (i) mass market residential housing, including regulated social and affordable projects, shared ownership and privately owned mass market residential housing, including in the private rental sector; (ii) key-worker housing (for public sector employees who provide services in health, education and community safety); (iii) care homes and housing for elderly individuals; and (iv) purpose built student housing and other projects that address housing shortages. The Investment Manager will not invest in projects the main component of which comprises retail, hospitality, leisure, luxury accommodation or holiday homes.

The Issuers that the Fund invests in via private debt securities may utilise the capital provided in projects that may include components required by planning authorities to satisfy town planning, ecological or other objectives. As a result, these projects, as part of the promotion of the above-mentioned social characteristic, may include the development of necessary infrastructure such as roads, footpaths, utilities, and recreational facilities, or mixed-use buildings, e.g. they may contain retail or commercial usages or other components. Without the development of such components, the Issuers may not be able to develop the projects outlined in (i) to (iv) above and as a result, the Fund would not be able to achieve the promotion of its social characteristic.

The Issuers of the debt securities in which the Fund will invest will follow good governance practices. The Investment Manager, in order to satisfy itself that the relevant Issuers follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff, planning and environmental law and tax compliance, will ensure that the contractual arrangements with the relevant Issuers on behalf of the Fund incorporates clauses that promote the afore-mentioned good governance practices, where applicable, through relevant undertakings and representations, which, if breached, may constitute an event of default. The Investment Manager will monitor compliance with the contractual arrangements of the debt securities, including undertakings and representations pertaining to good governance practices.

The Investment Manager monitors compliance with the social characteristic outlined above on a regular basis. This is achieved through periodic reporting by the Issuers of the private debt securities which includes among other things: (i) details of the number of residential projects being developed and completed by those Issuers, (ii) details of the types of tenure, and (iii) details of space dimensions per occupant compared to national standards.

The Investment Manager, while seeking to promote the above-mentioned social characteristic, is mindful of carbon dioxide (CO<sub>2</sub>) emissions in respect of their investment in Issuers and the underlying projects that the Issuers are involved in. In this regard, the Investment Manager will, in respect of each country that it invests in, in pursuit of the promotion of the above-mentioned social characteristic, report on the distribution of national energy ratings and on the expected operational emissions of CO<sub>2</sub> of the housing units developed by the Issuers that the Fund invests in. The Investment Manager will issue an annual statement on how the activities of the Fund may contribute to reaching net zero carbon targets.

Please refer to the annex to this Supplement for more information about the promotion by the Fund of the social characteristic.

#### *Portfolio Hedges*

In addition to hedging foreign exchange exposure at Share Class level as set out Section 3 above, the Investment Manager intends to hedge foreign exchange exposure on assets denominated in currencies other than the Base Currency through the use of forward foreign exchange contracts. Where undertaken, the effects of this hedging (including any expenses) will be reflected in the Net Asset Value and, therefore, in the performance of the Fund.

Where such hedging is undertaken it may substantially protect the Fund, and thereby its investors against a decrease in the value of assets denominated in other than the Base Currency, but it may also preclude investors from benefiting from an increase in the value of those assets when measured in the Base Currency. There can be no assurance that the currency hedging employed will fully eliminate the foreign currency exposure relative to the Base Currency.

#### *Investment Vehicle*

The Fund will pursue its investment objective by investing directly or indirectly through the Investment Vehicle, which will be managed by the Investment Manager and which is a designated activity company incorporated in the Ireland under the Companies Act 2014. The Investment Vehicle was created for the purpose of facilitating the implementation of the investment policy of the Fund.

### **5. Integration of Sustainability Risk**

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance (“ESG”) event or condition (“ESG Event”).

Using a qualitative process, sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

- (i) Prior to acquiring investments on behalf of a Fund, the Investment Manager assesses the relevant investment against sustainability risk and identifies whether it is vulnerable to such risk. This process incorporates applying both a negative screening (whereby potential investments are removed from the investment universe on the basis that they pose too great a sustainability risk to the Fund) and positive screening whereby those investments which have low sustainability risk, as well as strong financial performance are included in the investment universe.
- (ii) During the life of the Fund, sustainability risk is monitored by the Investment Manager on a regular basis through engagement with the Issuers of investments that the Fund invests in, in order to assess the sustainability risk faced by each investment as compared against the initial assessment of sustainability risk. Where the sustainability risk associated with an investment has increased since the investment was initially made, the Investment Manager may consider engaging with the Issuer of the investment with a view to encouraging the Issuer to address the increased sustainability risk faced by it. However, due to the nature of the investments made by the Investment Manager on behalf of the Fund, it may not be possible for the Investment Manager to reduce the Fund's exposure to, or dispose of, a Fund's investment, where the sustainability risk for the relevant investment has increased.

The Investment Manager expects that the sustainability risk faced by the Fund (being the risk that the value of the Fund could be materially negatively impacted by an ESG Event) to be, under normal market conditions, low.

## **6. Investment Guidelines**

The Investment Manager will typically have regard to the following investment guidelines in respect of the Fund during the Covenant Measurement Period:

- a) The debt securities held by the Fund must be denominated in either EUR or GBP, or in such other currencies as the Investment Manager may determine provided that aggregate exposure to other currencies is not anticipated to exceed approximately 15% of the Net Asset Value of the Fund;
- b) The principal place of business of the Issuers of the debt securities in which the Fund shall invest shall be in the following markets:
  - (i) the following countries in Western Europe: Ireland, the United Kingdom, Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland
  - (ii) any other country elsewhere in Europe, North America, developing or emerging market countries, provided that aggregate investment in such other countries is not anticipated to exceed approximately 15% of the Net Asset Value of the Fund.
- c) The Fund's exposure to any one Issuer of such debt securities is not anticipated to exceed 15% of the Net Asset Value of the Fund.

Notwithstanding the above, Investment opportunities may arise that, individually, are (i) consistent with promoting the social characteristic of addressing housing shortages, and (ii) contribute to a portfolio that meets the investment objective of generating attractive risk-adjusted returns. Such investment opportunities, when considered at aggregate Fund level and in the best interests of Shareholders, may give rise to a situation where the above guidelines are not adhered to.

## **7. Investment Restrictions**

The Fund will be subject to the following investment restrictions in addition to the investment restrictions detailed in the section of the Prospectus titled “The ICAV – Investment Restrictions” where they are applicable:

- (a) The Fund will not acquire distressed debt securities;

In the event that the above investment restriction is exceeded for reasons beyond the control of the ICAV or as a result of the exercise of subscription rights, the ICAV will adopt as a priority objective the remedying of the situation, whilst taking due account of the interests of Shareholders.

It is intended that the Fund shall have the power subject to the prior approval of the Central Bank to avail itself of any change in the investment and borrowing restrictions specified in the Rulebook.

## **8. Borrowing and Leverage**

The ICAV on behalf of the Fund may borrow up to 100% of the Net Asset Value of the Fund during the Subscription Period and thereafter 25% of the Net Asset Value of the Fund for cash management purposes, including in anticipation of additional subscriptions and to fund redemptions, or otherwise when deemed appropriate by the AIFM. The Fund will bear all of the costs and expenses incurred in connection therewith, including any interest expense charged on funds borrowed or otherwise accessed.

The Fund will not enter into derivative instruments for investment purposes but (i) the Fund may hold warrants where they are issued in conjunction with a debt security and (ii) forward foreign exchange contracts will be used for hedging purposes as detailed under the sections entitled “Hedged Classes” and “Portfolio Hedges” above.

The nominal value of the forward foreign exchange contracts described in “Hedged Classes” above will be for the (approximate) Net Asset Value of the Fund attributable to Hedged Classes.

The nominal value of the forward foreign exchange contracts described in Portfolio Hedges above will be for the (approximate) aggregate principal of debt securities (together with an estimate for interest thereon) denominated in a currency other than the Base Currency.

The leverage which may be created through the use of borrowing and/or forward foreign exchange contracts for hedging purposes (i) shall not exceed 250% of the Net Asset Value of the Fund but from the Fourth Anniversary it is not expected to exceed 200% of the Net Asset Value calculated in accordance with the commitment method and (ii) shall not exceed 350% of the Net Asset Value of the

Fund but from the Fourth Anniversary it is not expected to exceed 250% of the Net Asset Value of the Fund calculated in accordance with the gross method (as described in greater detail in the Prospectus in the section headed "Borrowing and Leverage").

## **9. Capital Subscriptions**

Shares will be initially offered in the Fund during the Initial Subscription Offer Period at the Initial Subscription Offer Price per Share in accordance with the provisions set out in the section headed "Initial Closing" in the Prospectus.

Following the Initial Closing Date, the Directors may, in their discretion, accept applications to enter into additional Capital Subscriptions from existing investors and/or applications to enter into Capital Subscriptions from new investors as set out in the section headed "Subsequent Closings" in the Prospectus. Shares offered in the Fund after the Initial Subscription Offer Period in respect of applications for additional Capital Subscriptions will be at either the Net Asset Value of the relevant Share Class where such Share Class is available but has launched, or, at the Initial Subscription Offer Price per Share where the relevant Share Class is available and has not yet launched.

Applications to enter into Capital Subscription should be made in writing using the Capital Subscription Agreement in accordance with the procedures outlined therein and in the section headed "Capital Commitment/Subscription Application Procedure" in the Prospectus.

Capital Subscription Agreements and accompanying anti-money laundering documentation must be received by 5pm on the Business Day prior to the Initial Closing Date and by 5pm on the Business Day prior to any subsequent Closing Date. Each Capital Subscription Agreement is subject to acceptance by the ICAV.

Applications to enter into Capital Subscriptions may not be submitted after the Final Closing Date.

## **10. Capital Subscriptions**

### *Initial Drawdown Amount*

Payment of the Initial Drawdown Amount must be received in cleared funds by no later than 5pm on the Business Day prior to the Initial Closing Date (or such later time or day as the Directors may determine either generally or in specific circumstances).

With respect to the Initial Drawdown Amount, Shares will be issued at the Initial Subscription Offer Price.

### *Call Notice*

Drawdowns of Capital Subscriptions will be made by giving investors of the Fund written notice in the form of a Call Notice.

A Call Notice requiring the investor to make Capital Subscriptions prior to the Initial Closing Date shall be issued no later than 5 Business Days prior to the settlement date specified in the relevant Call Notice. All other Call Notices requiring investors to make Capital Subscriptions may be given no earlier than 10 Business Days prior to the settlement date specified in such Call Notice.

The Directors will give to investors Call Notices (on such dates from time to time as the Directors consider fit) to make Capital Subscriptions in amounts up to in aggregate each investor's Capital Subscription. The Directors will issue their last Call Notice within 48 months of the Initial Closing Date.

Investors in receipt of a Call Notice should make payment in cleared funds to the account of the ICAV specified in the Call Notice of an amount equal to the Capital Subscription, such payment to be received no later than 5pm on the Business Day prior to the Capital Subscription Day specified in the Call Notice. Capital Subscription monies are payable in the Reference Currency of a Class of Shares.

For each Capital Subscription, other than the Initial Drawdown Amount, Shares will be issued at the prevailing Net Asset Value per Share calculated as at the Valuation Point on the Valuation Day in respect of the relevant Capital Subscription Day.

## **11. Return of Capital**

Capital will be returned to Shareholders in accordance with the procedures outlined in the section headed "Return of Capital Policy" in the Prospectus and as set out below.

The Fund may re-invest capital with respect to (i) any debt obligations that repay prior to the Fourth Anniversary, and (ii) debt obligations that repay on or after the Fourth Anniversary in an amount of up to 20% of the Net Asset Value of the Fund as of the Fourth Anniversary, otherwise the Fund will not re-invest capital. Capital will be returned to Shareholders at the discretion of the Directors as and when the underlying debt instruments are repaid subject to (i) any reinvestment and (ii) making provision for expenses and investment management and operating requirements. The Fund will be managed with the objective of realising its underlying investments and returning the net proceeds of realisation to Shareholders over the course of the Investment Period.

Capital will be returned to Shareholders by way of pro rata redemptions of Shares or such other means as the Directors of the Company may from time to time determine. Such redemptions will be given effect on each Capital Redemption Day.

Shares will be redeemed at a Redemption Price equal to the Net Asset Value per Share calculated as at the Valuation Point on the relevant Valuation Day in respect of the relevant Capital Redemption Day.

Redemption proceeds, less any deductions for transaction costs, will be paid in the Reference Currency of the relevant Share Class, normally within 15 Business Days of the relevant Capital Redemption Day, provided, however, that such redemption proceeds will be paid to Shareholders within 90 days of the relevant Capital Redemption Day. In the event that there are insufficient assets to satisfy redemptions or a default in a debt security means that the Fund has to hold an asset beyond the Investment Period, the Directors will schedule and process all outstanding redemptions taking due account of the interests

of the remaining Shareholders.

## 12. Distribution Policy

It is the current intention of the Directors to declare a dividend on a quarterly basis in respect of each Share Class of a sum equal to the aggregate of the income received by the Fund in respect of its investments (whether in the form of dividends, interest or otherwise) subject to retaining adequate provision for expenses and investment management and operating requirements. Shareholders of each Share Class as of the last Business Day of the calendar quarter as of which the relevant dividend is distributable shall be entitled to such dividends. It is intention that dividends will be paid within 15 Business Days of the declaration date.

Dividends will be paid by telegraphic 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 Share Class(es).

## 13. Switching

Investors may not switch between Share Classes of the Fund, or switch into a Share Class of the Fund from a Class issued in another sub-fund of the ICAV, as described in the Prospectus in the section "Switching".

## 14. Fees and Expenses

### *Establishment and Operating costs of the Fund*

The Fund will share pro-rata in the operating costs of the ICAV. Please refer to the section of the Prospectus entitled "Fees and Expenses". The fees and expenses relating to the establishment of the Fund including the fees of the Fund's professional advisers will be borne by the Fund. Such fees and expenses are estimated not to exceed €50,000 (excluding any costs and expenses associated with registering a Class for sale, marketing or distribution in another jurisdiction). The fees and expenses will be amortised over a period of up to 3 years from the date of the launch of the Fund. Fees and expenses are charged pro rata to each Class, or otherwise in such manner as set out this Supplement or the Prospectus or as the Directors in their absolute discretion deem fair.

In addition, the following management, administration and investment management fees are payable by the Fund.

### **Management**

The Fund will pay to the AIFM a management fee that is payable quarterly in arrears at an annual rate calculated as follows (the "**Management Fee**"):

<b>NAV of the Fund (€)</b>	<b>% of NAV</b>
0 to €150million	up to 0.05% per annum



150 million to 300million	up to 0.04% per annum
300million to 500million	up to 0.03% per annum
500million to 1billion	up to 0.02% per annum
Over 1billion	up to 0.015% per annum

The Management Fee shall be paid in Euro, the Base Currency of the Fund, and is subject to an annual minimum fee of up to €60,000.

### **Depositary**

The Depositary receives out of the assets of the Fund a fee that is payable monthly in arrears at an annual rate calculated as follows (the “**Depositary Fee**”):

<b>NAV of the Fund</b>	<b>% of NAV</b>
0 to US\$150million	0.03% per annum
US\$150million to US\$225million	0.0175% per annum
Over US\$225million	0.01% per annum

The Depositary Fee is subject to an annual minimum fee of \$40,000. The Depositary shall also be entitled to an annual fixed fee of US\$1,000 out of the assets of the Fund in relation to the maintenance of the umbrella cash account and provision of daily cash reconciliation and monitoring services in respect of same.

The Depositary shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

### **Administration**

The Administrator shall receive out of the assets of the Fund an annual administration fee of up to 0.06% of the Net Asset Value of the Fund (the “**Administration Fee**”). The Administration Fee is subject to an annual minimum fee of €36,000. The Administration Fee shall be paid quarterly in arrears.

The Administrator will also charge a transaction fee for transfer agency services per transaction of €25 payable out of the assets of the Fund.

The Administrator shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

### **Investment Management**

The AIFM has appointed the Investment Manager to provide discretionary investment management services to the ICAV in respect of the Fund pursuant to the Investment Management Agreement. The Investment Vehicle has appointed the Investment Manager to provide discretionary investment management services to the Investment Vehicle pursuant to an investment management agreement dated 28 October, 2021 between the Investment Manager, the Investment Vehicle, the AIFM and the

ICAV.

### *Investment Management Fee*

The Fund will pay to the Investment Manager an investment management fee that is payable quarterly in arrears at an annual rate of the Net Asset Value of the relevant Class as set out below (the “**Investment Management Fee**”).

<b>Class</b>	<b>% of NAV</b>
Class A EUR Shares	1.75%
Class A USD Shares	1.75%
Class A CHF Shares	1.75%
Class A GBP Shares	1.75%
Class E EUR Shares	Up to 0.75%
Class E USD Shares	Up to 0.75%
Class E CHF Shares	Up to 0.75%
Class E GBP Shares	Up to 0.75%
Class E AUD Shares	Up to 0.75%
Class E SEK Shares	Up to 0.75%
Class I EUR Shares	Up to 1.15%
Class I USD Shares	Up to 1.15%
Class I CHF Shares	Up to 1.15%
Class I GBP Shares	Up to 1.15%
Class I AUD Shares	Up to 1.15%
Class I SEK Shares	Up to 1.15%
Class S EUR Shares	1.5%
Class S USD Shares	1.5%
Class S CHF Shares	1.5%
Class S GBP Shares	1.5%
Class S SEK Shares	1.5%

The Investment Manager may also recover out of pocket expenses reasonably incurred by it in the performance of its duties on behalf of the Fund.

The Investment Manager shall negotiate on behalf of the Fund any upfront arrangement fees payable by the Issuers of debt securities to the Fund. In return, the Investment Manager may receive from the Fund a portion of any such fees payable by the Issuers of the debt securities. Any such fee payable to the Investment Manager shall be separate and distinct from the Investment Management Fee, shall be at commercially reasonable rates and shall be set out in the annual financial statements of the ICAV.

### *Performance Fee*

The Investment Manager will also be paid a performance fee out of the assets of the Fund calculated separately for each combination of Share Class and closing (each a “**Share Class Closing**”) as described below.

From time to time, the Fund may make payments to Shareholders (“**Shareholder Payments**”) whether by way of dividends (as set out under Distribution Policy) or redemption of Shares (as set out under Return of Capital).

For each Share Class Closing the performance fee is calculated on the outperformance of (a) the internal rate of return (“**IRR**”) of the Capital Subscriptions and Shareholder Payments over (b) a hurdle IRR of 5% (the “**Hurdle IRR**”).

<b>Class</b>	<b>% outperformance of the Provisional IRR over the Hurdle IRR</b>
Class A EUR Shares	15%
Class A USD Shares	15%
Class A CHF Shares	15%
Class A GBP Shares	15%
Class E EUR Shares	10%
Class E USD Shares	10%
Class E CHF Shares	10%
Class E GBP Shares	10%
Class E AUD Shares	10%
Class E SEK Shares	10%
Class I EUR Shares	10%
Class I USD Shares	10%
Class I CHF Shares	10%
Class I GBP Shares	10%
Class I AUD Shares	10%
Class I SEK Shares	10%
Class S EUR Shares	15%
Class S USD Shares	15%
Class S CHF Shares	15%
Class S GBP Shares	15%
Class S SEK Shares	15%

At each Valuation Day and for each Share Class Closing, the provisional IRR (the “**Provisional IRR**”) will be calculated by reference to the relevant:

- (i) Capital Subscriptions (which will be assigned negative values, denoting investment for IRR calculations and where each Capital Subscription will be dated as of its Capital Subscription Day);
- (ii) prior Shareholder Payments (which will be assigned positive values, denoting return for IRR calculations and where each Shareholder Payment will be dated as of the date of such payment to Shareholders);

- (iii) cash provisionally available for Shareholder Payments as of that Valuation Day (which will be assigned a positive value, denoting return for IRR calculations and dated as of the Valuation Day); and
- (iv) the performance fee provision (if any) as of the prior Valuation Day (which will be assigned a positive value, denoting return for IRR calculations and dated as of the current Valuation Day).

For each Valuation Day, and for each Share Class Closing, where the Provisional IRR outperforms the Hurdle IRR the Investment Manager shall be entitled to a performance fee and a provision for such performance fee shall be determined as the cash amount (in the relevant Share Class currency) that reduces the Provisional IRR by the percentage outlined above of the outperformance of the Provisional IRR over the Hurdle IRR. Calculations of IRR for performance fee purposes shall be rounded to four decimal places (i.e. x.xxxx%).

The performance fee provision(s) will be retained by the Fund and the performance fee will be payable on the earlier of (i) the date on which the Fund makes its final distribution to Shareholders or (ii) the expiry of the Investment Period. If the latter applies there may be a second performance fee payable as of the date the Fund (or its alternate) makes its final distribution to Shareholders

In calculating the Performance Fee payable, the Directors may in their discretion make such adjustments as they consider to be appropriate in their absolute discretion to give effect to the intent of these provisions.

The performance fee shall be calculated by the Administrator. The calculation of the Performance Fee will be verified by a competent person appointed by the AIFM and approved for this purpose by the Depositary. In this regard, Shareholders should note the section of the Prospectus headed "Conflicts of Interest."

The Investment Manager may waive, permanently or temporarily, some or all the Investment Management Fee or Performance Fee, in respect of all or part of the assets under management.

### **Investment Vehicle Fees**

All administrative, accounting, auditing expenses, management fees, legal fees, company secretarial fees and other expenses relating to the operation of the Investment Vehicle, including the fees of the Investment Vehicle Administrator as set out below will be borne by the Investment Vehicle and hence indirectly by the Fund.

The Fund has appointed the Investment Vehicle Administrator to, inter alia, calculate the Net Asset Value of the Investment Vehicle pursuant to an administration agreement dated 28 October, 2021 between the AIFM, the ICAV and the Investment Vehicle. The Fund will pay to the Investment Vehicle Administrator an annual fee of €21,000 that is payable annually in advance (the "**Investment Vehicle Administration Fee**"). In addition, the Investment Vehicle Administrator will provide cash management

services to the Investment Vehicle and shall receive an annual fee of €6,000 in relation to these services which are payable annually in advance. The preparation of any ad-hoc management accounts in respect of the Investment Vehicle will also incur a fee of €1,000 per set, payable by the Fund.

### **Distribution Fee**

The Distributor is entitled to a fee payable out of the Investment Management Fee.

### **Subscription, Redemption and Switching Charge**

The Directors shall not charge redemption or switching fees.

The ICAV may levy a subscription charge, up to a maximum of 3% of the Net Asset Value of Shares being purchased. Such subscription charge may, at the discretion of the Directors, be payable to introducing agents, intermediaries or distributors.

## **15. Risk Factors**

**Potential investors should consider the risks referred to in the “Risk Factors” section of the main Prospectus. The following risk factors should be considered in conjunction with those outlined in the Prospectus.**

### *Debt Securities*

The Fund will invest in debt securities and will, therefore, be subject to credit, liquidity and interest rate risks. The debt securities may be subordinated to certain other outstanding obligations of the Issuer.

### *Investments in Private Debt Obligations*

The Fund will invest in private debt securities. Because of the absence of any trading market for these investments, it is unlikely to be possible to liquidate these positions. Although these obligations may be resold in privately negotiated transactions, prices realised on these sales could be less than the theoretical value of the individual obligations. The lack of an actively traded market in these private obligations may also give rise to uncertainty regarding the value of such obligations.

### *Credit Risk*

The Fund's performance may be affected by default or perceived credit impairment of any individual security by general or sector-specific or rating class-specific credit spread movement or should there be a downturn in the market segments in which the Issuers operate.

### *Currency Hedging*

The Class A EUR, Class E EUR, Class I EUR and Class S EUR Shares are issued and redeemed in Euros. The Class A GBP, Class E GBP, Class S GBP and Class I GBP Shares are issued and

redeemed in Sterling. The Class A USD Class, E USD, Class S USD and Class I USD Shares are issued and redeemed in US Dollars. The Class A CHF, Class E CHF, Class S CHF and Class I CHF Shares are issued and redeemed in Swiss Francs. The Class E AUD and Class I AUD Shares are issued and redeemed in Australian Dollars and the Class S SEK, Class E SEK and Class I SEK Shares are issued and redeemed in Swedish Krona. The Fund anticipates that a proportion of the Fund's investments will be denominated in currencies (principally GBP) other than the Base Currency (EUR). Accordingly, the value of the Fund, as well as the value of an investment in Shares of the relevant Class, may be affected favourably or unfavourably by fluctuations in exchange rates, notwithstanding efforts made to hedge such fluctuations for the Classes denominated in Sterling, US Dollars, Swiss Francs, Australian Dollars and Swedish Krona. In addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the currency in which the Class of Shares they have invested is denominated should take into account the potential risk of losses arising from fluctuations in the rate of exchange between the currency of their Shares and such other currency. The Fund may utilise forwards to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective or beneficial. Any such currency hedge placed by the Fund will be for an amount based on the estimated value of the assets of the Fund and may thus represent an over or under hedge of the actual value of the relevant security.

#### *Dependence on Key Personnel*

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

#### *Co-Investment Risk*

The Fund may enter into a co-investment arrangement with one or more other co-investors when the Fund acquires less than a 100% interest in a particular debt security and the remaining ownership interest is held by one or more third parties. These co-investment arrangements may expose the Fund to the risk that:

1. co-investors become insolvent or bankrupt, or fail to fund their share of any capital contribution which might be required, which may result in the Fund having to pay the co-investor's share or risk losing the investment;
2. disputes develop between the Fund and co-investors, with any litigation or arbitration resulting from any such disputes increasing the Fund's expenses and distracting the Investment Manager, the Directors and/or the AIFM from their other managerial tasks;
3. a co-investor breaches agreements related to an investment, which may cause a default under such agreements and result in liability for the Fund; and

4. a default by a co-investor may constitute a default under a loan financing arrangement relating to the investment, which could result in a foreclosure and the loss of all or a substantial portion of the investment made by the Fund.

#### *Liability Risk in respect of the Investment Vehicle Administrator*

Under the Investment Vehicle Administration Agreement, the Investment Vehicle Administrator's liability owed to the Investment Vehicle is capped on a per annum basis at three times the annual fees payable to the Investment Vehicle Administrator, save where such liability is as a result of the Investment Vehicle Administrator's fraud or wilful default. The Investment Vehicle Administration Agreement provides that the Investment Vehicle Administrator shall only be liable for any loss, cost, damage or expense sustained by the Investment Vehicle to the extent that it results from the fraud, negligence or wilful default of the Investment Vehicle Administrator, its employees or agents in the performance their obligations thereunder.

#### *Sustainability Risk*

As outlined above, sustainability risk is the risk that the value of the Fund's underlying investments could be materially negatively impacted by an ESG Event.

In particular, in light of the Fund's investment policy, ESG Events that primarily social in nature may include events such as Issuer companies failing to meet labour standards, health and safety requirements or fair working conditions. Further, governance events may include events such as changes to tax regimes, bribery laws and other regulation, as well as failure of an Issuer to put in place appropriate governance structures or giving due consideration to the sustainability of the Issuer.

Failure to manage or appropriately mitigate against such relevant ESG Events could result in a material negative impact on the debt securities of Issuers through reduced revenue, fines or sanctions being applied or significant damage or impairment to an assets value. These examples are not exhaustive.

While the investment approach taken by the Investment Manager for the Fund aims to mitigate the risk to the Fund of the negative impact of such events, which include investments in Issuers which having been assessed as having sound governance practices, there is no guarantee that a Fund's investments will outperform other forms of investment that do not take account these considerations.

The risks posed by social change and governance issues may lead to increasing governmental regulation and taxation which can lead to additional costs for the Issuers in which the Fund may invest and which may negatively impact the Fund's performance. In addition, companies and Issuers are susceptible to changes in the social, environmental and taxation policies of governments of the various jurisdictions in which they operate which can also negatively affect the value of their debt securities.

As the Fund is considered a financial product subject to Article 8 of the SFDR, the Fund's focus on ESG related Issuers and debt securities that address a specific social need and follow only good governance practices means that the universe of investable securities for the Fund may be more limited than would otherwise be the case and therefore its universe of investments will be smaller than that of other funds without these or similar restrictions.

**Past performance of similar investments is not necessarily a guide to the future performance of the Fund's investments. The value of any investment can go down as well as up. There is no guarantee that the investment objective will be achieved.**

**An investment in the Fund is not suitable for all investors. A decision to invest in the Fund should take into account your own financial circumstances and the suitability of the investment as a part of your portfolio. You should consult a professional investment advisor before making an investment.**

**The foregoing list of risk factors is not complete. Prospective Shareholders should consult with their own advisers before deciding to subscribe for Shares.**



## **ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND**

This Country Supplement forms part of and should be read in conjunction with the prospectus of UBP PRIVATE DEBT ICAV (the “ICAV”) dated 30 November 2022 (the “Prospectus”), UBP PRIVATE DEBT FUND III dated 30 November 2022 (a “Fund”), and UBP SOCIAL INVESTMENT PRIVATE DEBT FUND dated 30 November 2022 (a “Fund”), as may be amended from time to time. Capitalised terms in this Country Supplement have the same meaning as those used in the Prospectus.

### **A. REPRESENTATIVE**

The representative in Switzerland is 1741 Fund Solutions AG, Burggraben 16, 9000 St. Gallen, Switzerland.

### **B. PAYING AGENT**

The paying agent in Switzerland is Tellco Ltd, Bahnhofstrasse 4, 6430 Schwyz, Switzerland.

### **C. PLACE WHERE THE RELEVANT DOCUMENTS MAY BE OBTAINED**

The Swiss Prospectus and the Instrument of Incorporation as well as the annual and semi-annual reports of the ICAV may be obtained free of charge from the Representative.

### **D. PAYMENT OF RETROCESSIONS AND REBATES**

#### **1. Retrocessions**

The ICAV and its agents may pay retrocessions as remuneration for distribution activity in respect of Shares of the Funds in Switzerland. This remuneration may be deemed payment for the following services in particular:

- Sales promotions and introductions with potential clients
- The organization of road shows and/or fund fairs
- Assistance in making applications, forwarding of subscription, conversion and redemption orders
- Providing investors with the ICAV's documents
- Verification of identification documents and the performance of due diligence tasks as well as keeping documentary records.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

Disclosure of the receipt of retrocessions is based on the applicable provisions of FinSA.

#### **2. Rebates**

In respect of distribution in Switzerland, the ICAV and its agents do not pay any rebates, defined as payments by the ICAV and its agents, directly to investors to reduce the fees or costs incurred by the investor and charges in respect of the Fund of the ICAV.

### **E. PLACE OF PERFORMANCE AND PLACE OF JURISDICTION**

In respect of the units offered in Switzerland, the place of performance is the registered office of the representative. The place of jurisdiction is at the registered office of the representative or at the

registered office or place of residence of the investor.

Date:22 December 2022

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: UBP Social Investment Private Debt Fund      Legal entity identifier: 635400GHCTX7ABKRSD69

## Environmental and/or social characteristics

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

**Yes**

   **No**

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

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

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

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

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

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

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

with a social objective

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

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

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



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

## What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the social characteristic of addressing housing shortages.

There is no reference benchmark designated for attaining the social characteristic promoted by the Fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators used to measure the attainment of the social characteristic promoted by the Fund are:

(i) The number of residential housing projects being developed as a result of the investments of the Fund in private debt securities of Issuers in accordance with the investment policy of the Fund

(ii) Types of tenure of the residential housing projects that are developed as a result of the investments of the Fund in private debt securities of Issuers in accordance with the investment policy of the Fund

(iii) The space dimension per occupant compared to national standards in respect of the residential housing projects that are developed as a result of the investments of the Fund in private debt securities of Issuers in accordance with the investment policy of the Fund

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

N/A as the Fund does not commit to investing in sustainable investments.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

N/A

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, \_\_\_\_\_

The Investment Manager takes into account all indicators for adverse impacts in Table 1 of Annex I of Commission Delegated Regulation (EU) 2022/1288 to ascertain which are relevant to the investment strategy. Then the relevant indicators which are numbers 17 and 18 are incorporated into the investment strategy by the Investment Manager as part of its pre-investment due diligence by assessing if the capital that may be provided by the Fund in return for the private debt security could be used in respect of exposure to fossil fuels through real estate assets and exposure to energy-inefficient real estate assets. Where there is potential for such exposure then the Investment Manager will remove such investments from the Fund’s potential investment universe. The annual financial statements of the ICAV will include the information on principal adverse impacts on sustainability factors in accordance with Article 11(2) of Regulation (EU) 2019/2088.

No



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

## What investment strategy does this financial product follow?

The Fund's investment strategy to promote the above-mentioned social characteristics is to deploy its capital to invest in the private debt securities of Issuers who develop mass market housing and other housing projects. In addition, the Investment Manager will ensure that such Issuers of debt securities follow good governance practices.

In identifying privately sourced debt securities which allow the Fund to promote the social characteristic of addressing housing shortages, the Investment Manager will identify Issuers who are developing projects related to: (i) mass market residential housing, including regulated social and affordable projects, shared ownership and privately owned mass market residential housing, including in the private rental sector; (ii) key-worker housing (for public sector employees who provide services in health, education and community safety); (iii) care homes and housing for elderly individuals; and (iv) purpose built student housing and other projects that address housing shortages. The Investment Manager will not invest in projects the main component of which comprises retail, hospitality, leisure, luxury accommodation or holiday homes.

The Issuers that the Fund invests in via private debt securities may utilise the capital provided in projects that may include components required by planning authorities to satisfy town planning, ecological or other objectives. As a result, these projects, as part of the promotion of the above-mentioned social characteristic, may include the development of necessary infrastructure such as roads, footpaths, utilities, and recreational facilities, or mixed-use buildings, e.g. they may contain retail or commercial usages or other components. Without the development of such components, the Issuers may not be able to develop the projects outlined in (i) to (iv) above and as a result, the Fund would not be able to achieve the promotion of its social characteristic.

The Issuers of the debt securities in which the Fund will invest will follow good governance practices. The Investment Manager, in order to satisfy itself that the relevant Issuers follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff, planning and environmental law and tax compliance, will ensure that the contractual arrangements with the relevant Issuers on behalf of the Fund incorporates clauses that promote the afore-mentioned good governance practices, where applicable, through relevant undertakings and representations, which, if breached, may constitute an event of default. The Investment Manager will monitor compliance with the contractual arrangements of the debt securities, including undertakings and representations pertaining to good governance practices.

The Investment Manager monitors compliance with the social characteristic outlined above on a regular basis. This is achieved through periodic reporting by the Issuers of the private debt securities which includes among other things: (i) details of the number of residential projects being developed and completed by those Issuers, (ii) details of the types of tenure, and (iii) details of space dimensions per occupant compared to national standards.

In addition, the Investment Manager will assess if the capital of the Fund that may be provided in return for the private debt security that is proposed to be invested in, in order to promote the social characteristic of the Fund, could be used in respect of exposure to fossil fuels through real estate assets and exposure to energy-inefficient real estate assets. Where there is potential for such exposure then the Investment Manager will remove such investments from the Fund's potential investment universe.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the investment strategy used to select to the investments to attain each of the social characteristics promoted by the Fund are all outlined above.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

- ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager, in order to satisfy itself that the relevant Issuers follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff, planning and environmental law and tax compliance, will ensure that the contractual arrangements with the relevant Issuers on behalf of the Fund incorporates clauses that promote the aforementioned good governance practices, where applicable, through relevant undertakings and representations, which, if breached, may constitute an event of default. The Investment Manager will monitor compliance with the contractual arrangements of the debt securities, including undertakings and representations pertaining to good governance practices.



**Asset allocation** describes the share of investments in specific assets.

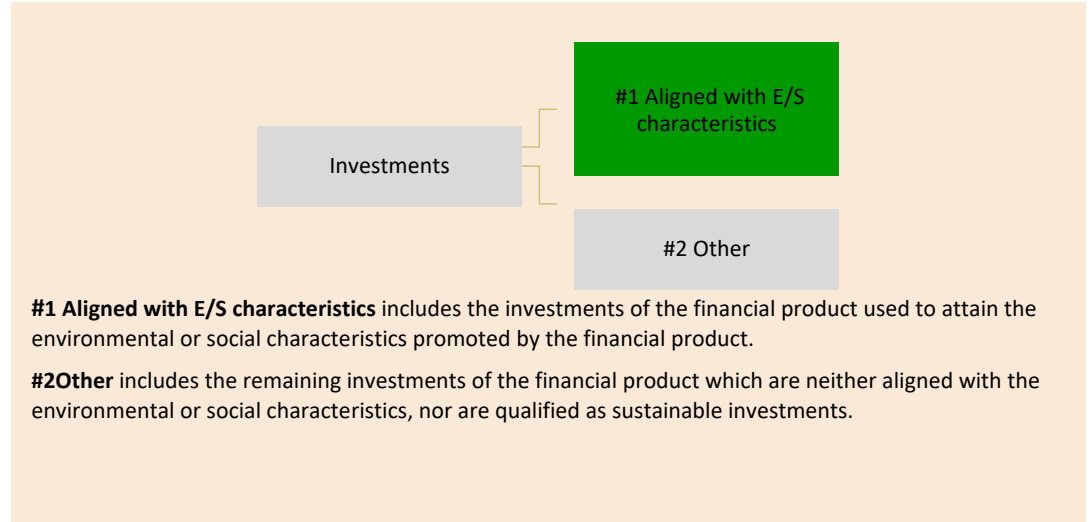
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

## What is the asset allocation planned for this financial product?

The investments of the Fund are private debt securities. The minimum proportion of the investments of the Fund used to meet the social characteristic promoted by the Fund in accordance with the binding elements of the investment strategy is 80%.

The remaining assets in the section “#2Other” may include warrants and cash balances (i) pending



investment, (ii) pending payment to investors and (iii) for working capital purposes as well as FX transactions to hedge (i) non-EUR investments and (ii) non-EUR share classes. There are no minimum environmental or social safeguards on this bucket


### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund does not use derivatives to attain the social characteristic promoted by the Fund.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

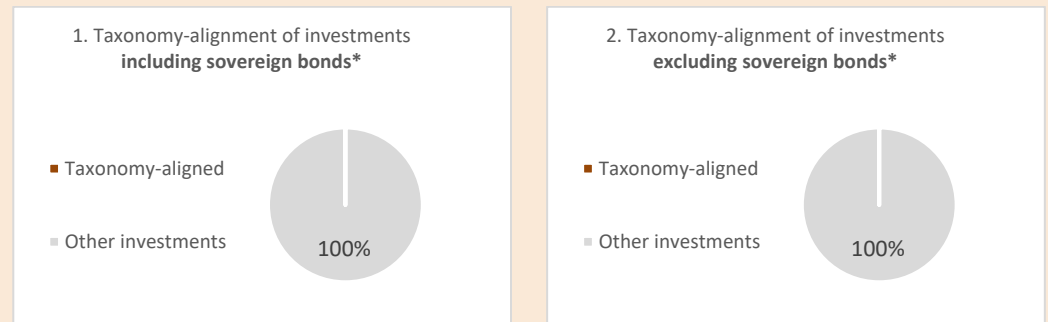
**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### ● What is the minimum share of investments in transitional and enabling activities?

N/A as the Fund does not commit to investing in sustainable investments.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A as the Fund does not commit to investing in sustainable investments.

### What is the minimum share of socially sustainable investments?

N/A as the Fund does not commit to investing in socially sustainable investments.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The remaining assets in the section “#2Other” may include warrants and cash balances (i) pending investment, (ii) pending payment to investors and (iii) for working capital purposes as well as FX transactions to hedge (i) non-EUR investments and (ii) non-EUR share classes. There are no minimum environmental or social safeguards on this bucket.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index is designated as a reference benchmark to determine whether this Fund is aligned with the social characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**Where can I find more product specific information online?**

More product-specific information can be found on the website here: <https://funds.carnegroup.com/UBP-Social-Investment-Private-Debt-Fund>