

The Directors, whose names appear under the section of the Prospectus headed "Management of the ICAV", accept responsibility for the information contained in this Supplement and the 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 Supplement and the Prospectus is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

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

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## **KLS ARETE MACRO FUND**

### **(THE "FUND")**

A sub-fund of Kepler Liquid Strategies ICAV, registered as an Irish collective asset-management vehicle on 22 December 2015 with variable capital constituted as an umbrella fund with segregated liability between sub-funds in Ireland and authorised by the Central Bank pursuant to the Act and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended)

### **SUPPLEMENT**

**DATED: 15 March 2024**

**Investment Manager**

**Kepler Partners LLP**

**Sub-Investment Manager**

**Ocean Arete Limited**

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This Supplement forms part of, and should be read in the context of and together with the Prospectus dated 15 March 2024 in relation to the ICAV and contains information in relation to the Fund, a sub-fund of the Kepler Liquid Strategies ICAV. As at the date of this document, the ICAV has eight other sub-funds, KLS Corinium Emerging Markets All Weather Fund, KLS Ionic Relative Value Arbitrage Fund, KLS Niederhoffer Smart Alpha UCITS Fund, KLS Athos Event Driven Fund, KLS Corinium Emerging Markets Equity Fund, KLS SGA US Large Cap Growth Fund, KLS Scopia Market Neutral Equity Fund and KLS BH-DG Systematic Trading UCITS Fund.

The Fund may invest up to 100% of its assets in Emerging Markets. The Fund may also invest principally in financial derivative instruments. As such, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Fund may invest substantially in cash deposits or money market instruments and the Fund may even invest up to 100% in cash deposits or money market instruments for temporary defensive purposes. Investors' attention is drawn to the difference between the nature of a deposit and the nature of an investment in the Fund and in particular to the risk that the value of the principal invested in the Fund may fluctuate.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

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## DEFINITIONS

Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein.

<b>"Base Currency"</b>	for the purposes of this Supplement, the base currency shall be US Dollars;
<b>"Business Day"</b>	means a day (except Saturdays, Sundays and public holidays) on which banks in Dublin, Hong Kong and London are open for normal banking business or such other day or days as may be specified by the Directors;
<b>"Dealing Day"</b>	means each Business Day or such other days as the Directors, in consultation with the Manager, may determine and notify to Shareholders in advance provided that there shall be at least one Dealing Day per fortnight;
<b>"Dealing Deadline"</b>	means 11.00am (Irish time) five (5) Business Days immediately prior to each Dealing Day or on an exceptional basis only, such later time as the Directors may from time to time permit and notify in advance to Shareholders provided that applications will not be accepted after the Valuation Point;
<b>"Developed Markets"</b>	means markets considered by the Sub-Investment Manager to be of a developed nature. This will include both "Developed Market" countries as defined by MSCI and more generally markets within North America, Europe, the Middle East and Asia-Pacific;
<b>"Emerging Markets"</b>	means markets considered by the Sub-Investment Manager to be of an emerging nature. This will include both "Emerging Market" and "Frontier Market" countries as defined by MSCI and more generally markets within Asia, Latin America, Eastern Europe and countries of the former Soviet Union, Africa and the Middle East;
<b>"Founder Investor"</b>	means a Shareholder having initially subscribed into the Fund during the Initial Offer Period;
<b>"Investment Grade"</b>	means an investment rating level of BBB or better from Standard & Poor's Corporation (S&P) or Baa3 or better from Moody's Corporation;
<b>"Sub-Investment Manager"</b>	means Ocean Arete Limited or such other entity or entities appointed by the Investment Manager as sub-investment manager in respect of the Fund and approved by the Central Bank to act as investment manager in respect of Irish authorised collective investment schemes;
<b>"Sub-Investment Management Agreement"</b>	means the sub-investment management agreement between the Investment Manager, the ICAV and the Sub-Investment Manager, as may be amended; and
<b>"Valuation Point"</b>	means, with respect to any Dealing Day, 10.00pm (Irish time) on the Dealing Day, or such other time or Business Day as the Directors may determine and notify in advance to Shareholders, provided that there shall always be a Valuation Point for every Dealing Day. Unless otherwise determined by the Directors, the value of relevant investments which are quoted, listed or traded on a Recognised Market will be valued at the official closing price at the most recent close of business on such Recognised Market.

## INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to seek to achieve total returns through capital growth and/or income generation.

There can be no assurance that the investment objective of the Fund will be achieved.

### Investment Policies

The Sub-Investment Manager will pursue the investment objective of the Fund by investing in a diversified portfolio of Developed Market and Emerging Market investments, as specified below, which are listed and/or traded on Recognised Markets. Asset classes and instruments will be selected based on the appropriateness of each investment in expressing the macro-economic views of the Sub-investment Manager, as well as the marginal risk of the investment in relation to the Fund's overall portfolio. The Fund will seek to benefit both from rapidly changing economic and monetary conditions globally and in Asia. The Fund's investments in Emerging Markets will focus on Asia, including China and the Fund's investments in Developed Markets will focus on Europe, the United States and Japan.

The Fund primarily adopts a "macro" or "top down" approach in selecting and structuring its investments across the asset classes listed below. Consistent with this approach, the Fund will typically be invested in multiple asset classes, in order to diversify the portfolio and reduce volatility. The Sub-Investment Manager constructs and maintains macro-analytical frameworks that incorporate the rapidly changing macro-economic conditions around the world, as well as the significant idiosyncrasies of certain large economies such as China and Japan. These frameworks use historical and regional comparisons, social science research and empirical due diligence in order to assist the Sub-Investment Manager in identifying the Fund's investments.

The due diligence performed by the Sub-Investment Manager is based on publicly available empirical quantitative macro-economic data as well as on-the-ground qualitative data gathering performed by the research teams of the Sub-Investment Manager. The Sub-Investment Manager focuses on employing its macro-economic analytical frameworks to evaluate and seek to exploit the impacts of macro-economic events and trends globally and in Asia on the global equity, commodity, bond and currency markets. The Sub-Investment Manager will select investments identified by the macro frameworks based on its view of the macro-economic environment, the appropriateness of the particular investment in respect of its market view and the marginal risk of the investment in relation to the Fund's existing portfolio. Commodity exposure will be achieved through eligible multiple commodity indices which have been pre-cleared by the Central Bank.

The Fund has flexibility to invest in a wide range of instruments namely, equities, bonds (which shall be Investment Grade and may be fixed and/or floating rate, of any maturity and may be issued by corporates and/or sovereigns), American depository receipts, contract for difference, equity options, equity index futures, equity index options, options on equity index futures, interest rate futures, foreign exchange futures, foreign exchange swaps, interest rate swaps, foreign exchange forwards, bond futures, options on bond futures, eligible multiple commodity indices (which have been pre-cleared by the Central Bank) and the multi-asset options, swaps and forwards referred to in the FDI table below. FDI may be exchange-traded or over-the-counter.

In addition, as part of the overall risk management and liquidity management of the Fund, the Fund may invest up to 100% of its Net Asset Value in cash, money market instruments including treasury bills, bank deposits, certificates of deposit and commercial paper, along with fixed income and fixed income related securities issued by highly rated (Investment Grade or higher) corporate or sovereign issuers (for example US Treasuries) which are fixed rate, floating rate and variable rate for liquidity, collateral or for temporary defensive purposes. The Fund may invest up to 10% of net assets in other collective investment schemes including exchange traded funds and money market funds.

The Fund may maintain exposure to or hedge a currency based on the Sub-Investment Manager's outlook for a currency or the countries using that currency. Investing in non-US Dollar denominated securities inherently carries with it exposure to other currencies. The investment strategy of the Fund

fundamentally incorporates a range of currency exposures and allows the Sub-Investment Manager to express an investment view with respect to those currency exposures through direct exposure to those currencies, hedging, not hedging or increasing the Fund's exposure to those currencies through FDI.

### **Disclosure under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the SFDR)**

The Fund seeks to promote environmental and social characteristics and invest in issuers that apply good corporate governance. The Fund qualifies as a financial product subject to Article 8(1) of the SFDR. The Fund limits investments in issuers that are active in industries which are associated with negative environmental impacts e.g. thermal coal. The Fund also excludes investments in issuers that are involved in controversial weapons or violate international norms on human rights, labour standards and anti-corruption. These international norms are set out in international initiatives and guidelines such as the OECD Guidelines for Multinational Enterprises, the UN Global Compact, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the Guiding Principles on Business and Human Rights. **Further information in respect of the environmental and social characteristics promoted by the Fund is set out in the Annex to this Supplement.**

A sustainability risk is defined in the SFDR as an environmental, social or governance (**ESG**) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment (**Sustainability Risk**). Details of certain Sustainability Risks which may be applicable to the Fund's investments are set out in the "Investment Risks" section of the Prospectus. Sustainability factors are defined in the SFDR as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters (**Sustainability Factors**).

The Sub-Investment Manager will consider Sustainability Risks as part of its "macro" or "top down" approach in selecting investments of the Fund. The Sub-Investment Manager will consider Sustainability Factors to assist it in identifying long-term themes on which it will base its investment decisions, both in terms of seeking to generate returns on the Fund's investments and the identification of key risks.

Given the Fund primarily adopts a "macro" or "top down" approach in selecting investments, the consideration of sovereign level governance factors and risks are particularly relevant to the Sub-Investment Manager's investment decision-making process, and are often intertwined with environmental and social trends or factors such as unemployment levels and national policy decisions aimed at curbing environmental impacts. The Sub-Investment Manager seeks to understand these influences on markets and issuers to support it in making well-informed investment decisions.

The consideration of Sustainability Risks will also inform the Sub-Investment Manager's view of the comparison of one potential opportunity's relative attractiveness to that of another unrelated opportunity being considered for investment by the Fund. For example, where the Sub-Investment Manager has concerns over the ESG practices of an issuer or its industry or market sector, or considers that there is a higher likelihood of Sustainability Risks materialising during the period where the Fund might be exposed to an investment than in other potential investments being considered for investment by the Fund, this may impact upon the Sub-Investment Manager's decision of whether to pursue a particular proposed investment.

The Manager and the Sub-Investment Manager have assessed the likely impacts of Sustainability Risks on the returns of the Fund, and considers it likely that Sustainability Risks will not have a material impact on the returns of the Fund, given the Sub-Investment Manager's investment approach as described above. However, to the extent that the Sub-Investment Manager is incorrect in its evaluation of the Sustainability Risks applicable to a particular investment, or an investment of the Fund experiences an ESG event or condition that was not considered by the Sub-Investment Manager this could negatively impact the returns of the Fund.

The Manager and the Sub-Investment Manager have elected not to consider the principal adverse impacts of the Sub-Investment Manager's investment decisions on Sustainability Factors in the manner contemplated by Article 4(1)(a) of the SFDR primarily as the consideration of such matters is not mandated by the investment policies of the Fund.

## Disclosure under the EU Taxonomy Regulation (as defined below)

**EU Taxonomy Regulation** means Regulation EU 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending SFDR.

Under the EU Taxonomy Regulation, the Fund is required to disclose how and to what extent the investments underlying the Fund are invested in environmentally sustainable economic activities and how those underlying investments contribute to the environmental objectives of climate change mitigation and/or climate change adaptation.

While the Fund promotes environmental characteristics, it is not intended at this point that its underlying investments contribute to the environmental objective of climate change mitigation and/or climate change adaptation. As such, as at the date of this Supplement, the percentage of taxonomy-aligned investments that can be evidenced is 0%.

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 the financial product do not take into account the EU criteria for environmentally sustainable activities.

## Leverage of the Fund

Where utilised, the Fund will be leveraged through the use of FDIs detailed below and any temporary borrowings as detailed further below.

The leverage of the Fund under normal market conditions, calculated by adding together the absolute value of the notional exposures of each of the FDIs held by the Fund in accordance with the Central Bank UCITS Regulations is expected to be in the range of 500% to 1200% of the Net Asset Value of the Fund (and is not expected to exceed 1500% of the Fund's Net Asset Value in most market conditions), although higher levels are possible. The Fund may reach higher levels (for example when hedging the underlying local currency exposure of investments held) as the notional exposures of derivatives positions are required to be summed together even though the portfolio may comprise offsetting derivative or underlying positions, or when using short-term interest rate derivatives which can require a substantial level of gross leverage while carrying a limited amount of market risk. The Fund employs the Value at Risk ("**VaR**") approach to market risk. The Fund uses an absolute VaR approach which calculates the Fund's VaR as a percentage of the Net Asset Value of the Fund, which must not exceed an absolute limit of 20% as defined by the Central Bank. The calculation of VaR shall be carried out in accordance with the following parameters:

- (i) one-tailed confidence interval of 99%;
- (ii) holding period equivalent to 1 month, calculated by taking the 20 business day VaR;
- (iii) effective observation period (history of risk of at least 1 year (250 Business Days) unless a shorter observation period is justified by a significant increase in price volatility);
- (iv) quarterly data set updates or more frequent when market prices are subject to material changes; and
- (v) at least daily calculation.

## Financial Derivative Instruments

As detailed above, the Fund may be exposed to the FDIs set-out in the below table, whether for investment or for hedging purposes. The Fund's use of the financial derivative instruments listed below is provided for in the Fund's Risk Management Process. The Investment Manager employs a Risk Management Process in respect of the Fund which enables it to accurately measure, monitor and manage the various risks associated with these FDIs.

FDI	Specific Use and effect	Risk(s) being hedged (where applicable)	EPM?	Effect of FDI transactions
Equity, equity index, and bond options.	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk	Market risk Credit risk Currency risk and/or Interest rate risk	Yes	Assist in managing the Fund's exposure to market, credit, currency and/or interest rate risk or enable the Fund to take a directional view on issuers, markets, indices and/or currencies as an efficient alternative to non-derivative instruments, which helps the Fund achieve its objective.
Options on equity index futures.	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk	Market risk Credit risk Currency risk and/or Interest rate risk	Yes	Assist in managing the Fund's exposure to market, credit, currency and/or interest rate risk or enable the Fund to take a directional view on issuers, markets, indices and/or currencies as an efficient alternative to non-derivative instruments, which helps the Fund achieve its objective.
Foreign exchange swaps	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk	Currency risk	Yes	Assist in managing the Fund's exposure to currency risk, and assist in mitigating NAV fluctuations caused by fluctuations in markets to which the Fund is exposed, or enable the Fund take a directional view on currencies as an efficient alternative to non-derivative instruments, which helps the Fund achieve its objective.
Equity index (including eligible multiple commodity indices), bond, interest rate and foreign exchange futures	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk	Market risk Credit risk Currency risk and/or Interest rate risk	Yes	Assist in managing the Fund's exposure to market, credit, currency and/or interest rate risk, and assist in mitigating NAV fluctuations caused by fluctuations in markets to which the Fund is exposed. Enable the Fund take a directional view on issuers, markets, indices and/or currencies as an efficient alternative to non-derivative instruments, and assist the Fund in creating investment opportunities, which helps the Fund achieve its objective.
Multi-asset options, swaps and forwards, where such asset classes may be equities, currencies, credit, interest rates, and eligible multiple commodity indices	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk	Credit Risk Market Risk Currency Risk and/or Interest rate risk	Yes	Provide exposure to two or more eligible assets and/or exposures, which assists the Fund in creating investment opportunities as an efficient alternative to non-derivative instruments and helps the Fund achieve its objective.
Contracts for Difference (CFDs)	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk	Market risk	Yes	Replicate a bond return profile, where it is more favourable to do so via a CFD, which helps the Fund achieve its objective.
Foreign exchange forwards	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk	Currency Risk	Yes	Manages the Fund's exposure to currency fluctuations and/ or hedges currency risk to help generate positive returns and/or mitigate volatility.
Interest Rate swaps	To implement investment policy which has the effect of increasing exposure, and for hedging purposes	Interest rate risk	Yes	Assist in managing the Fund's exposure to interest rate risk, and assist in mitigating NAV fluctuations caused by fluctuations in markets to which the Fund is exposed, or enable the Fund take a directional view on interest rate markets, indices and/or as an efficient alternative to non-

	which has the intent of decreasing risk			derivative instruments, which helps the Fund achieve its objective.
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### Long/short exposure

The Fund may use FDIs to create synthetic long and/or short positions (i.e. positions which are in economic terms equivalent to long and/or short positions). Synthetic short strategies may be used to hedge or substantially offset long positions held by the Fund, and may also be used for investment purposes. The Fund may take both long and/or short positions in each category of assets in which it may invest but will primarily take such positions through bonds and futures. Typically, the Fund will have a short exposure ranging between 0-70%, and a long exposure of 30%-200%, however, there may be significant variations in long/short exposure where the Fund has significant short-term interest rate instrument exposure.

### THE SUB-INVESTMENT MANAGER

Ocean Arete Limited has been appointed as a sub-investment manager in respect of the Fund by the Investment Manager and is responsible for providing discretionary investment management services to the Investment Manager in connection with the assets of the Fund.

The Sub-Investment Manager was incorporated in Hong Kong on 3 April 2014. The Sub-Investment Manager is licensed for type 9 (asset management) regulated activities by the SFC under the SFO with CE number BDL292. The Sub-Investment Manager has its principal place of business in Hong Kong, with its registered office at 22/F No. 8 Queen's Road Central, Central, Hong Kong. The Sub-Investment Manager acts as an investment manager for two exempted companies incorporated with limited liability under the laws of the Cayman Islands. The Sub-Investment Manager primarily adopts a top down approach in selecting and structuring investments in liquid instruments across multiple asset classes.

The Sub-Investment Management Agreement provides that the Sub-Investment Manager shall exercise the due care of a prudent professional investment manager in the performance of its duties and obligations and exercising its rights and authorities under the Sub-Investment Management Agreement and that the Sub-Investment Manager and its directors, officers, employees and agents shall not be liable for any loss or damage arising directly or indirectly out of any act or omission of the Sub-Investment Manager in the performance of its duties under the Sub-Investment Management Agreement unless such loss or damage arose from the negligence, wilful default or fraud of or by the Sub-Investment Manager or any of its directors, officers, employees and agents. Under the Sub-Investment Management Agreement, in no circumstances shall the Sub-Investment Manager be liable for special, indirect or consequential damages, or for lost profits or loss of business, arising out of or in connection with the performance of its duties, or the exercise of its powers, under the Sub-Investment Management Agreement. The Investment Manager is obliged under the Sub-Investment Management Agreement to indemnify the Sub-Investment Manager and each of its directors, officers, employees and agents from the assets of the Fund from and against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including legal fees, professional fees and expenses) directly or indirectly suffered or incurred by the Sub-Investment Manager in connection with the performance of its duties and/or the exercise of its powers hereunder, in the absence of any negligence, wilful default or fraud.

The Sub-Investment Management Agreement shall continue in full force and effect unless terminated by either party at any time upon ninety (90) days prior written notice (provided that such termination shall not take effect until the appointment of a successor sub-investment manager is approved by the Central Bank (the Investment Manager being obliged to exercise all commercially reasonable endeavours in this respect)), or terminated by any party at any time if the other party: (i) commits any material breach of the Sub-Investment Management Agreement or commits persistent breaches of the Sub-Investment Management Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the non-defaulting party serving notice requiring the remedying of the default; (ii) becomes incapable of performing its duties or obligations under the Sub-Investment

Management Agreement; (iii) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof; (iv) is the subject of a petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; (v) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) is the subject of an effective resolution for the winding up (except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party); or (vii) is the subject of a court order for its winding up or liquidation.

In accordance with the Sub-Investment Management Agreement, the Sub-Investment Manager is required to have remuneration policies and practices in place consistent with the requirements of the Regulations and the ESMA Guidelines as required, and any further clarifications as may be issued by ESMA, the European Commission or the European Parliament and Council as required.

### **PROFILE OF A TYPICAL INVESTOR**

The Fund is suitable for investors who are willing to tolerate medium to high risks and who are seeking a long-term appreciation of capital.

### **BORROWING**

In accordance with the general provisions set out in the Prospectus under the heading Borrowing and Lending Powers, the Fund may borrow up to 10% of its total Net Asset Value on a temporary basis and not for speculative purposes.

### **INVESTMENT RESTRICTIONS**

The assets of the Fund will be invested in accordance with the restrictions and limits set out in the Prospectus and the following additional investment restriction.

The Fund may not invest more than 10% of its Net Asset Value in other collective investment schemes.

The investment restrictions set out in the Prospectus are deemed to apply at the time of purchase of the Investments. If such limits are exceeded for reasons beyond the control of the ICAV, or as a result of the exercise of subscription rights, the ICAV must adopt, as a priority objective, the remedying of the situation, taking due account of the interests of Shareholders.

The Directors may, however, at their absolute discretion from time to time and subject to notifying Shareholders, change investment restrictions for the Fund as they shall determine shall be compatible with or in the interests of the Shareholders, including in order to comply with the laws and regulations of the countries where Shareholders are located provided that the general principles of diversification and other investment restrictions set out in the Prospectus are adhered to in respect of the Fund's assets. Shareholder approval shall be obtained for any changes to investment restrictions which alter the risk profile of the Fund.

### **INVESTMENT RISKS**

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "Investment Risks" section of the Prospectus. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.

#### **Avian Flu, Swine Flu, SARS, MERS and Zika**

An outbreak of the highly pathogenic avian influenza caused by the H5N1 virus ("**avian flu**"), influenza caused by the H1N1 virus ("**swine flu**"), Severe Acute Respiratory Syndrome ("**SARS**"), Middle East Respiratory Syndrome ("**MERS**"), the Zika virus or other contagious diseases may have an adverse effect on the economies of Asian countries in particular China and, given its high population density, Hong Kong. In 2003, Hong Kong experienced an outbreak of SARS, a highly contagious form of atypical

pneumonia, which seriously interrupted economic activity and the demand for goods throughout Asia. An outbreak of avian flu, SARS, MERS, swine flu, Zika or other contagious diseases or the measures taken by the governments of affected countries against such potential outbreaks or the perception that an outbreak of avian flu, SARS, MERS, swine flu, Zika or other contagious disease may occur again may have an adverse effect on economic conditions in Hong Kong and across Asia.

### **Corporate actions**

The Fund may be entitled to take part in corporate actions such as shareholder votes in respect of certain of the Fund's investments, though may be prevented from doing so in certain circumstances including, but not limited to, where the relevant security transaction has not settled and/or where the relevant security is subject to a repurchase transaction. In addition, where the Depositary would be required to take such actions on behalf of the Fund, the Fund may not be able to require the Depositary to act upon its instructions at all or in a timely manner. The Fund is under no obligation to take part in such actions and may elect not to do so.

### **Creditors' rights and enforceability of security**

The Fund's investments may be subject to various laws for the protection of creditors in the jurisdictions of incorporation of the issuers or borrowers and, if different, the jurisdictions from which they conduct business and in which they hold assets, which may adversely affect an issuer's or borrower's ability to make payment in full or on a timely basis. These insolvency considerations will differ depending on the country in which an obligor or its assets are located and may differ depending on the legal status of the obligor. Additionally, the Fund, as a creditor, may experience less favourable treatment in certain insolvency regimes in comparison to others, including where it seeks to enforce any security it may hold as a creditor.

### **Equity and equity-linked securities**

The Fund engages in trading equity and equity-linked securities (including equity-based derivatives), the values of which vary with an issuer's performance and movements in the broader equity markets. Numerous economic factors, as well as market sentiment, political and other factors, influence the value of equities. At any given time, the Fund may have significant investments in companies with smaller market capitalisations. These securities often involve greater risks than the securities of larger, better-known companies, including less liquidity and greater volatility.

Market prices of equity securities as a group have dropped dramatically in a short period of time on several occasions in the past, and they may do so again in the future. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or which are the subject of rumours of accounting irregularities. These factors may adversely affect the Fund and, consequently, the Net Asset Value per Share.

### **Force majeure**

The Fund, the Investment Manager and the Sub-Investment Manager are each subject to the risks of the effects of events of force majeure outside of their reasonable control which may include, but shall not be limited to: any strike lockout or other industrial action or any shortage of or difficulty in obtaining labour, fuel, raw materials or components; any destruction, temporary or permanent breakdown, malfunction or damage of or to any premises, plant, equipment (including computer systems) or materials; any breach of contract, default or insolvency by or of any third party, other than a company in the same group as the party affected by the force majeure, or an employee or officer of that party or company; any action taken by a governmental or public authority of any kind, including imposing an embargo, export or import restriction, rationing, quota or other restriction or prohibition; any civil commotion or disorder, riot, invasion, war, threat of or preparation for war; or any accident, fire, or explosion, (other than in each case, one caused by a breach of contract by or assistance of the party concerned) storm, flood, earthquake, subsidence, epidemic or other natural physical disaster.

### **Market disruptions**

The Fund may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from a disconnect with historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Fund from its banks, dealers and other counterparties will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to the Fund. Because market disruptions and losses in one sector can cause ripple effects in other sectors, investment vehicles may suffer heavy losses even though they are not heavily invested in disrupted markets.

In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the Fund, and such events may result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for the Fund to liquidate affected positions and thereby expose it to losses. There is also no assurance that off-exchange markets will remain liquid enough for the Fund to close out positions.

### **Risks associated with options trading**

The Fund may sell and purchase call options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of an unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (paid to establish the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

### **Short selling**

The Fund may synthetically sell securities short or engage in swap transactions that replicate a short selling transaction. Synthetic short selling involves trading on margin and accordingly can involve greater risk than investments based on a long position. A synthetic short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no guarantee that securities necessary to cover a synthetic short position will be available for purchase. Purchasing securities to close out a synthetic short position can itself cause the price of the relevant securities to rise further, thereby exacerbating the loss. In addition, if a sufficient number of market participants have entered into a synthetic short position, the synthetic short position may not react in the same way as a security would with no or limited short interest. In the event of a market downturn, the synthetic short position may therefore not provide the investment return that the Investment Manager expected.

There is also a risk that the securities borrowed in connection with a synthetic short sale must be returned to the lender of such securities on short notice. If a request for the return of borrowed securities occurs at a time when other short sellers of the securities are receiving similar requests, a short squeeze can occur, and it may be necessary to replace borrowed securities previously sold short with purchases on the open market at a disadvantageous time, possibly at prices significantly in excess of the proceeds received from originally synthetically selling the securities short.

There is also a risk that securities borrowed in connection with a synthetic short sale will, following any corporate activity on the part of the relevant issuer, including, but not limited to, merger and acquisition

activity, corporate restructuring or the entity demerging subsidiaries, become the securities of a different issuer and that the Fund will be required to deliver securities of a different issuer or additional securities. In such event the relevant synthetic short position may therefore not provide the investment return that the Investment Manager expected.

As a consequence of regulatory or legislative action taken by regulators around the world as a result of recent volatility in the global financial markets, taking short positions on certain securities has been restricted and/or more onerous disclosure requirements in respect of synthetic short positions have been implemented. The levels of restriction and disclosure vary across different jurisdictions and are subject to change in the short to medium term. Such restrictions and/or disclosure requirements have made it difficult and in some cases impossible for numerous market participants either to continue to implement their investment strategies or to control the risk of their open positions or have increased the risk for such participants to do so. Accordingly, the Investment Manager and/or the Sub-Investment Manager, as appropriate, may not be in a position to fully express their respective negative views in relation to certain securities, companies or sectors and the ability of the Investment Manager and/or the Sub-Investment Manager, as appropriate, to fulfil the investment objective of the Fund may be constrained.

### KEY INFORMATION FOR SUBSCRIBING AND REDEEMING

The Fund is offering Classes as set out in the table below:

Class	Currency	Distribution Policy	Initial offer Price per Share	Minimum Initial Investment
F-USD*	USD	Accumulating	US\$100	US\$50,000,000
F-EUR*	EUR	Accumulating	€100	€50,000,000
F-GBP*	GBP	Accumulating	£100	£50,000,000
F-CHF*	CHF	Accumulating	CHF100	CHF50,000,000
F-SEK*	SEK	Accumulating	SEK100	SEK500,000,000
SI-USD	USD	Accumulating	US\$100	US\$50,000,000**
SI-EUR	EUR	Accumulating	€100	€50,000,000**
SI-GBP	GBP	Accumulating	£100	£50,000,000**
SI-CHF	CHF	Accumulating	CHF100	CHF50,000,000**
SI-SEK	SEK	Accumulating	SEK1000	SEK500,000,000**
SI-JPY	JPY	Accumulating	JPY10,000	JPY5,000,000,000**
SI-USD (Distributing)	USD	Distributing	US\$100	US\$50,000,000**
SI-EUR (Distributing)	EUR	Distributing	€100	€50,000,000**
SI-GBP (Distributing)	GBP	Distributing	£100	£50,000,000**
SJ-USD	USD	Accumulating	US\$100	US\$50,000,000**
I-USD (Accumulating)	USD	Accumulating	US\$100	US\$1,000,000
I-EUR (Accumulating)	EUR	Accumulating	€100	€1,000,000

I-GBP (Accumulating)	GBP	Accumulating	£100	£1,000,000
I-CHF	CHF	Accumulating	CHF100	CHF1,000,000
I-SEK	SEK	Accumulating	SEK100	SEK10,000,000
I-JPY	JPY	Accumulating	JPY10,000	JPY110,000,000
I-USD (Distributing)	USD	Distributing	US\$100	US\$1,000,000
I-EUR (Distributing)	EUR	Distributing	€100	€1,000,000
I-GBP (Distributing)	GBP	Distributing	£100	£1,000,000
R-USD	USD	Accumulating	US\$100	US\$10,000
R-EUR	EUR	Accumulating	€100	€10,000
R-GBP	GBP	Accumulating	£100	£10,000
R-CHF	CHF	Accumulating	CHF100	CHF10,000
R-SEK	SEK	Accumulating	SEK100	SEK100,000
R-JPY	JPY	Accumulating	JPY10,000	JPY1,000,000

It should be noted that the details for each Class set out in the table above include the minimum initial subscription amounts. These amounts may be reduced or waived for all Shareholders in the relevant Class at the discretion of the Directors, the Manager, the Investment Manager or the Sub-Investment Manager.

Class I-USD (Accumulating), Class I-EUR (Accumulating), Class I-GBP (Accumulating), Class I-CHF, Class I-SEK, Class I-JPY, Class I-USD (Distributing), Class I-EUR (Distributing), Class I-GBP (Distributing) Shares, Class SI-USD, Class SI-EUR, Class SI-GBP, Class SI-CHF, Class SI-SEK, Class SI-JPY, Class SI-USD (Distributing), Class SI-EUR (Distributing), Class SI-GBP (Distributing), Class SJ-USD Shares are available to: (i) financial intermediaries and distributors that are prohibited by local laws or regulations applicable to them from receiving and/or keeping any commissions on management fees; (ii) financial intermediaries and distributors providing portfolio management and investment advisory services on an independent basis (for financial intermediaries and distributors which are incorporated in the European Union, those services being as defined in MiFID II); (iii) financial intermediaries and distributors providing investment advisory services on a non-independent basis (for financial intermediaries and distributors which are incorporated in the European Union, those services being as defined by MiFID II) and who have agreed with their client not to receive and retain any commissions on management fees; and (iv) any other investors who do not receive any commissions on management fees.

\* The Directors shall close the F-USD, F-EUR, F-GBP, F-CHF and F-SEK Classes of Shares (the "**F Classes**") to further subscriptions on the date upon which the Fund has accepted aggregate subscriptions of \$100,000,000 from Founder Investors. The \$100,000,000 limit may be extended at the discretion of the Directors, the Manager, the Investment Manager or the Sub-Investment Manager.

\*\* The Directors, the Manager, the Investment Manager and the Sub-Investment Manager may waive the minimum initial subscription amounts completely for the SI and SJ Classes during the Initial Offer Period (as defined below).

The Directors are given authorisation to effect the issue of any Class and to create new Classes on such terms as they may from time to time determine in accordance with the Central Bank's requirements.

## Share Class Hedging Transactions

For Classes not denominated in the Base Currency, provided that appropriate foreign exchange forwards are available on a timely basis and on acceptable terms, the Fund will seek to hedge against the currency risk arising from those Shares being designated in a currency other than the Base Currency. There can be no assurance that any such hedging transactions will be effective so far as the Shareholders of the relevant Classes are concerned. Further details are included in the Prospectus under the headings "Share Currency Designation Risk" and "Foreign Exchange Risk".

## Initial Offer Period

The F-EUR, F-CHF, F-SEK, I-SEK, I-JPY, I-USD (Distributing), R-GBP, R-CHF and R-JPY Classes will be available at the Initial Offer Price (as defined below) from 9:00am (Irish time) on 19 March 2024 until 5:00pm (Irish time) on 18 September 2024 (or such shorter or longer period as the Directors may determine in accordance with the requirements of the Central Bank) (the "Initial Offer Period").

The Initial Offer Periods for all other Classes of Shares have now closed.

After the Initial Offer Period, Shares will be available for subscriptions at the relevant Net Asset Value per Share at each Dealing Day.

## Initial Offer Price

Shares will be issued during the Initial Offer Period at a fixed initial offer price as set out in the table above (the "Initial Offer Price").

## Subsequent Dealing

After the Initial Offer Period all Classes shall be issued at the Net Asset Value per Share calculated at the Valuation Point and adding thereto such sum as the Directors and/or the Manager in their absolute discretion may from time to time determine as an appropriate provision for Duties and Charges and such other adjustment as the Directors and/or the Manager may from time to time determine.

In order to subscribe for Shares on any particular Dealing Day, for initial subscriptions the original Application Form and all relevant documentation, including anti-money laundering documentation, must be received by the Administrator no later than the Dealing Deadline with cleared subscription monies to be received within three (3) Business Days of the relevant Dealing Day. Applications received after such time will be held over until the following Dealing Day. For subsequent subscriptions the subscription instruction form may be sent by facsimile or swift to the Administrator. The Administrator's contact details are set out in the Application Form.

Subscriptions for the Class F-USD, Class SI-USD, Class SI-USD (Distributing), Class SJ-USD, Class I-USD (Accumulating), Class I-USD (Distributing) and Class R-USD Shares must be in US Dollars, for the Class F-EUR, Class SI-EUR, Class SI-EUR (Distributing) Class I-EUR (Accumulating), Class I-EUR (Distributing) and Class R-EUR Shares must be in Euros, for the Class F-GBP, Class SI-GBP, Class SI-GBP (Distributing), Class I-GBP (Accumulating), Class I-GBP (Distributing) and Class R-GBP Shares must be in British pounds, Class F-CHF, Class SI-CHF, Class I-CHF and Class R-CHF Shares must be in Swiss Francs, Class F-SEK, Class SI-SEK Class I-SEK and Class R-SEK Shares must be in Swedish Krona and the Class I-JPY, Class R-JPY and Class SI-JPY Shares must in Japanese Yen. No credit interest will accrue on subscription monies received prior to the deadline.

Subscriptions for the Classes should be made by electronic transfer to the account as specified in the Application Form.

Subscriptions may also be effected by such other means as the ICAV, with the consent of the Administrator, may prescribe from time to time where such means are in accordance with the requirements of the Central Bank and where the Prospectus and Supplement have been updated in advance to provide for this.

## **REDEMPTIONS**

### **Redemption of Shares**

Shareholders may request the Fund to redeem their Shares on and with effect from any Dealing Day at the Net Asset Value per Share less any applicable duties and charges calculated at the Valuation Point immediately preceding the relevant Dealing Day (subject to such adjustments, if any), as may be specified including, without limitation, any adjustment required for exchange fees as described under the heading entitled "Switching between Classes" below, provided that no redemption charge will apply to a redemption of Shares unless it is part of a switch between Classes as detailed below.

Redemption requests should be made on the Redemption Form (available from the Administrator) which should be posted or sent by facsimile (with the original form to follow) to the Administrator no later than the Dealing Deadline. The address for the Administrator is set out in the Redemption Form. Subject to the foregoing, and to the receipt of the original Application Form and all anti-money laundering documentation and completion of all anti-money laundering checks, redemption proceeds will be paid by electronic transfer to the Shareholder's account specified in the Application Form within 3 Business Days from the Dealing Day. Redemptions will not be processed on non-verified accounts.

Redemptions may also be effected by such other means, including electronically, as the ICAV, with the consent of the Administrator, may prescribe from time to time where such means are in accordance with the requirements of the Central Bank and where the Prospectus and Supplement have been updated in advance.

### **SWITCHING BETWEEN SHARE CLASSES**

Shareholders may request the Fund to switch some or all of their Shares on and with effect from any Dealing Day. Applications for switching should be made to the Administrator by completing a switching form. All switching requests must be received by the Administrator no later than the Dealing Deadline. Any request received after the time aforesaid shall be deemed to be made in respect of the Dealing Day next following such relevant Dealing Day.

A Share exchange may be effected by way of a redemption of Shares of one Class of the Fund and a simultaneous subscription at the most recent Net Asset Value per Share for Shares of the other Class of the Fund. The general provisions and procedures relating to redemptions and subscriptions for Shares as set out above will apply. Redemption proceeds will be converted into the other currency at the rate of exchange available to the Administrator and the cost of conversion will be deducted from the amount applied in subscribing for Shares of the other Class of the Fund. No switching fee will apply.

### **DIVIDEND POLICY**

The ICAV does not anticipate distributing dividends from net investment income in respect of the Class F Shares, the Class I-USD (Accumulating), Class I-EUR (Accumulating), Class I-GBP (Accumulating), Class I-CHF, Class I-SEK and Class I-JPY Shares, the Class R Shares, the Class SI Shares and the Class SJ Shares. The ICAV reserves the right to pay dividends or make other distribution in the future. Initially such amounts will be retained by the ICAV and will be reflected in the Net Asset Value of the Share Classes.

It is the current intention of the Directors to declare dividends in respect of the distributing Classes. Dividends may be paid out of net income (including dividend and interest income) and the excess of realised and unrealised capital gains net of realised and unrealised losses in respect of investments of the Fund.

Dividends will usually be declared on the last Business Day in April (or at a time and frequency to be determined at the discretion of the Directors following prior notification to the Shareholders) and will be distributed five Business Days later to the Shareholder or record as of the date of declaration of the dividend. Dividends will be automatically reinvested in additional Shares of the same Class of the Fund unless the Shareholder has specifically elected on the application form or subsequently notified the Administrator in writing of its requirement to be paid in cash sufficiently in advance of the declaration of the next distribution payment.

Cash payments will be made by electronic transfer to the account of the Shareholder specified in the Application Form or, in the case of joint holders, to the name of the first Shareholder appearing on the register, within one (1) month of their declaration.

Any distribution which is unclaimed six (6) years from the date it became payable shall be forfeited and shall revert to the Fund.

If the dividend policy of a Class should change, full details will be provided in an updated Supplement and Shareholders will be notified in advance of the change in policy.

## FEES AND EXPENSES

### Management Fees

The Manager shall be entitled to receive out of the assets of the Fund an annual fee, accrued daily and payable monthly in arrears, at an annual rate of up to and not exceeding 0.05% of the Net Asset Value of the Fund (the "**Management Fee**"). The Management Fee is based on a sliding scale applied to the aggregate assets across all Funds, subject to a minimum fee of €50,000 per annum based on a single Fund and fee of €15,000 per annum for each additional Fund.

The Manager is also entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket costs and expenses incurred by the Manager in the performance of its duties (plus VAT thereon, if any).

### Investment Management Fees

The Investment Manager and the Sub-Investment Manager shall be entitled to an investment management fee payable out of the assets of the Fund in relation to each Share Class (the "**Investment Management Fee**") calculated by the Administrator accruing at each Valuation Point and payable monthly in arrears at the following annual rates:

- (a) 0.80% of the Net Asset Value of the Class F-USD, Class F-EUR, Class F-GBP, Class F-CHF and Class F-SEK;
- (b) 1.05% of the Net Asset Value of the Class SI-USD, Class SI-USD (Distributing), Class SI-EUR, Class SI-EUR (Distributing), Class SI-GBP, Class SI-GBP (Distributing), Class SI-CHF, Class SI-SEK, Class SI-JPY and Class SJ-USD;
- (c) 1.25% of the Net Asset Value of the Class I-USD (Accumulating), Class I-EUR (Accumulating), Class I-GBP (Accumulating), Class I-CHF, Class I-SEK, Class I-JPY, Class I-USD (Distributing), Class I-EUR (Distributing) and Class I-GBP (Distributing); and
- (d) 1.75% of the Net Asset Value of the Class R-USD, Class R-EUR, Class R-GBP, Class R-CHF, Class R-SEK and Class R-JPY.

The Investment Management Fee shall be shared between the Investment Manager and the Sub-Investment Manager in such manner as they may agree and notify to the ICAV from time to time.

### Performance Fees

The Sub-Investment Manager shall be entitled to a performance fee in respect of each Class of Shares (the "**Performance Fee**") calculated annually in respect of each calendar year (a "**Calculation Period**"). The end of each Calculation Period is the last Business Day of December, as applicable, in each calendar year.

For each Calculation Period, the Performance Fee payable in respect of each Class of Shares in the Fund that are liable to pay a Performance Fee will be equal to 20% of the appreciation in the net asset value per share which is net of all costs (including management and administration fees) but before

deduction of any Performance Fees ("**GAV per Share**") for that Class of Shares for a Calculation Period above the Base Adjusted Net Asset Value per Share (as defined below) (which methodology for the avoidance of doubt is in the best interests of investors as it results in the investor paying less Performance Fees).

**Base Adjusted NAV per Share** is calculated as the greater of (i) the Initial Offer Price and (ii) the highest Net Asset Value per Share of the relevant Class in effect immediately after the end of the previous Calculation Period in respect of which a Performance Fee (other than a Performance Fee on a redemption of Shares) was charged, adjusted for subscriptions into and redemptions from the Class during the course of the Calculation Period.

A High Water Mark provision will apply. The High Water Mark attributable to a Class of Shares is the Net Asset Value per Share of that Class as of the end of the previous Calculation Period at which a Performance Fee (other than a Performance Fee on a redemption of Shares) was crystallised and paid by the relevant Class and if no Performance Fee (other than a Performance Fee on a redemption of Shares) has ever been paid by the relevant Class, then the High Water Mark shall be the Initial Offer Price of that Class (the "**High Water Mark**"). No Performance Fee shall be payable for a Calculation Period by a Class of Shares if the GAV per Share of that Class is less than the High Water Mark.

The Performance Fee with respect to a Class of Shares will be deemed to accrue on a daily basis as at each Valuation Point.

The Performance Fee, if any, is calculated, crystallised and payable (in the Base Currency of the Fund) by the ICAV to the Sub-Investment Manager on an annual basis as at the last Business Day of December in each calendar year. If a Share is redeemed during the Calculation Period, a separate Performance Fee for that Share will be calculated by the Administrator and verified by the Depositary and become immediately payable as if the Dealing Day on which that Share is redeemed were the end of the Calculation Period.

The first Calculation Period is the period commencing on the Business Day immediately following the end of the Initial Offer Period for a Class of Shares and ending on the last Business Day of that Calculation Period. The Initial Offer Price will be taken as the starting price for the calculation of the Performance Fee.

The Performance Fee shall be paid to the Sub-Investment Manager in arrears within 14 calendar days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares shall be paid to the Sub-Investment Manager within 14 calendar days after the date of redemption.

The accrued Performance Fee will be calculated at each Valuation Point and deducted in arriving at the Net Asset Value of the relevant Class of Shares. The calculation of the Performance Fee is verified by the Depositary and is not open to the possibility of manipulation

The Performance Fee is based on net realised and unrealised gain and losses as at the end of each Calculation Period and as a result Performance Fees may be paid on unrealised gain which may subsequently never be realised.

### **Worked examples of Performance Fee**

The following scenarios are intended as an aid to understanding how the Performance Fee will work in practice and cover the impact of fluctuations within two consecutive Calculation Periods. These examples are not a representation of the actual performance of the Fund. In the examples below, four Valuation Points occur in each of the illustrated Calculation Periods, however, please be aware that in practice, the Fund is valued on each Dealing Day, and so there would be more than four Valuation Points in a Calculation Period.

### Calculation Period 1

Valuation Point	1	2	3	4
Net Asset Value per Share (NAV)	100	108	95	103.5
High Water Mark per Share	100	100	100	100
Base Adjusted NAV per Share	100	100	100	97.5
GAV per Share	100	110	95	105

Investor A	Subscription 100,000 shares
Investor B	Subscription 100,000 shares

At the start of the Calculation Period, the Net Asset Value per Share of the Class in question is 100, and the GAV per Share and Base Adjusted NAV per Share of the Class in question are also 100. The High Water Mark remains at 100 for the entire Calculation Period. Investor A has made a subscription into the Fund as detailed above.

At the second Valuation Point, the GAV per Share has increased to 110, which is greater than both the High Water Mark and the Base Adjusted NAV per Share, therefore as both conditions for the accrual of a Performance Fee are met, a Performance Fee is accrued. This is calculated as the difference between the GAV per Share and the Base Adjusted NAV per Share. In this case it is calculated as 20% of 10 which is a Performance Fee of 2 per share. This is accrued and results in a Net Asset Value per Share of 108.

At the third Valuation Point, the GAV per Share has decreased to 95, which is lower than the High Water Mark and the Base Adjusted NAV per Share. At this point no Performance Fee is due and any positive Performance Fee accrual from previous Valuation Points is returned to the Class. This results in a Net Asset Value per Share of 95. Consequently, if any Shares of the Class are redeemed at this point, the investor will receive less than they originally invested but not have paid any Performance Fee.

At the fourth Valuation Point, the GAV per Share has risen to 105, which is greater than both the High Water Mark and the Base Adjusted NAV per Share. As both conditions for the accrual of a Performance Fee are met, a Performance Fee is accrued. This is calculated as the difference between the GAV per Share and the Base Adjusted NAV per Share. In this case it is calculated as 20% of 7.5 which is the difference between the GAV per Share of 105 and the Base Adjusted NAV per Share of 97.5. As this is the last Valuation Point of the Calculation Period, a Performance Fee of 1.5 per Share will be crystallised and paid to the Sub-Investment Manager.

## Calculation Period 2

Valuation Point	5	6	7	8
Net Asset Value per Share (NAV)	108.7	112.7	104.7	108.7
High Water Mark per Share	103.5	103.5	103.5	103.5
Base Adjusted NAV per Share	103.5	103.5	103.5	103.5
GAV per Share	110	115	105	110
Investor A				
Investor B		Redemption 100,000 shares		

At the start of the second Calculation Period, at the first Valuation Point, the GAV per Share has increased to 110, which is greater than both of the new High Water Mark and the new Base Adjusted NAV per Share of 103.5. As both conditions for the accrual of a Performance Fee are met, a Performance Fee is accrued. This is calculated as the difference between the GAV per Share and the new Base Adjusted NAV per Share. In this case it is calculated as 20% of 6.5 which gives rise to a Performance Fee accrual of 1.3 per share. This is accrued and results in a Net Asset Value per Share of 108.7.

At the sixth Valuation Point, the GAV per Share has increased to 115, which is greater than both the High Water Mark and the Base Adjusted NAV per Share. As both conditions for the accrual of a Performance Fee are met, a Performance Fee is accrued. This is calculated as the difference between the GAV per Share and the Base Adjusted NAV per Share. In this case it is calculated as 20% of 11.5 gives rise to a Performance Fee accrual of 2.3 per share. This is accrued and results in a Net Asset Value per Share of 112.7.

At this point there is a redemption from the Class by Investor B. As there has been a redemption, the Performance Fee in relation to these Shares is crystallised as at the Valuation Point, and paid to the Sub-Investment Manager.

At the seventh Valuation Point, the GAV per Share has decreased to 105, which is greater than both the High Water Mark and the Base Adjusted NAV per Share. As both conditions for the accrual of a Performance Fee are met, a Performance Fee is accrued, but because the Fund has fallen from a higher GAV per share at the previous Valuation Point, some of the positive accrual from the previous Valuation Points is returned to the Class. In this case, the Performance Fee is calculated as 20% of 1.5 which gives rise to a Performance Fee accrual of 0.3 per share. This is accrued and results in a Net Asset Value per Share of 104.7.

At the eighth Valuation Point the GAV per Share has risen to 110, which is greater than both the High Water Mark and the Base Adjusted NAV per Share. As both conditions for the accrual of a Performance Fee are met, a Performance Fee is accrued. This is calculated as the difference between the GAV per Share and the Base Adjusted NAV per Share. In this case it is calculated as 20% of 6.5 which is the difference between the GAV per Share of 110 and the Base Adjusted NAV per Share of 103.5. As this is the last Valuation Point of the Calculation Period, a Performance Fee of 1.3 per Share will be crystallised and paid to the Sub-Investment Manager.

## **Administration Fees**

The Administrator will be paid a monthly fee not to exceed 0.045% per annum, exclusive of VAT, of the Net Asset Value of the Fund subject to a minimum monthly fee of €2,750, (exclusive of out-of-pocket expenses). A fee of up to €4,000 per annum will apply for the preparation of the Fund's financial statements. Registrar and transfer agency fees shall also be payable to the Administrator from the assets of the Fund at normal commercial rates (rates are available from the ICAV on request). An annual fee for FATCA account review and reporting of €1,600 will apply, with an additional fee of €40 per investor to be applied where the Fund has 100 or more Shareholders. An annual fee for CRS account review and reporting of €1,600 will apply, with an additional fee of €40 per investor to be applied where the Fund has 100 or more Shareholders. The Administrator will also be reimbursed out of the assets of the Fund for reasonable out-of-pocket expenses incurred by the Administrator.

Any additional fees of the Administrator for additional ancillary services shall be pre-agreed with the ICAV and shall be at normal commercial rates, payable from the assets of the Fund. These rates are available from the ICAV upon request.

The fees and expenses of the Administrator will accrue daily and be payable monthly in arrears.

## **Depositary Fees**

The Depositary will be paid a depositary fee not to exceed 0.02% per annum of the Net Asset Value of the Fund subject to a minimum annual fee of up to €24,000, and a custody services fee of up to 0.03% per annum of the gross value of the assets held in custody (exclusive of VAT and any transaction charges). The Depositary will also be paid out of the assets of the Fund a set-up fee of €3,000 and reasonable out-of-pocket expenses incurred and transaction services charges (which shall be charged at normal commercial rates) together with value added tax, if any, thereon.

The fees and expenses of the Depositary shall accrue daily and shall be calculated and payable monthly in arrears.

## **Other fees and expenses**

The ICAV will also reimburse the Investment Manager for its reasonable out-of-pocket expenses incurred by the Investment Manager. Such out-of-pocket expenses may include the preparation of marketing material and portfolio reports provided that they are charged at normal commercial rates and incurred by the Investment Manager in the performance of its duties under the Investment Management Agreement.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to pay rebates/retrocessions to the ICAV out of the Investment Management Fee that it receives, but so that holders of the same Class of Shares are treated equally.

All fees payable to the Investment Manager will be paid in the Base Currency of the Fund. The Fund shall bear the cost of any Irish value added tax applicable to any amount payable to the Investment Manager.

The other fees and expenses of the ICAV and the Fund including Directors' fees are set out in the Prospectus under the heading "Fees and Expenses".

## **Subscription Fees**

A sales charge of up to 5% may be levied on subscriptions at the discretion of the Directors.

## **Anti-Dilution Levy**

In calculating the issue/repurchase price for the Fund the Directors and/or the Manager may on any Dealing Day when there are net subscriptions/repurchases make adjustments so that the issue/repurchase price reflects the addition/deduction of a dilution levy to cover dealing costs and to preserve the value of the underlying assets of the Fund. The Directors and/or the Manager will approve

the application of such anti-dilution levy only in circumstances where it is deemed appropriate and will at all times take account of the best interests of Shareholders in deciding whether to apply any such anti-dilution levy. The Directors and/or the Manager reserve the right to waive such charge at any time.

### **Establishment Costs of the Fund**

The establishment costs of the Fund will not exceed €30,000, which shall include the establishment costs of the Fund and such portion of the costs of establishment of the ICAV as determined by the Directors in such manner as they shall in their absolute discretion deem to be equitable. These costs will be borne out of the assets of the Fund and will be amortised over the first five (5) financial years of the Fund following the approval of the Fund by the Central Bank or such shorter period as the Directors may determine.

### **Hedging Costs**

The ICAV and/or the Manager may appoint a service provider to implement the share class currency hedging arrangements described in this Supplement on a non-discretionary basis. Such service provider may without limitation be the Manager, the Investment Manager, the Sub-Investment Manager or the Depositary. Fees payable to any such service provider shall be payable out of the assets of the Fund (attributable to the relevant Class) at normal commercial rates.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: KLS Arete Macro Fund

Legal entity identifier: 635400JG8GZZSHCDLD80

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> 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 <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



### What environmental and/or social characteristics are promoted by this financial product?

The Fund seeks to promote environmental and social characteristics and invest in issuers that apply good corporate governance. The Fund limits investments in issuers that are active in industries which are associated with negative environmental impacts e.g. thermal coal. The Fund also excludes investments in issuers that are involved in controversial weapons or violate the international norms on human rights, labour standards and anti-corruption which are set out in international initiatives and guidelines such as the OECD Guidelines for Multinational Enterprises, the UN Global Compact, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the Guiding Principles on Business and Human Rights (International Norms).

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As part of its responsible investment policy, the Sub-Investment Manager applies pre and post-trade negative screenings to the Fund’s portfolio. The Sub-Investment Manager maintains a restricted trading list (RTL) which prevents the Fund from having exposure to:

1. issuers which generate more than 5% of their revenue from thermal coal extraction (restriction of long exposure only);
2. issuers which generate more than 30% of their revenue from energy production using coal (restriction of long exposure only);
3. issuers directly involved in the development, production, maintenance or sale of weapons that are illegal (as their use is prohibited by international laws) or in weapons deemed particularly controversial because of their indiscriminate effects and the disproportionate harm they cause. This scope covers cluster munitions, anti-personnel mines, depleted uranium, nuclear weapons and biological and chemical weapons (restriction of both long and short exposure); and
4. issuers violating International Norms (restriction of both long and short exposure).

The Sub-Investment Manager reviews and updates (where necessary) the RTL on a quarterly basis. The Sub-Investment Manager also measures the Fund’s exposures to the aforementioned sectors regularly to ensure no breaches to the RTL occur. If a breach occurs, the Sub-Investment Manager seeks to take immediate action to remove the active position from the Fund's portfolio. The Sub-Investment Manager's post-trade screening on the Fund’s portfolio is conducted on a quarterly basis and also applies a wider set of general ethical-based criteria to screen the Fund's portfolio, for general monitoring purposes.

The Sub-Investment Manager also uses data provided by accredited third-party ESG service providers, such as the ESG ratings provided by Morgan Stanley Capital International Inc. to measure and monitor the overall ratings for issuers within the Fund’s portfolio.

For further details, please refer to the Fund’s ESG & Climate Risk Report produced by the Sub-Investment Manager which is available upon request.

- ***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

- ***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

**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

--- 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, \_\_\_\_\_

No



**What investment strategy does this financial product follow?**

The Fund invests primarily in a diversified portfolio of developed market and emerging market investments, which are listed and/or traded on recognised markets. Asset classes and instruments are selected based on the appropriateness of each investment in expressing the macro-economic views of the Sub-investment Manager, as well as the marginal risk of the investment in relation to the Fund's overall portfolio. The Fund seeks to benefit both from rapidly changing economic and monetary conditions globally and in Asia. The Fund's investments in emerging markets will focus on Asia, including China and the Fund's investments in developed markets will focus on Europe, the United States and Japan.

- **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 Sub-Investment Manager excludes exposure to:

1. issuers which generate more than 5% of their revenue from thermal coal extraction (restriction of long exposure only);

2. issuers which generate more than 30% of their revenue from energy production using coal (restriction of long exposure only);
3. issuers directly involved in the development, production, maintenance or sale of weapons that are illegal (as their use is prohibited by international laws) or in weapons deemed particularly controversial because of their indiscriminate effects and the disproportionate harm they cause. This scope covers cluster munitions, anti-personnel mines, depleted uranium, nuclear weapons and biological and chemical weapons (restriction of both long and short exposure); and
4. issuers violating International Norms (restriction of both long and short exposure)

- ***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?***

As part of its responsible investment policy, the Sub-Investment Manager excludes the Fund from having exposure to issuers with poor governance practices and issuers who violate International Norms i.e. human rights, labour standards and anti-corruption. The Sub-Investment Manager uses guidelines such as the OECD Guidelines for Multinational Enterprises, the UN Global Compact, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the Guiding Principles on Business and Human Rights to assess the governance practices of issuers.

The Sub-Investment Manager's ESG committee also consists of members from its research team, who have been trained and given access to accredited third party ESG databases, to help in incorporating ESG considerations as part of the investment research processes.

### **What is the asset allocation planned for this financial product?**

The Fund seeks to promote environmental and social characteristics. The Fund is not aligned with the EU taxonomy, does not have a sustainable investment objective and does not undertake to have a minimum/maximum proportion of sustainable investments. The Fund primarily adopts a "macro" or "top down" approach in selecting and structuring its investments across a wide range of asset classes. The Fund typically has an allocation of between 5-25% to equity securities. 100% of the Fund's exposure to equity securities incorporates the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the Fund (i.e. the pre and post-trade negative screenings applied by the Sub-Investment Manager).

The remaining proportion of the Fund's investments is used to invest in a wide range of instruments, including, but not limited to: indices, fixed income, foreign exchange, financial derivative instruments and for the overall risk management and liquidity management of the Fund (e.g. cash, money market instruments, fixed income and fixed income related securities).

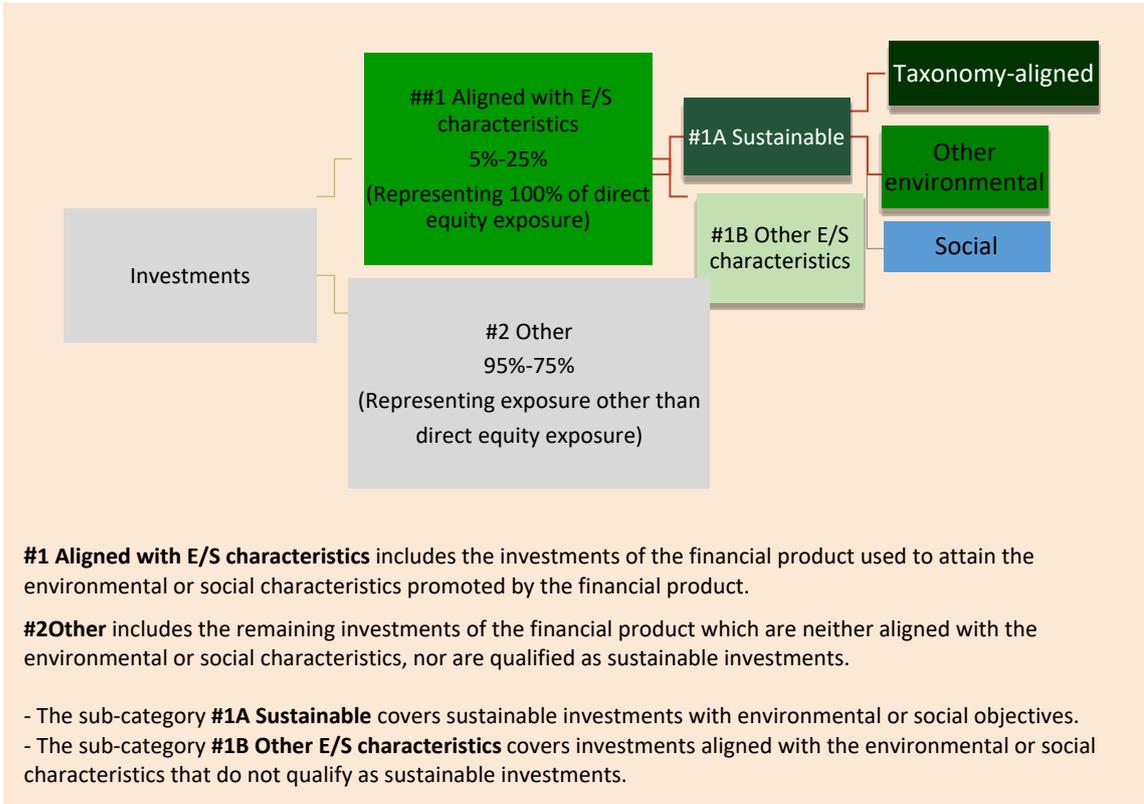
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**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.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Exposures taken through financial derivative instruments are required to align with the RTL (set out above) which form part of the Sub-Investment Manager's responsible investment policy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

N/A

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

Yes:

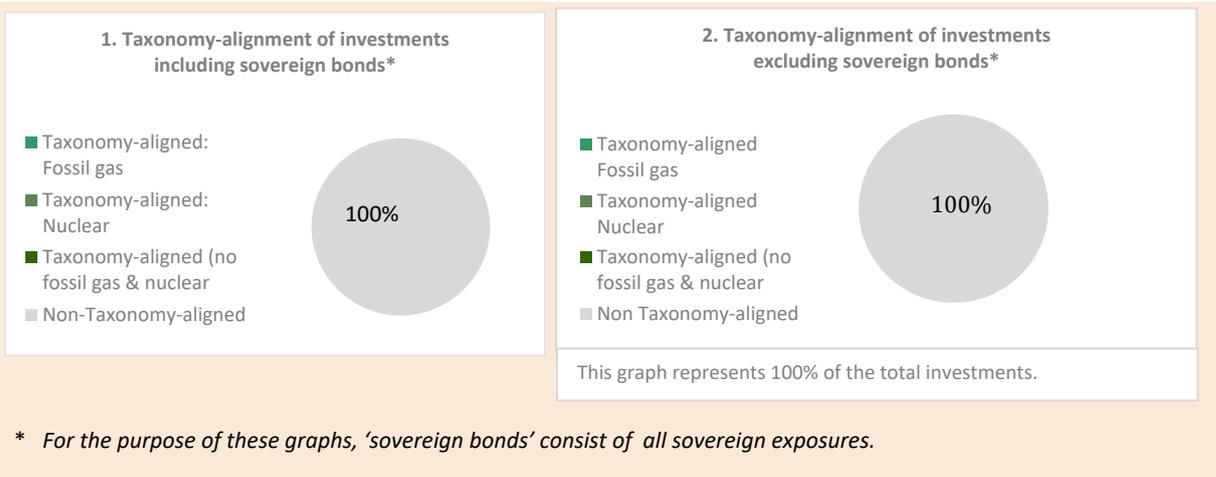
In fossil gas       In nuclear energy

No

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

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.

**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.



● **What is the minimum share of investments in transitional and enabling activities?**

N/A

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A



**What is the minimum share of socially sustainable investments?**

N/A



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The investments under "#2 Other" may include, but are not limited to: indices, fixed income, foreign exchange and financial derivative instruments which are used for investment purposes as well as cash, money market instruments, fixed income and fixed income related securities which are used as part of the overall risk management and liquidity management of the Fund. There are no minimum environmental or social safeguards for these investments.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or

**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?**

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

social characteristics that they promote.

- ***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



**Where can I find more product specific information online?**

More product-specific information can be found on the website:  
<https://keplerliquidstrategies.com/funds/kls-arete-macro-fund/>