BlueBay Investment Funds ICAV

A qualifying investor alternative investment fund

An umbrella Irish collective asset-management vehicle with segregated liability between sub-funds formed in Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 and authorised by the Central Bank as a qualifying investor alternative investment fund

Prospectus

BlueBay Funds Management Company S.A.

AIFM

Dated 9 December 2022

1 IMPORTANT INFORMATION

1.1 *Reliance on this Prospectus*

In deciding whether to invest in the ICAV, investors should rely on information in this Prospectus and the relevant Sub-Fund's most recent annual report.

Because the Prospectus may be updated from time to time, investors should make sure they have the most recent version.

Statements made in this Prospectus are based on the law and practice in force in the Republic of Ireland at the date of this Prospectus, which may be subject to change. This Prospectus will be updated to take into account material changes from time to time and any such amendments will be notified in advance to and cleared by the Central Bank.

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 investing in the ICAV, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

Any translations of the Prospectus shall only contain the same information and have the same meanings as the English language document. To the extent that there is any inconsistency between the English language document and the document in another language, the English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction.

Neither the ICAV nor the AIFM shall be liable to investors (or to any other persons) for any error of judgement in the selection of each Sub-Fund's investments.

This Prospectus and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with Irish law. With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with this Prospectus (including any non-contractual obligations arising out of or in connection with it), each party irrevocably submits to the jurisdiction of the Irish courts.

1.2 *Central Bank Authorisation*

The ICAV is both authorised and supervised by the Central Bank pursuant to the ICAV Act and chapter 2 of the AIF Rulebook. The authorisation of the ICAV by the Central Bank shall not constitute a warranty as to the performance of the ICAV and the Central Bank shall not be liable for the performance or default of any Sub-Fund of the ICAV. The authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.

The Central Bank shall not be liable by virtue of its authorisation of the ICAV or by reason of the exercise of the functions conferred on it by legislation in relation to the ICAV for any default of the ICAV.

The ICAV has been authorised by the Central Bank to accept subscriptions solely from Qualifying Investors. With the exception of investors who qualify as Accredited Investors, the minimum subscription amount for each applicant for Shares in the ICAV (through investment in one or more Sub-Funds) will be at least the minimum amount required by the Central Bank for the ICAV to obtain QIAIF status.

The ICAV is a Qualifying Investor AIF, a category of non-UCITS collective investment scheme authorised by the Central Bank pursuant to the ICAV Act and chapter 2 of the AIF Rulebook. 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 on the degree of leverage which may be employed by the ICAV.

1.3 *Segregated Liability*

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

1.4 *Responsibility*

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

1.5 *Prospectus/Supplements*

This Prospectus describes the ICAV. The ICAV issues Supplements to this Prospectus relating to each Sub-Fund. A separate Supplement will be issued at the time of establishment of each Sub-Fund. Each Supplement forms part of and should be read in the context of and in conjunction with this Prospectus.

This Prospectus may only be issued with one or more Supplements, each containing information in relation to a particular Sub-Fund. Details relating to Classes may be dealt with in the relevant Supplement for the particular Sub-Fund or in a separate Class Supplement for each Class.

1.6 *Restrictions on Offerings*

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. It is the responsibility 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 or domicile.

Within the European Union, the ICAV may be marketed solely to professional clients within the meaning of Annex II of the Directive 2014/65/EU. Additionally, an EU Member State may permit, under the laws of that EU Member State, a Sub-Fund to be sold to other categories of investors and this permission could encompass additional categories of investors, within the scope of the Qualifying Investor criteria.

Prior to undertaking any "marketing" (as such term is defined in AIFMD) towards Qualified Investors domiciled in or with a registered office in the EEA, the AIFM will give written notification to the regulatory authorities of the relevant EEA member states pursuant to Article 32 of Part 2 of the AIFM Regulations of its intention to market the Shares in accordance with the AIFM Regulations and the rules of the respective regulatory authorities.

The ICAV may reject any application in whole or in part without giving any reason for such rejection in which event, subject to applicable law, the subscription monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's risk. For further details, please refer to the section of this Prospectus entitled "Share Dealings; Ownership Restrictions."

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended, and the ICAV has not been and will not be registered under the US Investment Company Act of 1940, as amended. The Shares have not been approved by the United States Securities and Exchange Commission, any state securities commission or other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

1.7 *Suitability of Investment*

As the price of Shares in each Sub-Fund may fall as well as rise, the ICAV shall not be a suitable investment for an investor who cannot sustain a loss on his investment. A typical investor will be seeking to achieve a return on his investment in the medium to long term.

The decision to invest in any Sub-Fund, and if so how much, should be based on a realistic analysis of the investor's own financial circumstances and tolerance for investment risk.

Investors that wish to purchase shares in an open-ended with limited liquidity Sub-Fund should be aware that such Sub-Funds may offer subscription and redemption facilities on a less frequent basis than open-ended Sub-Funds. In addition, investors should be aware that the redemption process in respect of open-ended with limited liquidity Sub-Funds may involve substantial complications and delays and the ability of the Sub-Fund to honour redemption requests will be dependent upon circumstances relating to, inter alia, investment in underlying assets.

Where prescribed in the relevant Supplement, a Sub-Fund may also be established as closed-ended. Any such Sub-Fund will not permit repurchases of Shares at the request of Shareholders.

As with any investment, future performance may differ from past performance, and Shareholders could lose money. There is no guarantee that any Sub-Fund will meet its objectives or achieve any particular level of future performance. These are investments, not bank deposits.

No Sub-Fund in this Prospectus is intended as a complete investment plan, nor are all Sub-Funds appropriate for all investors. Before investing in a Sub-Fund, each prospective investor should read the Prospectus and should understand the risks, costs and terms of investment in that Sub-Fund. In particular, investors should read and consider Appendix I to this Prospectus (entitled "Risk Factors") before investing in the ICAV.

1.8 *Potential for Capital Reduction*

Where provided for in the relevant Supplement, (i) dividends may be declared out of the capital of the relevant Sub-Fund; and/or (ii) fees and expenses may be paid out of the capital of the relevant Sub-Fund, in each case in order to preserve cash flow to Shareholders. In any such cases, there is a greater risk that capital may be eroded and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted.

Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard.

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2 DEFINITIONS

Accounting Period means a period ending on 31 December of each year or such other date as the Directors may from time to time decide with the prior approval of the Central Bank;

Accredited Investor means an investor who has satisfied one of the following conditions: (a)the investor is an entity appointed to provide investment management or advisory services to the ICAV or any Sub-Fund; (b) the investor is a director of the ICAV or a director of a company appointed to provide investment management or advisory services to the ICAV; or (c) the investor is an employee of the ICAV or the AIFM or an employee of a 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 the ICAV or the AIFM and has experience in the provision of investment management services and the ICAV is satisfied that the investor falls within the criteria outlined; and in each case certifies in writing to the ICAV to its satisfaction that (i) they are availing of the exemption from the minimum subscription requirement of €100,000 on the basis that they are an Accredited Investor as defined above; (ii) they are aware that each Sub-Fund is marketed solely to Qualifying Investors who are normally subject to a minimum subscription requirement of €100,000; (iii) they are aware of the risk involved in the proposed investment and; (iv) they are aware that inherent in such investment is the potential to lose all of the sum invested;

Administration Agreement means the agreement made between the ICAV, the AIFM and the Administrator dated 1 October 2019 as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank pursuant to which the latter was appointed as administrator of the ICAV;

Administrator means RBC Investor Services Ireland Limited or any successor thereto duly appointed in accordance with the requirements of the Central Bank and the AIF Rulebook as the administrator to the ICAV;

AIF means an alternative investment fund as defined in the AIFM Regulations;

AIF Rulebook means the Central Bank's Rulebook in relation to AIFs as amended, consolidated or substituted from time to time;

AIFM means the alternative investment fund manager of the ICAV namely, with effect from 12.01 a.m. (Irish time) on 1 October, 2019, BlueBay Funds Management Company S.A. or any successor thereto duly appointed by the ICAV in accordance with AIFMD and the requirements of the AIF Rulebook as the alternative investment fund manager of the ICAV and duly authorised to act as an alternative investment fund manager by its local EU Member State regulator.

AIFM Agreement means the alternative investment fund management agreement between the ICAV and the AIFM dated 30 September 2019 as may be amended or supplemented from time to time in accordance with the requirements of the AIF Rulebook pursuant to which the AIFM has been appointed as the alternative investment fund manager of the ICAV;

AIFMD means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as may be amended from time to time;

AIFMD Information Card means a supplement to this Prospectus issued from time to time in accordance with the requirements of the Central Bank, specifying certain investor disclosure information in accordance with Article 23 of AIFMD;

AIFM Regulations means the European Union (Alternative Investment Fund Managers Regulations (S.I. 257 of 2013), as may be amended from time to time;

Application Form means any application form to be completed by subscribers for Shares as prescribed by the ICAV from time to time;

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

Business Day means, unless otherwise specified in the relevant Supplement, any day in which banks in Ireland, Luxembourg and London are open for normal banking business (excluding Saturdays and Sundays as well as 24 December);

Capital Contribution means, in relation to a closed-ended Sub-Fund and where provided for in the relevant Supplement, a required contribution to be funded by a Shareholder as notified by the ICAV to the Shareholder;

CBDF Directive means Directive (EU) 2019/1160 of the European Parliament and of the Council of 20 June 2019 amending Directives 2009/65/EC and 2011/61/EU with regard to cross-border distribution of collective investment undertakings as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;

CBDF Regulation means Regulation (EU) 2019/1156 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time**;**

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

CHF means the lawful currency of Switzerland;

Class(-es) means the class or classes of Shares (if any) relating to a Sub-Fund (each of which may have specific features with respect to subscription, conversion or redemption charge, minimum subscription amount, dividend policy, service provider fees or other specific features). The details applicable to each Class will be described in the relevant Supplement;

Closing(s) means, in relation to any closed-ended Sub-Fund and where provided for in the relevant Supplement, closure of the Initial Closing Date in respect of Shares during the relevant period set out in the relevant Supplement. One or more subsequent Closings may be held at the discretion of the Directors;

Commitment means, in relation to any closed-ended Sub-Fund and where provided for in the relevant Supplement, the relevant amount to be paid to the ICAV, for the account of the Sub-Fund in respect of a subscription for Shares in that Sub-Fund;

Conversion Charge means the charge, if any, payable on the conversion of Shares as is specified in the Supplement for the relevant Sub-Fund;

Conversion Day means the Business Day on which an investor may apply to convert his Shares in a Sub-Fund and/or such other day or days as the Directors may from time to time determine and notify to Shareholders in advance;

Country Supplement means a supplement to this Prospectus, issued from time to time, specifying certain information pertaining to the offer of Shares of the ICAV or a Sub-Fund or Class in a particular jurisdiction or jurisdictions;

Cut-Off Time means, in relation to a Subscription Day, a Redemption Day or a Conversion Day, the day and time specified in the Supplement for the relevant Sub-Fund by which such application must be received by the Administrator on behalf of the ICAV in order for the subscription, redemption or conversion of Shares of the Sub-Fund to be made by the ICAV;

Data Protection Legislation means the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679);

Depositary means RBC Investor Services Bank S.A., Dublin Branch or any successor thereto duly appointed with the prior approval of the Central Bank as the depositary of the ICAV;

Depositary Agreement means the agreement made between the ICAV, the AIFM and the Depositary dated 1 October 2019 as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank and the AIF Rulebook, pursuant to which the latter was appointed depositary of the ICAV;

Directors mean the directors of the ICAV or any duly authorised committee or delegate thereof, each a Director;

EEA Member States means the member states of the European Economic Area;

ESG means environmental, social and governance. For all ESG-related definitions, refer to Section 3;

EU Member States means the member states of the European Union;

Euro or **€** means the lawful currency of the participating EU Member States which have adopted the single currency in accordance with the EC Treaty of Rome dated 25th March 1957 as amended;

Exempt Irish Shareholder means a Shareholder who comes within any of the prescribed categories under the TCA and has provided a Relevant Declaration to this effect to the ICAV in a form acceptable to the ICAV;

Extraordinary Expenses means the extraordinary expenses defined as such in the section headed "Fees and Expenses";

FATCA means

(a) sections 1471 to 1474 of the US Internal Revenue Code of 1986 or any associated regulations or other official guidance;

(b) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the Government of Ireland (or any Irish government body) and the US, UK or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to: (i) the legislation, regulations or guidance described in paragraph (a) above; or (ii) any similar regime, including any automatic exchange of information regime arising from or in connection with the OECD Common Reporting Standard; and

(c) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs;

FDI means a financial derivative instrument (including an OTC derivative);

ICAV means an Irish collective asset-management vehicle; namely BlueBay Investment Funds ICAV;

ICAV Act means the Irish Collective Asset-management Vehicles Act 2015 including any regulations made thereunder by ministerial order and any conditions that may from time to time be imposed thereunder by the Central Bank whether by notice or otherwise affecting the ICAV;

Initial Closing means, in relation to any closed-ended Sub-Fund and where provided for in the relevant Supplement, the closure of the offer period for Commitment in respect of Shares of such Fund, as specified in the relevant Supplement as "Initial Closing Date".

Initial Issue Price means the price (excluding any Subscription Charge) per Share at which Shares are initially offered in a Sub-Fund as specified in the Supplement of the Sub-Fund;

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

Investment Grade means rating awarded to high quality corporate and government securities that are judged likely to meet their payment obligations by Standard & Poor's or Fitch (i.e. rated at least BBB-) or Moody's (i.e. rated at least Baa3) unless otherwise stated in the relevant Supplement; or if unrated determined by the AIFM (or its delegate) to be of comparable quality;

Investment Manager means BlueBay Asset Management LLP or any successor thereto, or any person or persons from time to time appointment by the AIFM to act as investment manager to any of the Sub-Funds of the ICAV, in accordance with the requirements of the Central Bank and as disclosed in the Supplement for the relevant Sub-Fund;

Investment Management Agreement means the intra-group investment management agreement between the AIFM and the Investment Manager dated 1 October 2019 as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank pursuant to which the latter was appointed as the investment manager of the Sub-Funds;

Investor Money Regulations means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2017 for Fund Service Providers, as may be amended from time to time;

Irish Resident means any person resident in Ireland or ordinarily resident in Ireland other than an Exempt Irish Shareholder (as defined in the Taxation section of the Prospectus);

Irish Tax Authorities means the Irish Revenue Commissioners;

Level 2 Regulation means Commission Delegated Regulation (EU) No. 231/2013 as may be amended from time to time;

Minimum Additional Investment Amount means such minimum cash amount or minimum number of Shares as the case may be (if any) as the Directors may from time to time require to be invested in any Sub-Fund by each Shareholder (after investing the Minimum Initial Investment Amount) and as such is specified in the Supplement for the relevant Sub-Fund;

Minimum Sub-Fund Size means such amount (if any) as the Directors may consider for each Sub-Fund and as set out in the Supplement for the relevant Sub-Fund;

Minimum Initial Investment Amount means such minimum initial cash amount or minimum number of Shares or Commitment as the case may be (if any) as the Directors may from time to time require to be invested by each Shareholder as its initial investment for Shares of each Class in a Sub-Fund and as such is specified in the Supplement for the relevant Sub-Fund provided that the Directors shall not accept applications for Shares from any Qualifying Investor unless the applicant's initial subscription to the ICAV as a whole is equal to or greater than the minimum amount required by the Central Bank for the ICAV to obtain QIAIF status (which at the date of this Prospectus is €100,000 or its foreign currency equivalent);

Minimum Redemption Amount means such minimum number or minimum value of Shares of any Class as the case may be (if any) which may be redeemed at any time by the ICAV and as such is specified in the Supplement for the relevant Sub-Fund;

Minimum Shareholding means such minimum number or minimum value of Shares of any Class as the case may be (if any) which must be held at any time by a Shareholder which shall be equal to or greater than at all times the Minimum Redemption Amount and as such is specified in the Supplement for the relevant Class of Shares within a Sub-Fund;

Money Market Instruments mean instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time;

Net Asset Value means, in respect of the assets and liabilities of a Sub-Fund, a Class or the Shares representing interests in a Sub-Fund, the amount determined in accordance with the principles set out in the "Valuation of Assets/Calculation of Net Asset Value" section below as the Net Asset Value of the Sub-Fund, the Net Asset Value per Class or the Net Asset Value per Share (as appropriate);

Paying Agent means one or more paying agents including but not limited to representatives, distributors, correspondent banks, or centralising agents appointed by the ICAV or the AIFM in certain jurisdictions;

Prospectus means this prospectus issued on behalf of the ICAV as amended, supplemented or consolidated from time to time;

Qualifying Investor has the meaning required by the AIF Rulebook, which at the date of this Prospectus means an investor who has certified in writing to the ICAV that it is:

(a) a professional client within the meaning of Annex II of Directive 2014/65/EU (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 ICAV; or

(c) an investor who certifies it is 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 scheme; and it is aware of the risk involved in the proposed investment and that inherent in such investment is the potential to lose all of the sum invested.

Within the EEA, the ICAV may only be marketed to professional investors pursuant to AIFMD. Any other cross-border marketing activity of the ICAV to non-professional investors (as defined by a particular EEA member state) has to be notified and carried out according to national legislation in the host member state and such non-professional investors must meet the criteria set out in categories (b) and (c) above;

Qualifying Investor AIF or QIAIF means a qualifying investor alternative investment fund a category of non-UCITS collective investment scheme authorised by the Central Bank pursuant to the ICAV Act and chapter 2 of the AIF Rulebook;

Redemption Day means the Business Day on which investors may apply to redeem Shares in a Sub-Fund and/or such other day or days as the Directors may from time to time determine and notify to Shareholders in advance;

Relevant Declaration means the declaration relevant to the Shareholder as set out in Schedule 2B TCA;

Relevant Institutions means credit institutions authorised in an EEA Member State or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988, or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia, the United Kingdom or New Zealand;

Redemption Charge means the charge, if any, to be paid out of the Redemption Price which Shares may be subject to, as described under "Share Dealings - Redemption of Shares" and specified in the relevant Supplement;

Redemption Price means the price at which Shares are redeemed, as described under "Share Dealings - Redemption of Shares" and as may be specified in the relevant Supplement;

Redemption Proceeds means the Redemption Price less any Redemption Charge and any charges, costs, expenses or taxes, as described under "Share Dealings – Redemption of Shares";

Securities Financing Transactions means repurchase agreements, reverse repurchase agreements, securities lending agreements, margin lending transactions and any other transactions within the scope of SFTR that a Sub-Fund is permitted to engage in;

SFDR or **Sustainable Finance Disclosure Regulation** means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;

SFT Regulations or "SFTR" means Regulation (EU) 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;

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

Shareholders means persons registered as the holders of Shares in the register of shareholders for the time being kept by or on behalf of the ICAV, and each a **Shareholder**;

State means the Republic of Ireland;

Sterling, GBP and £ means the lawful currency of the United Kingdom;

Sub-Fund means a sub-fund of the ICAV the proceeds of issue of which are pooled separately in a segregated portfolio of assets and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the ICAV from time to time with the prior approval of the Central Bank;

Sub-Investment Management Agreement means the intra-group sub-investment management agreement between the Investment Manager and the Sub-Investment Manager dated 1 October 2019 as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank pursuant to which the latter was appointed as the sub-investment manager of certain Sub-Funds;

Sub-Investment Manager means RBC Global Asset Management (US) Inc or any successor thereto duly appointed in accordance with the requirements of the AIF Rulebook as the sub-investment manager of certain Sub-Funds as may be specified in the relevant Supplement;

Subscription Day means the Business Day on which an investor may apply to subscribe for Shares in a Sub-Fund and/or such other day or days as the Directors may from time to time determine and notify to Shareholders in advance;

Subscription Charge means the charge, if any, payable to the AIFM (or any other appropriate party at the direction of the Directors) on subscription for Shares as described under "Share Dealings – Subscription for Shares – Subscription Price" and specified in the relevant Supplement;

Subscriptions/Redemptions Account means account in the name of a specific Sub-Fund through which subscription or Commitment monies and redemption proceeds and dividend income (if any) for the relevant Sub-Fund are channelled, the details of which are specified in the Application Form;

Supplement means any supplement to the Prospectus issued on behalf of the ICAV specifying certain information in relation to a Sub-Fund and/or one or more Classes from time to time;

Taxonomy Regulation means the Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (Regulation

EU/2020/852) as may be supplemented, consolidated, substituted in any form or otherwise modified from time to time;

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

Total Return Swap means a derivative (and a transaction within the scope of SFTR) whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty;

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

U.S. Dollars, **Dollars** and **$** means the lawful currency of the United States;

U.S. Person means a U.S. Person as defined in Regulation S under the United States Securities Act of 1933 and CFTC Rule 4.7;

Valuation Day means the Business Day on which the Net Asset Value per Share of a Sub-Fund is determined, as set out in Section 7 of this Prospectus. Unless otherwise specified herein or in the relevant Supplement, (a) where valuation of the Net Asset Value per Share occurs daily, each Business Day shall be a Valuation Day; (b) where valuation of the Net Asset Value per Share occurs weekly, the Valuation Day shall be (i) each Tuesday which is a Business Day or, for each Tuesday which is not a Business Day, the following Business Day and (ii) the last Business Day of each calendar month; and (c) where valuation of the Net Asset Value per Share occurs monthly, the Valuation Day shall be the last Business Day of each calendar month, and/or such other and/or additional day or days as the Board of Directors may from time to time determine. In addition for any open-ended with limited liquidity Sub-Funds and closed-ended Sub-Funds there shall be at least one Valuation Day per annum.

Headings and Numbering

The headings and numbering of sections of this Prospectus are for convenience of reference only and shall not affect the meaning or interpretation of this Prospectus in any way.

3 SUB-FUNDS

3.1 *Structure*

The ICAV is an umbrella Irish collective asset-management vehicle with segregated liability between Sub-Funds formed in Ireland on 28 August 2015 under the ICAV Act with registration number C143847. The ICAV has been authorised by the Central Bank pursuant to the ICAV Act and chapter 2 of the AIF Rulebook.

The ICAV is structured as an umbrella fund consisting of different Sub-Funds, each comprising one or more Classes. Shares representing interests in different Sub-Funds (which may be open-ended, open-ended with limited liquidity or closed-ended) may be issued from time to time by the ICAV. The assets of each Sub-Fund will be invested separately on behalf of each Sub-Fund in accordance with the investment objective and policies of each Sub-Fund. The investment objective and policies and other details in relation to each Sub-Fund are set out in the relevant Supplement. At the date of this Prospectus, the ICAV has established the Sub-Fund(s) listed below.

- BlueBay Diversified Alternative Credit Fund
- BlueBay Emerging Market Local Currency Corporate Bond Fund C-1
- BlueBay Securitized Credit Opportunities Fund
- BlueBay Leveraged Finance Total Return Fund
- BlueBay Emerging Market Unconstrained TAP Bond Fund
- BlueBay Securitized Credit Dislocation Fund
- BlueBay High Income Opportunistic Securitized Credit Fund

Additional Sub-Funds (in respect of which a Supplement or Supplements will be issued) may be established by the Directors from time to time with the prior approval of the Central Bank.

Shares may be issued in Classes within each Sub-Fund. Classes of Shares in each Sub-Fund may differ as to certain matters including currency of denomination, hedging strategies if any applied to the designated currency of a particular Class, dividend policy, fees and expenses charged or the Minimum Initial Investment Amount, Minimum Additional Investment Amount, Minimum Shareholding, and Minimum Redemption Amount. The Classes of Shares available for subscription shall be set out in the relevant Supplement. A separate pool of assets shall not be maintained in respect of each Class. Additional Classes in respect of which a Supplement or Supplements will be issued may be established by the Directors and notified to and cleared in advance with the Central Bank or otherwise must be created in accordance with the requirements of the Central Bank. Separate books and records will be maintained for each Sub-Fund but not for each Class.

3.2 *Investment Objective and Policies*

The assets of each Sub-Fund will be invested separately in accordance with the investment objectives and policies of the Sub-Fund. The specific investment objective and policies of each Sub-Fund will be set out in the relevant Supplement and will be formulated by the Directors in consultation with the AIFM at the time of creation of the relevant Sub-Fund.

The investment objective of an open-ended Sub-Fund or open-ended with limited liquidity Sub-Fund may not be altered, and material changes to the investment policy of a Sub-Fund may not be made, without prior approval of Shareholders on the basis of (i) a majority of votes cast at a meeting of the Shareholders of the particular Sub-Fund duly convened and held or (ii) with the prior written approval of all Shareholders of the relevant Sub-Fund. In the event of a change of the investment objective and/or a material change in the investment policy of a Sub-Fund, by way of a majority of votes cast at a meeting of the relevant Shareholders, Shareholders in the relevant Sub-Fund will be given reasonable notice of such change to enable them to redeem their Shares prior to implementation of such a change.

In the case of a closed-ended Sub-Fund, the investment objective may not be altered, and material changes to the investment policy may not be made, without prior approval of Shareholders on the basis of (i) 75% (in the case of a closed-ended Sub-Fund where there this no opportunity for Shareholders to redeem or otherwise exit the Sub-Fund) or 50% (in the case of a closed-ended Sub-Fund where there is an opportunity for Shareholders to redeem or otherwise exit the Sub-Fund) of votes cast at a meeting of the Shareholders of the particular Sub-Fund duly convened and held or (ii) with the prior written approval of all Shareholders of the relevant Sub-Fund.

3.3 *Sustainability Related Disclosures; Environmental, Social and Governance (ESG) Framework*

Pursuant to SFDR the AIFM is required to make certain disclosures for the ICAV and Sub-Funds. This section of the Prospectus has been prepared for the purpose of meeting the specific disclosure requirements contained in SFDR.

It is noted that the regulatory technical standards to specify the details of the content and presentation of the information to be disclosed pursuant to SFDR have been delayed and were not issued when the relevant disclosure obligations in SFDR become effective.

It is also noted in this respect that the European Commission has recommended, that from the effective date of SFDR, financial market participants seek to comply with the specific disclosure obligations in SFDR that are reliant on regulatory technical standards on a "high-level, principles-based approach".

The AIFM therefore seeks to comply on a best efforts basis with the relevant disclosure obligations and makes this disclosure as a means of achieving this objective.

It is expected that this section of the Prospectus will be reviewed and updated once the relevant regulatory technical standards come into effect, noting in particular that the regulatory technical standards are expected to contain details on the form and presentation of the information to be disclosed and this could therefore require a revised approach to how the AIFM seeks to meet the disclosure obligations in SFDR.

In accordance with Article 6 of SFDR, Sustainability Risks (as defined in the Risk Factors section) are deemed by the Investment Manager as relevant to all Sub-Funds. Sustainability Risks are identified through the integration of environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters (the “Sustainability Factors”) in the risk management framework through a set of ESG approaches which allows the Investment Manager to identify and mitigate these risks. Such approaches are applied to each Sub-Fund as a baseline, whether or not they promote any environmental or social characteristics or have as their objective a Sustainable Investment. “Sustainable Investment” is defined as an investment in an economic activity that contributes to an environmental or social objective, measured for example by key resource efficiency indicators such as CO2 emissions, or the use of water, or an investment that contributes to a social objective, such as tackling inequality or that fosters social cohesion, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices.

The impacts of Sustainability Risks on a Sub-Fund and its returns may be significant and may materially vary depending on a number of factors:

(a) those associated with the specific issuer and its characteristics (including but not limited to the industry, the geographies in which it is present, the credit rating, ownership structure or maturity);

(b) those related to the specific Sustainability Factor(s) which are relevant to the issuer given their characteristics (including but not limited to the extent to which the impact is instant as opposed to being incremental and spread over time such as in the case of a health & safety accident as compared with rising carbon emissions);

(c) the specific investment strategy of a Sub-Fund and its characteristics (including but not limited to the extent to which it is diversified across sectors, geographies or credit ratings).

In general, the Investment Manager aims to take into account Sustainability Factors and Sustainability Risks when investing on behalf of the Sub-Funds. Both ESG Aware and ESG Oriented Sub-Funds aim to identify and incorporate Sustainability Risks, as a minimum, in the investment decision and as a result meet the conditions set out by Article 6.

For ESG Aware Sub-Funds, while Sustainability Risks are integrated into the investment decision making process, they do not promote any environmental or social characteristics nor do they have Sustainable Investments as their objective.

For ESG Oriented Sub-Funds, Sustainability Factors are incorporated in order to invest in issuers following appropriate ESG practices, and as such have an ESG focus. Details of how ESG Oriented Sub-Funds meet the criteria of SFDR Articles 8 or 9 can be found in the relevant Supplement for each-Sub-Fund.

The following table details the classification of each Sub-Fund in accordance with SFDR and its related classification of 'ESG Aware Sub-Fund' / 'ESG Oriented Sub-Fund' by the AIFM:

Sub-Fund	ESG Aware Sub-Fund	ESG Oriented Sub-Fund	SFDR category*
BlueBay Diversified Alternative Credit Fund	x		Article 6
BlueBay Emerging Market Local Currency Corporate Bond Fund C-1	x		Article 6
BlueBay Securitized Credit Opportunities Fund	x		Article 6
BlueBay Leveraged Finance Total Return Fund		x	Article 8
BlueBay Emerging Market Unconstrained TAP Bond Fund		X	Article 8
BlueBay Securitized Credit Dislocation Fund	X		Article 6
BlueBay High Income Opportunistic Securitized Credit Fund	X		Article 6

**Although Article 6 is not an SFDR product category, it is included in this table for Sub-Funds which aim to identify and incorporate Sustainability Risks in their investment decision and which are not Article 8 or 9.*

The classification of a Sub-Fund as an ESG Aware or ESG Oriented Sub-Fund is determined by the AIFM at its own discretion and does not currently rely on any standardised market taxonomy.

Sustainability Factors and Risks are incorporated via a variety of approaches which include:

- "ESG Integration" as defined by the explicit inclusion of material Sustainability Factors into investment analysis and investment decisions by the Investment Manager.
- "ESG Engagement" as defined by the interactions between the Investment Manager and current or potential investees (which may be companies or governments) and/or other stakeholders of relevance to the investees, on ESG issues. Engagements are undertaken to gain insight and/or influence (or identify the need to influence) ESG practices and/or improve ESG disclosure, to the extent possible.
- "ESG Exclusion / Negative Screening" as defined by the exclusion of certain sectors, issuers or practices based on specific ESG considerations as determined by the Investment Manager. This can relate to product-based as well as conduct-based restrictions. Product-based restrictions exclude issuers and sectors depending on their economic activity in order to not invest in entities which may contribute to the production or distribution of certain goods which are associated with significant environmental and societal risks. Conduct-based restrictions exclude issuers who fail to address ethical, environmental and societal issues in their operations.
- "ESG Norms Based Screening" as defined by the screening and exclusion of certain issuers against minimum standards of business practice based on international norms. Such norms include, but are

not limited to, the UN Global Compact Principles. This is a specific sub-set of ESG Exclusion/Negative Screening approaches which relates to a conduct-based restriction

Typically, ESG Integration, ESG Engagement and ESG Exclusion / Negative Screening are applied across all Sub-Funds. ESG Oriented Sub-Funds apply ESG approaches to a greater extent and are subject to enhanced requirements in respect of these approaches given their ESG focus. In addition, ESG Oriented Sub-Funds are typically subject to ESG Norms Based Screening. Consequently, ESG Oriented Sub-Funds may, due to their ESG focus (focusing on Sustainability Factors), exclude certain securities which may otherwise be included in ESG Aware Sub-Funds (which focus on Sustainability Risks) and exhibit binding ESG or Sustainability characteristics above and beyond any formal ESG Exclusion / Negative Screening. The Sustainability Factors and applicable requirements for each Sub-Fund category are summarised below:

<table>
<tr><th></th><th>ESG Aware Sub-Fund</th><th>ESG Oriented Sub-Fund</th></tr>
<tr><td>ESG Integration</td><td colspan="2">Sustainability Factors are used as part of the investment analysis of corporate and sovereign issuers and may inform portfolio construction decisions at the discretion of the Investment Manager. Any Sustainability Risk identified in relation to an issuer does not necessarily preclude Sub-Funds from investing in such issuer if any Sustainability Risk identified is not deemed material from an investment perspective, or if the Investment Manager believes any such Sustainability Risk can be mitigated in some form, or if the investment risk-reward analysis adequately reflects, and compensates for this.</td></tr>
<tr><td>ESG Engagement</td><td>The Investment Manager may engage with corporate and sovereign issuers on ESG matters if these are deemed as material from an investment perspective, in order to manage and potentially mitigate any Sustainability Risk occurrence and impact thereof in view of safeguarding the Sub-Funds' assets value.</td><td>The Investment Manager's engagement with corporate and sovereign issuers on ESG matters is not limited to a focus on investment materiality (Sustainability Risks) but may also cover more ethical or sustainable matters (Sustainability Factors).</td></tr>
<tr><td>ESG Exclusion / Negative Screening (product based)</td><td rowspan="2">Corporate issuers involved in the production of specific types of controversial weapons are excluded from investment in accordance to the Investment Manager's group level exclusions.

Any ESG Exclusion / Negative Screening or ESG Norms Based Screening made by ESG Aware funds, whilst being binding requirements, is not intended to promote any environmental or social characteristics, and are not a key feature of the investment approach.</td><td rowspan="2">ESG Exclusion / Negative Screening or ESG Norms Based Screening made by ESG Oriented funds may differ from Sub-Fund to Sub-Fund depending on the environmental or social characteristics promoted or sustainable objective. Please refer to the Sub-Fund's Supplement for more information.</td></tr>
<tr><td>ESG Norms Based Screening (conduct-based)</td></tr>
</table>

The approach taken by the Investment Manager with respect to Sustainability Factors and its application to both ESG Aware and ESG Oriented Sub-Funds is likely to evolve and as such, may have different or additional Sustainability Factors (as well as the specific screens within these) applied to them in future.

The Investment Manager's ESG evaluation is part of the wider credit analysis and the Investment Manager will review its assessment of an issuer every two years, with the potential to initiate a review before the formal review is due where there is sufficient cause to question the ongoing validity of the ESG assessment.

The Investment Manager uses proprietary in-house ESG research supplemented by external third-party ESG information providers to source information for the implementation of its ESG framework for ESG Aware and ESG Oriented Sub-Funds. Input from external ESG information providers may define the specific issuers excluded as part of the ESG Exclusion / Negative Screening and ESG Norms Based Screening approaches. However, with respect to the Investment Manager's ESG evaluation of issuers, data from external ESG information providers is only used as an input and it does not define the ESG risk rating assigned to each issuer.

In the case of securities excluded as a result of Sustainability Factors, such exclusion shall apply to fixed income securities issued by such issuers and financial derivative instruments with such issuers as the underlying asset (neither long or short positions are permitted unless specified otherwise in the Sub-Fund Supplement). A Sub-Fund may have exposure to excluded issuers if via instruments such as, but not limited to, financial indices or Securitized Credit Securities.

A Sub-Fund may apply ESG Integration and ESG Engagement with respect to Securitized Credit Securities at the level of the investment manager and the collateral pool of such securities. ESG Exclusion/Negative Screening may only apply to the underlying pool of assets of Securitized Credit Securities if the Investment Manager is the issuer of such securities.

Full details of the Investment Manager's latest approach to ESG investing are available online at www.bluebay.com/en/investment-expertise/esg/approach/.

Principal Adverse Impact

As the AIFM, being the Financial Market Participant as defined in SFDR, does not meet certain criteria as set out in Article 4 of SFDR. However, the AIFM has chosen to voluntarily comply and has implemented a due diligence policy with respect to the PAI of its investment decisions on Sustainability Factors.

3.4 *Taxonomy Regulation*

The Taxonomy Regulation seeks to establish a framework to classify environmentally sustainable economic activities, whilst also amending certain disclosure requirements of SFDR. It sets out harmonised criteria for determining whether an economic activity qualifies as environmentally sustainable and outlines a range of disclosure obligations to enhance transparency and to provide for an objective comparison of financial products regarding the proportion of their investments that contribute to environmentally sustainable economic activities.

The Taxonomy Regulation sets out a list of economic activities with performance criteria for their contribution to the six environmental objectives namely (i) climate change mitigation; (ii) climate change adaptation; (iii) sustainable use and protection of water and marine resources; (iv) transition to a circular economy; (v) pollution prevention and control and protection; and (vi) restoration of biodiversity and ecosystems (the "**Environmental Objectives**").

The Taxonomy Regulation builds on the SFDR requirements for both an Article 8 financial product and an Article 9 financial product by placing additional disclosure obligations on those funds that invest in economic activities that contribute to one or more of the six Environmental Objectives. It requires financial market participants (of such financial products) to disclose (i) how and to what extent they have used the Taxonomy Regulation to determine the sustainability of the underlying investments; and (ii) to what Environmental Objective(s) the underlying investments contribute.

It is notable that the scope of environmentally sustainable economic activities, as prescribed in the Taxonomy Regulation, is narrower than the scope of sustainable investments under SFDR. Therefore although there are disclosure requirements for both, these two concepts should be considered and assessed separately. This section addresses only the specific disclosure requirements of the Taxonomy Regulation.

Whilst the Taxonomy Regulation is effective from 1 January 2022, the Environmental Objectives will apply on a phased basis. Consideration of whether or not the underlying investments of an Article 8 financial product and/or an Article 9 financial product under SFDR contribute to (i) climate change mitigation and/or (ii) climate change adaptation will apply from 1 January 2022. Consideration with regard to the other four Environmental Objectives will apply from 1 January 2023.

The AIFM does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the Taxonomy Regulation) into the investment process for the ESG Aware Sub-Funds as they are not classified as Article 8 or 9 under SFDR. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the ESG Aware Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities.

For further information on the ESG Oriented Sub-Funds' approach to the Taxonomy Regulation please refer to the relevant Supplement.

3.5 *Duration of closed-ended funds*

In the case of a Sub-Fund established as a closed-ended Sub-Fund, the duration of the closed-ended period of the Sub-Fund shall be specified in the relevant Supplement (the "**Initial Closed-Ended Period**"). On the expiry of the Initial Closed-Ended Period, the Directors or the AIFM may undertake one of the following actions in respect of the closed-ended Sub-Fund:

(a) wind-up the closed-ended Sub-Fund and apply to the Central Bank for withdrawal of approval of the closed-ended Sub-Fund;

(b) redeem all outstanding Shares in the closed-ended Sub-Fund and apply to the Central Bank for withdrawal of approval of the closed-ended Sub-Fund;

(c) convert the Sub-Fund into an open-ended Sub-Fund in accordance with any requirements of the Central Bank; or

(d) seek the approval of Shareholders of the closed-ended Sub-Fund to extend the Initial Closed-Ended Period for a further finite period in accordance with the requirements of the Central Bank.

In the case of a closed-ended Sub-Fund the Initial Closed-Ended Period may not be altered, without prior approval of Shareholders on the basis of (i) 75% (in the case of a closed-ended Sub-Fund where there is no opportunity for Shareholders to redeem or otherwise exit the Sub-Fund) or 50% (in the case of a closed-ended Sub-Fund where there is an opportunity for Shareholders to redeem or otherwise exit the Sub-Fund) of votes cast at a meeting of the Shareholders of the particular Sub-Fund duly convened and held or (ii) with the prior written approval of all Shareholders of the relevant Sub-Fund.

3.6 *Investment Restrictions*

The investment and borrowing restrictions for each Sub-Fund are formulated by the AIFM at the time of the creation of a Sub-Fund. Details of investment restrictions will be contained in the relevant Supplement.

Notwithstanding the above, the following investment restrictions apply to all Sub-Funds. These are Irish regulatory requirements applicable to Qualifying Investor AIFs pursuant to the ICAV Act and chapter 2 of the AIF Rulebook:

(a) A Sub-Fund, may not take legal or management control of any of the issuers of its underlying investments.

(b) A Sub-Fund, may not (nor may it appoint an AIFM that would) acquire any shares carrying voting rights which would enable either of them to exercise significant influence over the management of an issuing body. This restriction is not applied to venture capital, development capital or private equity funds or for any investments by a Sub-Fund in other collective investment schemes.

(c) A Sub-Fund will not invest more than 50% of its Net Asset Value in any one unregulated fund and will not invest more than 50% of its Net Asset Value in another fund which itself invests more than 50% of its net assets in another investment fund.

(d) Where a Sub-Fund invests in the shares or units of any other collective investment scheme managed by the AIFM or an associated entity, the AIFM or the associated entity, as applicable, will waive any Subscription Charge, Redemption Charge or Conversion Charge that would otherwise be payable in connection with the investment in that other collective investment scheme.

(e) With the exception of loan originating Sub-Funds established in accordance with the requirements of the AIF Rulebook, a Sub-Fund may not grant loans or act as a guarantor on behalf of third parties. This is without prejudice to the ability of a Sub-Fund to acquire debt securities. It will not prevent a Sub-Fund from acquiring securities which are not fully paid or from entering into bridge financing arrangements where the financing extended to the Sub-Fund is backed by sufficient legally binding commitments to discharge the financing within a time period determined by the AIFM and at least simultaneously triggering obligations on Shareholders to make capital contributions which they are previously contractually committed to making at the time the bridge financing is entered into.

(f) A Sub-Fund will not raise capital from the public through the issue of debt securities. This investment restriction does not operate to prevent the issue of notes by a Sub-Fund, on a private basis, to a lending institution to facilitate financing arrangements. Details of any such notes issued by a Sub-Fund will be clearly provided in the relevant Supplement.

Investment restrictions are applied at the time of making an Investment. Where any Investment restriction is breached for reasons beyond control of the Sub-Fund or as a result of the exercise of subscription rights, including any inadvertent breaches, the AIFM will ensure corrective action is taken as a priority objective.

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 pursuant to the Central Bank's requirements. Any changes to the investment or borrowing restrictions will be disclosed in an updated Prospectus and/or Supplement, and if material, subject to prior Shareholder approval pursuant to section 3.2 above.

3.7 *Borrowing, Leverage and Rehypothecation of Assets*

The AIFM reserves the right to engage in borrowing and leverage the assets of a Sub-Fund where provided for in the relevant Supplement. Leveraging allows a Sub-Fund to generate a return, or incur a loss, that is larger than that which would be generated on the invested capital without leverage, thus changing small market movements (either positive or negative) into larger changes in the value of the investments of a Sub-Fund. Leverage may be generated in order to pursue a Sub-Fund's investment objective and policy by using a variety of strategies including but not limited to investing in derivative instruments.

Borrowing made on behalf of a Sub-Fund may be used for general business purposes, including to facilitate the transfer of funds from one Sub-Fund investment to another, smooth the negative impact of Shareholders' subscriptions and redemptions of Shares on that Sub-Fund's performance, to temporarily fund investments, to fund redemptions and to fund distributions. The ICAV may also charge, pledge, mortgage or otherwise encumber the assets of a Sub-Fund or any part thereof to secure borrowing incurred for a Sub-Fund.

Borrowing or leverage presents the potential for a higher rate of total return but also increases the volatility of a Sub-Fund, including the risk of a total loss of the amount invested. Leverage may cause increased volatility by magnifying gains or losses.

The ICAV may, where provided for in the relevant Supplement, engage the services of (i) prime brokers; and (ii) counterparties to OTC derivative contracts or Securities Financing Transactions in respect of a Sub-Fund whereby such prime broker or counterparty may hold collateral and other assets of the relevant Sub-Fund on a full title transfer basis and be granted the right to rehypothecate the assets of the Sub-Fund that it holds.

In selecting a prime broker or counterparty the ICAV or AIFM may also have regard to the legal status, domicile and minimum credit rating (where relevant) of the particular prime broker or counterparty and shall also consider whether or not the prime broker or counterparty is subject to prudential regulation.

3.8 *Securities Financing Transactions*

Where provided for in the relevant Supplement, a Sub-Fund may engage in Securities Financing Transactions. Such activity shall be in accordance with normal market practice and subject to the requirements of the SFTR. Such Securities Financing Transactions may be entered into for any purpose that is consistent with the investment objective of the relevant Sub-Fund, including generating income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks.

Any type of assets that may be held by each Sub-Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. Where provided for in the relevant Supplement, the Sub-Fund may also use Total Return Swaps. Subject to each Sub-Fund's investment objective and polices, there is no limit on the proportion of assets that may be subject to Securities Financing Transactions and Total Return Swaps. In any case the most recent annual accounts of the ICAV will express the amount of the Sub-Fund's assets subject to Securities Financing Transactions and Total Return Swaps.

A general description of the types of Securities Financing Transactions a Sub-Fund may engage in is set out below.

- *Securities lending* means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities.

- *Repurchase agreements* are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby one party purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.

- *Margin lending* transactions are transactions in which a counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities.

- *Total Return Swaps* may be entered into for any purpose that is consistent with the investment objective of a Sub-Fund, including efficient portfolio management (such as hedging purposes or the reduction of portfolio expenses), speculative purposes (in order to increase income and profits for the portfolio), or to gain exposure to certain markets. The reference obligation of a Total Return Swap may be any security or other investment in which the Sub-Fund is permitted to invest. A Sub-Fund may enter Total Return Swaps with a prime broker, banks or other financial counterparties which may take the form of swaps of any kind, including contracts for difference, portfolio swaps, index swaps, credit default swaps and variance and volatility swaps, any kind of option, warrant, forward and future transaction and any other kind of derivative in accordance with its investment objectives.

All the revenues arising from Securities Financing Transactions shall be returned to the relevant Sub-Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by a Sub-Fund from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents (which will be at normal commercial rates together with VAT, if any, thereon), will be borne by the relevant Sub-Fund in respect of which the relevant party has been engaged. Details of Sub-Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged from time to time shall be included in the relevant Sub-Fund's annual report.

3.9 *Collateral*

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

In the context of Securities Financing Transactions and/or the use of derivatives for hedging or investment purposes, collateral may be received from a counterparty for the benefit of a Sub-Fund or posted to a counterparty by or on behalf of a Sub-Fund. Collateral received by the Sub-Fund will consist of such collateral as is agreed with a counterparty from time to time and may include cash in any currency, cash equivalents, equity or debt securities and any other kind of security or other instrument in which the Sub-Fund is permitted to invest in or hold. Factors such as the type of securities that are being financed and market practice are taken into account when determining acceptable collateral received or provided. Assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. The value of collateral received should not display a high correlation with the performance of the counterparty. There are no restrictions on maturity or issuer provided the collateral is sufficiently liquid, as determined at the discretion of the AIFM.

Collateral provided to a counterparty by the Sub-Fund will consist of such collateral as is agreed with the counterparty from time to time and may include cash in any currency or any or all types of assets held by the Sub-Fund.

Non-cash collateral received by a Sub-Fund from a counterparty shall be valued in accordance with the valuation policies and principles applicable to the ICAV. Subject to any agreement on valuation made with the counterparty, such collateral will be valued daily at mark-to-market value and daily variation margins will apply.

Any non-cash assets received by a Sub-Fund from a counterparty on a title transfer basis shall be held by the Depositary or a duly appointed sub-depositary.

Assets provided by a Sub-Fund to a counterparty other than on a title transfer basis shall be held by the Depositary or a duly appointed sub-depositary. Such assets may be subject to a right of re-use by the counterparty. Assets provided by the Sub-Fund on a title transfer basis shall pass outside the Depositary's custodial network. The counterparty may use those assets at its absolute discretion.

Save as may be set out in the relevant Supplement, the Sub-Funds are not subject to any restrictions on the reuse of collateral.

3.10 *Cross-Investment*

Investors should note that, subject to the requirements of the Central Bank and where more than one Sub-Fund is established within the ICAV, each of the Sub-Funds may invest in the other Sub-Funds of the ICAV where such investment is appropriate to the investment objectives and policies of the relevant Sub-Fund. Any commission received by the AIFM in respect of such investment will be paid into the assets of the relevant Sub-Fund. In addition, no Subscription Charge, Redemption Charge or Conversion Charge may be charged on the cross-investing Sub-Fund's investment.

In order to avoid double-charging of management and/or any performance fees, any Sub-Fund that is invested in another Sub-Fund may not be charged an AIFM fee or performance fee in respect of that part of its assets invested in other Sub-Funds unless such investment in another Sub-Fund is made into a Class of Shares that does not attract any AIFM fee or performance fee. Investment may not be made by a Sub-Fund in a Sub-Fund which itself cross-invests in another Sub-Fund within the ICAV.

3.11 *Investment through Subsidiaries*

A Sub-Fund may, subject to the rules of the Central Bank, invest indirectly through one or more wholly owned subsidiaries or other vehicles where the AIFM considers that this would be operationally, commercially and/or tax efficient or would provide the only practicable means of access to the relevant security. The names of any wholly owned subsidiaries will be disclosed in the annual report in respect of the Sub-Fund.

3.12 *Reference to Ratings*

The European Union (Alternative Investment Fund Managers) (Amendment) Regulations 2014 (S.I. No. 379 of 2014) (the "**Amending Regulations**") transpose the requirements of the Credit Ratings Agencies Directive (2013/14/EU) ("**CRAD**") into Irish Law. CRAD aims to restrict the reliance on ratings provided by credit rating agencies and to clarify the obligations for risk management. In accordance with the Amending Regulations and the CRAD, notwithstanding anything else in this Prospectus, the AIFM shall not solely or mechanistically rely on credit ratings in determining the credit quality of an issuer or counterparty.

3.13 *Hedged and Unhedged Classes*

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 Sub-Fund attributable to a particular Class into the currency of denomination of the relevant Class. This involves a Class designated in a currency other than the Base Currency being hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency.

Any financial instruments used to implement such currency hedging strategies with respect to one or more Classes shall be assets/liabilities of the Sub-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. In the case of any type of hedged currency Classes, a Sub-Fund may incur liabilities in connection with currency hedging transactions carried out in relation to and for the benefit of a single Class. In extreme cases, currency hedging transactions for one Class may adversely affect the Net Asset Value of other Classes within the same Sub-Fund.

Classes may be offered on a hedged or unhedged basis. and will be identified as currency hedged Classes or unhedged Classes, as appropriate, in the Supplement for the Sub-Fund in which such Class is issued. Unhedged Classes are identified by the suffix “U” in the name of the Class listed in the Supplement of the relevant Sub-Fund.

3.14 *Dividend Policy*

Unless otherwise set out in the relevant Supplement, it is the policy of each Sub-Fund to reinvest all revenues and capital gains and not to pay any dividends.

The Instrument of Incorporation empowers the Directors to declare dividends in respect of any Shares in the ICAV out of the net income of the ICAV (i.e. income less expenses) (whether in the form of dividends, interest or otherwise) and net realised and unrealised gains (i.e. realised and unrealised gains net of all realised and unrealised losses), subject to certain adjustments and, in accordance with the requirements of the Central Bank, partially or fully out of the capital of the relevant Sub-Fund.

Dividends may be paid out to Shareholders of a distributing Class or reinvested at the discretion of the Shareholder.

Any dividends paid which are not claimed or collected within six years of payment shall revert to and form part of the assets of the relevant Sub-Fund.

Any dividends payable to Shareholders will be paid by electronic transfer to the relevant Shareholder's bank account of record on the initial Application Form at the expense of the payee and will be paid within four Months of the date the Directors declared the dividend.

3.15 *Publication of Net Asset Value per Share and Publication of Holdings and Additional Information*

The Net Asset Value per Share for each Class shall be made available promptly to Shareholders on request and on the client extranet at www.bluebay.com or such other website as may be notified to Shareholders in advance from time to time and updated following each calculation of the Net Asset Value. These Net Asset Values will be those prices applicable to the previous Valuation Day's subscriptions, redemptions and conversions and are therefore only indicative after the relevant Valuation Day.

In addition to the information disclosed in the periodic reports of the ICAV, the ICAV may, from time to time, make available to investors portfolio holdings and portfolio-related information in respect of one or more of the Sub-Funds. Any such information will be available to all investors in the relevant Sub-Fund on request. Any such information will only be provided on a historical basis and after the relevant Valuation Day to which the information relates.

Where the ICAV or AIFM is required to make certain information publically available pursuant to the CBDF Directive or CBDF Regulation such information may be made available at www.bluebay.com.

3.16 *Use of a Subscriptions/Redemptions Account*

The ICAV operates a series of Subscriptions/Redemptions Accounts – one for each Sub-Fund. Any monies in a Subscriptions/Redemptions Account are deemed assets of the relevant Sub-Fund and shall not have the protection of the Investor Money Regulations. However the Depositary will monitor each Subscriptions/Redemptions Account in performing its cash monitoring obligations and ensuring effective and proper monitoring of each Sub-Fund's cash flows in accordance with its obligations as prescribed under the AIFM Regulations.

There nonetheless remains a risk for investors to the extent that monies are held by a Sub-Fund in the Subscriptions/Redemptions Account at a point where the relevant Sub-Fund becomes insolvent.

Subscription payments should be paid to the Subscriptions/Redemptions Account for the relevant Sub-Fund. Where the subscription monies are received into the Subscriptions/Redemptions Account from an investor in advance of Shares being issued, such subscription monies will be the property of the Sub-Fund and accordingly an investor will be treated as a general unsecured creditor of the Sub-Fund during the period between receipt of subscription monies into the Subscriptions/Redemptions Account and the issue of Shares.

Investors should note that any redemption proceeds being paid out by the Sub-Fund and held for any time in the Subscriptions/Redemptions Account for the relevant Sub-Fund shall remain an asset of the Sub-Fund until such time as the proceeds are released to the investor. This would include, for example, cases where redemption proceeds are temporarily withheld pending the receipt of any outstanding identity verification documents as may be required by the ICAV or the Administrator – enhancing the need to address these issues promptly so that the proceeds may be released. It should also be noted that, in these circumstances, the investor shall have ceased being considered a Shareholder and instead will rank as a general unsecured creditor of the Sub-Fund.

4 MANAGEMENT OF THE ICAV

4.1 *General*

The Directors control the affairs of the ICAV. The Directors have delegated certain of their duties to the AIFM which in turn has delegated certain functions to the Administrator and have appointed the Depositary.

4.2 *Directors*

The Directors, all of whom are non-executive directors of the ICAV, are:

***Mr. Henry Kelly*.** Mr. Kelly is an experienced independent board member of several investment funds and investment management companies domiciled in Luxembourg and internationally. He is the Managing Director of the Luxembourg-based consultancy firm that he founded in 1999, KellyConsult Sàrl, which provides advisory services to the investment fund sector. He was the founding Chairman of the Fund Governance Forum for ALFI (Association of the Luxembourg Fund Industry) set up in 2011. He is a member of the Management Committee of the Luxembourg Institute of Directors (ILA) and is a founding member of the ILA Investment Funds Committee. He is a regular speaker at conferences on investment funds and corporate governance matters. From 1993 - 1999 he was a Managing Director of Flemings Luxembourg (now JP Morgan Asset Management) following 5 years` experience in the capital markets division of BNP Paribas based in Paris. Prior to these posts he acquired seven years` experience with PricewaterhouseCoopers in Paris, Frankfurt and New York. He has a master's degree in Modern Languages from Cambridge University, is a Member of the Institute of Chartered Accountants and holds the INSEAD Certificate in Corporate Governance. He obtained the qualification of ILA Certified Director in 2013.

***Mr. Nicholas Williams*.** Mr. Williams is a former Partner of BlueBay Asset Management LLP and was the Chief Financial Officer of BlueBay for fifteen years (2001-2016). Mr. Williams was a Director of various BlueBay entities and sat on the Management Committee, in addition to other Operating Committees during his time at BlueBay. Prior to this he spent fifteen years at Goldman Sachs, latterly as Chief Financial Officer of Goldman Sachs Asset Management (Europe). He previously served as Chief Financial Officer and was a member of the Management Committee of Goldman Sachs & Co Bank, Zurich. Mr. Williams has an undergraduate and graduate degrees in economics (BA and MA) from the Free University of Brussels and is a Member of the Institute of Chartered Accountants in England and Wales.

Mr. Constantine Knox. Mr. Knox is a Partner, Associate General Counsel and Head of Corporate Legal at BlueBay Asset Management LLP. He joined BlueBay in January 2011 and is responsible for corporate legal matters and governance for BlueBay. Mr. Knox is a member of BlueBay's Operating Committee and Corporate Responsibility Committee. In addition, he is a member of the board of a number of investment funds managed by BlueBay. Prior to BlueBay, Mr. Knox spent three years as an associate in Dechert LLP's Financial Services department with a focus on alternative funds having qualified with the same firm. Mr. Knox is qualified as a solicitor in England and Wales and has a degree in Ancient, Medieval and Modern History from Durham University.

Ms. Victoria Parry. Ms. Parry acts as an independent non-executive director to a limited number of clients in the financial services industry. Ms. Parry was, until April 2013, the Global Head of Product Legal for Man Group plc ("**Man**"), an alternative investment business, where she had responsibility for a global team of lawyers and other professionals advising on the development, structuring and maintenance of all Man's products and platforms including all aspects of fund corporate governance. Prior to the merger of Man and GLG Partners in 2010, Ms Parry was the Senior Legal Counsel at GLG Partners LP since its establishment in 2000. At GLG Partners, Ms. Parry was responsible for establishing and managing the legal, and between 2000 and 2005 the compliance, teams in London. Ms. Parry joined GLG from Lehman Brothers International Europe which she joined in 1996 where she was responsible for, inter alia, the activities of the GLG Partners division. Ms. Parry is a qualified solicitor in England and Wales and practised as a solicitor with Clifford Chance from 1989 to 1996 having trained with them from 1987 to 1989. She is a member of the Law Society of England and Wales and graduated from University College Cardiff, with a LLB (Hon) in 1986. In 2010 and 2011 Ms. Parry was named in the Top 50 Leading Women in Hedge Funds by the Hedge Fund Journal.

Mr. Michael Morris. Michael Morris (Irish Resident) is a Certified Investment Fund Director with the Institute of Banking and has expertise in investment oversight, portfolio management and governance. Mr Morris was a Managing Director/ Senior VP of Pioneer Investments (€250bn AUM) from 2013 to 2017 and was responsible for the Portfolio Management of the mining, chemicals, steel, building materials and industrial sectors in both long-only equity funds and a market neutral hedge fund.

Prior to that, he was Head of Construction & Building Materials Equity Research at JPMorgan in London from 2005 to 2013, running a global team with a global client base of both long-only funds and hedge funds. From 2003 to 2005, he was an Executive Director in Equity Research at Old Mutual/ Arbuthnot Securities (UK) and prior to that, from 2001 to 2003, held a similar position at HSBC Investment Bank (UK).

Mr. Morris holds a Bachelor of Engineering and a Masters degree in Environmental Engineering from University College Dublin. He has a Diploma and a Certificate in Company Direction from the Institute of Directors in London and is a candidate for Chartered Director.

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

4.3 *AIFM*

The ICAV has appointed the AIFM to serve as its alternative investment fund manager and to manage the assets of each Sub-Fund within its investment strategies. The AIFM shall provide discretionary portfolio management and risk management services to the ICAV and is primarily responsible for the promotion of the ICAV and its Shares, subject to the overall supervision and control of the Directors.

The AIFM was incorporated under Luxembourg law on 1 August 2002 and is regulated and authorised as an alternative investment fund manager by the Luxembourg Commission de Surveillance du Secteur Financier (the "CSSF"). The AIFM is a wholly owned subsidiary of Royal Bank of Canada.

The AIFM will at all times maintain a level of minimum capital in accordance with the requirements of the AIFM Regulations.

Among other requirements of AIFMD, the AIFM shall:

- be responsible for the management of the assets of each Sub-Fund;
- be responsible for making available to prospective investors the information required by AIFMD;
- comply with applicable CSSF requirements;
- comply with all duties, obligations and functions of an AIFM as are contained in AIFMD, the Level 2 Regulation and the AIF Rulebook as they apply to the services it provides to the ICAV; and
- be responsible for marketing and distributing the Shares of the ICAV and performing such other duties as required under AIFMD.

The AIFM is legally and operationally independent of the Administrator and the Depositary.

The AIFM has delegated certain aspects of its financial control and accounting management functions to the Administrator, as further detailed below. The conflicts which may arise from such delegation are detailed below. This delegation arrangement has been notified to the Central Bank and both this delegation and any sub-delegation thereunder will be in accordance with the requirements of AIFMD.

The AIFM shall ensure that its decision-making procedures and its organisational structure ensure fair treatment of Shareholders in the ICAV.

The AIFM has remuneration policies in place to ensure compliance with AIFMD and, in particular, Annex II of AIFMD.

The AIFM's main business is the provision of fund management services to collective investment schemes such as the ICAV.

The officers and employees of the AIFM will devote the time and services necessary for the efficient conduct of the business of each Sub-Fund. However, the AIFM and its affiliates, principals, officers and employees are engaged in other businesses which could, and are expected to require a substantial amount of time and effort.

There is no limit on the number of Shares which may be owned by the AIFM and its affiliates.

4.4 *Investment Manager*

Unless otherwise disclosed in the relevant Supplement the AIFM has appointed BlueBay Asset Management LLP to act as investment Manager to all of the Sub-Funds. The Investment Manager shall provide portfolio management services to the Sub-Funds. The Investment Manager was incorporated in England on 23 November 2011 and is regulated and authorised in the conduct of its investment business by the UK Financial Conduct Authority (the "**FCA**"). The Investment Manager is a wholly owned subsidiary of Royal Bank of Canada.

4.5 *Sub-Investment Manager*

The Investment Manager has appointed RBC Global Asset Management (US) Inc to act as sub-investment manager to certain Sub-Funds of the ICAV as may be specified in the relevant Supplement. The Sub-Investment Manager is registered as an investment adviser under section 203(c) of the Investment Advisor Act of 1940 of the United States.

4.6 *Administrator*

The ICAV and the AIFM have appointed RBC Investor Services Ireland Limited as administrator and registrar of the ICAV pursuant to the Administration Agreement with responsibility for the day to day administration of the ICAV's affairs. The responsibilities of the Administrator include share registration and transfer agency services, calculation of the ICAV's and each Sub-Fund's Net Asset Value and calculation of the Net Asset Value per Share and the preparation of the Sub-Funds' financial statements.

The Administrator is a company incorporated with limited liability in Ireland and is authorised by the Central Bank under the Investment Intermediaries Act 1995. The Administrator is a wholly-owned subsidiary of the Royal Bank of Canada Group.

The Administrator's principal business is the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds.

4.7 *Depositary*

The ICAV has appointed RBC Investor Services Bank S.A., Dublin Branch as depositary of the ICAV pursuant to the Depositary Agreement with responsibility for acting as depositary and trustee of the assets of each Sub-Fund.

The Depositary is a company incorporated with limited liability in Luxembourg, operating through its Dublin Branch. The Depositary is a wholly-owned subsidiary of the Royal Bank of Canada Group and its head office is 14, Porte de France L 4360 Esch sur Alzette Luxembourg, Luxembourg. The Depositary has been approved by the Central Bank to act as depositary for the ICAV.

The principal activity of the Depositary is to act as depositary and trustee to collective investment schemes.

In accordance with the provisions of the AIFM Regulations, the Level 2 Regulation, the AIF Rulebook and the terms of the Depositary Agreement, the Depositary shall carry out functions in respect of the ICAV including, but not limited to the following key functions:

(i) The Depositary shall hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Depositary's books and all financial instruments capable of being physically delivered to the Depositary;

(ii) The Depositary shall verify the ICAV's ownership of any assets (other than those referred to in (i) above) and maintain a record of such assets it is satisfied are owned by the ICAV;

(iii) The Depositary shall ensure effective and proper monitoring of the ICAV's cash flows;

(iv) The Depositary shall be responsible for certain oversight obligations in respect of the ICAV – see "Summary of Oversight Obligations" below.

Duties and functions in relation to (iii) and (iv) above may not be delegated by the Depositary.

Summary of Oversight Obligations:

The Depositary is obliged to ensure, among other things, that:

- the sale, issue, redemption and cancellation of Shares effected on behalf of the ICAV are carried out in accordance with the ICAV Act, the conditions imposed by the Central Bank and the Instrument of Incorporation;
- the value of Shares is calculated in accordance with the ICAV Act and the Instrument of Incorporation;
- in transactions involving the ICAV's assets, any consideration is remitted to it within the usual time limits;
- the ICAV and each Sub-Fund’s income is applied in accordance with the ICAV Act and the Instrument of Incorporation;
- the instructions of the AIFM are carried out unless they conflict with the ICAV Act or the Instrument of Incorporation; and
- it has enquired into the conduct of the ICAV in each Accounting Period and reports thereon to the Shareholders. The Depositary’s report will be delivered to the ICAV in good time to enable the AIFM to include a copy of the report in the annual report of each Sub-Fund. The Depositary’s report will state whether in the Depositary’s opinion each Sub-Fund has been managed in that period:
  - (i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV imposed by the Instrument of Incorporation and/or the Central Bank under the powers granted to the Central Bank under the ICAV Act;
  - (ii) and otherwise in accordance with the provisions of the ICAV Act and the Instrument of Incorporation.

If the ICAV or any of its Sub-Funds have not complied with (i) or (ii) above, the Depositary will state why this is the case and will outline the steps that the Depositary has taken to rectify the situation.

In discharging its role, the Depositary shall act honestly, fairly, professionally, independently and in the interests of the ICAV and the Shareholders.

The Depositary shall also be liable to the ICAV and to the Shareholders, for the loss of any financial instruments held in custody (determined in accordance with AIFMD) and shall be responsible for the return of financial instruments or corresponding amount to the ICAV without undue delay unless the Depositary can prove that the loss arose as a result of an actual event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary or the Depositary has discharged its liability as provided for under the AIFM Regulations. Pursuant to the Depositary Agreement, the Depositary shall exercise due skill, care and diligence in the discharge of its duties and will be liable to the ICAV and the Shareholders for any other loss arising from its negligence in the performance of, or intentional failure to fulfil properly, its duties pursuant to the AIFM Regulations.

The Depositary has power to delegate the whole or any part of its custodial functions (i.e. depositary functions referred to at (i) and (ii) above) but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. In order for the Depositary to discharge its responsibility under the Depositary Agreement, the Depositary must exercise care and diligence in the selection and appointment of such sub-custodian's as safekeeping agents and continue to exercise care and diligence in the periodic review and ongoing monitoring of any sub-custodian to whom it has delegated any parts of its tasks.

The Depositary’s liability shall not be affected by any delegation of its safekeeping functions unless it has discharged itself of its liability in accordance with Article 21(13) or (14) of AIFMD.

The AIFM will inform Shareholders of any arrangement made by the Depositary to discharge itself of liability and of any changes regarding the Depositary's liability.

4.8 *Auditor*

PricewaterhouseCoopers has been appointed to act as the auditor for the ICAV. The responsibility of the Auditor is to audit and express an opinion on the financial statements of the ICAV/its Sub-Funds in accordance with Irish law and International Financial Reporting Standards.

4.9 *Paying Agents/Representatives/Distributors*

Local laws or regulations in certain EEA jurisdictions may require that the ICAV or the AIFM appoints a local Paying Agent and/or other local representatives. The role of the Paying Agent may entail, for example maintaining accounts through which subscription and redemption proceeds and dividends are paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via the intermediary entity rather than directly to the Administrator or the ICAV bear a credit risk against that entity with respect to a) subscription monies prior to the transmission of such monies to the Depositary for the account of the ICAV and b) redemption monies. The appointment of a Paying Agent (including a summary of the agreement appointing such Paying Agent) may be detailed in a Country Supplement.

Fees and expenses of Paying Agents and/or other local representatives, which will be at normal commercial rates, will be borne by the relevant Sub-Fund(s). Fees payable to the Paying Agents and/or other local representatives which are based on Net Asset Value will be payable only from the Net Asset Value of the relevant Sub-Fund(s) attributable to the relevant Class(es), all Shareholders of which Class(es) are entitled to avail of the services of the Paying Agents and/or other local representatives.

4.10 *Secretary*

The secretary of the ICAV is MFD Secretaries Limited.

5 CONFLICTS OF INTEREST

5.1 *Conflicts of Interest*

The Directors, the AIFM, the Administrator and the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (each a "Connected Party" for these purposes, collectively the "Connected Parties") are or may be involved in other financial, investment and professional activities (for example provision of securities lending agent services) which may on occasion cause a conflict of interest with the management of the ICAV 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 and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the ICAV may invest. Each of the Connected Parties will use reasonable endeavours to ensure that any conflicts which may arise will be resolved fairly.

In particular, the AIFM may advise or manage other collective investment schemes in which a Sub-Fund may invest or which have similar or overlapping investment objectives to or with the Sub-Funds. Also, a conflict of interest may arise where the AIFM or a connected delegate is valuing unlisted securities held by a Sub-Fund. For example, because the AIFM's fees are calculated on the basis of a percentage of a Sub-Fund's Net Asset Value, such fees increase as the Net Asset Value of the Sub-Fund increases. When valuing securities owned or purchased by a Sub-Fund, the AIFM (or any connected delegate) will, at all times, have regard to its obligations to the ICAV and the Sub-Fund and will ensure that such conflicts are resolved fairly.

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the ICAV, the AIFM and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the ICAV, the AIFM and/or other funds for which the Depositary (or any of its affiliates) act.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the ICAV and/or the AIFM and will treat the ICAV, the AIFM and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the ICAV and/or the AIFM than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's functions from its other potentially conflicting tasks.

5.2 *Connected Party Transactions*

There is no prohibition on transactions with the ICAV, the AIFM, the Administrator, the Depositary or entities related to the AIFM, the Administrator or the Depositary including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the ICAV and none of them shall have any obligation to account to the ICAV for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are in the best interests of Shareholders and dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and

(a) a certified valuation by a person approved by the Depositary as independent and competent (or in the case of a transaction involving the Depositary, the Directors); or

(b) the relevant transaction is executed on best terms on an organised investment exchange in accordance with its rules; or

(c) where the conditions set out in (a) and (b) above are not practical, the relevant transaction is executed on terms which the Depositary is (or in the case of a transaction involving the Depositary, the Directors are) satisfied conform with the principle that such transactions be carried out as if negotiated at arm's length and in the best interests of Shareholders.

Each Connected Party will provide the ICAV with relevant details of each transaction (including the name of the party involved and where relevant, fees paid to that party in connection with the transaction) in order to facilitate the ICAV discharging its obligation to provide the Central Bank with a statement within the relevant Sub-Fund's annual report in respect of all Connected Party transactions.

5.3 *Cross Trades*

The AIFM, the Investment Manager or a sub-investment manager may effect "cross trades" (i.e., a transaction or proposed transaction between a Sub-Fund and any person or entity for which the AIFM, the Investment Manager or a sub-investment manager acts as discretionary investment manager). Cross trades may be effected directly between clients advised by the AIFM, the Investment Manager or a sub-investment manager or through open market transactions. Effecting cross trades may increase brokerage commissions and may result in the Sub-Fund holding less of a profitable asset, or more of an unprofitable asset, than would be the case if there were no cross trades.

Such cross trades may create a potential conflict of interest between the duties of the AIFM, the Investment Manager or a sub-investment manager to the ICAV and its desire to maximise its own profits or obtain other benefits with respect to its proprietary trading activities. However, in all cases such cross trades shall, where appropriate, be subject to the Connected Party requirements set out in section 5.2.

5.4 *AIFM Investment in Shares*

The AIFM or an associated company or key employee of the AIFM may invest in Shares of a Sub-Fund for general investment purposes or for other reasons including so that a Sub-Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the AIFM or its associated company may hold a high proportion of the Shares of a Sub-Fund or Class in issue.

5.5 *Soft Commissions*

Neither the ICAV nor the AIFM shall enter into any soft commission arrangements.

5.6 *Common Counsel and Auditors*

Maples and Calder (Ireland) LLP is Irish counsel to the ICAV. Maples and Calder (Ireland) LLP may also act as counsel to the AIFM in matters not involving the ICAV, and may also represent the BlueBay group and its affiliates. Consequently, certain conflicts of interest may arise. Prospective investors and Shareholders are advised to consult their own independent counsel (and not Maples and Calder (Ireland) LLP) with respect to the legal and tax implications of an investment in the Shares.

PricewaterhouseCoopers has been appointed as the auditor for the ICAV. PricewaterhouseCoopers may also act as the auditor to the AIFM in matters not involving the ICAV, and may also act as the auditor to the BlueBay group and its affiliates. Consequently, certain conflicts of interest may arise.

5.7 *Conflicts not exhaustive*

The preceding list of potential conflicts of interest does not purport to be a complete enumeration or explanation of all of the conflicts of interest that may be involved in an investment in the ICAV.

6 SHARE DEALINGS

6.1 *Subscription for Shares*

6.1.1 General – open ended Sub-Funds and open-ended with limited liquidity Sub-Funds

Shares in an open-ended and/or open-ended with limited liquidity Sub-Fund shall be initially issued at the Initial Issue Price as specified in the relevant Supplement. The Business Day of initial issue of the relevant Class shall be a Subscription Day and there shall not be any pre-issue offer period.

Following the initial issuance of Shares, additional Shares shall be issued at the Net Asset Value per Share (plus a Subscription Charge, if any) on any Subscription Day.

6.1.2 General – closed-ended Sub-Funds

The provisions relating to the issuance of Shares of a Class in a closed-ended Sub-Fund and, if applicable the details of any Commitments, Capital Contributions, or Closings will be set out in the relevant Supplement.

6.1.3 Applications for Shares

Applications for Shares may be made through the Administrator or through a duly appointed distributor for onward transmission to the Administrator. Applications received by the Administrator or duly appointed distributor prior to the Cut-Off Time for any Subscription Day will be processed on that Subscription Day. Any applications received after the Cut-Off Time for a particular Subscription Day will be processed on the following Subscription Day unless, in exceptional circumstances, the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Cut-Off Time for processing on that Subscription Day.

Initial applications should be made using an Application Form obtained from the Administrator which may be submitted in original form or by fax with the original form to follow promptly and signed. All initial applications shall be subject to prompt transmission to the Administrator of such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate. In the case of subsequent applications submitted by fax, it shall not be necessary for the Administrator to subsequently receive the original Application Form provided that the Directors are satisfied that the appropriate controls and procedures are in place to comply with applicable anti-money laundering legislation and to ensure that any risk of fraud associated with the processing of transactions based on such means are adequately mitigated. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of written instructions and appropriate original documentation from the relevant Shareholder.

Applications will be irrevocable unless the Directors, or a delegate, otherwise agree.

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

6.1.4 Fractions

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 0.0001 of a Share. Subscription monies representing less than 0.0001 of a Share will be retained by the ICAV in order to defray administration costs.

6.1.5 Currency of Payment

Subscription monies are payable in the denominated currency of the Class.

6.1.6 Timing of Payment

Unless otherwise set out in the relevant Supplement, subscription monies should be paid to the Subscriptions/Redemptions Account for the relevant Sub-Fund so as to be received in cleared funds by no later than three Business Days after the relevant Subscription Day.

If payment in full in respect of the issue of Shares has not been received by the relevant time stipulated above, or in the event of non-clearance of funds, the allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled, or, alternatively, the applicant may be charged interest together with an administration fee. In addition the Directors will have the right to sell all or part of the applicant's holdings of Shares in the Sub-Fund or any other Sub-Fund of the ICAV in order to meet those charges.

6.1.7 **Form of Shares and Confirmation of Ownership**

Confirmation of each purchase of Shares will normally be sent to Shareholders within 48 hours of the purchase being made. Shares shall be issued in registered form only and title to Shares will be evidenced by written confirmation of entry of the investor's name on the ICAV's register of Shareholders and no certificates will be issued.

6.1.8 **In Specie Subscriptions**

The Directors may, at their discretion, accept payment for Shares in a Sub-Fund by a transfer in specie of assets, the nature of which must comply with the investment objective, policy and restrictions of the relevant Sub-Fund and the value of which shall be determined by the AIFM or its delegate, in accordance with the Instrument of Incorporation and the valuation principles governing the ICAV. Any prospective investor wishing to subscribe for Shares by a transfer in specie of assets will be required to comply with any administrative and other arrangements for the transfer specified by the ICAV, the Depositary or the Administrator. Any in specie transfer will be at the specific investor's risk and the costs of such a transfer will be borne by the specific 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 the cash equivalent of the investments had been invested and the Depositary is satisfied that the terms of such exchange shall not be such as are likely to result in any material prejudice to the existing Shareholders.

6.1.9 **Minimum Initial and Additional Investment Amount and Minimum Shareholding Requirements**

The Minimum Initial Investment Amount, the Minimum Additional Investment Amount and the Minimum Shareholding of Shares of each Class of a Sub-Fund may vary and are set out in the Supplement for the relevant Sub-Fund. The Directors, in consultation with the AIFM, reserve the right from time to time to waive any requirements relating to the Minimum Initial Investment Amount, the Minimum Additional Investment Amount and the Minimum Shareholding as and when they determine at their reasonable discretion.

6.1.10 **Restrictions on Subscriptions**

The Directors may, in consultation with the AIFM, reject any application in whole or in part without giving any reason for such rejection in which event the subscription monies or any balance thereof will, subject to applicable law, be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's cost and risk.

The Directors may, in consultation with the AIFM, determine that in certain circumstances, it is detrimental for existing Shareholders to accept an application for Shares in cash or in specie, representing more than 5% of the Net Asset Value of a Sub-Fund. In such case, the Directors may postpone the application and, in consultation with the relevant investor, either require such investor to stagger the proposed application over an agreed period of time. Any applicable Subscription Charge will be deducted from the subscription monies before the investment of the subscription monies commences.

Shares may not be issued or sold by the ICAV during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below.

6.1.11 **Ownership Restrictions**

Any person who holds Shares in contravention of restrictions imposed by the AIFM or who, by virtue of his holding, in the opinion of the AIFM is an Ineligible Applicant (as defined below) will indemnify the ICAV, the

AIFM, the Depositary, the Administrator and the Shareholders for any loss suffered by it or them as a result of his acquiring or holding Shares in the relevant Sub-Fund.

An "**Ineligible Applicant**" is a person who:

(d) is not a Qualifying Investor or an Accredited Investor;

(e) is a U.S. Person (unless (a) specifically permitted by the Directors in their discretion; and (b) only if subject to an exemption from, or in a transaction not subject to the requirements of the US Securities Act of 1933, as amended, and the US Investment Company Act of 1940, as amended);

(f) is a person who or entity which has breached or falsified representations on the Application Form or who or which appears to be in breach of any law or requirement of any country or government authority or by virtue of which law or requirement such person or entity is not qualified to hold Shares, including without limitation any exchange control regulations;

(g) would not lawfully hold the Shares;

(h) holds or would hold the Shares in circumstances which (whether directly or indirectly affecting such entity or entities and whether taken alone or in conjunction with any other entity or entities, connected or not or any other circumstances appearing to the AIFM to be relevant), in the opinion of the AIFM, may result in the ICAV, the relevant Sub-Fund or the Shareholders as a whole to suffer any regulatory, pecuniary, legal, taxation or material administrative disadvantage that the ICAV, the relevant Sub-Fund or the Shareholders as a whole might not otherwise have incurred or suffered or might result in the ICAV, any Sub-Fund, the AIFM, or the Shareholders being required to comply with registration or filing requirements in any jurisdiction with which it or they would not otherwise be required to comply or which is otherwise prohibited by the Instrument of Incorporation;

(i) would hold less than any Minimum Holding of the relevant Class of Shares; or

(j) is (or who the ICAV, or the Administrator acting on the ICAV's instructions, suspects is) not compliant with FATCA or with an Intergovernmental agreement implementing FATCA in their home jurisdiction.

The Directors, in consultation with the AIFM, may reject in its discretion any application for Shares by any persons who are so excluded from purchasing or holding Shares and at any time compulsorily redeem and/or cancel Shares held by Shareholders who are so excluded from purchasing or holding Shares.

Should a potential investor be (or continue to be) or continue to hold on behalf of an Ineligible Applicant, it will be liable to the Sub-Fund for any actions, proceedings, claims, costs, demands, charges, losses, damages or expenses and tax arising as a result of misrepresentation made to the AIFM or its delegate or will, under the terms of the Instrument of Incorporation, be called upon to indemnify the Sub-Fund for all actions, proceedings, claims, costs, demands, charges, losses, damages or expenses as a result of such misrepresentation.

6.1.12 Anti-Money Laundering and Counter Terrorist Financing Measures

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the investor's identity, address and source of funds and where applicable the beneficial owner on a risk sensitive basis and the ongoing monitoring of the business relationship in order to comply with Irish law anti-money laundering obligations. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family members, or persons known to be close associates of such persons, must also be identified.

By way of example an individual may be required to produce an original certified copy of a passport or identification card together with evidence of his/her address such as two original copies of evidence of his/her address, i.e. utility bills or bank statements (not more than six months old), date of birth and tax residence. 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), a certified copy of the corporate investor's authorised signatory list, the names, occupations, dates of birth and resident and business address of all directors. Depending on the circumstances of each application, a detailed verification might not be required where, for example, the application is made through a recognised intermediary located in a jurisdiction recognised by Ireland as having equivalent anti-money laundering protections.

The ICAV is regulated by the Central Bank, and must comply with the measures provided for in the Criminal Justice (Money Laundering & Terrorist Financing) Acts 2010 - 2021 which are aimed towards the prevention of money laundering. In order to comply with these anti-money laundering regulations, the Administrator, on the ICAV's behalf, will require from any subscriber or Shareholder a detailed verification of the identity of such subscriber or Shareholder, the identity of the beneficial owners of such subscriber or Shareholder, the source of funds used to subscribe for Shares, or other additional information which may be requested from any subscriber or Shareholder for such purposes from time to time. The ICAV and the Administrator each reserve the right to request such information as is necessary to verify the identity of an applicant and where applicable, the beneficial owner pursuant to the Beneficial Ownership Regulations 2016 (SI 560 of 2016) or as otherwise required.

None of the ICAV, the Directors, the AIFM or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed or payment of redemption proceeds is delayed in such circumstances.

6.1.13 Data Protection

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

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

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

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

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

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

6.1.14 Abusive Trading Practices

The ICAV generally encourages Shareholders to invest in the Sub-Funds as part of a medium to long-term investment strategy.

The AIFM seeks to deter and prevent certain trading practices, such as excessive short-term trading, sometimes referred to as "market timing" which may have a detrimental effect on the Sub-Funds and their Shareholders. To the extent that there is a delay between a change in the value of a Sub-Fund's investments, and the time when that change is reflected in the Net Asset Value of the Sub-Fund's Shares, the relevant Sub-Fund is exposed to the risk that investors may seek to exploit this delay by purchasing or redeeming Shares at Net Asset Values that do not reflect appropriate fair value prices. The AIFM seeks to deter and prevent this activity.

The AIFM seeks to monitor Shareholder account activities in order to detect and prevent excessive and disruptive trading practices. The ICAV reserves the right to restrict or refuse any subscription or switching transaction if it considers the transaction may adversely affect the interests of a Sub-Fund or its Shareholders. If an application is rejected, the Administrator, at the risk of the applicant, will return the application monies or the balance thereof, at the cost and risk of the applicant and without interest, by bank transfer to the account from which it was paid.

6.2 *Redemption of Shares*

6.2.1 **General – open-ended with limited liquidity or closed-ended Sub-Funds**

Specific terms for the redemption and exchange of Shares in Sub-Funds that are open-ended with limited liquidity or closed-ended may be set forth in the relevant Supplement. Where provided for in the relevant Supplement, such open-ended with limited liquidity or closed-ended Sub-Funds may provide for lock-up periods or impose additional or more restrictive conditions around redemptions than those relevant to open-ended Sub-Funds as provided for in this Prospectus.

6.2.2 **General – open-ended Sub-Funds**

Shareholders may redeem their Shares on a Redemption Day at the Redemption Price which shall be the Net Asset Value per Share, less Redemption Charge, if any and any applicable duties and charges (save during any period when the calculation of the Net Asset Value is suspended). Please see the section entitled "Suspension of Calculation of NAV" herein for further information in this regard.

6.2.3 **Redemption Requests**

Requests for the redemption of Shares should be made to the Administrator on behalf of the ICAV and may be submitted in original form or by fax and should include such information as may be specified from time to time by the Directors or their delegate. Requests for redemptions received prior to the Cut-Off Time for any Redemption Day will be processed on that Redemption Day. Any requests for redemptions received after the Cut-Off Time for a Redemption Day will be processed on the next Redemption Day unless the Directors in their absolute discretion otherwise determine to accept one or more redemption requests received after the Cut-Off Time for processing on that Redemption Day.

The Minimum Redemption Amount (if any) may vary according to the Sub-Fund or the Class of Share.

In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Shareholding, the ICAV may, if it thinks fit, compulsorily redeem the whole of the Shareholder's holding.

6.2.4 **Method of Payment**

The amount due on redemption of Shares will be paid by electronic transfer to the relevant Shareholder's account of record on the initial Application Form.

6.2.5 **Currency of Payment**

Shareholders will normally be repaid in the denominated currency of the relevant Class.

In the case of Classes that are denominated in a currency other than the Base Currency and are not identified as hedged, a currency conversion will take place on redemption at prevailing exchange rates. In the case of Classes of Shares denominated in a non-freely-convertible currency, redemption proceeds may be paid in a freely-convertible currency if the currency of the Class is not available. The rate of exchange used to convert the currency from the Base Currency of the Sub-Fund shall be that prevailing at the time of conversion and available to the ICAV and the expenses of such conversion shall be borne by the Shareholder. Please refer to Appendix I to this Prospectus (section entitled "Risk Factors; Currency Risk") for more details.

6.2.6 Timing of Payment

Payment of Redemption Proceeds will in respect of open-ended Sub-Funds normally be made by electronic transfer to the account of the redeeming Shareholder at the risk and expense of the Shareholder within three Business Days of the relevant Redemption Day unless otherwise specified in the relevant Supplement. In exceptional cases, (e.g. in case of longer settlement periods of the underlying assets) the issue of payment instructions by the Depositary may be effected up to 15 Business Days after the relevant Redemption Day. For open-ended with limited liquidity Sub-Funds please refer to the relevant Supplement.

In no event shall Redemption Proceeds be paid until such papers as may be required by the Directors have been received from the investor and all of the necessary anti-money laundering checks have been carried out, verified and received in original form.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of written instructions and appropriate original documentation from the relevant Shareholder.

6.2.7 Withdrawal of Redemption Requests

Requests for redemption may not be withdrawn after the Cut-Off Time save with the consent of the Directors or their delegate.

6.2.8 Deferred Redemptions

Unless otherwise specified in the relevant Supplement, if requests for redemption of 10% (in the case of open-ended Sub-Funds dealing more frequently than quarterly) or 25% (in the case of open-ended Sub-Funds with quarterly dealing), or more of the total number of Shares in issue of any Sub-Fund are received on any Redemption Day, the Directors may decide to defer redemptions in excess of the 10% / 25% threshold, as appropriate, in part or in whole until the next Redemption Day. The deferral of redemptions is to allow for the orderly disposal of assets by the relevant Sub-Fund in order to realise the proceeds required to meet such requests. Deferred redemptions shall be paid out on a pro rata basis with respect to the aggregate redemptions received on a particular Redemption Day in the relevant Sub-Fund taking into account any deferred redemptions from previous Redemption Day(s). Redemption requests which have not been dealt with because of such deferral will be given priority over requests subsequently received. Deferred redemptions shall be effected at the Net Asset Value per Share of the Redemption Day redemptions are paid out rather than the Net Asset Value per Share of when the relevant redemption requests were made.

For open-ended with limited liquidity Sub-Funds please refer to the relevant Supplement.

6.2.9 In Specie Redemptions

The Directors, in consultation with the AIFM, may, with the consent of the individual Shareholders, satisfy any request for redemption of Shares by the transfer to those Shareholders of assets of the relevant Sub-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.

A determination to provide redemption in specie may be solely at the discretion of the Directors where the repurchasing Shareholder requests redemption of a number of Shares that represents 5% or more of the Net Asset Value of the relevant Sub-Fund provided that any such Shareholder requesting redemption shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale less the costs of such sale which shall be borne by the relevant Shareholder.

The nature and type of assets to be transferred in specie to each Shareholder shall be determined by the Directors, in consultation with the AIFM, (subject to the approval of the Depositary as to the allocation of assets) on such basis as the Directors in their discretion shall deem equitable and provided the Depositary is satisfied that the terms of such exchange shall not be such as are likely to result in any material prejudice to the existing Shareholders in the relevant Sub-Fund or Class.

6.2.10 **Compulsory Redemption of Shares/Deduction of Tax**

Shareholders are required to notify the ICAV and the Administrator immediately if they become U.S. Persons or Ineligible Applicants and such Shareholders may be required to sell or transfer their Shares. The ICAV may redeem any Shares which are or become owned, directly or indirectly, by or for the benefit of any Ineligible Applicants. The ICAV may apply the proceeds of such compulsory redemption 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.

When a redemption request has been submitted by an investor who is or is deemed to be an Irish Resident or a person Ordinarily Resident in Ireland or is acting on behalf of an Irish Resident or person Ordinarily Resident in Ireland, the ICAV shall deduct from the Redemption Proceeds an amount which is equal to the tax payable by the ICAV to the Irish Tax Authorities in respect of the relevant transaction. The attention of investors in relation to the section of this Prospectus entitled "Taxation" and in particular the section headed "Irish Taxation" which details circumstances in which the ICAV shall be entitled to deduct from payments to Shareholders who are Irish Resident or Irish Ordinarily Resident amounts in respect of liability to Irish taxation including any penalties and interest thereon and/or compulsorily redemption Shares to discharge such liability. Relevant Shareholders will be required to 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.

In addition, all of the Shares of any Class or any Sub-Fund may be redeemed:

(k) if at any time the Net Asset Value of the relevant Sub-Fund shall be less than the Minimum Sub-Fund Size (if any) determined by the Directors in respect of that Sub-Fund and set out in the relevant Supplement

(l) on the giving by the ICAV of not less than four nor more than twelve weeks' notice expiring on a Redemption Day to Shareholders of the relevant Sub-Fund or Class of its intention to redeem such Shares; or

(m) in the case of an open-ended Sub-Fund or an open-ended with limited liquidity Sub-Fund, if the holders of 75% in value of the relevant Class or Sub-Fund resolve at a meeting of the Shareholders 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 Sub-Fund or Class or the liquidation of the ICAV.

Please refer also to section 10 for a summary of provisions in the Instrument of Incorporation in relation to the circumstances where a Sub-Fund may be terminated in relation to procedures for the winding up of the ICAV.

6.3 ***Conversion of Shares***

6.3.1 **General**

The general provisions and procedures relating to the issue and redemption of Shares will apply equally to conversions, save in relation to charges payable, details of which are set out below and in the relevant Supplement. When requesting the conversion of Shares, Shareholders should ensure that the value of the Shares converted is equal to, or exceeds, the Minimum Initial Investment Amount for the relevant Class specified in the Supplement for the relevant Sub-Fund. In the case of a conversion of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Shareholding for the Class. The number of Shares of the Class to be issued will be calculated in accordance with the following formula:

A = <u>(B x C X D)</u>

E

Where:

- A is the number of Shares to be allocated in the new Sub-Fund/Class
- B is the number of Shares to be converted in the original Sub Fund/Class
- C is the net asset value on the applicable Valuation Day of the Shares to be converted in the initial Sub-Fund/Class
- D is the exchange rate applicable on the effective transaction day for the currencies of the two Sub-Funds/Classes
- E is the net asset value on the applicable Valuation Day of the Shares to be allocated in the new Sub-Fund/Class

A Conversion Charge may be charged by the ICAV on the conversion of Shares. Details of any Conversion Charge will be set out in the relevant Supplement.

Conversion requests may not be withdrawn save with the consent of the Directors or their delegate.

6.3.2 **Requests for Conversion between Classes in the same Sub-Fund**

Requests for conversions between different Classes in the same Sub-Fund can be made for any Valuation Day for the relevant Sub-Fund and will be processed on that Valuation Day, provided the request is received in good order prior to 12:00 CET one Business Day prior to any Valuation Day. Requests received after such time will be deferred to the next Valuation Day unless the Directors in their absolute discretion otherwise determine to accept one or more conversion requests received after the Cut-Off Time for processing on that Conversion Day.

6.3.3 **Requests for Conversion between Classes in Different Open-Ended Sub-Funds**

Requests for conversions between Classes in different open-ended Sub-Funds received in good order prior to the conversion request cut-off time prior to any common Conversion Day as specified for each Sub-Fund in the relevant Supplement will be processed on the common Conversion Day of both Sub-Funds. Requests received after such time on any common Conversion Day will be deferred to the following common Conversion Day unless the Directors in their absolute discretion otherwise determine to accept one or more conversion requests received after the Cut-Off Time for processing on that Conversion Day.

The number of Shares issued upon conversion will be based upon the respective net asset value of the Shares of the relevant Sub-Funds on the Valuation Day in respect of which the conversion request is accepted.

For open-ended with limited liquidity or closed-ended Sub-Funds please refer to the relevant Supplement.

6.3.4 **Restrictions on Conversion**

Additionally, if requests for conversions of 10% (in the case of open-ended Sub-Funds dealing more frequently than quarterly) or 25% (in the case of open-ended Sub-Funds dealing quarterly), or more of the total number of Shares in issue of any Sub-Fund are received on any Conversion Day, the Board of Directors may decide that conversions in excess of the 10% / 25% threshold, as appropriate, shall be deferred in the same manner as deferred redemptions (see Section 6.2.7 “Deferred Redemptions”).

Shares may not be converted to Shares of a different Class during any period when the calculation of the Net Asset Value of the relevant Sub-Fund or Sub-Funds is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Applicants for conversion of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Conversion Day following the ending of such suspension.

The Directors may, at their discretion, refuse to effect a conversion request without giving any reason for such refusal. In addition, restrictions may apply on making conversions between certain Classes as may be set out in the relevant Supplement(s).

For open-ended with limited liquidity or closed-ended Sub-Funds please refer to the relevant Supplement.

6.4 *Transfers of Shares*

Subject to any specific restrictions contained in the relevant Supplement, Shares are freely transferable and may be transferred in writing in a form approved by the Directors and signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferee and the transferor. Prior to the registration of any transfer, transferees, who are not existing Shareholders, must complete an Application Form and provide any other documentation (e.g. as to identity) reasonably required by the Directors or the Administrator. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the ICAV as having any title to or interest in the Shares registered in the names of such joint Shareholders.

7 VALUATION OF ASSETS

7.1 *Calculation of Net Asset Value*

The AIFM is responsible for ensuring that the Net Asset Value per Share is calculated and disclosed to Shareholders. The procedures and methodology for calculating the Net Asset Value per Share are summarised below. As part of its control function, the AIFM shall regularly verify and update as necessary these calculation procedures and methodologies.

The Instrument of Incorporation provides for the Administrator to calculate the Net Asset Value, the Net Asset Value per class and the Net Asset Value per Share as of each Valuation Day, and for the AIFM or the duly appointed external valuer to determine the value of the each Sub-Fund's assets. Any duly appointed external valuer shall be liable to the AIFM for any losses suffered by the AIFM as a result of its negligence in performing the external valuer tasks or its intentional failure to perform such tasks.

The AIFM is responsible for ensuring that proper and independent valuation of the assets of the ICAV can be performed. The assets and liabilities of each Sub-Fund will be valued in accordance with the valuation policy of the AIFM consistent with the provisions outlined below. Specific details on the method of valuation of the assets and liabilities of the ICAV are set out in the valuation policy of the AIFM.

The Net Asset Value of a Sub-Fund shall be expressed in the Base Currency in which the Shares are designated or in such other currency as the AIFM may determine either generally or in relation to a particular Class or in a specific case, and shall be calculated by ascertaining the value of the assets of the Sub-Fund and deducting from such value the liabilities of the Sub-Fund as at the relevant Valuation Day.

The Net Asset Value per Share of a Sub-Fund will be calculated by dividing the Net Asset Value of the Sub-Fund by the number of Shares in the Sub-Fund then in issue or deemed to be in issue as at the relevant Valuation Day and rounding the result mathematically to two decimal places or such other number of decimal places as may be determined by the AIFM from time to time.

In the event that the Shares of any Sub-Fund are further divided into Classes, the Net Asset Value per Class shall be determined by notionally allocating the Net Asset Value of the Sub-Fund amongst the Classes making such adjustments for subscriptions, redemptions, fees, dividend accumulation or distribution of income and the expenses, liabilities or assets attributable to each such Class (including the gains/losses on and costs of financial instruments employed for currency hedging between the currencies in which the assets of the Sub-Fund are designated and the designated currency of the Class, which gains/losses and costs shall accrue solely to that Class) and any other factor differentiating the Classes determined by the AIFM. The Net Asset Value of the Sub-Fund, as allocated between each Class, shall be divided by the number of Shares of the relevant Class which are in issue or deemed to be in issue and rounding the result mathematically to two decimal places as determined by the Directors or such other number of decimal places as may be determined by the Directors from time to time.

The Instrument of Incorporation provides for the correct allocation of assets and liabilities amongst each Sub-Fund. The Instrument of Incorporation provides for the method of valuation of the assets and liabilities of each Sub-Fund and of the Net Asset Value of each Sub-Fund.

Unless otherwise specified in the relevant Supplement the value of the assets and liabilities of a Sub-Fund will be determined at the end of the relevant Valuation Day.

The actual calculation of the value of the assets will take place on the following Business Day and is determined as follows:-

7.1.1 Unless otherwise specified in the relevant Supplement, assets listed or traded on a recognised exchange (other than those referred to at 7.1.4 below) for which market quotations are readily available shall be valued at the closing mid-market price. Where a security is listed or dealt in on more than one recognised exchange, the relevant exchange or market shall be the principal stock exchange or market on which the security is listed or dealt on or the exchange or market which the AIFM determines provides the fairest criteria in determining a value for the relevant investment. Assets listed or traded on a recognised exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Day provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.

7.1.2 The value of any security which is not quoted, listed or dealt in on a recognised exchange, or which is so quoted, listed or dealt but for which no such quotation or value is available, or the available quotation or value is not representative of the fair market value, shall be the probable realisation value as estimated with care and good faith by (i) the AIFM or (ii) a connected delegate of the AIFM or duly appointed external valuer. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined using matrix methodology compiled by the AIFM or a connected delegate of the AIFM or duly appointed external valuer whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.

7.1.3 Cash in hand or on deposit will be valued at its nominal/face value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Day occurs.

7.1.4 Notwithstanding paragraph 7.1.1 above, units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if listed or traded on a recognised exchange, in accordance with 7.1.1 above.

7.1.5 Exchange-traded derivative instruments will be valued at the closing price for such instruments on such market as at the relevant Valuation Day. If such price is not available, such value shall be the probable realisation value estimated with care and in good faith by a connected delegate of the AIFM or duly appointed external valuer appointed by the AIFM. Over-the-counter derivative contracts will be valued daily on the basis of a quotation from an independent pricing vendor or will be the probable realisation value estimated with care and in good faith by a connected delegate of the AIFM or duly appointed external valuer. Forward foreign exchange and interest rate swap contracts shall be valued in the same manner as OTC derivative contracts (as above), or by reference to freely available market quotations.

7.1.6 Notwithstanding the provisions of paragraphs 7.1.1 to 7.1.5 above:-

7.1.6.1 The AIFM or its delegate may, at its discretion in relation to any particular Sub-Fund which is a short-term money market fund, value any investment using the amortised cost method of valuation where such collective investment schemes comply with the Central Bank's requirements for short-term money market Sub-Funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines.

7.1.6.2 The AIFM or its delegate may, at its discretion, in relation to any particular Sub-Fund which is a money market fund or which is not a money market fund but which invests in Money Market Instruments, value any investment on the basis of the amortised cost method, provided that each such security being valued using the amortised cost basis of valuation shall be carried out in accordance with the Central Bank's requirements.

7.1.7 Notwithstanding the generality of the foregoing, the AIFM may adjust the value of any investment if, taking into account currency, marketability and/or such other considerations as they may deem relevant, such as applicable rate of interest, anticipated rate of dividend, maturity or liquidity, they consider that such adjustment is required to reflect the fair value thereof. The rationale for adjusting the value must be clearly documented.

7.1.8 Any value expressed otherwise than in the Base Currency of the relevant Sub-Fund shall be converted into the Base Currency of the relevant Sub-Fund at the prevailing exchange rate which the AIFM or its delegate shall determine to be appropriate.

7.1.9 If the AIFM deems it necessary, a specific investment may be valued under an alternative method of valuation and the rationale/methodologies used must be clearly documented.

7.2 *Swing Pricing Mechanism*

A Sub-Fund may suffer a reduction in value, known as "dilution" when trading the underlying investments as a result of net inflows or net outflows of the respective Sub-Fund. This is due to transaction charges and other costs that may be incurred by liquidating and purchasing the underlying assets and the spreads between the buying and selling prices. In order to counter this effect and to protect Shareholders' interests the AIFM may adopt a swing pricing mechanism. This means that in certain circumstances the AIFM may make adjustments to the Net Asset Value per Share to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

If on any Valuation Day, the aggregate net investor(s) transactions in a Sub-Fund exceed a pre-determined threshold, the Net Asset Value per Share may be adjusted upwards or downwards to reflect the costs attributable to the net inflows and net outflows respectively. Typically, such adjustments will increase the Net Asset Value per Share when there are net subscriptions into the Sub-Fund and decrease the Net Asset Value per Share when there are net redemptions out of the Sub-Fund. The AIFM is responsible for setting the threshold, which will be a percentage of the net assets of the respective Sub-Fund. The threshold is based on objective criteria such as the size of a Sub-Fund and the dealing costs for a Sub-Fund, and may be revised from time to time.

The swing pricing mechanism may be applied across all Sub-Funds of the ICAV. The percentage by which the Net Asset Value is adjusted will be set by the Directors or their delegate and subsequently reviewed on a periodic basis to reflect an approximation of current dealing and other costs. The extent of the adjustment may vary from Sub-Fund to Sub-Fund due to different transaction costs in certain jurisdictions on the sell and the buy side, but may not exceed 2% of the original Net Asset Value per Share.

The Net Asset Value per Share of each Class in a Sub-Fund will be calculated separately but any adjustment will be made on Sub-Fund level and in percentage terms, equally affecting the Net Asset Value per Share of each Class. If swing pricing is applied to a Sub-Fund on a particular Valuation Day, the Net Asset Value adjustment will be applicable to all transactions placed on that day.

Investors are advised that the volatility of the Sub-Fund's Net Asset Value might not reflect the true portfolio performance as a consequence of the application of swing pricing.

7.3 *Suspension of Calculation of Net Asset Value*

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Sub-Fund and the subscription, redemption and conversion of Shares and the payment of Redemption Proceeds:

7.3.1 during any period when any of the markets or stock exchanges on which a substantial portion of the assets of the relevant Sub-Fund are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or

7.3.2 during any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the AIFM, disposal or valuation of a substantial portion of the assets of the relevant Sub-Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Sub-Fund or if, in the opinion of the Directors, the Net Asset Value of the Sub-Fund cannot be fairly calculated; or

7.3.3 during any breakdown in the means of communication normally employed in determining the price of a substantial portion of the assets of the relevant Sub-Fund, or when, for any other reason the current prices on any market or stock exchanges of any of the assets of the relevant Sub-Fund cannot be promptly and accurately ascertained; or

7.3.4 any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the relevant Sub-Fund or the remaining Shareholders in the relevant Sub-Fund; or

7.3.5 any period (other than ordinary holiday or customary weekend closings) when any market or exchange which is the main market or exchange for a significant part of the instruments or positions is closed, or in which trading thereon is restricted or suspended; or

7.3.6 any period when proceeds of any sale or redemption of the Shares cannot be transmitted to or from the account of the relevant Sub-Fund; or

7.3.7 any period in which the redemption of the Shares would, in the opinion of the Directors, result in a violation of applicable laws; or

7.3.8 during any period during which any transfer of funds involved in the realisation or acquisition of assets or payments due on the redemption of Shares of the relevant Sub-Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or

7.3.9 during any period when the AIFM is unable to repatriate funds required for the purpose of making payments due on the redemption of Shares in the relevant Sub-Fund; or

7.3.10 any other circumstance or circumstances beyond the control and responsibility of the Directors where a failure to do so might result in the Sub-Fund or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Sub-Fund or its Shareholders might not otherwise have suffered; or

7.3.11 during any period when in the opinion of the Directors such suspension is justified having regards to the best interests of the ICAV and/or the relevant Sub-Fund; or

7.3.12 following the circulation to Shareholders of a notice of a general meeting at which a resolution proposing to wind up the ICAV or terminate the relevant Sub-Fund is to be considered.

Unless withdrawn but subject to the limitation referred to above, pending subscription, redemption and conversion requests will be dealt with on the first relevant Subscription Day, Redemption Day or Conversion Day as appropriate after the suspension is lifted.

Any such suspension shall be published by the ICAV in such manner as it may deem appropriate to the persons likely to be affected thereby if, in the opinion of the ICAV or the AIFM, such suspension is likely to continue for a period exceeding fourteen days. Any suspension shall be notified immediately and in any event within the same Business Day to the Central Bank. Where possible, all reasonable steps will be taken to bring the period of suspension to an end as soon as possible.

8 FEES AND EXPENSES

The ICAV may pay out of the assets of each Sub-Fund the fees and expenses as described below.

8.1 *AIFM Fees*

The AIFM shall be entitled to receive from the ICAV a fee in relation to each Sub-Fund or Class as specified in the relevant Supplement. The AIFM fee shall be calculated and accrued daily and payable monthly in arrears.

The AIFM may be paid different fees in respect of individual Classes as disclosed in the relevant Supplement which may be higher or lower than the fees applicable to other Classes.

The AIFM may from time to time, at its sole discretion and out of its own resources, decide to rebate to Shareholders part or all of its AIFM fee and/or performance fee. Any such rebates may be applied by issuing additional Shares to Shareholders or in cash.

The AIFM shall also be entitled to be repaid out of the assets of the relevant Sub-Fund for all of its reasonable out-of-pocket expenses incurred on behalf of the relevant Sub-Fund.

The AIFM may discharge from its own fees the fees of the Investment Manager. Alternatively, details of any fees payable directly out of the assets of any Sub-Fund to the Investment Manager will be disclosed in the relevant Supplement.

The AIFM will pay directly out of its own resources for all research (as defined by the rules of the CSSF) received from third parties in connection with its services to the ICAV.

8.2 *Performance Fees – Open ended Sub-Funds and open ended with limited liquidity Sub-Funds*

Where specified in the relevant Supplement, the AIFM is also entitled to receive, at the end of each calendar year or as may be specified in the relevant Supplement and upon a Shareholder's redemption, a Performance Fee from the Sub-Fund (the "Performance Fee") with respect to such period (a "Calculation Period").

The Performance Fee is deemed to accrue as of each Valuation Day and will be calculated before deduction for any accrued Performance Fee. The Performance Fee will be calculated with respect to each Calculation Period, and the first Calculation Period will commence on the date the Sub-Fund begins operations and will end on December 31 of that calendar year or as may be specified in the relevant Supplement. The Initial Issue Price will be taken as the starting price for the calculation of the Performance Fee (i.e. the Performance Fee will only be paid on the subsequent outperformance by the Net Asset Value per Share of the Initial Issue Price).

A transfer of Shares in the relevant Sub-Fund will be treated as a redemption by the transferor and a subscription by the transferee on the date of the transfer at the Net Asset Value per Share for the relevant Class at the most recent Valuation Day for the purposes of computing the Performance Fee due with respect to the transferred Shares, subject to the Directors' discretion to determine otherwise in any particular case.

In the event that a Shareholder redeems or exchanges its Shares (in whole or in part, either at the election of the Shareholder or as may be required in the discretion of the Directors) at any time other than at the end of the relevant Calculation Period, the Performance Fee will be paid with respect to such Shareholder's Shares (or, in the event of a partial exchange or redemption, such portion of the exchanged or redeemed Shares) at the time of such redemption or exchange as though it were being made at the end of the relevant Calculation Period. This may result in the Shareholder being charged a Performance Fee during the year even though the appreciation of the Shareholder's Net Asset Value per Share is not based on the entire year's performance (i.e., due to losses which occur after a redemption or exchange).

8.2.1 *Performance Fee Calculation – Open ended Sub-Funds and open ended with limited liquidity Sub-Funds*

The Performance Fee will be paid in an amount equal to the "Performance Fee Rate" (as specified in the relevant Supplement) of the increase in the Net Asset Value per Share above the greater of (i) the Initial Issue Price; and (ii) the highest Net Asset Value per Share of the relevant Class achieved at the end of any Calculation Period during which such Share was in issue (the "Base Net Asset Value per Share").

There are two Performance Fee mechanisms that may be employed in respect of each Sub-Fund, namely "'equalised" performance fees and "unequalised" performance fees. The calculation methodology varies under each mechanism as described below.

The calculation of the Performance Fee is verified by the Depositary or by a competent person appointed by the AIFM and approved for the purpose by the Depositary.

8.2.2 *Equalised Performance Fees – Open ended Sub-Funds and open ended with limited liquidity Sub-Funds*

Subscribing for Shares at a time when Net Asset Value per Share is other than the greater of the (i) Initial Issue Price of the relevant Class and (ii) highest Net Asset Value per Share of the relevant Class as of the end of any preceding Calculation Period (such greater amount, the "Peak Net Asset Value per Share") could, absent any adjustment, advantage or disadvantage such a subscribing Shareholder relative to the other Shareholders and/or the AIFM with respect to the amount of Performance Fee owed on such Shares depending on whether the Net Asset Value per Share at the time of subscription is higher or lower than the Peak Net Asset Value. The relevant Sub-Fund will address such possibilities with the "equalization method" of accounting, which is intended to ensure that (i) any Performance Fee paid to the AIFM is charged only to those Shares that have appreciated in value appropriate to the terms of the relevant Class, (ii) all holders of the relevant Class have the same amount of capital per Share at risk in the Sub-Fund and (iii) all Shares of the relevant Class have the same Net Asset Value per Share.

Where Shareholders have subscribed for Shares in the Performance Fee-paying Classes denoted by "(Perf)", the Performance Fee will be calculated using the "equalization method" of accounting.

Calculation of Equalization Credit.

When the Net Asset Value per Share is higher than the Peak Net Asset Value per Share of the relevant Class at the time of subscription, the Shareholder, absent any adjustment and to its disadvantage, will be required to pay a Performance Fee on appreciation of the Net Asset Value per Share which occurred prior to such Shareholder's ownership of the Shares. In order to ensure that the Performance Fee is equitably charged, the Investor at the time of subscription will pay in addition to the subscription price based on the Net Asset Value per Share an "Equalization Credit" equal to the relevant Class's Performance Fee Rate of any excess of such Net Asset Value per Share over Peak Net Asset Value. At the date of subscription, the Equalization Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Sub-Fund (the "Maximum Equalization Credit"). The Equalization Credit is payable to account for the fact that the Net Asset Value per Share of the relevant Class would otherwise be higher but has been reduced by the accrued Performance Fee with respect to existing Shareholders in such Class.

The additional amount invested as the Equalization Credit will be at risk in the Sub-Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalization Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Share of those Shares, the Equalization Credit will also be reduced by an amount equal to the relevant Performance Fee Rate of the difference between the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalization Credit but only to the extent of the previously reduced Equalization Credit up to the Maximum Equalization Credit.

At the end of each Calculation Period, if the Net Asset Value per Share (before accrual for the Performance Fee) exceeds the prior Peak Net Asset Value per Share of the relevant Class, that portion of the Equalization Credit equal to the relevant Performance Fee Rate of the excess, multiplied by the number of Shares of such Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of such Class for the Shareholder. Additional Shares of such Class will continue to be so subscribed for at the end of each Calculation Period until the Equalization Credit, as it may have appreciated or depreciated in the Sub-Fund after the original subscription for Shares of such Class was made, has been fully applied.

If the Shareholder redeems its Shares of such Class before any applicable Equalization Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalization Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of such Class being redeemed and the denominator of which is the number of Shares of such Class held by the Shareholder immediately prior to the redemption in respect of which an Equalization Credit was paid on subscription.

Performance Fee Redemption.

When the Net Asset Value per Share is less than the Peak Net Asset Value per Share of the relevant Class at the time of subscription, the Shareholder, absent any adjustment and to the disadvantage of the other Shareholders and the AIFM, would not pay a Performance Fee on the appreciation (if any) of such Shares up to the Peak Net Asset Value. In order to ensure that the Performance Fee is equitably charged among Shareholders, such a Shareholder will be required to pay to the AIFM a “Performance Fee Redemption” equal to the relevant Performance Fee Rate of the appreciation in value between the lower Net Asset Value per Share at the time of subscription and the Peak Net Asset Value. The Performance Fee Redemption will be effected through the redemption of the number of the Shareholder’s Shares of the relevant Class that have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to the relevant Performance Fee Rate of any such appreciation.

The Performance Fee Redemption will be payable at the end of any applicable Calculation Period until the Performance Fee Redemption, as measured as of the time of subscription, has been fully assessed with respect to such Shareholders.

8.2.3 ***Unequalised Performance Fees – Open ended Sub-Funds and open ended with limited liquidity Sub-Funds***

Where Shareholders have subscribed for Shares in the Performance Fee-paying Classes denoted by “(CPerf)", the Performance Fee will not be calculated using the “equalization method” of accounting and therefore does not apply any Equalization Credit or Performance Fee Redemption at the individual Shareholder level.

The Performance Fee for Class “(CPerf)” Shares is calculated from the day that the first investor makes an initial investment in the Class or, if applicable, the December 31 of that calendar year or as may be specified in the relevant Supplement at which a Performance Fee was crystallised for the Class.

8.2.4 ***Performance fees – closed ended Sub-Funds***

Details of any performance fees payable in respect of closed-ended Sub-Funds shall be set out in the relevant Supplement.

8.3 ***Administrator and Depositary Fees***

The Administrator shall be paid, for services provided as part of the Administration Agreement, an annual fee out of the assets of each Sub-Fund, calculated and accrued daily and payable monthly in arrears at a rate which shall not exceed 0.50% per annum of the Net Asset Value of the Sub-Fund plus VAT, if any, thereon. The Depositary shall be paid, for services provided as part of the Depositary Agreement, an annual fee out of the assets of each Sub-Fund, calculated and accrued daily and payable monthly in arrears at a rate which shall not exceed 0.50% per annum of the Net Asset Value of the Sub-Fund plus VAT, if any, thereon.

8.4 ***Fixed Expenses***

For certain Sub-Funds, the aggregate amount charged for the fees and expenses described under “Operating Expenses and Fees” below in relation to each Class, with the exception of any fees or expenses payable to the AIFM, shall be fixed at a certain annualized percentage rate of the assets of the relevant

Class, as determined by the Directors ("**Fixed Expenses**"). Fixed Expenses will be payable monthly in arrears. The fixed rate of such fees and expenses for each Class, where applicable, will be set forth in the relevant Supplement. Any fees and expenses that exceed such fixed rate shall be borne by the AIFM.

8.5 *Capped Expenses*

For certain Sub-Funds, the aggregate amount charged for the fees and expenses described under "Operating Expenses and Fees" below in relation to each Class, with the exception of any fees or expenses payable to the AIFM, shall be capped at a certain annualized percentage rate of the assets of the relevant Class, as determined by the Directors ("**Capped Expenses**"). The capped rate of such fees and expenses for each Class, where applicable, will be set forth in the relevant Supplement. Any fees and expenses that exceed such capped rate shall be borne by the AIFM; however, in the years following payment by the AIFM of such amounts in excess of such capped rate (the "**Subsidy**"), where such capped rate is not reached the AIFM shall be entitled to claw back any Subsidy previously paid, up to the level of the capped rate, on a rolling basis, unless otherwise provided in the relevant Supplement.

To the extent that there is no outstanding Subsidy balance, as described above, in the event that the amount of such fees and expenses incurred with respect to a particular Class is less than the capped rate, the amount charged to the Class will be the actual amount of such fees and expenses incurred.

8.6 *Directors' Fees*

Unless and until otherwise determined from time to time by the ICAV in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. At the date of this Prospectus, the fee per Director shall be €20,000 or €25,000 for any Director appointed to the role of Chairperson plus VAT, if any, per annum. Directors who are employees of the AIFM shall waive their entitlement to receive a fee. Any additional fees necessitated by the addition of new Sub-Funds shall be apportioned equally among the new Sub-Funds and, to the extent they do not impact on Shareholders in existing Sub-Funds (on the basis that such additional fees are attributed to new Sub-Funds only), will not be subject to existing Shareholder approval. To the extent that any such additional fees do materially impact existing Shareholders, such existing Shareholders will be notified in advance of any such additional fees. In addition, any such additional fees shall be disclosed in the relevant Supplement. All Directors will be entitled to reimbursement by the ICAV of expenses properly incurred in connection with the business of the ICAV or the discharge of their duties. Directors' fees shall be payable semi-annually in arrears and shall be apportioned equally among the Sub-Funds.

8.7 *Paying Agent Fees*

Fees and expenses of any Paying Agents appointed by the ICAV, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the ICAV or the Sub-Fund in respect of which a Paying Agent has been appointed.

8.8 *Establishment Expenses*

All fees and expenses relating to the establishment, organisation and authorisation of the ICAV and the BlueBay Global Investment Grade Corporate Bond Fund C-1, BlueBay Diversified Alternative Credit Fund and BlueBay Emerging Market Local Currency Corporate Bond Fund C-1 (the "**Initial Sub-Funds**") 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 of the ICAV and the Initial Sub-Funds are not expected to exceed €100,000 and may be amortised over the first five years of the ICAV or such other period as the Directors, in consultation with the AIFM, may determine and in such manner as the Directors, in consultation with the AIFM, in their absolute discretion, deem fair.

Each subsequent Sub-Fund will bear its own establishment expenses. Such fees and expenses are not expected to exceed €20,000 per Sub-Fund and may be amortised over the first five years of the Sub-Fund or such other period as the Directors, in consultation with the AIFM, may determine and in such manner as the Directors, in consultation with the AIFM, in their absolute discretion, deem fair.

8.9 *Operating Expenses and Fees*

The ICAV and/or each Sub-Fund and, where expenses or liabilities are attributable specifically to a Class, such Class shall bear the following expenses and liabilities or, where appropriate, its pro rata share thereof subject to adjustment to take account of expenses and/or liabilities attributable to one or more Classes:

8.9.1 all fees and expenses payable to or incurred by the Administrator, the Depositary, the AIFM, the Secretary, the Investment Manager, any sub-investment manager, adviser, sub-distributor(s), dealer, Paying Agent or local representatives (which will be at normal commercial rates), sub-custodian (which will be at normal commercial rates), money laundering reporting officer, correspondent bank, fiscal representative or other supplier of services to the ICAV appointed by or on behalf of the ICAV or with respect to any Sub-Fund or Class and their respective delegates;

8.9.2 all duties, taxes or government charges which may be payable on the assets, income or expenses of the ICAV;

8.9.3 all brokerage, bank fees, charges and commissions incurred by or on behalf of the ICAV in the course of its business;

8.9.4 all regulatory and compliance consultancy fees and other professional advisory fees incurred by the ICAV or by or on behalf of its delegates;

8.9.5 all transfer fees, registration fees and other charges whether in respect of the constitution or increase of the assets or the creation, conversion, sale, purchase or transfer of Shares or the purchase or sale or proposed purchase or sale of assets or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation, but not including commission payable on the issue and/or redemption of Shares;

8.9.6 all expenses incurred in connection with the operation and management of the ICAV, including, without limitation to the generality of the foregoing, all Directors' fees and expenses, all costs incurred in organising Directors' meetings and in obtaining proxies in relation to such meetings, all insurance premiums including any policy in respect of directors' and officers' liability insurance cover and association membership dues and all non-recurring and extraordinary items of expenditure as may arise;

8.9.7 the remuneration, commissions and expenses incurred or payable by the ICAV, if any, in the marketing, promotion and distribution of Shares including without limitation commissions payable to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares in the ICAV and the costs and expenses incurred or payable by the ICAV, if any, of preparation and distribution of all marketing material and advertisements;

8.9.8 all fees and expenses connected with the preparation, publication and supply of information to Shareholders and the public including, without limitation, the cost of preparing, translating, printing, distributing the Prospectus and any addenda or supplements and any periodic updates thereof, marketing literature, any report to the Central Bank or any other regulatory authority, the annual audited report and any other periodic reports and the calculation, publication and circulation of the Net Asset Value per Share, certificates, confirmations of ownership and of any notices given to Shareholders in whatever manner;

8.9.9 all fees and expenses incurred in connection with the convening and holding of Shareholders' meetings;

8.9.10 all Central Bank filings, statutory or regulatory fees and/or levies;

8.9.11 all fees and expenses incurred or payable in registering and maintaining a Sub-Fund or Class registered with any and all government agencies and/or regulatory authority and/or rating agencies, clearance and/or settlement systems and/or any exchanges in any various countries and jurisdictions including, but not limited to, filing and translation expenses;

8.9.12 all fees and expenses incurred or payable in listing and in maintaining or complying with the requirements for the listing of the Shares on the Irish Stock Exchange (or other exchange to which Shares may be admitted);

8.9.13 all legal and other professional fees and expenses incurred by the ICAV or by or on behalf of its delegates in any actions taken or proceedings instituted or defended to enforce, protect, safeguard, defend or recover the rights or property of the ICAV;

8.9.14 all other liabilities and contingent liabilities of the ICAV of whatsoever kind and all fees and expenses incurred in connection with the ICAV's operation and management including, without limitation, interest on borrowings, all secretarial expenses and all regulatory fees;

8.9.15 all fees and expenses of the Auditors, tax, legal and other professional advisers and any valuer or other supplier of services to the ICAV;

8.9.16 the costs of any amalgamation or restructuring of the ICAV or any Sub-Fund;

8.9.17 the costs of liquidation or winding up the ICAV or terminating any Sub-Fund;

8.9.18 all other fees and all expenses incurred in connection with the ICAV's operation and management;

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 and any such deferral of fees shall not be carried forward to subsequent accounting periods. An estimated accrual for operating expenses of the ICAV will be provided for in the calculation of the Net Asset Value of each Sub-Fund. Operating expenses and the fees and expenses of service providers which are payable by the ICAV shall be borne by all Sub-Funds in proportion to the Net Asset Value of the relevant Sub-Fund or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Sub-Fund or Class shall be borne solely by the relevant Sub-Fund or Class.

Where an expense is not considered by the Directors to be attributable to any one Sub-Fund, the expense will normally be allocated to all Sub-Funds in proportion to the Net Asset Value of the Sub-Funds or otherwise on such basis as the Directors deem fair and equitable.

For the avoidance of doubt, unless a Fixed Fee or a Capped Fee is set forth in the relevant Supplement, all Operating Expenses and Fees applicable to a Sub-Fund will be payable out of the assets of the relevant Sub-Fund.

8.10 *Entry/Exit Charges and Swing Pricing*

8.10.1 Subscription Charge

Where provided for in the relevant Supplement, Shareholders may be subject to a Subscription Charge. Such charge may be applied as a preliminary one-off charge. Details of any Subscription Charge payable shall be specified in the relevant Supplement.

8.10.2 Redemption Charge

Shareholders may be subject to a Redemption Charge if provided for in the relevant Supplement.

8.10.3 Conversion Charge

Shareholders may be subject to a Conversion Charge on the conversion of any Shares if provided for in the relevant Supplement.

8.10.4 Swing Pricing

The Directors may adopt a swing pricing mechanism as part of a Sub-Fund's valuation policy. This may result in the Net Asset Value per Share being adjusted upwards or downwards to reflect the costs attributable to the net inflows and net outflows respectively. Please refer to the section entitled "7.2 Swing Pricing Mechanism" for further details.

8.11 *Extraordinary Expenses*

The ICAV shall be liable for Extraordinary Expenses including, without limitation, expenses relating to litigation costs and any tax, levy, duty or similar charge imposed on the ICAV or its assets that would otherwise not qualify as ordinary expenses. Extraordinary Expenses are accounted for on a cash basis and are paid when incurred or invoiced on the basis of the Net Asset Value of each Sub-Fund to which they are attributable. Extraordinary Expenses are allocated across each Class of Shares on a pro-rata basis.

8.12 Increase to fees for closed-ended Funds

The following fees in respect of a closed-ended Sub-Fund:

- the maximum Repurchase Charge; or
- the maximum annual AIFM Fee; or
- the maximum Investment Management Fee (where such fee is payable out of the assets of the relevant closed-ended Sub-Fund)

shall not be increased without the prior approval of Shareholders on the basis of (i) 75% (in the case of a closed-ended Sub-Fund where there this no opportunity for Shareholders to redeem or otherwise exit the Sub-Fund) or 50% (in the case of a closed-ended Sub-Fund where there is an opportunity for Shareholders to redeem or otherwise exit the Sub-Fund) of votes cast at a meeting of the Shareholders of the particular Sub-Fund duly convened and held or (ii) with the prior written approval of all Shareholders of the relevant Sub-Fund.

9 TAXATION

9.1 *General*

The following is a summary of relevant Irish tax law. It does not purport to be a complete analysis of all tax considerations relating to the holding of Shares. These disclosures are for the purpose of providing general assistance only, are not intended to be a substitute for the advice of independent tax and legal advisors, and should not be interpreted as legal or tax advice. The income tax laws discussed below are subject to change, and any such changes might affect the tax considerations discussed below. Shareholders and potential investors must consult independent professional tax and legal advisors concerning possible taxation or other consequences of purchasing, holding, selling, exchanging or otherwise disposing of Shares under the laws of their country of incorporation, establishment, citizenship, residence, ordinary residence or domicile. There is no assurance that Irish or other tax authorities will agree with the statements described herein.

The following statements on taxation are with regards to the law and practice in force in Ireland at the date of this document and do not constitute legal or tax advice to Shareholders or prospective Shareholders. 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 in a Sub-Fund of the ICAV is made will endure indefinitely, as the basis for, and rates of, taxation can fluctuate.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and repurchase of, Shares in the places of their citizenship, residence and domicile.

The Directors recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the ICAV and any investment returns from those Shares.

The following statements have been drafted on the assumption that the ICAV is not, and does not intend to be, an Irish Real Estate Fund ("**IREF**") (as defined in Section 739K of the TCA). An investment undertaking or sub-fund of an investment undertaking in which 25% or more of the value of the assets at the end of the immediately preceding accounting period is derived from Irish real estate (or related assets), or an investment undertaking or sub-fund of an investment undertaking the main purpose of which, or one of the main purposes of which, is to acquire such assets will constitute an IREF and will be subject to specific tax rules.

If the ICAV is deemed to be an IREF there may be additional withholding tax arising on certain events, including distributions to Shareholders. In addition, purchasers of Shares may be obliged to withhold tax on the transfer of Shares and the ICAV will have additional certification and tax reporting obligations.

9.2 *Irish Taxation*

9.2.1 **Taxation of the ICAV**

The Directors have been advised that the ICAV is an investment undertaking within the meaning of section 739B TCA and therefore is not chargeable to Irish tax on its relevant income or relevant gains so long as the ICAV is resident for tax purposes in Ireland. The ICAV will be resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland. It is intended that the Directors of the ICAV will conduct the affairs of the ICAV in a manner that will allow for this.

The income and capital gains received by the ICAV from securities issued in countries other than Ireland or assets located in countries other than Ireland may be subject to taxes including withholding tax in the countries where such income and gains arise. The ICAV may not be able to benefit from reduced rates of withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The Directors will have sole discretion as to whether the ICAV will apply for such benefits and may decide not to apply for such benefits if they determine that it may be administratively burdensome, cost prohibitive or otherwise impractical.

In the event that the ICAV receives any repayment of withholding tax suffered, the Net Asset Value of the ICAV will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of repayment.

Notwithstanding the above, a charge to tax may arise for the ICAV in respect of Shareholders on the happening of a "Chargeable Event" in the ICAV.

A Chargeable Event includes:

(a) any payment to a Shareholder by the ICAV in respect of their Shares;

(b) any transfer, cancellation, redemption or repurchase of Shares; and

(c) any deemed disposal by a Shareholder of their Shares at the end of a "relevant period" (a "**Deemed Disposal**").

A "relevant period" is a period of 8 years beginning with the acquisition of Shares by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

A Chargeable Event does not include:

(a) any transaction in relation to Shares held in a recognised clearing system;

(b) any exchange by a Shareholder effected by way of a bargain made at arm's length by the ICAV, of Shares in the ICAV for other Shares in the ICAV;

(c) certain transfers of Shares between spouses or civil partners and former spouses or former civil partners;

(d) an exchange of Shares arising on a qualifying amalgamation or reconstruction of the ICAV with another Irish investment undertaking; or

(e) the cancellation of Shares in the ICAV arising from an exchange in relation to a scheme of amalgamation (as defined in section 739HA TCA).

On the happening of a Chargeable Event, the ICAV shall be entitled to deduct the appropriate amount of tax on any payment made to a Shareholder in respect of the Chargeable Event. On the occurrence of a Chargeable Event where no payment is made by the ICAV to the Shareholder, the ICAV may appropriate or cancel the required number of Shares to meet the tax liability.

Where the Chargeable Event is a Deemed Disposal and the value of Shares held by Irish Resident Shareholders in the ICAV is less than 10% of the total value of Shares in the ICAV (or a sub-fund) and the ICAV has made an election to the Revenue Commissioners to report annually certain details for each Irish Resident Shareholder, the ICAV will not be required to deduct the appropriate tax and the Irish Resident Shareholder (and not the ICAV) must pay the tax on the Deemed Disposal on a self-assessment basis. Credit is available against appropriate tax relating to the Chargeable Event for appropriate tax paid by the ICAV or the Shareholder on any previous Deemed Disposal. On the eventual disposal by the Shareholder of the Shares, a refund of any unutilised credit will be payable.

9.2.2 Taxation of Shareholders

9.2.2.1 Non-Irish Resident Shareholders

Non-Irish Resident Shareholders will not be chargeable to Irish tax on the happening of a Chargeable Event provided that either:

(a) the ICAV is in possession of a completed Relevant Declaration to the effect that the Shareholder is not an Irish Resident, or

(b) the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn by the Revenue Commissioners.

If the ICAV is not in possession of a Relevant Declaration or the ICAV is in possession of information which would reasonably suggest that the Relevant Declaration is not or is no longer materially correct, the ICAV must deduct tax on the happening of a Chargeable Event in relation to such Shareholder. The tax deducted will generally not be refunded.

Intermediaries acting on behalf of non-Irish Resident Shareholders can claim the same exemption on behalf of the Shareholders for whom they are acting. The intermediary must complete a Relevant Declaration that it is acting on behalf of a non-Irish Resident Shareholder.

A non-Irish Resident corporate Shareholder which holds Shares directly or indirectly by or for a trading branch or agency of the Shareholder in Ireland, will be liable for Irish corporation tax on income from the Shares or gains made on the disposal of the Shares.

9.2.2.2 Exempt Irish Shareholders

The ICAV is not required to deduct tax in respect of an Exempt Irish Shareholder so long as the ICAV is in possession of a completed Relevant Declaration from those persons and the ICAV has no reason to believe that the Relevant Declaration is materially incorrect. The Exempt Irish Shareholder must notify the ICAV if it ceases to be an Exempt Irish Shareholder. Exempt Irish Shareholders in respect of whom the ICAV is not in possession of a Relevant Declaration will be treated by the ICAV as if they are not Exempt Irish Shareholders.

Exempt Irish Shareholders may be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares depending on their circumstances. It is the obligation of the Exempt Irish Shareholder to account for tax to the Revenue Commissioners.

9.2.2.3 Irish-Resident Shareholders

Irish Resident Shareholders (who are not Exempt Irish Shareholders) will be liable to tax on the happening of a Chargeable Event. Tax at the rate of 41% will be deducted by the ICAV on payments made to the Shareholder in relation to the Shares or on the sale, transfer, Deemed Disposal (subject to the 10% threshold outlined above), cancellation, redemption or repurchase of Shares or the making of any other payment in respect of the Shares.

An Irish Resident Shareholder who is not a company and is not an Exempt Irish Shareholder will not be liable to any further income or capital gains tax in respect of any sale, transfer, Deemed Disposal, cancellation, redemption or repurchase, of Shares or the making of any other payment in respect of their Shares.

Where the Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder, and the payment is not taxable as trading income under Schedule D Case I, the amount received will be treated as the net amount of an annual payment chargeable to tax under Schedule D Case IV from the gross amount of which income tax has been deducted at 25%.

Where the Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder, and the payment is taxable as trading income under Schedule D Case I, the following provisions apply:

(c) the amount received by the Shareholder is increased by any amount of tax deducted by the ICAV and will be treated as income of the Shareholder for the chargeable period in which the payment is made;

(d) where the payment is made on the sale, transfer, Deemed Disposal, cancellation, redemption or repurchase of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and

(e) the amount of tax deducted by the ICAV will be set off against the Irish corporation tax assessable on the Shareholder in respect of the chargeable period in which the payment is made.

9.2.3 Personal Portfolio Investment Undertaking

An investment undertaking will be considered to be a personal portfolio investment undertaking (PPIU) in relation to a specific Irish Resident Shareholder where that Irish Resident Shareholder can influence the selection of some or all of the property of the undertaking. The undertaking will only be a PPIU in respect of those Irish Resident Shareholders who can influence the selection. A gain arising on a chargeable event in relation to a PPIU will be taxed at the rate of 60%. An undertaking will not be considered to be a PPIU where certain conditions are complied with as set out in section 739BA TCA.

9.2.4 Currency Gains

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares, that Shareholder may be liable to capital gains tax in respect of any chargeable gain made on the disposal.

9.2.5 Stamp Duty

On the basis that the ICAV qualifies as an investment undertaking within the meaning of section 739B TCA, no Irish stamp duty will be payable on the subscription, transfer or repurchase of Shares. The stamp duty implications for subscriptions for Shares or transfer or repurchase of Shares in specie should be considered on a case by case basis.

9.2.6 Capital Acquisitions Tax

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Shares provided that:

(f) at the date of the disposition the transferor of the Shares is neither domiciled nor ordinarily resident in Ireland, and, at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and

(g) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date.

9.2.7 FATCA implementation in Ireland

On 21 December 2012, the governments of Ireland and the United States signed an Agreement to Improve International Tax Compliance and to Implement FATCA (the "**IGA**").

The IGA significantly increased the amount of tax information automatically exchanged between Ireland and the U.S. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. Persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish Residents. The ICAV is subject to these rules. Complying with such requirements requires the ICAV to request and obtain certain information and documentation from its Shareholders, other account holders and (where applicable) the beneficial owners of its Shareholders and to provide any information and documentation indicating direct or indirect ownership by U.S. Persons to the competent authorities in Ireland. Shareholders and other account holders will be required to comply with these requirements, and non-complying Shareholders may be subject to compulsory redemption and/ or U.S withholding tax of 30% on withholdable payments and/or other monetary penalties.

The IGA provides that Irish financial institutions will report to the Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the IRS in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

The ICAV (and/or any of its duly appointed agents) shall be entitled to require Shareholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the ICAV may have as a result of the IGA or any legislation promulgated in connection with the agreement and Shareholders will be deemed, by their subscription for or holding of Shares to have authorised the automatic disclosure of such information by the ICAV or any other person to the relevant tax authorities.

9.2.8 OECD Common Reporting Standard

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the CRS Regulations.

CRS is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

Ireland and a number of other jurisdictions have entered or will enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. The ICAV is required to provide certain information to the Revenue Commissioners about investors resident or established in jurisdictions which are party to CRS arrangements.

The ICAV, or a person appointed by the ICAV, will request and obtain certain information in relation to the tax residence of its shareholders or "account holders" for CRS purposes and (where applicable) will request information in relation to the beneficial owners of any such account holders. The ICAV, or a person appointed by the ICAV, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions.

9.2.9 DAC6 – Disclosure requirements for reportable cross-border tax arrangements

On 25 June 2018, Council Directive (EU) 2018/822 ("**DAC6**") introduced rules regarding the mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements.

DAC6 imposes mandatory reporting requirements on EU-based intermediaries who design, market, organise, make available for implementation or manage the implementation of potentially aggressive cross-border tax-planning schemes. It also covers persons who provide aid, assistance or advice in relation to potentially aggressive cross-border tax-planning schemes, where they can be reasonably expected to know that they have performed that function. If the intermediary is located outside the EU or is bound by legal professional privilege, the obligation to report may pass to the taxpayer.

DAC6 was required to be transposed by each EU member state by the end of 2019 with the measures taking effect from 1 July 2020. In addition, arrangements implemented between 25 June 2018 and 30 June 2020 are also subject to the reporting requirements. Intermediaries and/or taxpayers will be required to report any reportable cross-border arrangements within 30 days from the earliest of:

a) The day after the arrangement is made available for implementation;

b) The day after the arrangement is ready for implementation; or

c) When the first step in the implementation of the arrangement was taken.

Under the provisions of DAC 6, the first reports were required by 31 August 2020. However, as a result of the COVID-19 pandemic, the EU Council approved a deferral of the reporting requirements. It was up to individual EU member states to determine whether to avail of the option to defer. Ireland chose to defer reporting. Further to the deferral, in Ireland the reporting deadline for reportable cross-border arrangements implemented between 25 June 2018 and 30 June 2020 was 28 February 2021 and the 30 day period for arrangements implemented after 1 July 2020 commenced from 1 January 2021.

The transactions contemplated under the Prospectus may fall within the scope of mandatory disclosure rules under DAC6 or equivalent local law provisions and thus may qualify as reportable cross-border arrangements within the meaning of such provisions. If that were the case, any person that falls within the definition of an "intermediary" with respect to the ICAV may have to report certain transactions entered into by the ICAV to the relevant EU tax authority.

Certain Irish Tax Definitions

9.2.9.1 Residence in respect of a Company (which includes any body corporate, such as an ICAV)

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

9.2.9.2 Residence in respect of an Individual

The Irish tax year operates on a calendar year basis. An individual will be regarded as being resident in Ireland for a tax year if that individual:

(a) spends 183 days or more in Ireland in that tax year; or

(b) has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding tax year.

Presence in a tax year by an individual of not more than 30 days in Ireland, will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any point in time during the particular day in question.

9.2.9.3 Ordinary Residence in respect of an Individual

The term "ordinary residence" as distinct from "residence", relates to a person’s normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which that individual is not resident in Ireland. Thus, an individual who is resident and ordinarily resident in Ireland in 2021 will remain ordinarily resident in Ireland until the end of the tax year 2024.

9.2.9.4 Intermediary

means a person who:-

(a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or

(b) holds shares in an investment undertaking on behalf of other persons.

10 GENERAL INFORMATION

10.1 *Reports and Accounts*

The year end of the ICAV and each Sub-Fund is 31 December in each year. Each Sub-Fund will prepare an annual report and audited accounts up to 31 December in each calendar year.

Such reports and accounts will contain a statement of the Net Asset Value of the relevant Sub-Fund and of the investments comprised therein as at the year-end.

The audited annual report and accounts will be published within six months of the ICAV/the Sub-Funds' financial year end and supplied to Shareholders free of charge on request and will be available to the public at the office of the Administrator.

The audited annual report and accounts for each Sub-Fund in respect of each financial year shall be prepared in accordance with International Financial Reporting Standards.

The Directors may send such reports and accounts electronically to Shareholders in accordance with the requirements of the Central Bank. See "Access to Documents" below.

10.2 *Form and Share Capital*

The authorised share capital of the ICAV is 2 redeemable non-participating Shares of no par value and 500,000,000,000 participating Shares of no par value. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the consideration paid therefor but do not otherwise entitle them to participate in the assets of the ICAV. The Directors have the power to allot shares in the capital of the ICAV on such terms and in such manner as they may think fit.

10.3 *The Instrument of Incorporation*

Clause 3 of the Instrument of Incorporation provides that the sole object of the ICAV is the collective investment of its funds in property and giving Shareholders the benefit of the results of the management of its funds.

The Instrument of Incorporation contains, among other things, provisions to the following effect:

10.3.1 **Voting Rights**

The ICAV may issue voting Shares ("**Voting Shares**") and non-voting Shares ("**Non-Voting Shares**"). The Non-Voting Shares carry no right to notice of, attend or vote at general meetings of the ICAV or any Sub-Fund. In respect of the Voting Shares, subject to any rights or restrictions for the time being attached to any Class or Classes of Voting Shares, the ICAV will notify the Shareholders of Voting Shares ("**Voting Shareholders**"), in writing, of all resolutions put to the vote of the Voting Shareholders. Subject to any rights or restrictions for the time being attached to any Class or Classes of Voting Shares, on a show of hands every holder of a Voting Share who is present in person or by proxy shall have one vote and the holder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue and on a poll every holder present in person or by proxy shall have one vote for every Voting Share of which he is the holder and every holder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares. Holders who hold a fraction of a Voting Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a Voting Share.

The Directors will give any Shareholders holding Non-Voting Shares sufficient notice in writing in advance of any matter which Shareholders of Voting Shares would be competent to vote upon, enabling such Shareholders to request redemption of their Non-Voting Shares prior to the implementation of any matter which requires a Shareholder vote.

Unless otherwise stated in the relevant Supplement all Classes are Voting Shares.

10.3.2 **Sub-Funds**

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

10.3.2.1 for each Sub-Fund the ICAV shall keep separate books and records in which all transactions relating to the relevant Sub-Fund shall be recorded and, in particular, the proceeds from the allotment and issue of Shares of each Class of the Sub-Fund, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund subject to the provisions of the Instrument of Incorporation;

10.3.2.2 any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Sub-Fund, shall be applied in the books and records of the ICAV to the same Sub-Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Sub-Fund;

10.3.2.3 in the event that there are any assets of the ICAV which the Directors do not consider are attributable to a particular Sub-Fund or Sub-Funds, the Directors shall, with the approval of the Depositary, allocate such assets to and among any one or more of the Sub-Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary the basis in relation to assets previously allocated;

10.3.2.4 no Shares will be issued on terms that entitle the Shareholders of any Sub-Fund to participate in the assets of the ICAV other than the assets (if any) of the Sub-Fund relating to such Shares. If the proceeds of the assets of the relevant Sub-Fund are not sufficient to fund the full redemption proceeds payable to each Shareholder for the relevant Sub-Fund, the proceeds of the relevant Sub-Fund will, subject to the terms for the relevant Sub-Fund, be distributed equally among each Shareholder of the relevant Sub-Fund pro rata to the amount paid up on the Shares held by each Shareholder. If the realised net assets of any Sub-Fund are insufficient to pay any amounts due on the relevant Shares in full in accordance with the terms of the relevant Sub-Fund, the relevant Shareholders of that Sub-Fund will have no further right of payment in respect of such Shares or any claim against the ICAV, any other Sub-Fund or any assets of the ICAV in respect of any shortfall;

10.3.2.5 each Sub-Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the ICAV in respect of or attributable to that Sub-Fund; and

10.3.2.6 in the event that any asset attributable to a Sub-Fund is taken in execution of a liability not attributable to that Sub-Fund, the provisions of section 36(6) of the ICAV Act, shall apply.

10.3.3 **Termination of Sub-Funds**

Any Sub-Fund may be terminated by the Directors, in their sole and absolute discretion, in any of the following events:-

10.3.3.1 if at any time the Net Asset Value of the relevant Sub-Fund shall be less than the Minimum Sub-Fund Size (if any) determined by the Directors in respect of that Sub-Fund;

10.3.3.2 if any Sub-Fund shall cease to be authorised or otherwise officially approved;

10.3.3.3 if any law shall be passed or regulatory requirement introduced which renders it illegal or in the opinion of the Directors impracticable or inadvisable or not commercially viable or excessively onerous from a compliance perspective to continue the relevant Sub-Fund;

10.3.3.4 if there is a change in material aspects of business or in the economic or political situation relating to a Sub-Fund which the Directors consider would have material adverse consequences on the investments of the Sub-Fund; or

10.3.3.5 if the Directors shall have resolved that it is impracticable or inadvisable for a Sub-Fund to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders.

The decision of the Directors in any of the events specified herein shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to terminate the relevant Sub-Fund pursuant to points (i) to (v) above or otherwise.

The Directors shall give notice of termination of a Sub-Fund to the Shareholders in the relevant Sub-Fund and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine.

10.3.4 **Winding up**

The Instrument of Incorporation contains provisions to the following effect:

10.3.4.1 If the ICAV shall be wound up the liquidator shall, subject to the provisions of the ICAV Act, apply the assets of each Sub-Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Sub-Fund;

10.3.4.2 The assets available for distribution amongst the Shareholders shall be applied as follows: first the proportion of the assets in a Sub-Fund attributable to each Class of Shares shall be distributed to the holders of Shares in the relevant Class in the proportion that the number of Shares held by each holder bears to the total number of Shares relating to each such Class of Shares in issue as at the date of commencement to wind up; secondly, in the payment to the holder(s) of the subscriber shares of sums up to the notional amount paid thereon out of the assets of the ICAV not attributable to other Classes of Shares. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the ICAV attributable to each Class of Share; and thirdly, any balance then remaining and not attributable to any of the Classes of Shares shall be apportioned pro-rata as between the Classes of Shares based on the Net Asset Value attributable to each Class of Shares as at the date of commencement to wind up and the amount so apportioned to a Class shall be distributed to holders pro-rata to the number of Shares in that Class of Shares held by them;

10.3.4.3 A Sub-Fund may be wound up pursuant to section 37 of the ICAV Act and in such event the provisions of the Instrument of Incorporation shall apply mutatis mutandis in respect of that Sub-Fund;

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

10.3.6 **Segregation of Liability**

The Instrument of Incorporation contains provisions reflecting the segregation of liability between the Sub-Funds in line with the ICAV Act.

10.4 ***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;

Constantine Knox is a Partner and the Assistant General Counsel and Head of Corporate Legal of the Investment Manager, which receives fees in respect of its services to the ICAV.

None of the Directors has a service contract with the ICAV nor are any such service contracts proposed.

10.5 *Directors Indemnities and Insurance*

Pursuant to the Instrument of Incorporation, each of the Directors shall be indemnified by the ICAV against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such office in the discharge of his duties provided that, as permitted by the ICAV Act such indemnity shall not extend to any of the foregoing sustained or incurred as a result of any negligence, default, breach of duty or breach of trust by him in relation to the ICAV 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 Shareholders over all other claims.

The ICAV acting through the Directors is empowered under the Instrument of Incorporation to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the ICAV insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

10.6 *Material Contracts*

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

10.6.1 **AIFM Agreement**

Pursuant to the AIFM Agreement the AIFM will be entitled to receive fees as described in each Supplement. The AIFM Agreement may be terminated by either party on giving not less than 90 days' prior written notice to the other party. The AIFM Agreement may also be terminated forthwith by either party giving notice in writing to the other party upon certain breaches as outlined in the AIFM Agreement or upon the insolvency of a party (or upon the happening of a like event).

In the absence of negligence, fraud or wilful default, on the part of the AIFM or any act constituting a breach of the obligations of the AIFM under the AIFM Agreement, the AIFM shall not be liable to the ICAV or to any Shareholder for any loss suffered as a result of any act or omission in the course of, or connected with, rendering services hereunder and shall not be liable in any circumstances for indirect, special or consequential loss or damage.

The ICAV shall hold harmless and indemnify out of the relevant Sub-Fund's assets the AIFM from and against all actions, proceedings, damages, claims, costs, demands, charges, losses and expenses including, without limitation, legal and professional expenses on a full indemnity basis ("Loss") which may be brought against, suffered or incurred by the AIFM in connection with any act or omission of the AIFM taken, or omitted to be taken, in connection with the Sub-Funds or the AIFM Agreement, other than due to the negligence, fraud or wilful default, of the AIFM or by reason of any action constituting a breach of the obligations of the AIFM under the AIFM Agreement, and in particular (but without limitation) the indemnity shall extend to any Loss arising as a result of any error of judgment, third party default or any loss, delay, misdelivery or error in transmission of any communication to the AIFM or as a result of acting in good faith upon any forged document or signature.

10.6.2 **Administration Agreement**

Pursuant to the Administration Agreement, the Administrator will provide certain administrative, registrar and transfer agency services to the ICAV.

The Administration Agreement provides that the appointment of the Administrator will continue unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances the Administration Agreement may be terminated forthwith by notice in writing by either party to the other. The Administration Agreement contains certain indemnities payable out of the assets of the relevant Sub-Fund in favour of the Administrator (its employees, servants or agents) which are restricted to exclude matters arising by reason of the negligence, fraud, bad faith, wilful default or recklessness of the Administrator, its directors, officers, employees, servants or agents in the performance of its or their obligations and duties.

10.6.3 Depositary Agreement

Pursuant to the Depositary Agreement, the Depositary will act as depositary of the ICAV and shall be responsible for the oversight of the ICAV to the extent required by and in accordance with the AIFM Regulations.

The Depositary Agreement provides for its termination by either party in certain circumstances including the giving of not less than ninety (90) days' written notice by either party or forthwith by notice in certain circumstances provided that termination of the Depositary's appointment shall not take effect prior to the approval by the Central Bank of a successor Depositary and provided further that in the event that no successor depositary is appointed, such retirement or resignation shall only take effect after revocation of authorisation of the ICAV.

The Depositary Agreement is governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Agreement.

The provisions of the Depositary Agreement in relation to the standard of care and liability of the Depositary are summarised in the section entitled "Management of the ICAV; the Depositary".

The Depositary Agreement contains indemnities in favour of the Depositary other than in respect of loss arising by reason of its negligent or international failure to properly fulfil its obligations pursuant to the Agreement and the AIFM Regulations.

10.6.4 Investment Management Agreement

Pursuant to the Investment Management Agreement, the AIFM has appointed the Investment Manager to act on its behalf as Investment Manager of the Sub-Funds.

The Investment Management Agreement provides that the appointment of the Investment Manager will continue unless and until terminated by the either party giving to the other not less than 90 days' written notice although in certain circumstances the Investment Management Agreement may be terminated forthwith by notice in writing by either party to the other.

10.6.5 Sub-Investment Management Agreement

Pursuant to the Sub-Investment Management Agreement, the Investment Manager has appointed the Sub-Investment Manager to act on its behalf as sub-investment manager and advisor of certain Sub-Funds in relation to specific assets in respect of which the Investment Manager considers the Sub-Investment Manager to be experienced in and in respect of which the Investment Manager would like to avail itself of the Sub-Investment Manager's know-how.

The Sub-Investment Management Agreement provides that the appointment of the Sub-Investment Manager will continue unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances the Sub-Investment Management Agreement may be terminated forthwith by notice in writing by either party to the other.

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

10.6.6 Additional Contracts

In addition to the above, the ICAV may enter into additional contracts with Paying Agents as may be required in connection with an offer of Shares into a particular jurisdiction from time to time. The provision of such services shall be on arm's length commercial terms for the ICAV for which fees shall be charged at normal commercial rates and expenses are to be reimbursed.

10.6.7 **Access to Documents**

Copies of the Instrument of Incorporation, the current Prospectus and the latest periodical reports may be obtained free of charge, during normal office hours at the registered office of the ICAV.

The latest Net Asset Value of each Sub-Fund, together with the historical performance and the latest Net Asset Value of the Shares of each Class may be obtained on the client extranet at www.bluebay.com

APPENDIX I

RISK FACTORS

1 General

All financial investments involve an element of risk to both income and capital.

There are risks associated with investment in the ICAV and in the Shares of each Sub-Fund.

The risks described in this Prospectus should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Sub-Fund. Potential investors should be aware that an investment in a Sub-Fund may be exposed to other risks from time to time.

Different risks may apply to different Sub-Funds and/or Classes. Details of specific risks attaching to a particular Sub-Fund or Class which are additional to those described in this section will be disclosed in the relevant Supplement.

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the ICAV or a Sub-Fund or the suitability for you of investing in the ICAV or a Sub-Fund, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

As the price of Shares in each Sub-Fund may fall as well as rise, the ICAV shall not be a suitable investment for an investor who cannot sustain a loss on his investment. Due to the potential for above-average risk, such investment is suitable only for sophisticated investors who are in a position to understand and take such risks and who satisfy themselves that such investment is appropriate for them.

Past performance of the ICAV or any Sub-Fund should not be relied upon as an indicator of future performance.

The possible imposition of a Redemption Charge and the difference at any one time between the sale and redemption price of shares in a Sub-Fund, means that an investment should be viewed as medium to long term.

The liability of a Shareholder 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 Application Form and the Instrument of Incorporation (to which each Shareholder will subscribe as a member), investors will be required to indemnify the ICAV and its associates for certain matters.

2 Investment Risks

2.1 General Investment Risk

The securities and instruments in which the Sub-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 assurance that a Sub-Fund will achieve its investment objective. The value of Shares may rise or fall, as the capital value of the securities in which a Sub-Fund invests may fluctuate. The investment income of each Sub-Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, the Sub-Fund's investment income may be expected to fluctuate in response to changes in such expenses or income.

2.2 Credit Risk

There can be no assurance that issuers of the securities or other instruments in which a Sub-Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments (as well as any appreciation of sums invested in such securities).

2.3 Changes in Interest Rates Risk

The value of Shares may be affected by substantial adverse movements in interest rates.

2.4 Currency Risk

Currency Exchange Rates: Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Sub-Fund's Net Asset Value to fluctuate as well. To the extent that a substantial portion of a Sub-Fund's total assets is denominated in the currencies of particular countries, the Sub-Fund will be more susceptible to the risk of adverse economic and political developments within those countries.

Currency of Assets/Base Currency: Assets of a Sub-Fund may be denominated in a currency other than the Base Currency of the Sub-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 Sub-Fund's assets as expressed in the Base Currency. Depending on the investment objective of the Sub-Fund, the AIFM may (but is not obliged to) seek to mitigate this exchange rate risk by using FDI. No assurance, however, can be given that such mitigation will be successful.

Base Currency/Denominated Currency of Classes: Classes of Shares in a Sub-Fund may be denominated in currencies other than the Base Currency of the Sub-Fund and changes in the exchange rate between the Base Currency and the denominated currency of the Class may lead to a depreciation of the value of the investor's holding as expressed in the Base Currency even in cases where the Class is hedged. No assurance, however, can be given that such mitigation will be successful. Investors' attention is drawn to the section of this Prospectus entitled "Hedged and Unhedged Classes" for further information. Where the Class is unhedged a currency conversion will take place on subscription, redemption, conversion and distributions at prevailing exchange rates.

Currency Hedging: A Sub-Fund may enter into currency exchange transactions and/or use derivatives to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange 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 the 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 Sub-Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange 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. Performance of a Sub-Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Sub-Fund may not correspond with the securities positions held.

Investors' attention is drawn to the section of this Prospectus entitled "Hedged and Unhedged Classes" for further information.

2.5 Derivatives Risk

General: The use of derivatives may result in greater returns but may entail greater risk for your investment. Derivatives may be used as a means of gaining indirect exposure to a specific asset, rate or index and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index.

Investing in a derivative instrument could cause the Sub-Fund to lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Sub-Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

The prices of derivative instruments are highly volatile. Price movements of derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, national and international political and economic events, changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of derivatives also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates; (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged; (3) the fact that skills needed to use these instruments are different from those needed to select the Sub-Fund's securities; and (4) the possible absence of a liquid market for any particular instrument at any particular time.

Absence of Regulation; Counterparty Risk: In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on exchanges. In addition, many of the protections afforded to participants on some exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

OTC options are generally not regulated. OTC options are non-exchange traded option agreements, which are specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific firm involved in the transaction rather than an exchange and accordingly the bankruptcy or default of a counterparty with which the Sub-Fund trades OTC options could result in substantial losses to the Sub-Fund. In addition, a counterparty may refrain from settling a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or 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 the Sub-Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Sub-Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses on the transactions as a result.

Credit Risk and Counterparty Risk: Sub-Funds will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in derivative instruments. To the extent that a counterparty defaults on its obligation and the Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Sub-Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses on the transactions as a result.

Correlation Risk: The prices of derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements.

Collateral Risk: Collateral or margin may be passed by the Sub-Fund to a counterparty or broker in respect of OTC FDI transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purposes, thus exposing the Sub-Fund to additional risk.

Forward Trading: Forward contracts and options thereon, unlike futures contracts, 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. Forward and "cash" 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 currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Sub-Fund.

Foreign Exchange Transactions: Where a Sub-Fund utilises derivatives which alter the currency exposure characteristics of securities held by the Sub-Fund the performance of the Sub-Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Sub-Fund may not correspond with the securities positions held.

Futures and Options Trading is Speculative and Volatile: Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which a Sub-Fund may trade. Certain of the instruments in which a Sub-Fund may invest are sensitive to interest rates and foreign exchange rates, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. The Sub-Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates and foreign exchange rates, and to utilise appropriate strategies to maximise returns to the Sub-Fund, while attempting to minimise the associated risks to its investment capital. Variance in the degree of volatility of the market from the Sub-Fund's expectations may produce significant losses to the Sub-Fund.

Legal Risk: The use of OTC derivatives, such as forward contracts, swap agreements and contracts for difference, will expose the Sub-Funds to the risk that the legal documentation of the relevant OTC contract may not accurately reflect the intention of the parties.

Liquidity of Futures Contracts: Futures positions may be illiquid because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Sub-Fund from liquidating unfavourable positions.

Liquidity Risk: Liquidity risk exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Margin Risk: A Sub-Fund may be obliged to pay margin deposits and option premia to brokers in relation to futures and option contracts entered into for the relevant Sub-Fund. While exchange traded contracts are generally guaranteed by the relevant exchange, the relevant Sub-Fund may still be exposed to the fraud or insolvency of the broker through which the transaction is undertaken. The relevant Sub-Fund will seek to minimise this risk by trading only through high quality names.

Necessity for Counterparty Trading Relationships: Participants in the OTC currency market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the ICAV believes that it will be able to establish the necessary counterparty business relationships to permit a Sub-Fund to effect transactions in the OTC markets, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit a Sub-Fund's activities and could require a Sub-Fund to conduct a more substantial portion of such activities in the cash or exchange traded markets. Moreover, the counterparties with which a Sub-Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to a Sub-Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

2.6 Emerging Markets Risk

Where a Sub-Fund invests in securities in emerging markets, additional risks may be encountered. These include:

Accounting Standards: in emerging markets there is an absence of uniform accounting, auditing and financial reporting standards and practices.

Business Risks: in some emerging markets, crime and corruption, including extortion and fraud, pose a risk to businesses. Property and employees of underlying investments may become targets of theft, violence and/or extortion.

Country Risk: the value of the Sub-Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

Currency Risk: the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

Custody Risk: custodians may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Sub-Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian.

Disclosure: less complete and reliable fiscal and other information may be available to investors.

Legal: the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Risks associated with many emerging market legal systems include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, presidential decrees and governmental and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms; and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards. There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system.

Market Characteristics/ Liquidity and Settlement Risks: in general, emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and many emerging markets are not highly regulated. When seeking to sell emerging market securities, little or no market may exist for the securities. The combination of price volatility and the less liquid nature of securities markets in emerging markets may, in certain cases, affect a Sub-Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Sub-Fund. Settlement of transactions may be subject to delay and administrative uncertainties.

Political Risk: the risk of government intervention is particularly high in the emerging markets because of both the political climate in many of these countries and the less developed character of their markets and economies. Government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Sub-Fund's portfolio.

Tax: The taxation system in some emerging market countries is subject to varying interpretations, frequent changes and inconsistent enforcement at the federal, regional and local levels. Tax laws and practices in some emerging market countries are at an initial stage of development and are not as clearly established as in more developed countries.

Frontier Markets Risk: Investing in the securities of issuers operating in frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. In addition, the risks associated with investing in the securities of issuers operating in emerging market countries are magnified when investing in frontier emerging market countries. These types of investments could be affected by factors not usually associated with investments in more traditional developed markets, including risks associated with expropriation and/or nationalisation, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Sub-Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information, diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations. These risks and special considerations make investments in securities in frontier emerging market countries highly speculative in nature and, accordingly, an investment in a Sub-Fund's shares must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment. To the extent that a Sub-Fund invests a significant percentage of its assets in a single frontier emerging market country, a Sub-Fund will be subject to heightened risk associated with investing in frontier emerging market countries and additional risks associated with that particular country.

Sustainability related risks: emerging markets may have greater exposure to Sustainability Risks than others. This is largely associated with there being fewer ESG related regulations and standards, or the weaker implementation and/or enforcement thereof, resulting in ESG practices which may not be as progressed as in developed markets. For instance, governance risks are often more pronounced in emerging markets, materialising from a lack of maturity or corporate tenure or an often more concentrated (including state) ownership. For sovereign issuers in emerging markets, the credit quality of a security may be negatively affected due to higher than usual risk of political, economic, social and religious instability, adverse changes in government regulations and laws, and compulsory acquisition of assets without adequate compensation. Additionally, companies in many emerging markets are usually less transparent and deliver less robust disclosures resulting in a more challenging task for the AIFM and external providers to identify and assess the materiality of eventual Sustainability Risks. Lag on labour and human rights practices, child labour, corruption are other examples of Sustainability Risks in emerging markets that could damage a company's reputation and earnings prospects, and increase the risk of regulatory scrutiny and restrictions. Such event could significantly impact the return of a Sub-Fund.

2.7 Investment in China

To the extent it is permitted by the investment policy of a Sub-Fund, it may also invest in the China Interbank Bond Market ("**CIBM**") via the arrangement between Hong Kong and the People's Republic of China that enables China and overseas investors to trade various types of debt securities in each other's bond markets through connection between the relevant respective financial infrastructure institutions ("**Bond Connect**"). Investing in China is subject to the risks of investing in emerging markets and may expose investors to the following risks:

- CIBM Risk: CIBM is an OTC market outside separate to the two main stock exchanges in China. On the CIBM institutional investors trade sovereign and corporate bonds on a one-to-one quote-driven basis. The CIBM accounts for more than 95% of outstanding bond values of total trading volume in China. The CIBM is regulated and supervised by the People's Bank of China. Investors should be aware that China's bond market is still in development and trading on the CIBM may expose Sub-Funds to increased:
    - Liquidity risk: The bid and offer spread of fixed income securities trading on the CIBM may be high. Sub-Funds may therefore incur significant trading costs and may even suffer losses when selling such investments. In the absence of a regular and active secondary market, the Sub-Funds may not be able to sell their bond holdings at prices the AIFM, the Investment Manager or Sub-Investment Managers considers advantageous and may need to hold the bonds until their maturity date.
    - Settlement risk: The transaction settlement method in the CIBM is for delivery versus payment of security by the counterparty. Where the counterparty does not perform its obligations under a transaction, the Sub-Funds may sustain losses.
    - Bond Connect risk: Bond Connect is a novel trading program in China. Because these laws, regulations and rules governing the Bond Connect program are recent, their interpretation and enforcement involve significant uncertainty. Any changes in laws, regulations and policies of the China bond market or rules in relation to Bond Connect may affect prices and liquidity of the relevant CIBM bonds and there is no assurance that the change will not made in a way prejudicing the interests of the Sub-Fund. Moreover, Bond Connect and its technology and risk management capability have only a short operating history. There is no assurance that the systems and controls of the Bond Connect program will function as intended or whether they will be stable or adequate.
    - Investment in the CIBM under the Bond Connect programme is subject to different regulatory requirements and procedures from investment in the CIBM via a direct access. For example, unlike the investment via a direct access to the CIBM, the Sub-Fund's investment in the CIBM bonds under the Bond Connect will not involve an onshore settlement agent and will be held by the Central Moneymarkets Unit of the Hong Kong Monetary Authority ("**CMU**") as the nominee holder, opening nominee account(s) with the China Central Depository & Clearing Co., Ltd ("CCDC") and the Shanghai Clearing House ("SHCH") respectively. While the distinct

concepts of "nominee holder" and "beneficial owner" are generally recognised under the relevant PRC laws and regulations, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies or other legal proceedings. In addition, CIBM bonds are uncertificated and are held by CMU for its account holders.

2.8 Equity Risks

The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. Prices of equities fluctuate daily dependent on market conditions. Markets can be influenced by a series of factors such as political and economic news, corporate earnings reports, demographic trends, catastrophic events and wider market expectations. The value of equities can fall as well as rise. Potentially a Sub-Fund investing in equities could incur significant losses.

Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. As a result, the market value of the equity securities that it invests in may go down and the relevant Sub-Fund may suffer losses. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the relevant Sub-Fund to losses.

2.9 Efficient Portfolio Management Risk

The ICAV on behalf of a Sub-Fund may employ techniques and /or other financial instruments (including FDI) in which it invests for efficient portfolio management purposes. Many of the risks attendant in utilising derivatives, as disclosed in the section entitled "Derivatives Risk" above, will be equally relevant when employing such efficient portfolio management techniques. In addition to the sub-section entitled "General", particular attention is drawn to the sub-sections entitled "Credit Risk and Counterparty Risk" and "Collateral Risk". Investors should also be aware that from time to time, a Sub-Fund may engage with redemption/reverse redemption agreements counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the ICAV. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please refer to the section of the Prospectus entitled "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions.

2.10 ESG / Sustainability Risks

There is no guarantee that the measures implemented by the AIFM to assess and manage Sustainability Risks will prevent from Sub-Funds incurring losses as a result of Sustainability Risks.

2.11 Implementation of ESG considerations

In conducting its ESG analysis of corporate or sovereign issuers, the AIFM may rely on data from third party data or research providers. Such data may be inaccurate or incomplete or unavailable. As a result, the AIFM may assess an issuer or security incorrectly.

With respect to a change in the ESG assessment of any security held by a Sub-Fund which would require the AIFM to dispose of a security, the AIFM shall aim to do so as soon as practicable and in the best interest of investors. This may result in a Sub-Fund having exposure to a security which does not comply with the ESG considerations implemented by the Sub-Fund for a limited period of time.

2.12 Depositary Risk

If a Sub-Fund invests in assets that are financial instruments that can be held in custody ("Custody Assets"), the Depositary is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depositary is required to return identical assets to those lost or a corresponding amount to the Sub-Fund without undue delay.

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

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

The Sub-Funds enjoy a strong level of protection in terms of Depositary liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Sub-Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific investment by the Sub-Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that derivatives traded by a Sub-Fund over-the-counter will be Non-Custody Assets. There may also be other asset types that a Sub-Fund invests in from time to time that would be treated similarly. Given the framework of Depositary liability under AIFMD, these Non-Custody Assets, from a safekeeping perspective, expose the Sub-Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

2.13 Exchange Control and Repatriation

It may not be possible for Sub-Funds to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. Sub-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.

2.14 Investing in Fixed Income Securities Risk-General

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. 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.

Investors should note that credit ratings may not necessarily reflect the true risk of an investment and that the AIFM may use its own set of credit rating criteria to perform its credit analysis, which may differ from the criteria used by the credit rating agencies.

2.15 Sovereign Bonds

A Sub-Fund may invest in debt obligations issued or guaranteed by governments or their agencies (sovereign bonds). The governmental entity that controls the repayment of sovereign bonds may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign bonds.

Holders of sovereign bonds may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which sovereign bonds, on which a governmental entity has defaulted, may be collected in whole or in part.

2.16 Corporate Bonds

A Sub-Fund may invest in corporate bonds. Corporate bonds are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate bonds can be expected to decline. Corporate bonds with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

2.17 Sub-Investment Grade/High Yield

A Sub-Fund may invest in sub-investment grade/high yield securities. These fixed income securities (rated BB+ or lower by Standard & Poor's or Fitch, or rated Ba1 or lower by Moody's) typically are subject to greater market fluctuations and to greater risk of loss of income and principal, due to default by the issuer, than are higher rated fixed income securities. Lower rated fixed income securities' values tend to reflect short term corporate, economic and market developments and investor perceptions of the issuer's credit quality to a greater extent than lower yielding higher rated fixed income securities' values. In addition, it may be more difficult to dispose of, or to determine the value of, high yield fixed income securities. There are fewer investors in lower rated securities, and it may be harder to buy and sell securities at an optimum time. Fixed income securities rated BB+ or Ba1 or lower are described by the ratings agencies as "predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions".

Sustainability related risks: In addition, sub-investment grade/high-yield securities can be issued by smaller companies which might be privately owned. Those smaller companies, often due to more limited financial resources, may have less well developed ESG practices and/or provide less robust ESG disclosures. The information scarcity results in a more challenging task for the AIFM and external providers to identify and assess the materiality of eventual Sustainability Risks. In addition, depending on various factors, high yield bond issuers might be concentrated in certain industries and geographies. Therefore, ESG related exclusions (i.e. exclusion of an entire sector or sub-sector) might exacerbate this effect and increase the concentration risk of a Sub-Fund. The resulting potential lower diversification could have an impact on the credit risk of a Sub-Fund. Finally, public awareness on several matters (i.e. climate change) or specific ESG related incident might reduce the demand for a specific bond. This could result in various effects such as a reduction in liquidity or a higher default risk resulting from higher refinancing cost for the company, among others. Such events could have an impact on the total return of a Sub-Fund.

2.18 Distressed Debt Securities

A Sub-Fund may invest in distressed debt securities. Investment in such distressed debt securities (which qualify as transferable securities) involves purchases of obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. Acquired investments may include senior or subordinated debt securities, bank loans, promissory notes and other evidences of indebtedness, as well as payables to trade creditors. Although such purchases may result in significant investor returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these investments ordinarily remain unpaid unless and until the company reorganises and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that the AIFM will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In any reorganisation or liquidation proceeding relating to a company in which a Sub-Fund invests, an investor may lose its entire investment or may be required to accept cash or securities with a value less than the original investment. Under such circumstances, the returns generated from the investment may not compensate a Sub-Fund adequately for the risks assumed.

Investing in distressed debt can also impose duties on the AIFM which may conflict with duties which it owes to a Sub-Fund. A specific example of where the AIFM may have a conflict of interest is where it invests the assets of a Sub-Fund in a company in serious financial distress and where that investment leads to the AIFM investing further amounts of the Sub-Fund's assets in the company or taking an active role in managing or advising the company, or one of the AIFM's employees becomes a director or other officer of the company. In such cases, the AIFM or its employee may have duties to the company and/or its members and creditors which may conflict with, or not correlate with, the interests of the Shareholders of that Sub-Fund. In such cases, the AIFM may also have discretion to exercise any rights attaching to the Sub-Fund's investments in such a company. The AIFM will take such steps as it considers necessary to resolve such potential conflicts of interest fairly.

2.19 Convertible Bonds

Investments in convertible bonds may, in addition to normal bond risks and fluctuations, be subject to fluctuations in response to numerous factors, including but not limited to, variations in the periodic operating results of the issuer, changes in investor perceptions of the issuer, the depth and liquidity of the market for convertible bonds and changes in actual or forecasted global or regional economic conditions. In addition, the global bond markets have from time to time experienced extreme price and volume fluctuations. Any such broad market fluctuations may adversely affect the trading price of convertible bonds.

2.20 Securitised Bonds

Certain Sub-Funds may have exposure to a wide range of asset-backed securities (including asset pools in credit card loans, auto loans, residential and commercial mortgage loans, collateralised mortgage obligations and collateralised debt obligations), agency mortgage pass-through securities and covered bonds. Asset-backed securities and mortgage backed securities are securities that entitle the holders thereof to receive payments that are primarily dependent upon the cash flow arising from a specified pool of underlying debt obligations. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds. Asset-backed securities and mortgage backed securities are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets. Prepayment risk is typically greater when interest rates are declining as mortgages and loans are prepaid. This may negatively impact the return of any Sub-Fund investing in such security as the income generated will have to be reinvested at the lower prevailing interest rates. Conversely, extension risk tends to increase when interest rates rise as the prepayment rate decreases causing the duration of asset-backed securities and mortgage backed securities to lengthen and expose investors to higher interest rate risk.

A Sub-Fund may gain exposure to mortgage backed securities by purchasing "To Be Announced" securities ("TBAs"). TBAs are forward settling contracts on mortgage pass-through securities issued by government agencies. At the time of purchase, the exact securities are not known, but their main characteristics are specified. Although the price has been established at the time of purchase, the principal value has not been finalised. Purchasing TBAs involves a risk of loss if the value of the securities to be purchased declines prior to the settlement date. Investing in TBAs may expose the Sub-Fund to various risks as listed under the section "Derivatives - General".

2.21 Local Currency Securities

A Sub-Fund may invest in local currency securities. Such investments will be subject to the risks related to investing in emerging market securities as described above. In addition, when purchasing local currency securities, exchange rate fluctuations may occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement demands.

2.22 Subordinated Debts

A Sub-Fund may invest in subordinated debt. Subordinated debt is debt which, in the case of insolvency of the issuer, ranks after other debts in relation to repayment. Because subordinated debt is repayable after senior debts have been re-paid, the chance of receiving any repayment on insolvency is reduced and therefore subordinated debt represents a greater risk to the investor.

2.23 Contingent Convertibles

A Sub-Fund may invest in contingent convertibles (CoCos). CoCos are Tier 1 and Tier 2 subordinated debt securities issued by financial institutions. CoCos generally contain loss absorption mechanisms, or 'bail-in' clauses, to avoid public sector intervention to keep the issuer of such securities from insolvency or bankruptcy. Additionally, CoCo investors may suffer losses prior to investors in the same financial institution holding equities or bonds ranking pari passu or junior to the CoCo bond holders. CoCos terms may vary from issuer to issuer and bond to bond and may expose investors to:

- Trigger risk in the event that (i) the issuer falls below pre-determined capital ratio threshold levels or (ii) at the request of a financial regulator with supervisory authority causing CoCos to convert into equity or to be permanently written down. In the first case, the trigger event calculations may also be affected by changes in applicable accounting rules, the accounting policies of the issuer or its group and the application of these policies. In the event of a security being converted to equity, investors may suffer a loss depending on the conversion rate. Were the securities to be written down, the principal may be fully lost with no payment to be recovered. Some CoCos may be written back up to par over time, but the issuer may be under no obligation to fully do so. Following a trigger event, losses may not reflect the waterfall of subordination and in some circumstances CoCo bond holders may suffer losses prior to investors in the same financial institution holding equity or bonds ranking pari passu or junior to the CoCo instruments. Independent from the trigger risk, a financial regulator with supervisory authority may at any time deem the issuer to have reached a point of non-viability, meaning that public intervention would be needed to keep the issuer out of bankruptcy, causing losses across the capital structure for equity and bondholders alike. Under these circumstances Coco bondholders would suffer losses in line with the subordination of the Coco host instrument.
- Extension risk as there may be no incentive, in the form of a coupon step-up, for the issuer to redeem the securities issued. This would cause the securities' duration to lengthen and to expose investors to higher interest rate risk; and
- Coupon payment risk whereby coupon payments may be indefinitely deferred or cancelled with no interest accumulation and potentially no restriction on the issuer to pay dividends to equity holders or coupons to bond holders which rank pari passu or junior to the CoCo bond holders.
- CoCos tend to have higher price volatility and greater liquidity risk than other securities which do not expose investors to the aforementioned risks.

2.24 Leverage Risk

A Sub-Fund may engage in leverage for investment purposes or as part of a hedging strategy, as will be outlined in the relevant Supplement, if applicable. The use of leverage creates special risks and may significantly increase the Sub-Fund's investment risk. Leverage will create an opportunity for greater yield and total return but, at the same time, will increase the Sub-Fund's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the Net Asset Value of the Shares to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the Shares may decrease more rapidly than would otherwise be the case.

2.25 Credit Ratings Risk

The ratings of fixed-income securities by Fitch, Moody's and Standard & Poor's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating on an issuer or a security is heavily weighted by past performance and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a down-grading of the credit rating of a security or an issuer relating to a security, the value of a Sub-Fund investing in such security may be adversely affected.

2.26 Liquidity Risk

Not all securities or instruments invested in by the Sub-Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Sub-Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

Some of the markets in which a Sub-Fund invests may be less liquid and more volatile than the world's leading stock markets and this may result in the fluctuation in the price of the securities. As a result, the Sub-Fund may suffer losses and the Net Asset Value of the Sub-Fund may be adversely affected.

Due to market conditions the Sub-Funds may from time to time trade in transferable securities dealt on a permitted market that may become illiquid after they have been acquired or it may be difficult for a Sub-Fund to liquidate at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as a temporary disruption of a particular market. Certain securities may therefore be difficult or impossible to sell at the time that the seller would like or at the price that the seller believes the security is currently worth.

2.27 Market Capitalisation Risk

Certain Sub-Funds may invest in the securities of small-to-medium-sized (by market capitalisation) companies, or FDI related to such securities. Such securities may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports. Additional risk factors associated with companies whose market capitalisation is small or mid-cap may include but are not limited to the following: limited or unproven operating history; weak or leveraged balance sheets, limited borrowing capacity; low or negative profit margins; high concentration of sales from limited number of customers; competition from more established companies; and key-man management risk.

2.28 No Secondary Market

It is not anticipated that there will be an active secondary market for the Shares, and it is not expected that such a market will develop. Subject to certain conditions outlined herein, including when redemptions or the registration of transfers of Shares are suspended, Shareholders will, however, be able to realise their investment in a Sub-Fund by redeeming their Shares or by a transfer to an investor who an eligible transferee.

2.29 Recent Developments in Financial Markets

Recent developments in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. In light of such recent market turmoil and the overall weakening of the financial services industry, the ICAV, the AIFM and other financial institutions' financial condition may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the ICAV's business and operations.

2.30 Reinvestment of Cash Collateral Risk

As a Sub-Fund may reinvest cash collateral received, a Sub-Fund reinvesting cash collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

2.31 Redemption Risk

Large redemptions of Shares in a Sub-Fund might result in a Sub-Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets which may be materially adverse to the Sub-Fund.

2.32 Securities Financing Transactions Risk

General

Securities Financing Transactions create several risks for the ICAV and its investors, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Sub-Fund and liquidity risk if the Sub-Fund is unable to liquidate collateral provided to it to cover a counterparty default.

Securities Lending Risk

There are risks associated with a Sub-Fund engaging in securities lending. 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. A securities lending transaction will involve the receipt of collateral. However there is a risk that the value of the collateral may fall and the Sub-Fund suffer loss as a result.

Repurchase Agreements

Where a Sub-Fund enters into repurchase arrangements it will bear a risk of loss in the event that the other party to the transaction defaults on its obligation and the Sub-Fund is delayed or prevented from exercising its rights to dispose of the underlying securities. The Sub-Fund will, in particular, be subject to the risk of a possible decline in the value of the underlying securities during the period in which the Sub-Fund seeks to assert its right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or a part of the income from the agreement.

Margin lending

In the context of prime brokerage and other credit facilities that a Sub-Fund may utilise, it may be difficult to identify whether a particular transaction falls within the definition of Securities Financing Transaction or not.

Collateral Risk

Collateral or margin may be passed by the Sub-Fund to a counterparty or broker in respect of OTC derivative transactions or Securities Financing Transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purpose, thus exposing the Sub-Fund to additional risk.

Risks related to a counterparty's right of re-use of any collateral include that, upon the exercise of such right of re-use, such assets will no longer belong to the relevant Sub-Fund and the Sub-Fund will only have a contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty the Sub-Fund shall rank as an unsecured creditor and may not recover its assets from the counterparty. More broadly, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the Sub-Fund or its delegates will not have any visibility or control.

Total Return Swaps

In respect of Total Return Swaps, if the volatility or expectation of volatility of the reference asset(s) varies, the market value of the financial instruments may be adversely affected. The Sub-Fund will be subject to the credit risk of the counterparty to the swap, as well as that of the issuer of the reference obligation. If there is a default by the counterparty to a swap contract a Sub-Fund will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the Sub-Fund will succeed in pursuing contractual remedies. A Sub-Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to swap contracts. The value of the index/reference asset underlying a Total Return Swap may differ to the value attributable per Share due to various factors such as the costs incurred in relation to the Total Return Swap entered into by the Sub-Fund to gain such exposure, fees charged by the Sub-Fund, differences in currency values and costs associated with hedged or unhedged Classes.

2.33 OTC Counterparty Rating Downgrade Risk

The ICAV will enter into OTC transactions only with those counterparties that it believes to be sufficiently creditworthy.

If an OTC counterparty engaged by the ICAV, in respect of a Sub-Fund, is subject to a credit rating downgrade, this could potentially have significant implications for the relevant Sub-Fund from a commercial perspective. Regardless of the measures the ICAV, in respect of a Sub-Fund, may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the relevant Sub-Fund will not sustain losses on the transactions as a result.

2.34 Investment in Collective Investment Schemes (CIS)

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

CIS may have different settlement cycles than that of the Sub-Funds. Thus, there may be mismatch between the two settlement cycles causing the Sub-Funds to use borrowing to meet such obligations. This may result in charges being incurred by the relevant Sub-Fund. Further, each CIS may not be valued at the same time or on the same day as the relevant Sub-Fund and accordingly the net asset value of such CIS used in the calculation of the Net Asset Value of the relevant Sub-Fund will be the latest available net asset value of such CIS (further details on the calculation of the Net Asset Value are set out under the heading "Valuation of Assets").

CIS may be leveraged. This includes the use of borrowed funds and investments in FDI. Also, they may engage in short sales. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the relevant Sub-Fund.

To the extent that the relevant Sub-Fund is invested in CIS, the success of the relevant Sub-Fund shall depend upon the ability of the CIS to develop and implement investment strategies that achieve the relevant Sub-Funds' investment objective. Subjective decisions made by the CIS may cause the relevant Sub-Fund to incur losses or to miss profit opportunities on which it could otherwise have capitalised. In addition, the overall performance of the relevant Sub-Fund will be dependent not only on the investment performance of the CIS, but also on the ability of the AIFM to select and allocate the Sub-Funds' assets among such CIS effectively on an ongoing basis. There can be no assurance that the allocations made by the AIFM will prove as successful as other allocations that might otherwise have been made, or as adopting a static approach in which CIS are not changed.

2.35 Launch Phase and Wind-down Phase

Prospective investors should note that a Sub-Fund's investment policies may not be able to be fully implemented or complied with during the launch and wind-down phase of a Sub-Fund when initial investment positions are being established or final positions are being liquidated, as appropriate. In respect of the wind-down phase and in accordance with the terms of this Prospectus and the Instrument of Incorporation, Shareholders will be notified in advance of a Sub-Fund being wound-down. As a consequence, Shareholders may be exposed to different types of investment risk and may receive a return that is different to the return that would have been received if full compliance with the relevant investment policies and/or Regulations had been maintained (noting that there can be no assurance that any Sub-Fund will achieve its investment objective) during the launch and/or wind-down phase of a Sub-Fund.

2.36 Unlisted Securities

A Sub-Fund may invest in unlisted securities. In general there is less governmental regulation and supervision of transactions in the unlisted securities markets than for transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with unlisted securities. Therefore, any Sub-Fund investing in unlisted securities will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses.

3 Accounting, Legal, Operational, Valuation and Tax Risks

3.1 Accounting, Auditing and Financial Reporting Standards

The accounting, auditing and financial reporting standards of many of the countries in which a Sub-Fund may invest may be less extensive than those applicable in the European Union.

3.2 Operational Risks

An investment in a Sub-Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel and errors caused by service providers such as the AIFM or the Administrator. While the Sub-Funds seek to minimise such events through controls and oversight, there may still be failures that could cause losses to a Sub-Fund.

The ICAV's service providers maintain global information technology systems. These systems could be subject to security breaches such as 'cyber crime' resulting in theft, a disruption in the ability to close out positions or the disclosure or corruption of sensitive and confidential information. Security breaches may also result in misappropriation of assets and could create significant financial and or legal exposure for the ICAV.

3.3 Dependence on Key Personnel

The investment performance of the Sub-Funds will be dependent on the services of certain key employees of the AIFM and its appointees. While contingency measures may be put in place, in the event of the death, incapacity or departure of any of these individuals, the performance of the Sub-Funds may be adversely affected.

3.4 Financial Markets and Regulatory Change

The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the ICAV's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the ICAV. The ICAV and the AIFM may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures which have been or may be adopted in certain jurisdictions.

3.5 AIFM Valuation Risk

The AIFM determines the most appropriate valuation of certain investments and at all times valuations will be carried out in line with the provisions in the Prospectus and the valuation policy of the AIFM. The AIFM has in place pricing procedures which follows industry standard procedures for valuing unlisted investments and whilst there may be a conflict of interest between the involvement of the AIFM in determining the valuation price of a Sub-Fund's investments and the other duties or responsibilities of the AIFM in relation to the Sub-Fund (particularly as the AIFM fees may increase as the value of assets has in place pricing procedures which follows industry standard procedures for valuing unlisted Investments increase), the AIFM will at all times retain full discretion in determining the valuation of assets.

The AIFM has put in place safeguards for the functionally independent performance of the valuation task as required by AIFMD. Such safeguards include measures to prevent or restrain any person from exercising inappropriate influence over the way in which a person carries out valuation activities.

A Sub-Fund may invest some of its assets in unquoted securities or instruments. Such investments or instruments may be valued at their probable realisation value estimated with care and good faith by the AIFM, a connected delegate or a duly appointed external valuer. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities.

3.6 Paying Agent Risk

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 ICAV or the relevant Sub-Fund (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 ICAV or the relevant Sub-Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder.

3.7 Segregated Liability

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

3.8 Class Level Risk

While it is not intended to engage in any material investment management or trading activity at Class level within a Sub-Fund, other than for hedging purposes, it should be noted that any such activity may expose the Sub-Fund to cross contamination risk as it may not be possible to ensure (contractually or otherwise) that a counterparty's recourse in any such arrangements is limited to the assets of the relevant Class.

3.9 Subscriptions/Redemptions Account

The ICAV operates a series of Subscriptions/Redemptions Accounts – one for each Sub-Fund. Monies in each Subscriptions/Redemptions Account are deemed assets of the relevant Sub-Fund and shall not have the protection of the Investor Money Regulations. There is a risk for investors to the extent that monies are held by a Sub-Fund in the Subscriptions/Redemptions Account for the account of the relevant Sub-Fund at a point where the Sub-Fund becomes insolvent. In respect of any claim by an investor in relation to monies held in a Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the relevant Sub-Fund.

3.10 Tax Risks

Where a Sub-Fund invests in assets that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Sub-Fund may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value of the Shares.

The attention of potential investors is drawn to the taxation risks associated with investing in the ICAV. Please refer to the section of this Prospectus entitled "Taxation".

3.11 FATCA

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "IGA"). Under the IGA, an entity classified as a Foreign Financial Institution (an "FFI") that is treated as resident in Ireland is expected to provide the Irish tax authorities with certain information on its "account" holders (i.e. Shareholders). The IGA further provides for the automatic reporting and exchange of information between the Irish tax authorities and the IRS in relation to accounts held in Irish FFIs by U.S. Persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The Sub-Funds expect to be treated as an FFI and provided it complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be required to withhold on payments which it makes.

Although the ICAV will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the ICAV will be able to satisfy these obligations. If the ICAV becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by all Shareholders may be materially affected.

All Shareholders and prospective investors should consult with their own tax advisors regarding the possible implications of FATCA on an investment in the ICAV.

3.12 United Kingdom Exit from the European Union

On March 29, 2017, the United Kingdom (the “UK”) formally notified the European Council of its intention to leave the European Union (“Brexit”). After a number of iterations, the European Commission and the UK’s negotiators reached agreement on the terms of the UK’s withdrawal from the EU, and these terms have been approved by the UK and EU Parliaments. The UK formally left the EU on January 31, 2020 at 11.00 pm after which it entered the transition period specified in the withdrawal agreement, which is scheduled to end on December 31, 2020. During this period, it is expected that the majority of the existing EU rules will continue to apply in the UK.

The terms of UK's exit from the EU are still uncertain, including UK's access to the EU single market permitting the exchange of goods and services between the UK and the EU. The UK expects to agree a deal on a future relationship with the EU by the end of the transitional period but whether this is possible is subject to agreement by EU member states.

The future application of EU-based legislation to the fund industry in the UK will depend, among other things, on how the UK renegotiates its relationship with the EU. There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on the ICAV and its investments, including the ability of the ICAV to achieve its investment objectives.

The legal, political and economic uncertainty generally resulting from the UK's exit from the EU may adversely affect both EU and UK-based businesses. This uncertainty may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

3.13 Public Health Emergencies

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the outbreak of COVID-19, have resulted in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Sub-Funds.

4 Risk Factors Not Exhaustive

The 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 Sub-Fund may be exposed to risks of an exceptional nature from time to time.

AIFMD INFORMATION CARD

9 December 2022

BlueBay Investment Funds ICAV, a Qualifying Investor Alternative Investment Fund (QIAIF)

This AIFMD Information Card contains information relating to BlueBay Investment Funds ICAV (the "ICAV"), an umbrella Irish collective asset-management vehicle with segregated liability between sub-funds under the Irish Collective Asset-management Vehicles Act 2015 (the "Act") with registered number C143847 and authorised by the Central Bank pursuant to the Act and chapter 2 of the AIF Rulebook.

This AIFMD Information Card forms part of and should be read in the context of and in conjunction with the prospectus for the ICAV dated 9 December 2022 (the "Prospectus"). Capitalised terms not defined in this AIFMD Information Card have the same meaning as set out in the Prospectus.

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

This AIFMD Information Card has been prepared for the purpose of meeting the specific investor disclosure requirements contained in Article 23 of AIFMD.

1 Description of the investment objective, policies and strategy of each Sub-Fund

The Sections of the relevant Supplement entitled "*Investment Objective, Investment Policies and Investment Strategy*" contains a full account of the investment objective, policies and strategy of the Sub-Fund.

2 Procedures to change the investment objective, policies or strategy

The Prospectus provides that the investment objective of a Sub-Fund may not be altered, and material changes to the investment policy of a Sub-Fund may not be made, without prior approval of Shareholders. For further details, refer to the section of the Prospectus entitled "*Investment Objective and Policies*".

3 Legal implications of an investment in the ICAV

3.1 The main legal implications of the contractual relationship which you would enter into by investing in a Sub-Fund are as follows:

3.1.1 By completing and submitting the relevant Application Form, you 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. Any contract notes that may be issued to an investor are not legally binding and not part of the legal relationship.

3.1.2 The Shareholder will be obliged to make representations, warranties, declarations and certifications in the Application Form relating to its eligibility to invest in the Sub-Fund and its compliance with the applicable anti-money laundering laws and regulations.

3.1.3 Upon the issue of Shares, you will become a Shareholder in the relevant Sub-Fund and the Instrument of Incorporation will take effect as a statutory contract between you and the ICAV.

3.1.4 The Instrument of Incorporation is governed by, and construed in accordance with, the laws of Ireland. The Application Form is governed by, and construed in accordance with, the laws of Ireland. The Prospectus and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with Irish law. With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with the Prospectus (including any non-contractual obligations arising out of or in connection with it), each party irrevocably submits to the jurisdiction of the Irish courts.

3.1.5 In any proceedings taken in Ireland for the enforcement of a judgement obtained against the ICAV in the courts of a foreign (non-Irish) jurisdiction (a "**Foreign Judgement**"), the Foreign

Judgement should be recognised and enforced by the courts of Ireland. To enforce such a Foreign Judgement in Ireland, it would be necessary to obtain an order of the Irish courts. Such an order will generally be granted on proper proof of the Foreign Judgement without any retrial or examination of the merits of the case, subject to the following qualifications: (i) that the foreign court had jurisdiction, according to the laws of Ireland; (ii) that the Foreign Judgement was not obtained by fraud; (iii) that the Foreign Judgement is not contrary to public policy or natural justice as understood in Irish law; (iv) that the Foreign Judgement is final and conclusive; (v) that the Foreign Judgement is for a definite sum of money; and (vi) that the procedural rules of the court giving the Foreign Judgement have been observed.

4 Identity and duties of the AIFM, Depositary and other service providers and rights of investors

4.1 For details of the identity and duties of the AIFM, Depositary and other service providers, refer to the section of the Prospectus entitled "*Management of the ICAV*".

4.2 Absent a direct contractual relationship between a Shareholder and a service provider to the ICAV, the 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.

5 AIFM professional liability risk cover

In order to cover professional liability risks resulting from activities which the AIFM may carry out on behalf of the ICAV, the AIFM maintains professional indemnity insurance against liability arising from professional negligence which is appropriate to the risk covered as well as additional own funds appropriate to cover professional indemnity insurance excess amount.

6 Management function and safekeeping function delegation arrangements

6.1 The ICAV has delegated the powers of determining investment policy and investment management of the Sub-Funds to the AIFM, pursuant to the AIFM Agreement. The AIFM may in turn delegate the powers of determining investment policy and investment management of a Sub-Fund to an investment manager, as disclosed in the Prospectus.

6.2 The Depositary has power to delegate the whole or any part of its safekeeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The AIFM will inform investors before they invest in the ICAV of the presence and identity of any appointed delegates of the Depositary.

6.3 For details of any potential conflicts of interest that may arise as a result of such delegation arrangements referred to above, refer to the section of the Prospectus entitled "*Conflicts of Interest*".

7 Liquidity policy of the AIFM; redemption procedures

7.1 The AIFM, in consultation with the Investment Manager, employs an appropriate liquidity management system and has adopted procedures which enable it to monitor the liquidity risk of the ICAV and each Sub-Fund and to ensure that the liquidity profile of the investments of each Sub-Fund complies with its underlying obligations. The liquidity management system ensures that each Sub-Fund maintains a level of liquidity appropriate to their underlying obligations based on an assessment of the relative liquidity of the Sub-Fund's assets in the market, taking account of the time required for liquidation and the price or value at which those assets can be liquidated and their sensitivity to other market risks or factors. The AIFM monitors the liquidity profile of the portfolio of assets having regard to the profile of the investor base of the Sub-Fund, the relative size of investments and the redemption terms to which these investments are subject. The AIFM implements and maintains appropriate liquidity measurement arrangements and procedures to assess the quantitative and qualitative risks of positions and intended investments which have a material impact on the liquidity profile of the portfolio of the Sub-Fund's assets to enable their effects on the overall liquidity profile to be appropriately measured and considers and puts into effect the tools and arrangements necessary to manage the liquidity of the ICAV.

7.2 For details in relation to the procedures and conditions for the redemption of Shares (noting the variances between open-ended Sub-Funds, open-ended with limited liquidity Sub-Funds and closed-ended Sub-Funds), refer to the section of the Prospectus entitled "*Share Dealings; Redemption of Shares*".

8 Valuation procedures

8.1 The Prospectus provides that the AIFM is responsible for ensuring that the Net Asset Value per Share is calculated and disclosed to Shareholders. The procedures and methodology for calculating the Net Asset Value per Share are summarised in the section of the Prospectus entitled "*Valuation of Assets*; *Calculation of Net Asset Value*". As part of its control function, the AIFM shall regularly verify and update as necessary these calculation procedures and methodologies.

8.2 The AIFM is responsible for ensuring that proper and independent valuation of the assets of the ICAV can be performed. The assets and liabilities of each Sub-Fund will be valued in accordance with the valuation policy of the AIFM consistent with the provisions outlined in the Prospectus.

9 Fees and expenses

9.1 For details of the fees and expenses payable out of the assets of the ICAV, refer to the section of the Prospectus entitled "*Fees and Expenses*".

9.2 Details of the fees and expenses payable out of the assets of a specific Sub-Fund shall be disclosed in the relevant Supplement, in each case in the section entitled "*Fees and Expenses*".

10 Fair treatment of Shareholders

The AIFM will ensure that its decision-making procedures and its organisational structure ensure the fair treatment of Shareholders in the ICAV. In discharging its role, the AIFM shall act honestly, fairly, professionally, independently and in the interests of the ICAV and the Shareholders.

11 Annual reports

Audited accounts will be sent to Shareholders within six months after the conclusion of each Accounting Period (being a calendar year ending 31 December in each year).

The AIFM may send such reports and accounts electronically to Shareholders in accordance with the requirements of the Central Bank and where such Shareholders have consented to such receipt in their Application Form.

12 Subscription procedures

For details in relation to the procedures and conditions for the sale of Shares, refer to the section of the Prospectus entitled "*Share Dealings; Applications for Shares*".

13 Availability of Net Asset Value information

The latest Net Asset Value of each Sub-Fund, together with the historical performance and the latest Net Asset Value of the Shares of each Class may be obtained on the client extranet at www.bluebay.com. These Net Asset Values will be those prices applicable to the previous Valuation Day and are therefore only indicative after the relevant Valuation Day.

14 Availability of historical performance data

The historical performance of each Sub-Fund will in due course be available on the client extranet at www.bluebay.com to investors in the Sub-Fund before they invest.

15 Details of any prime brokers appointed

At the date of this document, the ICAV has not appointed any prime brokers.

16 Securities Financing Transitions

As further detailed in the Prospectus, Sub-Funds of the ICAV may engage in Securities Financing Transactions. For details in relation to the data provided for in Section B of the Annex to SFTR, refer to the section of the Prospectus entitled "Securities Financing Transactions".

17 Periodic and regular disclosure of information to Shareholders

17.1 The AIFM will periodically (on a monthly basis) send to Shareholders the following information:

17.1.1 the current risk profile of the relevant Sub-Fund and the risk management systems employed by the AIFM to manage those risks, including (i) measures to assess the sensitivity of the Sub-Fund's portfolio to the most relevant risks to which the Sub-Fund is or could be exposed; (ii) if risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded, a description of the circumstances and the remedial measures taken; (iii) any change to the risk management systems employed by the AIFM and the anticipated impact of the change on the Sub-Fund and the Shareholders.

17.1.2 information on any changes to the AIFM's liquidity management systems and procedures for the ICAV; the terms under which redemptions are permitted and circumstances determining when management discretion applies; and any voting or other restrictions exercisable.

17.1.3 the total amount of leverage actually employed by the relevant Sub-Fund, calculated in accordance with the gross and commitment methods as required under AIFMD.

17.1.4 if applicable, information on changes to the maximum level of leverage which the AIFM may employ on behalf of the relevant Sub-Fund as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangements.

18 Any contractual discharge arrangements of the Depositary

18.1 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.

18.2 The AIFM will inform Shareholders of any changes with respect to the Depositary’s liability without delay.

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