

SCHRODER FUNDS ICAV

(an Irish collective asset-management vehicle with registered number C193898 and established as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended)

(the “ICAV”)

UK ADDENDUM

for

SCHRODER STERLING LIQUIDITY FUND SCHRODER STERLING SHORT DURATION BOND FUND SCHRODER STERLING CASH FUND

Additional Information for investors in the United Kingdom dated 29 December 2023.

This Addendum is for investors in the United Kingdom (“UK”) who have invested, or are intending to invest, in Schroder Sterling Liquidity Fund and/or Schroder Sterling Short Duration Bond Fund and/or Schroder Sterling Cash Fund (the “Funds”). This Addendum forms part of and should be read in conjunction with the prospectus of the ICAV dated 19 December 2023 as amended or supplemented from time to time and the supplement for each Fund (the “Prospectus”).

Unless otherwise defined herein, terms used in this Addendum shall have the meanings attributed to them in the Prospectus.

Important

The ICAV is a recognised collective investment scheme within the meaning of Section 264 of the UK Financial Services and Markets Act 2000 (the “FSMA”) and Shares in the Fund may be promoted to the UK public by persons authorised to carry on investment business in the UK and will not be subject to restrictions contained in Section 238 of FSMA.

The ICAV does not carry on regulated activities in the UK and does not require the conduct of its business to be regulated under the FSMA. Therefore, Shareholders generally will not benefit from the protections provided by the UK regulatory system, such as access to the Financial Ombudsman Service. Subject to eligibility, Shareholders may in some circumstances benefit from rights under the Financial Services Compensation Scheme. If you are in any doubt about your eligibility you may wish to obtain independent professional advice.

UK Facilities Agent

Schroder Investment Management Limited has been appointed as the ICAV’s facilities agent (the “**Facilities Agent**”) to maintain the facilities required of a recognised collective investment scheme pursuant to the rules contained in that part of the FCA’s Handbook of Rules and Guidance governing recognised collective investment schemes.

The facilities are located at the office of the Facilities Agent at 1 London Wall Place, London, EC2Y 5AU, United Kingdom. At these facilities any person may:

1. inspect (free of charge) a copy (in English) of:
 - a. the Instrument of Incorporation of the ICAV;
 - b. the latest version of the Prospectus;
 - c. the latest version of the Key Investor Information Documents;
 - d. the latest annual and half-yearly reports most recently prepared and published by the ICAV (once available);
2. obtain a copy of any of the above documents (free of charge);
3. obtain information (in English) about the prices of Shares in a Fund; and
4. make a complaint about the operation of the ICAV, which the Facilities Agent will transmit to the ICAV.

Subject to the terms of the Prospectus, any Shareholder may redeem or arrange for the redemption of Shares in a Fund and obtain payment at the office of the Facilities Agent.

United Kingdom Taxation

The following paragraphs, which are intended as a general guide only and do not constitute tax advice, are based on current United Kingdom tax legislation and what is understood to be the current practice of the United Kingdom HM Revenue & Customs as at the date of this Addendum. They summarise certain limited aspects of the United Kingdom tax treatment of the ICAV and Shareholders and relate only to the position of Shareholders who are the absolute beneficial owners of their Shares, who hold their Shares as an investment (as opposed to securities to be realised in the course of a trade) and (except insofar as express reference is made to the treatment of non-United Kingdom residents or non-United Kingdom domiciliaries) who are resident and, if an individual, domiciled in, and only in, the United Kingdom for taxation purposes. They do not apply to certain classes of Shareholders, such as dealers in securities, insurance companies, collective investment schemes and Shareholders who have, or are deemed to have, acquired their Shares by reason of, or in connection with, an office or employment. If you are in any doubt as to your taxation position or if you are subject to tax in any jurisdiction other than the United Kingdom, you should consult an appropriate professional adviser immediately.

The ICAV

The Directors intend that the affairs of the ICAV should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the ICAV and the Funds are not trading in the United Kingdom through a fixed place of business or agent situated therein that constitutes a “permanent establishment” for United Kingdom taxation purposes and that all its trading transactions (if any) in the United Kingdom are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, the ICAV will not be subject to United Kingdom corporation tax or income tax on its profits. The Directors and the Investment Manager each intend that the respective affairs of the ICAV and the Investment Manager are conducted so that these requirements are met, insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

Certain interest and other amounts received by the Funds which have a United Kingdom source

may be subject to withholding or other taxes in the United Kingdom.

Shareholders

Subject to their personal circumstances, Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of an income nature made by the ICAV, whether or not such dividends or distributions are reinvested, together with their share of income retained by a Reporting Fund (as to which see below). The nature of the charge to tax and any entitlement to a tax credit in respect of such dividends or distributions will depend on a number of factors which may include the composition of the relevant assets of the ICAV and the extent of a Shareholder's interest in a Fund.

The Offshore Funds (Tax) Regulations 2009 (the “**Offshore Funds Regulations**”) set out the regime for the taxation of investments in offshore funds (as defined in the United Kingdom Taxation (International and Other Provisions) Act 2010 (“**TIOPA 2010**”)) which operates by reference to whether a fund opts into a reporting regime (a “**Reporting Fund**”) or not (a “**Non-Reporting Fund**”). If an investor who is resident in the United Kingdom for taxation purposes holds an interest in an offshore fund that does not have Reporting Fund status throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income (“Offshore Income Gains”) and not as a capital gain. Investors in a Reporting Fund are subject to tax on the share of the Reporting Fund's income attributable to their holding in the fund, whether or not distributed, and any gains on disposal of their holding would be taxed as capital gains. Investors in a Non-Reporting Fund would not be subject to tax on income retained by the Non-Reporting Fund.

The Shares will constitute interests in an offshore fund. As of the date of this Addendum, the ICAV has not sought recognition of the Funds as Reporting Funds from HM Revenues & Customs for the purposes of taxation in the UK. As a result of the Funds' status as Non-Reporting Funds, any gains arising to Shareholders resident in the UK on a sale, redemption or other disposal of such Shares (including a deemed disposal on death) shall be treated as Offshore Income Gains rather than capital gains. The ICAV may apply to HM Revenue & Customs for recognition of the Funds as Reporting Funds in the future.

Persons within the charge to United Kingdom corporation tax should note that the regime for the taxation of most corporate debt contained in the United Kingdom Corporation Tax Act 2009 (the “**Loan Relationships Regime**”) provides that, if at any time in an accounting period of such a person, that person holds an interest in an offshore fund within the meaning of the relevant provisions of the Offshore Fund Regulations and TIOPA 2010, and there is a time in that period when that fund fails to satisfy the “**Qualifying Investments**” test, the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the Loan Relationships Regime. An offshore fund fails to satisfy the Qualifying Investments test at any time when more than 60 per cent of its assets by market value (excluding cash awaiting investment) comprises Qualifying Investments. Qualifying Investments include government and corporate debt securities, cash on deposit, certain derivative contracts and holdings in other collective investment schemes which at any time in the accounting period of the person holding the interest in the offshore fund do not themselves satisfy the Qualifying Investments test. The Shares will constitute such interests in an offshore fund. If the Funds fail to satisfy the Qualifying Investments test, the Shares will be treated for corporation tax purposes as within the Loan Relationships Regime with the result that all returns on such Shares in respect of such a person's accounting period (including gains,

profits and losses) will be taxed or relieved as an income receipt or expense on a fair value accounting basis. Accordingly, such a person who acquires such Shares in the ICAV may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of such Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

Individuals resident in the United Kingdom for taxation purposes should note that Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 contains anti-avoidance provisions dealing with the transfer of assets to overseas persons that may in certain circumstances render such individuals liable to taxation in respect of undistributed income profits of the ICAV.

Persons resident in the United Kingdom for taxation purposes should note the provisions of section 13 of the United Kingdom Taxation of Chargeable Gains Act 1992 (“Section 13”). Section 13 could be material to any such person who has an interest in the ICAV as a “participator” for United Kingdom taxation purposes (which term includes a shareholder) at a time when any gain accrues to the ICAV (such as on a disposal of any of its investments) which constitutes a chargeable gain or an Offshore Income Gain if, at the same time, the ICAV is itself controlled in such a manner and by a sufficiently small number of persons as to render the ICAV a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a “close” company for those purposes. The provisions of Section 13 would result in any such person who is a Shareholder being treated for the purposes of United Kingdom taxation as if a part of any chargeable gain or Offshore Income Gain accruing to the ICAV had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the ICAV. No liability under Section 13 could be incurred by such a person, however, in respect of a chargeable gain or an Offshore Income Gain accruing to the ICAV if the aggregate proportion of that gain that could be attributed under Section 13 both to that person and to any persons connected with him for United Kingdom taxation purposes does not exceed one quarter of the gain. In addition, Section 13 does not apply where the asset giving rise to the gain was neither disposed of nor acquired or held as part of a scheme or arrangements having a tax avoidance main purpose. In the case of Shareholders who are individuals domiciled outside the United Kingdom, Section 13 applies subject to the remittance basis in particular circumstances.

Companies resident in the United Kingdom for taxation purposes should note the “controlled foreign companies” legislation contained in Part 9A of TIOPA 2010 (the “CFC Rules”). The CFC Rules could in particular be material to any company that has (either alone or together with persons connected or associated with it for United Kingdom taxation purposes) an interest in 25 per cent or more of the “chargeable profits” of the ICAV if the ICAV is controlled (as “control” is defined in section 371RA of TIOPA 2010) by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes or is controlled by two persons taken together, one of whom is resident in the United Kingdom for tax purposes and has at least 40 per cent of the interests, rights and powers by which those persons control the ICAV, and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and powers. The effect of the CFC Rules could be to render such companies liable to United Kingdom corporation tax by reference to their proportionate interest in the chargeable profits of the ICAV. The chargeable profits of the ICAV do not include any capital gains.

Transfers of Shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom when the transfer will be liable to United Kingdom ad valorem stamp duty at the rate of 0.5 per cent of the consideration paid and rounded up to the nearest £5. No United Kingdom stamp duty reserve tax is payable on transfers of Shares or agreements to transfer Shares. It should be noted that the levels and bases of, and

reliefs from, taxation can change.

Fees and Expenses

Information relating to the fees and expenses payable by investors in each Fund are set out in the section of the Prospectus headed “**Fees and Expenses**”. The attention of investors and/or prospective investors is drawn to the information relating to fees and expenses set out therein.

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

SCHRODER FUNDS ICAV

(an Irish collective asset-management vehicle with variable capital with registered number C193898 and established as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended)

PROSPECTUS

for

SCHRODER FUNDS ICAV

DATED 19 DECEMBER 2023

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE ICAV AND THE FUNDS AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, LEGAL ADVISER, ACCOUNTANT, OR OTHER FINANCIAL ADVISER.

Certain terms used in this Prospectus are defined on pages 3 to 10 of this document.

Central Bank Authorisation

The ICAV has been authorised by the Central Bank as a UCITS within the meaning of the UCITS Regulations and registered as an Irish collective asset-management vehicle pursuant to the Irish ICAV Act. 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. Authorisation of the ICAV by the Central Bank does 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 the ICAV or of any Fund.

Investment Risks

There can be no assurance that a Fund will achieve its investment objective. It should be appreciated that the value of Shares and any income arising from them is not guaranteed and may go down as well as up. This is because the Share price is determined by changing conditions in the market(s) in which a Fund invests. An investment in a Fund involves investment risks, including possible loss of the entire amount invested.

Selling Restrictions

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, incorporation or domicile.

Authorised intermediaries which offer, recommend or sell Shares in a Fund must comply with all laws, regulations and regulatory requirements applicable to them. Also, such intermediaries should consider such information about the Fund as is made available by the Investment Manager for the purposes of the EU's product governance regime under MiFID II including, without limitation, target market information.

Before investing in a Fund an investor shall be required to confirm whether the investor is Irish Resident for tax purposes.

Notice to Investors in the UK

The ICAV is a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the "Act"). The Prospectus will be distributed in the United

Kingdom by or on behalf of the ICAV and is approved by Schroder Investment Management Limited, which is regulated by Financial Conduct Authority.

Schroder Investment Management Limited is acting for the ICAV in relation to the Prospectus and all matters relating to it. Schroder Investment Management Limited or any of its associates may have an interest or position in Shares. It is not acting for, or advising or treating as its customer, any other person (unless other arrangements apply between Schroder Investment Management Limited and such person) in relation to investment in the ICAV.

Marketing Rules

Shares are offered only on the basis of the information contained in the current Prospectus, the relevant KID and the latest audited annual accounts and any subsequent half-yearly report. Investors should note that the auditor's report on the ICAV's annual accounts is made only to the ICAV and the Shareholders as a body at the date of the auditor's report.

Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent there is any inconsistency between the English language Prospectus and this Prospectus in another language, this English language Prospectus will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the laws of Ireland.

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

SCHRODER FUNDS ICAV

Directors

Michael Marsh (Chairperson)
Gerald Brady
Michael K Griffin

Registered Office

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Manager

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Administrator, Registrar and Transfer Agent

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Investment Manager

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United Kingdom

Depositary

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Legal Advisers

Arthur Cox
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Chartered Accountants and Registered Auditors

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Secretary

Bradwell Limited
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INDEX

1.	DEFINITIONS.....	3
2.	INTRODUCTION	11
3.	INVESTMENT OBJECTIVE AND POLICIES OF THE FUNDS.....	11
4.	DISTRIBUTION POLICY	14
5.	INVESTMENT RESTRICTIONS	15
6.	INVESTMENT TECHNIQUES AND INSTRUMENTS	15
8.	FEES AND EXPENSES.....	32
9.	ADMINISTRATION OF THE ICAV	33
9.1	Determination of Net Asset Value.....	33
9.2	Application for Shares	35
9.3	Anti-Money Laundering Procedures.....	36
9.4	Subsequent Subscriptions	37
9.5	Subscription Price	38
9.6	Written Confirmations of Ownership	38
9.7	Redemption Requests	38
9.8	Redemption Price.....	39
9.9	Dilution Adjustment	40
9.10	Mandatory Redemption of Shares	40
9.11	Negative Yield Event.....	41
9.12	Transfer of Shares	41
9.13	Withholdings and Deductions.....	41
9.14	Conversion of Shares	42
9.15	Publication of the Price of the Shares	42
9.16	Temporary Suspension of Valuation of the Shares and of Sales and Redemptions	43
9.17	Data Protection Notice.....	44
10.	MANAGEMENT AND ADMINISTRATION	45
10.1	The Board of Directors	45
10.2	The Manager	46
10.3	The Investment Manager	50
10.4	The Administrator.....	50
10.5	The Depositary.....	51
11.	TAXATION.....	53
12.	GENERAL.....	61
12.1	Remuneration Policy.....	61
12.2	Conflicts of Interest	61
12.3	The Share Capital.....	63
12.4	The Funds and Segregation of Liability.....	64
12.5	Termination.....	65
12.6	Meetings.....	66
12.7	Reports.....	66
12.8	Shareholder Complaints.....	67
12.9	Minimum Viable Size.....	67
12.10	Miscellaneous	67
12.11	Material Contracts.....	67
12.12	Supply and Inspection of Documents	67
 SCHEDULE 1		
	THE REGULATED MARKETS.....	69
 SCHEDULE 2		
	INVESTMENT RESTRICTIONS APPLICABLE TO THE FUNDS.....	73

SCHEDULE 3	
INVESTMENT RESTRICTIONS APPLICABLE TO MONEY MARKET FUNDS	79
SCHEDULE 4	
ADDITIONAL INFORMATION FOR MONEY MARKET FUNDS	82
SCHEDULE 5	
INVESTMENT TECHNIQUES AND INSTRUMENTS	91
SCHEDULE 6	
LIST OF SUB-CUSTODIANS.....	101

1. DEFINITIONS

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

“1933 Act”	the US Securities Act of 1933 (as amended);
“ABCP”	asset-backed commercial paper;
“Accumulation Shares”	a class of Shares in a Fund in respect of which the net income and realised and unrealised capital gains net of realised and unrealised losses arising will be retained within the Fund and reflected in the Net Asset Value of such Shares;
“Administrator”	J.P. Morgan Administration Services (Ireland) Limited;
“Administration Agreement”	the agreement dated 1 November 2021 between the Manager, the ICAV and the Administrator pursuant to which the latter was appointed administrator, registrar and transfer agent of the ICAV;
“AIMA”	the Alternative Investment Management Association;
“amortised cost method”	a valuation method which takes the acquisition cost of an asset and adjusts that value for amortisation of premiums or discounts until maturity;
“Base Currency”	the base currency of a Fund;
“Business Day”	unless otherwise determined by the Directors and notified in advance to Shareholders, a day on which banks are open for normal banking business in London (excluding Saturdays and Sundays);
“C Shares”	Shares intended for all investors;
“Central Bank”	the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the ICAV;
“Central Bank Regulations”	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019, as such may be amended, supplemented or replaced from time to time;
“class”	any class of Shares;
“Class Currency”	the currency in which Shares of a class are issued;
“Credit Quality Assessment Procedure”	the internal credit quality assessment procedure outlined in Schedule 4;

“Data Protection Legislation”	Irish Data Protection Acts 1988 to 2018, the General Data Protection Regulation (Regulation EU) 2016/679), the EU ePrivacy Directive 2002/58/EC (as amended) the European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011 and any relevant transposition of, or successor or replacement to, those laws (including, when they come into force, the ePrivacy Directive);
“Dealing Day”	each Business Day or such other days as the Directors may determine from time to time and notify in advance to Shareholders, provided that there shall be at least two Dealing Days per calendar month at regular intervals;
“Depositary”	J.P. Morgan SE – Dublin Branch;
“Depositary Agreement”	the agreement dated 1 November 2021 between the Manager, the ICAV and the Depositary pursuant to which the latter was appointed depositary of the ICAV;
“Directive”	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations, and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended by Directive 2014/91/EU of 23 July 2014;
“Directors”	the directors of the ICAV for the time being and any duly constituted committee thereof;
“EEA”	the European Economic Area;
“EMIR”	Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories, as such may be amended, supplemented or replaced from time to time;
“ESMA”	the European Securities and Markets Authority, or such replacement or successor authority as may be appointed from time to time;
“EU”	the European Union;
“EUR” or “euro” or “€”	the currency referred to in the Second Council Regulation (EC) no. 974/98 of 3 May 1998 on the introduction of the euro;
“FATCA”	the Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act;
“FCA”	the Financial Conduct Authority or any successor regulatory entity;

“FDI” or “Financial Derivative Instruments”	financial derivative instruments;
“Fund” or “Funds”	any fund from time to time established by the ICAV as described in the Supplement for each Fund;
“Fund Cash Account”	means a cash account opened by the Manager in the name of the ICAV on behalf of a Fund into which: (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Dealing Day; (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors; and (iii) dividend payments owing to Shareholders are deposited and held until paid to such Shareholders;
“I Shares”	Shares intended for purchase only by institutional investors (unless otherwise agreed by the ICAV);
“ICAV”	Schroder Funds ICAV, an Irish collective-asset management vehicle registered in Ireland pursuant to the ICAV Act and authorised pursuant to the UCITS Regulations;
“ICAV Act”	the Irish Collective Asset-management Vehicles Act 2015, as may be amended, supplemented or replaced from time to time, including any regulations made by ministerial order thereunder and any conditions imposed thereunder by the Central Bank;
“Income Shares”	a class of Shares in a Fund in respect of which the net income and realised and unrealised capital gains net of realised and unrealised losses arising will be distributed;
“Initial Offer Period”	the period during which Shares in a Fund are first offered for subscription as specified in the relevant Supplement for the relevant Fund;
“Initial Offer Price”	the price at which a class of Shares is first offered as set out in the relevant Supplement for the relevant Fund;
“Instrument of Incorporation”	the instrument of incorporation of the ICAV as may be amended from time to time in accordance with the requirements of the Central Bank;
“Investment Manager”	Schroder Investment Management Limited;
“Investment Management Agreement”	the agreement dated 1 November 2021 between the Manager, the ICAV and the Investment Manager pursuant to which the latter was appointed investment manager of the ICAV;

“Investor Money Regulations”	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers;
“IOSCO”	International Organisation of Securities Commissions;
“Irish Resident”	the definition more particularly set out in the section entitled “Taxation of the ICAV” of this Prospectus;
“KID”	the key information document issued in respect of each Share class pursuant to the UCITS Regulations;
“KIID”	the key investor information document issued in respect of each Share class pursuant to the UCITS Regulations;
“LVNAV MMF”	a low volatility net asset value money market fund as defined and authorised pursuant to the MMF Regulations and which is a Short Term Money Market Fund;
“Manager”	Schroder Investment Management (Europe) S.A.;
“Management Agreement”	the agreement dated 1 November 2021 between the ICAV and the Manager pursuant to which the latter was appointed manager of the ICAV;
“mark-to-market”	the valuation of positions at readily available close out prices that are sourced independently, including exchange prices, screen prices, or quotes from several independent reputable brokers;
“mark-to-model”	any valuation which is benchmarked, extrapolated or otherwise calculated from one or more market input;
“MMF” or “Money Market Fund”	a money market fund authorised under the MMF Regulations;
“MMF Delegated Regulations”	the commission Delegated Regulation amending the MMF Regulations with regard to simple transparent and standardised securitisations and ABCPs, requirement for assets received as part of reverse repurchase agreements and credit quality assessment methodologies;
“Money Market Instruments”	instruments normally dealt in on a money market that are liquid and have a value which can be accurately determined at any time as construed in accordance with schedule 3 to the UCITS Regulations and in order to be eligible for investment by a LVNAV MMF such instruments that meet the applicable criteria outlined in Article 10 of the MMF Regulations;
“MTM Net Asset Value”	the Net Asset Value of a LVNAV MMF calculated using the mark-to-market or mark-to-model method as

	outlined in Schedule 4 under the heading “Specific provisions relating to the calculation of the Net Asset Value per Share”;
“MMF Regulations”	Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds and any delegated regulation published pursuant to it;
“Member State”	a member state of the EU;
“MiFID”	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EC;
“MiFID II”	collectively, Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, the Commission Delegated Directive (EU) 2017/593 of 7 April 2016 and the Markets in Financial Instruments (MiFIR) Regulation (EU) No 600/2014;
“Minimum Holding”	such minimum value of a holding of Shares in any Fund as the Directors may determine;
“Moody’s”	Moody’s Investor Services, Inc.;
“Net Asset Value” or “NAV”	the Net Asset Value of the ICAV or of a Fund or class, as appropriate, calculated as described herein and which may in respect of a LVNAV MMF be calculated as the Stable Net Asset Value or the MTM Net Asset Value as outlined in “Determination of Net Asset Value”;
“Net Asset Value per Share”	in respect of any Shares, the Net Asset Value attributable to the relevant Shares issued in respect of a Fund or class, divided by the number of Shares in issue in respect of the Fund or class rounded to such number of decimal places as the Directors may determine in accordance with the section entitled “Determination of Net Asset Value”;
“OECD”	the Organisation for Economic Co-Operation and Development;
“OTC”	over-the-counter;
“Prospectus”	this document and any Supplement designed to be read and construed together with and to form part of this document;

“Q Shares”	Purchase of shares is at the ICAV’s discretion. An agreement between the ICAV and client is required to permit purchase of shares. Shares intended for purchase only (as agreed by the ICAV) by a client of Schroders.
“Recognised Rating Agency”	Moody’s, Standard and Poor’s and any other internationally recognised rating agency equivalent to either of them;
“Regulated Market”	any stock exchange or regulated market in the EU or a stock exchange or regulated market which is listed in Schedule 1 to this Prospectus, or such other markets as the Manager may from time to time determine to be a regulated market in accordance with the UCITS Regulations and which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State;
“Relevant Declaration”	the declaration relevant to the Shareholder as set out in Schedule 2B of the TCA and the Relevant Declaration for investors who are neither resident in Ireland nor ordinarily resident in Ireland (or intermediaries acting for such investors) is set out in the application form;
“Remuneration Policy”	the remuneration policy of the Manager;
“Revenue Commissioners”	the Revenue Commissioners of Ireland;
“Rule 144A Securities”	securities (i) which are issued with an undertaking to register with the SEC within one year of issue; and (ii) are not illiquid, meaning that they may be realised by the ICAV within 7 days at the price, or approximately at the price, at which they are valued by the ICAV;
“S Shares”	Shares intended for purchase only (at the Manager’s discretion) by clients of the Schroder Group’s wealth management business, to staff and other connected parties of the Investment Manager, and staff of the Manager and its affiliates.
“SEC”	the Securities and Exchange Commission in the US;
“Securities Financing Transactions Regulation”	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as such may be amended, supplemented or replaced from time to time;

“Settlement Date”	the time and date by which subscription monies in respect of a subscription order must be received by the Administrator or by which redemption monies in respect of a redemption must be paid, as specified in the Supplement for the relevant Fund;
“Share” or “Shares”	any class of share or shares in the ICAV or the Fund, as the context so requires;
“Shareholder”	a holder of Shares;
“Shareholder Monies”	subscription monies received from, and redemption monies due to, investors in the Funds and dividend monies due to Shareholders;
“Short Term Money Market Fund” or “Short Term MMF”	a short term money market fund pursuant to the MMF Regulations which invests in eligible Money Market Instruments and is subject to the portfolio rules set out in Article 24 of the MMF Regulations;
“Stable Net Asset Value”	the Net Asset Value of a LVNAV MMF calculated using the amortised cost method as outlined in Schedule 4 under the heading “Specific provisions relating to the calculation of the Net Asset Value per Share”;
“Standard and Poor’s”	Standard & Poor’s Corporation;
“Sterling” or “GBP” or “Stg£”	the lawful currency of the UK;
“Subscriber Shares”	the initial share capital of 300,002 Shares of no par value subscribed for EUR 300,002;
“Supplement”	any supplement to the Prospectus issued by the ICAV in relation to a Fund;
“TCA”	the Taxes Consolidation Act, 1997, as amended from time to time;
“Trade Cut-Off Time”	the time by which a subscription/redemption order must be received by the Administrator as set out in the Supplement for the relevant Fund;
“UCITS”	an undertaking for collective investment in transferable securities established pursuant to the UCITS Regulations or, in the case of UCITS established in a Member State other than Ireland, the Directive or the relevant national legislation implementing the Directive;
“UCITS Regulations”	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as such may be amended, supplemented or replaced from time to time;

“UCITS Rules”	the UCITS Regulations and the Central Bank Regulations, as such may be amended, supplemented or replaced from time to time;
“UK”	the United Kingdom of Great Britain and Northern Ireland;
“US”	the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
“US \$” or “US Dollar” or “USD”	the lawful currency of the US;
“US Person”	“US Person” as defined in Regulation S under the 1933 Act;
“Valuation Point”	the time on a Dealing Day at which the Administrator values the Fund for the purposes of determining the Net Asset Value of the Shares as specified in the Supplement for the relevant Fund;
“weighted average life” or “WAL”	the average length of time to legal maturity of all of the underlying assets in a LVNAV MMF reflecting the relative holdings in each asset; or
“weighted average maturity” or “WAM”	the average length of time to legal maturity or, if shorter, to the next interest rate reset to a money market rate, of all of the underlying assets in a LVNAV MMF reflecting the relative holding in each asset; or
“X Shares”	Shares intended for purchase only (unless otherwise agreed by the ICAV) by clients of Schroders who are charged the investment management fee pursuant to a fee agreement with Schroders.

2. INTRODUCTION

The ICAV is an open-ended Irish collective asset-management vehicle established under the laws of Ireland pursuant to the ICAV Act and authorised as a UCITS ICAV pursuant to the UCITS Regulations and is managed by the Manager. The ICAV was registered on 16 May 2019 under registration number C193898 and was authorised by the Central Bank on 11 October 2019. Its sole object, as set out in Clause 2 of the Instrument of Incorporation, is the collective investment of its funds in property and giving members the benefit of the results of the management of its funds.

The ICAV is organised in the form of an umbrella fund with segregated liability between sub-funds. The Instrument of Incorporation provides that the ICAV may offer separate classes of Shares, each representing interests in a Fund, with each Fund comprising a separate and distinct portfolio of investments.

The ICAV has obtained the approval of the Central Bank for the establishment of each of the Schroder Sterling Liquidity Fund and the Schroder Sterling Cash Fund as a UCITS pursuant to the UCITS Regulations and each as a Money Market Fund and specifically a LVNAV MMF pursuant to the MMF Regulations.

The ICAV has obtained the approval of the Central Bank for the establishment of the Schroder Sterling Short Duration Bond Fund as a UCITS pursuant to the UCITS Regulations.

The Directors may create new Funds with the prior approval of the Central Bank.

A Fund may consist of one or more classes of Shares. A separate pool of assets will not be maintained for each class within a Fund. Initially, the classes of Shares set out in the Supplement will be issued in respect of a Fund. Further classes of Shares may be issued on advance notification to, and in accordance with the requirements of, the Central Bank.

3. INVESTMENT OBJECTIVE AND POLICIES OF THE FUNDS

The specific investment objective and policies of a Fund are set out in the Supplement for the relevant Fund.

A Fund aims to achieve its investment objective, while spreading investment risks through investment in transferable securities and liquid financial assets in accordance with the UCITS Regulations and, in the case of a Money Market Fund, the MMF Regulations. The Regulated Markets on which a Fund's investments will be listed, traded or dealt are set out in Schedule 1.

Profile of a Typical Investor

The profile of a typical investor for a Fund shall be set out in the Supplement for the relevant Fund.

Classes of Shares

A list of the classes of Shares available in respect of a Fund and the characteristics of each such class are set out in the Supplement for the relevant Fund.

The ICAV reserves the right to vary the minimum initial investment, minimum subsequent investment and minimum holding requirements in the future and may choose to waive these criteria. Variations to

the minimum subsequent investment and minimum holding requirements will be notified in advance to Shareholders.

Borrowing

A Fund may not borrow money, except as follows:

- (a) a Fund may acquire foreign currency by means of a “back to back” loan. Foreign currency obtained in this manner is not classified as borrowing for the purpose of Regulation 103(1) of the UCITS Regulations, except to the extent that such foreign currency exceeds the value of a “back to back” deposit and where the offsetting deposit is not denominated in the Base Currency of the Fund, changes in the exchange rate between the Base Currency and the currency of the offsetting deposit may lead to a depreciation of the value of the offsetting deposit as expressed in the Base Currency; and
- (b) a Fund may borrow up to 10% of its Net Asset Value, provided that such borrowing is on a temporary basis;

Foreign currency obtained under (a) above is not classed as borrowings for the purposes of the borrowing restrictions contained in the UCITS Regulations or (b) above, provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding.

However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of Regulation 103 of the UCITS Regulations and (b) above.

A Money Market Fund may not borrow or lend cash. Intra-day committed overdraft facilities do not constitute borrowing or lending for this purpose.

Adherence to Investment Objective and Policies

Any change in investment objective and any material change in investment policies will be subject to approval by the majority of votes of Shareholders passed at a general meeting or by all of the Shareholders by way of a written resolution. In accordance with the Instrument of Incorporation, Shareholders will be given 21 clear days’ notice of such general meeting. The notice shall specify the place, day, hour and nature of business of such meeting, as well as the proposed effective date of any changes to the investment objective and policies. In the event that a change in investment objective and/or policies is approved by Shareholders by way of a majority of votes cast at a general meeting, a reasonable notification period will be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

Integration of Sustainability Risks

Pursuant to the EU Sustainable Finance Disclosures Regulation (2019/2088) on sustainability-related disclosures in the financial services sector (“**SFDR**”), the Manager is required to disclose the manner in which sustainability risks are integrated into the investment process and the results of the assessment of the likely impacts of sustainability risks on the returns of the Funds.

The Manager and the Investment Manager have adopted a policy in relation to the integration of sustainability risks into investment decisions for the Funds. The Manager’s overall risk management processes include the consideration of sustainability risks alongside other factors in investment decision making. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the returns of the Fund.

Sustainability risks will vary and depend on several factors including but not limited to the type, extent, complexity and duration of the event or condition, prevailing market conditions and the existence of

mitigating factors. Sustainability risks that could negatively affect the value of a particular investment might include the following:

- Environmental: extreme weather events such as flooding and high winds; pollution incidents; damage to biodiversity or marine habitats.
- Social: labour strikes; health and safety incidents such as injuries or fatalities; product safety issues.
- Governance: tax fraud; discrimination within a workforce; inappropriate remuneration practices; failure to protect personal data.
- Regulatory: new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced.

Different asset classes, investment strategies and investment universes may require different approaches to the integration of such sustainability risks in investment decision-making. The Investment Manager will typically analyse potential investments by assessing (alongside other relevant considerations), for example, the overall costs and benefits to society and the environment that an issuer may generate or how the market value of an issuer may be influenced by individual sustainability risks such as a rise in carbon tax. The Investment Manager will also typically consider the relevant issuer's relationships with its key stakeholders – customers, employees, suppliers and regulators - including an assessment of whether those relationships are managed in a sustainable manner and, therefore, whether there are any material risks to the market value of the issuer.

The impact of some sustainability risks may have a value or cost that can be estimated through research or the use of proprietary or external tools. In such cases, it will be possible to incorporate this into more traditional financial analysis. An example of this might be the direct implications of an increase in carbon taxes that are applicable to an issuer, which can be incorporated into a financial model as an increased cost and/or as reduced sales. In other cases, such risks may be more difficult to quantify, and so the Investment Manager may seek to incorporate their potential impact in other ways whether explicitly, for example by reducing the expected future value of an issuer or implicitly, for example by adjusting the weighting of an issuer's securities in the Fund's portfolio depending on how strongly it believes a sustainability risk may affect that issuer. Sustainability risks are monitored on an ongoing basis as part of the Investment Manager's active portfolio management strategy.

A range of proprietary tools may be used to perform these assessments, along with supplementary metrics from external data providers and the Investment Manager's own due diligence, as appropriate. This analysis informs the Investment Manager's view of the potential impact of sustainability risks on a Fund's overall investment portfolio and, alongside other risk considerations, the likely financial returns of the Fund.

The Manager's risk management function provides independent oversight of portfolio exposures from a sustainability perspective. The oversight includes ensuring there is an independent assessment of sustainability risks within investment portfolios and adequate transparency and reporting on sustainability risk exposures.

More details on the management of sustainability risks and the Investment Manager's approach to sustainability are available on the internet site <https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/>. Please also refer to the risk factor entitled "Sustainability Risks" in Section 7 of the Prospectus.

For the purposes of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending

Regulation 2019/2088 (the “Taxonomy Regulation”), each Fund’s investments do not take into account the EU criteria for environmentally sustainable economic activities.

Consideration of Principal Adverse Impacts

The Manager’s principal adverse impact statement can be found on Schrodgers group site: <https://www.schrodgers.com/en/sustainability/active-ownership/>.

Due to the size, nature and scale of the investments of the Fund, the Manager will not include a consideration of the principal adverse impacts of investment decisions on sustainability factors at the level of each Fund at this time.

This position for each Fund will be kept under review by the Manager.

4. DISTRIBUTION POLICY

A Fund may issue Income or Accumulation Shares. It is not intended to pay dividends in respect of the Accumulation Shares. The income and other profits will be accumulated and reinvested in respect of these Shares.

Dividends will be declared out of that proportion of net investment income of a Fund as is attributable to the Income Shares at the end of the relevant period and will be allocated to Shareholders who hold Shares in proportion to the number of such Shares held by them.

Dividends will be paid out of net income and realised and unrealised gains net of realised and unrealised losses attributable to the Income Shares. Payment will be made to all Shareholders who held Shares at the relevant record date in the relevant month.

It is proposed that the ICAV will declare dividends monthly in respect of the Income Shares of a Fund (other than a Money Market Fund) on the first Business Day of each month and will pay dividends on the first Business Day of the next month.

In order to maintain the Stable Net Asset Value per Share of the Income Shares of a Money Market Fund, dividends will be declared at the end of each Dealing Day. Dividends in respect of the Income Shares of a Money Market Fund shall be accrued and declared up to and including the last day of the month and paid on the first Business Day of the next month.

Dividends will be automatically reinvested in the Income Share of a Fund in respect of which the dividend is declared. If a Shareholder elects to receive cash in respect of dividend payments this election shall be in respect of their entire shareholding. In respect of cash dividend payments, payment (net of tax, where appropriate) will be made direct to the holder’s bank account via electronic transfer. Where appropriate, dividend confirmations or dividend vouchers will be issued to Shareholders in respect of distributions made and Shareholders will be notified of any tax withheld.

Net income earned on a day which is not a Business Day will be declared (subject as aforesaid) as a dividend on the immediately preceding Business Day. No interest will be paid on accrued but unpaid dividends and the benefit thereof will, pending payment, accrue to the relevant Class within a Fund.

If a Shareholder redeems all of its Income Shares at any time during a calendar month, all dividends declared up to but not including the date of redemption will be paid to the Shareholder along with the redemption proceeds.

In accordance with the Instrument and the requirements of the Central Bank and as more particularly set out under the heading “*Negative Yield Event*”, the Directors may determine in their sole discretion to change the distribution policy of Income Share classes on notice in advance to Shareholders.

The ICAV may be required to withhold tax on dividends paid to Shareholders at the applicable rate, unless it has received from the Shareholder in respect of whom it is required to deduct tax a Relevant Declaration confirming that the Shareholder is neither resident in Ireland nor ordinarily resident in Ireland. The ICAV reserves the right to redeem such number of Shares held by such Shareholder as may be necessary to discharge any such tax liability that may arise. The ICAV also has the benefit of an indemnity from the Shareholder against any loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the happening of a chargeable event. Please see the section entitled “Taxation” for more information in relation to taxation matters.

Any distribution payment of a Fund which remains unclaimed after a period of six years from the date of payment, will be forfeited and shall revert to the ICAV.

All Funds operating an income or distributing share class intend to operate income equalisation. Income equalisation prevents the dilution of current Shareholders’ earnings by applying a portion of the proceeds from Shares issued or redeemed to undistributed income. When Shares are purchased or redeemed the price may include an element of income. Equalisation is this element of income paid out to Shareholders who have purchased or redeemed during this period. This means, for example, that a Shareholder subscribing for Shares between distribution periods (i.e. the period from one distribution to another) may pay a price for those Shares which includes an amount of income earned since the last distribution by the relevant Fund. Income equalisation ensures that income distributions from a Fund are the same for all Shareholders, regardless of when the Shares were purchased.

5. INVESTMENT RESTRICTIONS

A Fund’s investments will be limited to investments permitted by the UCITS Regulations, and in respect of a Money Market Fund, the MMF Regulations. The investment and borrowing restrictions applying to the ICAV and each Fund which are imposed under the UCITS Regulations are set out in Schedule 2 and in respect of a Fund that is a Money Market Fund are set out in Schedule 3.

If the investment restrictions set out in the UCITS Regulations or the MMF Regulations are exceeded for reasons beyond the control of the ICAV or as a result of the exercise of subscription rights, the ICAV must adopt as a priority objective the remedying of that situation taking due account of the interests of the Shareholders.

If the UCITS Regulations or the MMF Regulations, as the case may be, are altered during the life of the ICAV, the investment restrictions may be changed to take account of any such alterations but any such changes shall be in accordance with the Central Bank’s requirements and Shareholders will be advised of such changes in an updated Prospectus and in the next succeeding annual or half-yearly report of the ICAV. In the event that any alterations to the UCITS Regulations or the MMF Regulations affect the investment policy of a Fund, such a change to the investment policy may only be made on the basis of a majority of votes cast at a general meeting or with the prior written approval of Shareholders and a reasonable notification period shall be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

6. INVESTMENT TECHNIQUES AND INSTRUMENTS

Where permitted by the investment policy of a Fund, a Fund may employ financial derivative instruments for investment purposes and/or for efficient portfolio management purposes, being where the Investment Manager considers the use of such techniques and instruments is economically appropriate in order to seek to reduce risk, reduce costs, generate additional capital or income for a Fund with an appropriate level of risk, taking into account the risk profile of the Fund as described therein. A Fund’s use of such financial derivative instruments shall be subject to the conditions and within the limits from time to time laid down by the Central Bank. A description of the current conditions and limits laid down by the Central Bank in relation to financial derivative instruments generally is set out in Schedule 5. A list of the Regulated Markets on which financial derivative instruments may be quoted or traded is set out in Schedule 1.

The underlyings of the financial derivative instruments must consist of categories consistent with a Fund's investment policy as set out in the Supplement for the relevant Fund. A Money Market Fund is only permitted to use financial derivative instruments where specified in the Supplement for that fund. The underlyings of the financial derivative instruments must consist of interest rates, foreign exchange rates, currencies or indices representing one of those categories and the financial derivative instruments serve only the purpose of hedging the interest or exchange rate risks inherent in other investments of the Money Market Fund. Such financial derivative instruments may be exchange-traded on over-the-counter, futures and currency forwards (which may be used to manage currency risk) and swaps (which may be used to manage interest rate risk).

Direct and indirect operational costs and fees arising from efficient portfolio management techniques may be deducted from the revenue delivered to a Fund. These costs and fees do not and should not include hidden revenue. The Manager shall ensure that all revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to a Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Manager, the Investment Manager or the Depositary.

Details of the risks associated with the use of financial derivative instruments is set out in the section entitled "Risk Factors".

The Manager employs a risk management process which enables it accurately to measure, monitor and manage the various risks associated with such financial derivative instruments. No financial derivative instruments may be utilised by a Fund until such time as they are included in a risk management process that has been prepared and submitted to the Central Bank in accordance with the Central Bank's requirements. Supplementary information in relation to the quantitative risk management limits applied, the risk management methods used and any recent developments in the risks and yield characteristics for the main categories of investment shall be supplied to a Shareholder upon request. The Manager also employs a collateral policy which includes permitted types of collateral, the level of collateral required and the haircut policy and in the case of cash collateral, the reinvestment policy (including the risks arising from the reinvestment policy).

The Investment Manager uses a methodology known as the Commitment Approach in order to measure the global exposure of the Funds and manage the potential loss to them due to market risk. The Commitment Approach is a methodology that aggregates the underlying market or notional values of financial derivative instruments to determine the degree of global exposure of a Fund to financial derivative instruments. In accordance with the requirements of the Central Bank, the global exposure for a Fund must not exceed 100% of that Fund's Net Asset Value.

The following are descriptions of the financial derivative instruments which may be used by a Fund. The types of financial derivative instruments used by each Fund are set out in the relevant Supplement.

Forward Contracts

A forward contract is a contract to buy or sell an underlying security or currency at a pre-determined price on a specific future date. The initial terms of the contract are set so that the contract has no value at the outset. Forward prices are obtained by taking the spot price of a security or currency and adding to it the cost of carry. No money is transferred upon entering into a forward contract and the trade settlement is delayed until the specified date when the underlying security or currency is exchanged for cash. Subsequently, as the price of the underlying security or currency moves, the value of the contract also changes.

Forward contracts involve a number of the same characteristics and risks as futures contracts but there are also several differences. Forward contracts are not market traded. They settle only at the pre-determined settlement date. This can result in deviations between forward prices and futures prices, especially in circumstances where interest rates and futures prices are positively correlated. Second, in

the absence of exchange trading and involvement of clearing houses, there are no standardised terms for forward contracts. Accordingly, the parties are free to establish such settlement times and underlying amounts of a security or currency as desirable, which may vary from the standardised provisions available through any futures contract. Finally, forward contracts, as two party obligations for which there is no secondary market, involve counterparty credit risk not present with futures.

A non-deliverable forward is a cash-settled, short-term forward contract used where a foreign currency is not freely convertible, where the profit or loss at the time of the settlement date is calculated by taking the difference between the agreed upon exchange rate and the spot rate at the time of settlement, for an agreed upon notional amount of funds.

Futures

Where permitted by the investment policy of a Fund, it is authorised to enter into futures contracts. If a Fund purchases a futures contract, it incurs an obligation to take delivery of a specified amount of the obligation underlying the futures contract at a specified time in the future for a specified price. If a Fund sells a futures contract, it incurs an obligation to deliver a specified amount of the obligation underlying the futures contract at a specified time in the future for an agreed-upon price. The purchase of futures contracts can serve as a long hedge (i.e. entered into for the purposes of price stability), and the sale of futures contracts can serve as a limited short hedge (i.e. entered into for the purposes of mitigating the risk of a loss).

In most cases futures contracts are closed before the settlement date without the making or taking of delivery. A sale of a futures contract is closed by purchasing a futures contract for the same aggregate amount of the specified type of financial instrument and the same delivery date. If the price of the initial sale exceeds the price of the offsetting purchase, the seller is paid the difference and realises a gain. Conversely, if the price of the offsetting purchase exceeds the purchase price, the seller realises a loss. Similarly, a purchase of a futures contract is closed by selling a corresponding futures contract.

Investment in futures contracts involves risk. A purchase or sale of futures contracts may result in losses in excess of the amount invested in the futures contract. If a futures contract is used for hedging, an imperfect correlation between movements in the price of the futures contract and the price of the security, currency or other investment being hedged creates risk. Correlation is higher when the investment being hedged underlies the futures contract. Correlation is lower when the investment being hedged differs from the security, currency, or other investment underlying the futures contract, such as when a futures contract on an index of securities is used to hedge a single security, a futures contract on one security (e.g., government bonds) is used to hedge a different security (e.g., a mortgage-backed security), or when a futures contract in one currency is used to hedge a security denominated in another currency.

A Fund may purchase futures contracts (or options on them) as an anticipatory hedge against a possible increase in the price of a currency in which securities the Fund anticipates purchasing is denominated. In such instances, the currency may instead decline. If the Fund does not then invest in those securities, the Fund may realise a loss on the futures contract that is not offset by a reduction in the price of the securities purchased.

A Fund's ability to engage in the futures and options on futures strategies described above depends on the liquidity of the markets in those instruments. Trading interest in various types of futures and options on futures cannot be predicted. Therefore, no assurance can be given that a Fund will be able to utilise these instruments at all or that their use will be effective. In addition, there can be no assurance that a liquid market will exist at a time when a Fund seeks to close out a futures or option on a futures contract position, and that Fund would remain obligated to meet margin requirements until the position is closed. The liquidity of a secondary market in a futures contract may be adversely affected by "daily price fluctuation limits" established by futures exchanges to limit the amount of fluctuation in a futures contract price during a single trading day. Once the daily limit has been reached, no trades of the

contract may be entered at a price beyond the limit, thus preventing the liquidation of open futures positions. In the past, prices have exceeded the daily limit on several consecutive trading days.

A Fund that purchases or sells a futures contract is only required to deposit initial and variation margin as required by relevant regulations and the rules of the contract market. The Fund's NAV will generally fluctuate with the value of the securities or other instrument(s) underlying a futures contract as if they were already in the Fund's portfolio. Futures transactions can have the effect of investment leverage.

Swap Contracts

A Fund may enter into swap agreements.

Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to many years. In a standard "swap" transaction, two parties agree to exchange returns (or differentials in rates of return) calculated with respect to a "notional amount," e.g., the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency, or in a "basket" of securities representing a particular index. A Fund may enter into interest rate and currency swaps. Swap contracts may expose the Fund to substantial risk of loss.

Interest rate swaps involve the exchange of the two parties' respective commitments to pay or receive interest on a notional principal amount (e.g., an exchange of floating rate payments for fixed rate payments).

Currency swaps similarly involve the exchange of the two parties' respective commitments to pay or receive fluctuations with respect to a notional amount of two different currencies (e.g., an exchange of payments with respect to fluctuations in the value of the US dollar relative to the Japanese yen).

A Fund may enter into swaps for hedging, risk management and investment leverage. When using swaps for hedging, a Fund may only enter into a swap on an asset-based (i.e. a swap used to change the exposure of an investment/asset) basis.

A Fund may only close out a swap with its particular counterparty. Furthermore, a Fund may only transfer a position with the consent of that counterparty. If the counterparty defaults, the Fund will have contractual remedies, but there can be no assurance that the counterparty will be able to meet its contractual obligations or that the Fund will be able to enforce its rights. Because the contract for each OTC derivatives transaction is individually negotiated with a specific counterparty, a Fund is subject to the risk that a counterparty may interpret contractual terms (e.g., the definition of default) differently from the Fund. The Fund, therefore, assumes the risk that it may be unable to obtain payments the Investment Manager believes are owed to it under an OTC derivatives contract or that those payments may be delayed or made only after the Fund has incurred the costs of litigation.

The creditworthiness of a counterparty may be adversely affected by larger-than-average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital. For further details of these and other risks associated with swaps, please see the section entitled "Risk Factors" below.

Collateral Policy

The policy that will be applied to collateral arising from OTC derivative transactions repurchase and reverse repurchase agreements relating to the Funds is to adhere to the requirements set out in Schedule 5. This sets out the permitted types of collateral, the level of collateral required and the haircut policy and, in the case of cash collateral, the re-investment policy prescribed by the Central Bank pursuant to the UCITS Regulations. The categories of collateral which may be received by the Funds include cash and non-cash assets such as equities, debt securities and money market instruments. The specific types

of cash and non-cash assets which a Fund may receive are set out under the heading “Securities Financing Transactions Regulations”.

From time to time and subject to the requirements in Schedule 5, the policy on levels of collateral required and haircuts may be adjusted, at the discretion of the Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The level of collateral required will be at least that which is necessary to ensure that the risk exposure to a counterparty does not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations (i.e., the difference between the risk exposure to the counterparty and the limits set out in Regulation 70(1)(c) of the UCITS Regulations). The haircuts applied (if any) by the Investment Manager are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements in Schedule 5. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this policy.

MMFs are subject to specific requirements in relation to collateral with respect to repurchase or reverse repurchase agreements as outlined in Schedule 4 and the collateral management policy is subject to those additional requirements in respect of MMFs.

If cash collateral received by a Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund. For further details see the section entitled “Risk Factors”.

Securities Financing Transactions Regulation

The Manager is subject to the provisions of the Securities Financing Transactions Regulation. The Securities Financing Transactions Regulation sets out certain disclosure requirements regarding the use of securities financing transactions (“SFTs”), as set out below.

A Fund may use SFTs, which in respect of the Funds means repurchase agreements and reverse repurchases agreements, as such terms are defined in accordance with the Securities Financing Transactions Regulation subject to the conditions and limits set out in the Central Bank Regulations for efficient portfolio management purposes only. A Fund’s use of SFTs is consistent with their respective investment objectives and policies, and accordingly SFTs may be used to reduce risk, reduce cost and/or generate additional capital or income with a risk level that is consistent with that of the relevant Fund.

A repurchase agreement is a transaction in which a Fund sells/transfers a security/securities or any rights related to such security/securities to a counterparty, subject to a commitment to repurchase the security/securities or title related to such security/securities at a stipulated price on a specified future date. Where a Fund enters into a repurchase agreement, it will have the right to recall the full amount of cash or to terminate the repurchase agreement on either an accrued or a mark-to-market basis at any time. Where the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the repurchase agreement shall be used for the purposes of the calculation of the Net Asset Value of the relevant Fund.

A reverse repurchase agreement is a transaction in which a Fund purchases a security/securities or any rights related to the security/securities from a counterparty, subject to a commitment to resell the securities to the counterparty at a specified price on a specified future date. The resale price reflects the purchase price plus an agreed upon market rate of interest which is unrelated to the coupon rate or maturity of the purchased security.

Subject to the limitations referred to above, any assets of a Fund may be subject to SFTs. Up to 15% of a Fund's assets may be the subject of SFTs, with an expectation that at any time less than 10% of a Fund's assets will be subject to such arrangements.

The types of acceptable counterparty and the diversification requirements are explained in Schedule 5. A Fund may only enter into SFTs with counterparties that have been selected and assessed in accordance with the Central Bank's requirements. The acceptable counterparties will be entities with legal personality and located in OECD jurisdictions. They will be subject to ongoing supervision by a public authority, be financially sound and have the necessary organisational structure and resources for the relevant type of transaction.

All collateral which may be received by a Fund must comply with the requirements set out in Schedule 5. The acceptable types of cash and non-cash collateral which a Fund may receive are:

1. cash and cash equivalents to include certificates of deposit, commercial papers, floating rate notes and UK treasury bills with a maximum maturity of 12 months;
2. government and other public securities with a maximum expected maturity of five years and the maximum duration not to exceed 12 months ;
3. bills of exchange repayable within 12 months and which are accepted by an Approved Bank (as that term is defined in the relevant Supplement);
4. fixed and floating rate notes which are repayable within 12 months, not subordinated and are issued by an Approved Bank (as that term is defined in the relevant Supplement); and
5. in the case of a Fund authorised as a Short Term Money Market Fund, Eligible Money Market Instruments (as that term is defined in the relevant Supplement).

Collateral received by the Fund will be valued in accordance with the valuation methodology set out under the section entitled "Determination of Net Asset Value". Collateral received by the Fund will be marked-to-market daily and daily variation margins will be used.

Any collateral obtained by a Fund pursuant to an SFT will be valued in accordance with the Manager's valuation and haircut policy in relation to the ICAV. Where a Fund receives collateral as a result of entering into SFTs, there is a risk that the collateral held by a Fund may decline in value or become illiquid. In addition, there can also be no assurance that the liquidation of any collateral provided to a Fund to secure a counterparty's obligations under a SFT would satisfy the counterparty's obligations in the event of a default by the counterparty. Where a Fund provides collateral as a result of entering into SFTs, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided.

A Fund may provide certain of its assets as collateral to counterparties in connection with SFTs. If a Fund has over-collateralised (i.e., provided excess collateral to the counterparty) in respect of such transactions, it may be an unsecured creditor in respect of such excess collateral in the event of the counterparty's insolvency. If the Depositary or its sub-custodian or a third party holds collateral on behalf of a Fund, a Fund may be an unsecured creditor in the event of the insolvency of such entity.

There are legal risks involved in entering into SFTs which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

The section of this Prospectus entitled "Risk Factors" provides a description of the risks associated with the use of derivatives and repurchase and reverse repurchase agreements which are likely to fall within the definition of SFT.

The assets of a Fund that are subject to SFTs and any collateral received are held by the Depositary.

7. RISK FACTORS

Investors should understand that all investments involve risks. The following are some of the risks of investing in a Fund but the list does not purport to be exhaustive.

Investment Risks

There can be no assurance that a Fund will achieve its investment objective. An investment in a Fund involves investment risks, including possible loss of the amount invested. Each Fund bears the risk of default on the part of the issuer of any securities. The price of the Shares may fall as well as rise. The capital return and income of a Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's returns may be expected to fluctuate in response to changes in such capital appreciation or income.

Large Redemptions

If large numbers of Shares in a Fund were to be redeemed at or around the same time, a Fund may be required to sell a large portion of its portfolio quickly to cover these deals, at a time or at prices not of the Investment Manager's choosing. This might result in a reduction in the value of a Fund and in the prices achieved for securities sold by that Fund. The value of securities within a Fund may also be affected if other similar funds find themselves in the same situation. A dilution adjustment may be implemented in respect of such redemptions in order to cover the related costs of dealing. A consequence of this policy is that smaller transactions made on any day that there are large outflows will trade at a price incorporating a higher dilution adjustment and this may lead to increased dealing costs.

Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares may be suspended (please see the section entitled "Temporary Suspension of Valuation of the Shares and of Sales and Redemptions").

Interest Rate Risk

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, a Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates.

Credit Risk

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when a Fund owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one Recognised Rating Agency the Fund's Investment Manager may consider the highest rating for the purposes of determining whether the security is

investment grade. A Fund will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Fund's Investment Manager will consider whether the security continues to be an appropriate investment for the Fund.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

Liquidity Risk

A Fund may be adversely affected by a decrease in market liquidity for the securities in which it invests which may impair a Fund's ability to execute transactions. In such circumstances, a Fund's securities may become illiquid which may mean that a Fund may experience difficulties in selling securities at a fair price within a timely manner.

Reduced liquidity of a Fund's investment may result in a loss in value to a Fund.

Inflation/Deflation Risk

Inflation is the risk that a Fund's assets or income from a Fund's investments may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of a Fund's portfolio could decline. Deflation risk is the risk that prices throughout the economy may decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Fund's portfolio.

Warrants Risk

When a Fund invests in warrants, the price, performance and liquidity of such warrants are typically linked to the underlying stock. However, the price, performance and liquidity of such warrants will generally fluctuate more than the underlying securities because of the greater volatility of the warrants market.

Specific Risks Linked to Repurchase Transactions

Repurchase transactions involve certain risks. There is no assurance that a Fund will achieve the objective for which it entered into a transaction.

Repurchase transactions might expose the Fund to risks similar to those associated with forward contracts, the particular risks of which are described in the section of this Prospectus entitled "Risks of Derivative Instruments".

Variable Rate and Floating Rate Securities

Variable and floating rate securities are obligations that possess a floating or variable interest rate adjustment formula. The terms of the variable or floating rate securities that a Fund may purchase provide that interest rates are adjustable at intervals ranging from daily up to six months or more, and the adjustments are based upon current market levels, the prime rate of a bank or other appropriate interest rate adjustment index as provided in the respective securities. Some of these securities are payable on a daily basis or on not more than seven days' notice. Others such as securities with quarterly

or less frequent interest rate adjustments may be redeemed on designated days on not more than thirty days' notice.

Bonds

Bond prices and returns from investing in bond markets are sensitive to changes in interest rates which are in turn determined by a number of economic factors, in particular market expectations of future inflation. Investment in bonds also results in exposure to the risk that the bond issuer defaults on its obligations which is likely to result in a loss of value for the bondholder.

Rating of Investment Risk

There is no assurance that the ratings of a Recognised Rating Agency will continue to be calculated and published on the basis described in this Prospectus or that they will not be amended significantly. The past performance of a Recognised Rating Agency in rating an investment is not necessarily a guide to future performance.

Currency Risk

Currency risk includes the risk that currencies in which a Fund's investments are traded and/or in which a Fund receives income, or currencies in which a Fund has taken an active investment position, will decline in value relative to other currencies or otherwise perform in a manner that results in a loss to the Fund. In the case of hedging positions, currency risk includes the risk that the currency to which a Fund has obtained exposure declines in value relative to the foreign currency being hedged. In such event, a Fund may realise a loss on the hedging instrument at the same time a Fund is realising a loss on the currency being hedged. Currency exchange rates fluctuate significantly for many reasons, including changes in supply and demand in the currency exchange markets, actual or perceived changes in interest rates, intervention (or the failure to intervene) by governments, central banks or supranational agencies, and currency controls or other political and economic developments.

Derivative transactions in currencies (such as futures, forwards, options and swaps) may involve leveraging risk in addition to currency risk. The obligations of counterparties in currency derivative transactions may not be secured by collateral, which increases counterparty risk.

While the Base Currency of a Fund is a particular currency, the Fund's assets (including, without limitation, any active management of currency exposures) will often be denominated in other currencies and any income or capital received by the Fund will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of a Fund's portfolio and the unrealised appreciation or depreciation of investments. To the extent unhedged, the value of a Fund's assets will fluctuate with the relevant currency exchange rates applicable to the Fund as well as with price changes of the Fund's investments in the various local markets and the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

Where a Fund invests in assets that are denominated in a currency other than its Base Currency it may, but is not obliged to, employ a hedging strategy in order to hedge against the fluctuations in the rates of the different currencies of the assets and its Base Currency. Whilst these hedging strategies are designed to reduce a Fund's losses if the currencies of its assets fall against that of its Base Currency, there can be no assurance that such hedging transactions will be effective and the use of such hedging strategies may substantially limit a Fund from benefiting if the currencies of the Fund's assets rise against that of its Base Currency. Furthermore, the Fund may incur costs in connection with conversions between various currencies.

It may not always be possible to execute hedging transactions, or to do so at prices, rates or levels advantageous to the Funds. The success of any hedging transactions will be subject to the movements in the direction of securities prices and currency and interest rates and the stability of pricing

relationships. Therefore, while a Fund might enter into such transactions to reduce currency exchange rate and interest rate risks, unanticipated changes in exchange rates or interest rates may result in poorer overall performance for the Fund than if it had not engaged in such hedging. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the position being hedged may vary. An imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to a risk of loss.

LVNAV Risk

There is no representation or warranty that Funds which issue Stable NAV Shares will be able to maintain a constant Net Asset Value for the Stable NAV Shares. As described in Schedule 4, a LVNAV MMF shall use the Stable Net Asset Value for the purpose of the issue and redemption of Shares, except that where the difference between the Stable Net Asset Value and a MTM Net Asset Value is more than 20 basis points, the relevant LVNAV Fund shall use the MTM Net Asset Value for the purposes of the issue and redemption of Shares. Shareholders should note that, in circumstances in which the Stable Net Asset Value is more than 20 basis points higher than the MTM Net Asset Value, redemptions will be processed at the MTM Net Asset Value, which will be less than the Stable Net Asset Value.

In particular, Shareholders should note that a LVNAV MMF is prohibited from receiving direct or indirect support that is intended for or in effect would result in guaranteeing the liquidity of the LVNAV MMF or maintaining the Stable NAV Shares.

Liquidity Fee Risk

The Manager shall establish, implement and consistently apply prudent and rigorous liquidity management procedures for ensuring compliance of a LVNAV MMF with the weekly thresholds applicable to such Funds (as set out in Schedule 4 to this Prospectus under the heading “Liquidity Management Procedures for LVNAV MMFs” and the MMF Regulations).

In the particular circumstances set out in Article 34(1) of the MMF Regulations and as detailed in Schedule 4 of this Prospectus under the heading “Liquidity Management Procedures for LVNAV MMFs”, including if a Fund’s liquidity falls below required minimums as set out therein, the Manager has discretion to impose a liquidity fee (i.e. a fee charged to redeeming shareholders in times of stress in order to pay for the liquidity needed to satisfy the redemption) on a LVNAV MMF upon the sale of Shares. Accordingly, redemptions may be subject to a liquidity fee at certain times. Liquidity fees on redemptions must adequately reflect the cost to the LVNAV MMF of achieving liquidity and must ensure that investors remaining in the Fund are not unfairly disadvantaged when other investors redeem their shares.

Redemption Gate Risk

The Manager shall establish, implement and consistently apply prudent and rigorous liquidity management procedures for ensuring compliance of a LVNAV MMF with the weekly thresholds applicable to such Funds (as set out in Schedule 4 to this Prospectus under the heading “Liquidity Management Procedures for LVNAV MMFs” and the MMF Regulations).

The Manager has discretion to impose a redemption gate in the particular circumstances set out in Article 34(1) of the MMF Regulations and as detailed in Schedule 4 of this Prospectus under the heading “Liquidity Management Procedures for LVNAV MMFs”, including if a Fund’s liquidity falls below required minimums, in which case Shareholders may not be able to sell Shares on a particular Dealing Day as more particularly set out in section 9.7 under the heading “Redemption Requests”. The redemption gate may be a maximum of 10% of the Shares of the Fund for any period up to 15 working days.

Credit Market Illiquidity

The credit markets may experience a significant lack of liquidity. While this lack of liquidity may create opportunities for a Fund to acquire assets at prices that the Investment Manager believes are attractive, it creates a number of risks. There can be no assurance that the market will be liquid for the foreseeable future. It is also possible that illiquidity in the market could cause prices to decline, which may have the result of forcing a Fund to sell assets to satisfy redemptions or to meet margin calls, which could, in turn, create further downward price pressure. If there is a substantial decline in the market value of a Fund's portfolio of investments, investments may need to be liquidated quickly, which may mean that the investments would be liquidated at a lower price than would be the case under other circumstances.

Investment in Asset-Backed Securities and Mortgage- Backed Securities

A Fund may invest in asset-backed securities and/or mortgage-backed securities. An asset-backed security is a security whose value and income payments are derived from and collateralised (or "backed") by a specified pool of underlying assets. The pool of assets is typically a group of small and illiquid assets that are unable to be sold individually. Pooling the assets into financial instruments allows them to be sold to general investors and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can include payments from credit cards, auto loans and mortgage loans.

The value and the quality of such securities depends on the value and quality of the underlying assets against which such securities are backed.

Changes in interest rates may have a significant effect on investments in asset-backed securities and mortgage- backed securities. The return on, for example, holdings of mortgage-backed securities can reduce if the owners of the underlying mortgages repay their mortgages sooner than anticipated when interest rates go down. Investment in mortgage-backed securities may be subject to extension risk and prepayment risk, which are both a type of interest rate risk. Like mortgage-backed securities, asset-backed securities generally decrease in value when interest rates increase.

Money Market Instruments Risk

A Money Market Fund invests a significant amount of its net asset value in money market instruments and in this regard investors might compare the Fund to regular deposit accounts. Investors should however note that holdings in the Fund are subject to the risks associated with investing in a collective investment scheme, in particular the fact that the principal sum invested is capable of fluctuation as the Net Asset Value of the Fund fluctuates.

Money Market Fund Reform

There remains some uncertainty regarding the full impact that the MMF Regulations will ultimately have on the ICAV, a Fund and the markets in which they trade and invest. Such uncertainty may itself be detrimental to a Fund. Further, the impact potential future regulatory requirements or changes to regulatory requirements applicable to a Fund (whether through implementation of the regulation or otherwise) is unknown and may be detrimental to a Fund. It may impact the ability of a Fund to execute its strategy and may also result in increased costs to the Fund. The Manager will adopt such arrangements as they deem necessary or desirable to comply with applicable regulatory requirements,

with a view to ensuring that the ICAV and a Fund continue to operate execute their respective strategies in the best interests of Shareholders.

Negative Yield Scenario

On the occurrence of a Negative Yield Event, the Directors may, taking into account the interests of Shareholders and in accordance with applicable law, decide to implement a conversion of Income Shares to Accumulation Shares (Acc T+1).

There is no guarantee that this conversion of Shares will succeed in preventing an erosion of capital of the Shareholders' holdings or otherwise produce positive economic outcomes for the Shareholders. The Directors reserve the right to reverse the conversion from Accumulation Shares (Acc T+1) into Income Shares if they deem it to be in the interests of Shareholders to do so.

Concentration Risk

Where a Fund focuses its investments on a limited number of markets, countries, types of investment and/or issuers, it will not enjoy the same level of diversification of risks across different markets, countries, types of investment and/or issuers that would be possible if investments were not so concentrated. Such a concentration of investments could increase the potential for volatility and risk of loss, especially in periods of pronounced market volatility.

Counterparty and Settlement Risks

The Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default due to insolvency, bankruptcy or other causes.

Umbrella Structure of the ICAV and Cross-Liability Risk

Each Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. The ICAV is an umbrella fund with segregated liability between Funds and under Irish law the ICAV generally will not be liable as a whole to third parties and there generally will not be the potential for cross-liability between Funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the ICAV in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.

Dependence on the Investment Manager

The success of a Fund depends upon the ability of the Investment Manager to allocate the Fund's assets to various investment strategies. The success of a Fund also depends on the ability of the Investment Manager to develop and implement investment strategies that achieve a Fund's investment objective. For example, the Investment Manager's inability to effectively hedge an investment strategy that it utilises may cause the assets of a Fund to significantly decline in value and could result in substantial losses to such Fund. Moreover, subjective decisions made by the Investment Manager may cause a Fund to incur losses or to miss profit opportunities on which it may otherwise have capitalised.

Investment Manager - Conflicts of Interest Risk

The Manager may consult the Investment Manager with respect to the valuation of: (i) unlisted investments; or (ii) securities that are listed, traded or dealt in on a Regulated Market but for which prices are not available or are unrepresentative. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation of a Fund's investments and the Investment Manager's other responsibilities. A conflict of interest could also arise between the Investment Manager and the ICAV as the value of the fee payable to the Investment Manager increases as the value of the Funds increases.

Taxation Risks

Statements in this Prospectus concerning the taxation of Shareholders, the ICAV or a Fund are based on law and our understanding of the practice of the Revenue Commissioners as at the date of this Prospectus. Any change in the tax status of the ICAV or a Fund, or in accounting standards, or in tax legislation or the tax regime, or in the practice relating to, the interpretation or application of tax legislation applicable to the ICAV, a Fund or the assets of a Fund, could affect the value of the investments held by the Fund, the Fund's ability to achieve its stated objective, the Fund's ability to provide dividends to Shareholders and/or alter the post-tax returns to Shareholders. It is possible that any legislative changes may have retrospective effect. The information contained in this Prospectus is intended as a guide only and is not a substitute for professional advice. A Shareholder that is eligible for an exemption from Irish withholding tax is required to provide a declaration to the ICAV confirming their status as a condition of obtaining the exemption. Investors are advised to consult their own tax advisors in relation to their personal circumstances and suitability of this investment. Please see the section headed "Taxation".

Risks of Derivative Instruments

The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Fund.

Market Risk: This is the general risk attendant to all investments that the value of a particular investment will change in a way detrimental to a Fund's interest.

Management Risk: Derivative products are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Fund's portfolio and the ability to forecast price, interest rate or currency exchange rate movements correctly.

Counterparty Credit Risk: This is the risk that a loss may be sustained by a Fund as a result of the failure of the other party to a derivative (usually referred to as a "counterparty") to comply with the terms of the derivative contract. The credit risk for exchange-traded or other centrally cleared derivatives is generally less than for over-the-counter derivatives, since the clearing house, which is the counterparty to each exchange-traded derivative, provides a guarantee of performance to clearing members. This guarantee is supported by a daily payment system (i.e., margin requirements) operated by the clearing house in order to reduce overall credit risk. For over-the-counter derivatives, there is no similar clearing agency guarantee. Therefore, the Investment Manager considers the creditworthiness of each counterparty to an over-the-counter derivative in evaluating potential credit risk and will manage any credit support annexes entered into by the ICAV in respect of any Fund (i.e. documents entered into to define and record the collateral offered in a derivative contract).

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

Leverage Risk: Many derivatives have a leverage component. Any Fund which uses derivatives may therefore experience greater movements (up or down) in the price of Shares in the Fund. In addition, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial

investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

Other Risks: Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives. Many derivatives, in particular over-the-counter derivatives, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund. Furthermore, derivatives do not always perfectly or even highly correlate or track the value of the assets, rates or indices they are designed to closely track. Consequently, a Fund's use of derivatives may not always be an effective means of, and sometimes could be counterproductive to, furthering a Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the ICAV that might in turn require, if there is insufficient cash available in the portfolio, the sale of a Fund's investments under disadvantageous conditions.

Settlement risk: The Funds also are subject to the risk of the failure of any of the exchanges on which financial derivative instruments are traded or of their clearing houses. Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks.

Legal risk: There are legal risks involved in using financial derivative instruments which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

Investments in Other Collective Investment Schemes

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

Specific Risk relating to Collateral Management

Counterparty risk arising from investments in OTC financial derivative instruments, repurchase agreements and reverse repurchase agreements is generally mitigated by the transfer or pledge of collateral in favour of a Fund. However, transactions may not be fully collateralised. Fees and returns due to the Fund may not be collateralised. If a counterparty defaults, the Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Fund to meet redemption requests.

A Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Fund to the counterparty as required by the terms of the transaction. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

Political Risks

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, military conflict and civil unrest, changes in government

policies, government appropriations, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements.

The UK's withdrawal from the EU

The UK's future economic and political relationship with the EU (and with other non-EU countries by agreement) remains uncertain. This uncertainty is likely to generate further global currency and asset price volatility. This may negatively impact the returns of the Funds and their investments resulting in greater costs if a sub-fund decides to employ currency hedging policies.

Ongoing uncertainty could adversely impact the general economic outlook and as such, this may impact negatively on the ability of the Funds and their investments to execute their strategies effectively, and may also result in increased costs to the ICAV. It is possible that there will be more divergence between the UK and EU regulations post-Brexit, limiting what cross-border activities can take place. However it is unlikely to affect a Fund's ability to receive portfolio management services.

Dilution Adjustment

A dilution adjustment may be applied to the Net Asset Value per Share where there are net subscriptions or redemptions to cover the related costs of dealing (also known as swinging single pricing). Should an investor buy Shares when a Fund is expanding (i.e. there are net subscriptions) and sell when a Fund is contracting (i.e. there are net redemptions) this may have an adverse impact on the return from the investment.

The level of the dilution adjustment is set by the Manager in consultation with the Investment Manager based on prevailing market conditions. Where liquidity is restricted and trading in size in the portfolio's stocks results in significant movement in the prices of these stocks the Manager, in consultation with the Investment Manager, may adjust the level of dilution adjustment to protect the interests of the ongoing investors in a Fund. Whether an adjustment may be necessary will depend upon the net movement into and out of a Fund on any given day and on the underlying market conditions on that day and it is therefore not possible to predict when an adjustment may be made.

A consequence of this policy is that smaller transactions made on any day that there are large inflows or outflows will trade at a price incorporating a higher dilution adjustment and this may lead to increased dealing costs.

Custody Risks

Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risk. As a Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks.

The assets of a Fund are safe kept by the Depositary and Shareholders are exposed to the risk of the Depositary not being able to fully meet its obligation to reconstitute in a short time frame all of the assets of a Fund in the case of bankruptcy of the Depositary. Securities of a Fund will normally be identified in the Depositary's books as belonging to the Fund and segregated from other assets of the Depositary which mitigates but does not exclude the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy.

Shareholders are also exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the Depositary.

Information Security Risk

Like other business enterprises, the use of the internet and other electronic media and technology exposes the ICAV, the ICAV's service providers, and their respective operations, to potential risks from information security attacks or incidents (collectively, "cyber-events"). Cyber-events may include, for example, unauthorised access to systems, networks or devices (such as, for example, through "hacking" activity), infection from computer viruses or other malicious software code, and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Any cyber-event could adversely impact the ICAV and the Shareholders, and cause a Fund to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures. A cyber-event may cause the ICAV, a Fund, or the ICAV's service providers to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, calculate the Net Asset Value of a Fund or allow Shareholders to transact business) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the ICAV and the ICAV's service providers. In addition, cyber-events affecting issuers in which a Fund invests could cause the Fund's investments to lose value.

EMIR Risk

A Fund may enter into OTC derivative contracts. EMIR establishes certain requirements for OTC derivatives contracts, including mandatory clearing obligations, bilateral risk management requirements and reporting requirements.

The potential implications of EMIR for the Funds include, without limitation, the following:

- (a) clearing obligation: certain standardised OTC derivative transactions are subject to mandatory clearing through a central counterparty (a "CCP"). Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared;
- (b) risk mitigation techniques: for those of its OTC derivatives which are not subject to central clearing, the Funds are required to put in place risk mitigation techniques, which include the collateralisation of all OTC derivatives. These may increase the cost to the Funds of pursuing their investment strategy (or hedging risks arising from their investment strategies); and
- (c) risk of sanction by the Central Bank in the event of non-compliance with the EMIR obligations.

EMIR was amended as part of the European Commission's REFIT programme and the amending regulations Regulation 834/2019 ("**EMIR REFIT**") entered into force on 28 May 2019 and applied from 17 June 2019. EMIR REFIT introduced certain key obligations relating to clearing, reporting and risk-mitigation (margining). Although EMIR REFIT allows for certain clearing exemptions and provides for thresholds below which no reporting is required, the investments described herein made by the Fund may be affected by EMIR or EMIR REFIT or any change thereto or review thereof.

Operation of Fund Cash Accounts

The Manager operates Fund Cash Accounts opened in the name of the ICAV on behalf of each Fund. A Fund Cash Account is operated for each Fund into which: (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Dealing Day; (ii) redemption monies due to investors who have redeemed Shares are deposited

and held until paid to the relevant investors; and (iii) dividend payments owing to Shareholders are deposited and held until paid to such Shareholders. All subscriptions, redemptions or dividends payable to or from a Fund are channelled and managed through the relevant Fund Cash Account in respect of that Fund.

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

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

In the event of an insolvency of the relevant Fund or the ICAV, there is no guarantee that the Fund or the ICAV will have sufficient funds to pay unsecured creditors in full. Investors who have forwarded subscription monies in advance of a Dealing Day and which are held in a Fund Cash Account and investors/Shareholders due redemption/dividend monies which are held in a Fund Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore, in such circumstances, the investor subscribing for Shares may not recover all monies originally paid into the Fund Cash Account in relation to the application for Shares and the redeeming investor entitled to redemption monies and the Shareholder entitled to a dividend payment may not recover all monies originally paid into the Fund Cash Account for onward transmission to that investor/Shareholder.

Sustainability risks

The Investment Manager takes sustainability risks into account in the management of each Fund. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the returns of the Fund. An example of an environmental risk is the increased likelihood of flooding due to climate change and the associated rise in sea levels. Flooding and drought could affect a variety of issuers such as insurers and agricultural businesses, and could negatively impact the value of investments in those companies. An example of a social risk is the occurrence of improper working practices such as child labour. Companies that are found to have engaged in such practices, or that have engaged with suppliers that they know to have done so, may be in breach of applicable laws and/or may be perceived negatively by the market. An example of a governance risk is the need to ensure gender diversity. If a company's reporting shows a lack of diversity, or there is media coverage of discrimination within the business on the grounds of gender, this may negatively affect market sentiment with respect to the company and impact its share price. There is also the risk that new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced – such changes may negatively impact issuers that are poorly placed to adapt to new requirements.

The regulatory framework applying to sustainable products and sustainable investing is rapidly evolving. As such, the aims and investments of the Funds may be subject to change over time in order to comply with new requirements or applicable regulatory guidance.

8. FEES AND EXPENSES

Each Fund shall pay all of its expenses and its allocable share of any expenses incurred by the ICAV. These expenses may include the costs of: (i) maintaining the ICAV and the relevant Fund and registering the ICAV, the relevant Fund and the Shares with any governmental or regulatory authority or with any stock exchange; (ii) management, administration, custodial, compliance and related services; (iii) preparation, printing and posting of prospectuses, sales literature and reports to Shareholders, the Central Bank and other governmental agencies; (iv) marketing expenses; (v) taxes; (vi) commissions and brokerage fees; (vii) expenses incurred in connection with the acquisition and disposal of the assets of the ICAV; (viii) auditing, tax, compliance and legal fees (including expenses arising in respect of legal or administrative proceedings); (ix) insurance premiums; (x) fees and expenses of paying agents, local representatives and similar agents, such fees and expenses to be charged at normal commercial rates; (xi) listing fee, if applicable; and (xii) other operating expenses. For the avoidance of doubt, all fees and expenses referred to in this section of the Prospectus are exclusive of VAT or any other similar ad valorem sales tax which may be payable.

Where the ICAV invests in another collective investment scheme which is managed by the Manager, Investment Manager or its affiliates, the underlying collective investment scheme shall waive any subscription, conversion or redemption fees which it would normally charge. Where a commission is received by the Manager, Investment Manager or its affiliates by virtue of a Fund's investment in an underlying collective investment scheme, this commission shall be paid into the assets of a Fund.

The Directors, the Manager, the Depositary, the Administrator and the Investment Manager shall be entitled to be reimbursed by the ICAV for all reasonable disbursements and out-of-pocket expenses charged at normal commercial rates incurred by them, if any. All costs and expenses relating to the establishment of the ICAV and each Fund are to be borne by the Investment Manager.

Directors' Fees and Seconded's Fees

The Instrument of Incorporation provides that the Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors and which shall not exceed €150,000 in aggregate in any one financial year. Employees, partners and officers of the Investment Manager and its affiliates shall not receive a director's fee.

Manager's Fee

The ICAV shall pay to the Manager a management fee which shall accrue daily and be payable monthly in arrears in respect of a Fund at the rate set out in the Supplement. The management fee shall not exceed €250,000 per annum in respect of the Schroder Sterling Short Duration Bond Fund, the Schroder Sterling Liquidity Fund and the Schroder Sterling Cash Fund and shall be apportioned pro rata between the three funds based on their respective Net Asset Values.

Investment Manager's Fee

The ICAV shall pay to the Investment Manager an investment management fee which shall accrue daily and be payable monthly in arrears in respect of a Fund at the rate as set out in Supplement.

Administrator's Fee

The ICAV shall pay to the Administrator an administration fee which shall accrue daily and be payable monthly in arrears in respect of a Fund at the rate as set out in the Supplement.

Depository's Fee

The ICAV shall pay to the trustee fee which shall accrue daily and be payable monthly in arrears in respect of a Fund at the rate as set out in the Supplement.

The Depository shall also be entitled to receive transaction charges and all sub-custodian charges will be recovered by the Depository from the ICAV as they are incurred by the relevant sub-custodian. All such charges shall be at normal commercial rates.

9. ADMINISTRATION OF THE ICAV

9.1 Determination of Net Asset Value

The Administrator shall determine the Net Asset Value per Share of each class, on each Dealing Day at the Valuation Point on the basis set forth below and in accordance with the Instrument of Incorporation.

The Net Asset Value per Share of a Fund shall be the value of the gross assets attributable to such Fund less all of the liabilities attributable to such Fund (including such provisions as the Administrator considers appropriate in respect of the costs and expenses payable in relation to such Fund) divided by the number of Shares of such Fund outstanding as of the Dealing Day. Any liabilities of the ICAV which are not attributable to any Fund shall be allocated among all of the Funds pro rata to the relative Net Asset Value of the Funds.

The Net Asset Value of each class shall be determined by calculating the amount of the Net Asset Value attributable to each class. The amount of the Net Asset Value of a Fund attributable to a class shall be determined by establishing the proportion of the assets of the class as at the most recent Net Asset Value calculation or the close of the Initial Offer Period in the case of an initial offer of a class, adjusted to take account of any subscription orders (after deduction of any redemption orders) and by allocating relevant Class Expenses (as defined below) and fees to the class and making appropriate adjustments to take account of distributions paid, if applicable, and apportioning the Net Asset Value accordingly. The Net Asset Value per Share of a class shall be calculated by dividing the Net Asset Value of the class by the number of Shares in issue in that class. Expenses or fees or charges not attributable to a particular class may be allocated amongst the classes based on their respective Net Asset Value or any other reasonable basis approved by the Depository having taken into account the nature of the fees and charges. Class Expenses and fees relating specifically to a class will be charged to that class. In the event that classes are priced in a currency other than the Base Currency, currency conversion costs will be borne by that class.

“Class Expenses” means the expenses of registering a class in any jurisdiction or with any stock exchange, regulated market or settlement system, and all other expenses arising from such registration and such further expenses howsoever arising as may be disclosed in the Prospectus. The cost of converting currency and the costs and gains/losses of class specific hedging transactions (if any) are borne solely by the relevant class.

The Net Asset Value per Share shall be rounded upwards or downwards as appropriate to the number of decimal places stated in the Supplement for a relevant Fund.

Subject to the provisions relating to valuation in Schedule 4 which relate to MMFs, in determining the value of the assets of a Fund the following valuation rules apply:

Except for those investments valued in accordance with the provisions of the paragraph below, each investment that is listed, traded or dealt in on a Regulated Market for which market quotations are readily available shall be valued at the last traded price on the relevant Regulated Market at the Valuation Point on the relevant Dealing Day, provided that the value of the investment listed, traded or

dealt in on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange may be valued, taking into account the level of premium or discount as at the date of valuation of the investment and the Depositary must ensure that the adoption of such procedure is justifiable in the context of establishing the probable realisation value of the security.

Subject to the provisions described in the paragraph above, each investment that is a debt security listed, traded or dealt in on a Regulated Market for which market quotations are readily available shall be valued at the latest mid-market price on the relevant Regulated Market at the Valuation Point on the relevant Dealing Day.

If the investment is normally listed, traded or dealt in on or under the rules of more than one Regulated Market, the relevant Regulated Market shall be that which constitutes the main market for the investment. If prices for an investment listed, traded or dealt in on the relevant Regulated Market are not available at the relevant time or are unrepresentative such investment shall be valued at such value as shall be certified with care and good faith as the probable realisation value of the investment by a competent professional person appointed by the Manager and approved for such purpose by the Depositary which may be the Investment Manager.

Units or shares in collective investment schemes which are not valued in accordance with the provisions above shall be valued on the basis of the latest available net asset value per unit/share as published by the collective investment scheme.

Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Manager any adjustment should be made to reflect the fair value thereof.

Exchange-traded derivative instruments shall be valued at the relevant settlement price on the applicable exchange, provided that if the settlement price of an exchange-traded derivative instrument is not available, the value of such instrument shall be the probable realisation value estimated with care and in good faith by a competent person appointed by the Manager and approved for the purpose by the Depositary, which may be the Investment Manager. The counterparty to derivative instruments not traded on an exchange must be prepared to value the contract, at least once per month or more frequently as may be required in the circumstances and to satisfy the Manager that the relevant contract is being valued by the counterparty with reasonable accuracy and on a reliable basis, and to close out the transaction at the request of the Manager at fair value. The Manager may choose to value over-the-counter derivatives using either the counterparty valuation or an alternative valuation, such as a valuation calculated by the Manager or by an independent pricing vendor. The Manager must value over-the-counter derivatives on a daily basis. Where the Manager values over-the-counter derivatives using an alternative valuation the Manager must follow international best practice and will adhere to the principles on the valuation of over-the-counter instruments established by bodies such as IOSCO and AIMA. The alternative valuation is that provided by a competent person appointed by the Manager and approved for the purpose by the Depositary or a valuation by any other means, provided that the value is approved by the Depositary. The alternative valuation will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the Manager values over-the-counter derivatives using the counterparty valuation the valuation must be approved or verified by a party who is approved for the purpose by the Depositary and who is independent of the counterparty. The independent verification must be carried out at least weekly. Forward foreign exchange contracts shall be valued by reference to freely available market quotations as of the close of business on the Dealing Day.

The Manager may adjust the value of an asset where such an adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant.

In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out above or if such valuation is not representative of an asset's fair market value, a competent person appointed by the Manager and approved for the purpose by the

Depository is entitled to use such other generally recognised valuation method in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depository and the rationale for the use of such method and the method itself shall be clearly documented.

While it is not the intention of the Manager to apply amortised cost valuation to the portfolio of any Fund (which is not a LVNAV MMF), Money Market Instruments within such portfolio of a Fund shall only be valued on an amortised basis if such Money Market Instruments have a residual maturity of less than three months and do not have any specific sensitivity to market parameters (including credit risk). Using the amortised basis, the relevant instrument is valued at its cost of acquisition adjusted for amortisation of premium or accretions of discount on the instrument. The Manager, or the Administrator as its delegate, will review the valuation of such instruments to determine whether the value of the instruments calculated pursuant to the amortised cost method of valuation deviates from the value of such instruments if valued on a mark-to-market basis and, if so, whether such deviation may result in a material dilution or other unfair results to the Shareholders in the relevant Fund. Any such review of the amortised cost valuation vis-à-vis market evaluation will be carried out in accordance with the Central Bank's guidelines.

The Net Asset Value of a Fund that is a Money Market Fund will be determined in accordance with the valuation provisions as outlined in Schedule 4.

9.2 Application for Shares

Application forms for Shares may be obtained from the Administrator or the Manager. Eligible investors who have forwarded the completed application form (or in the case of investors identified as high risk by the Administrator, a signed original application form) and provided satisfactory proof of identification to the Administrator before the Trade Cut-Off Time will be entitled to purchase Shares.

Once an application for Shares has been received by the Administrator, it is irrevocable and binding on the investor. An application for Shares may be cancelled or modified only at the discretion of the Manager having received a written request for cancellation or modification from the relevant investor prior to the Trade Cut-Off Time. Any application received by the Administrator after the Trade Cut-Off Time shall be held in abeyance and shall be effective on the next succeeding Dealing Day. However, the Manager may, in exceptional circumstances, decide to accept an application received by the Administrator after the Trade Cut-Off Time but before the Valuation Point. Investors will not be entitled to interest on subscription monies received in circumstances where an application is held until a subsequent Dealing Day.

Before subscribing for Shares an investor will be required to complete the Relevant Declaration (included in the application form) as to the investor's tax residency or status in the form prescribed by the Revenue Commissioners. Applicants should confirm that the Shares are not being acquired either directly or indirectly by or on behalf of any US Person or on behalf of any person in any other jurisdiction that would be restricted or prohibited from acquiring Shares and that the investor will not sell, transfer, or otherwise dispose of any such Shares, directly or indirectly, to or for the account of any US Person or in the US or to or for the account of any person in such jurisdiction to whom it is unlawful to make such an offer or solicitation.

Initial subscriptions may be made by way of signed original application form, where required for high risk investors, or by way of faxed signed application form. In the case of a faxed application form submitted by an investor identified by the Administrator as high risk, the signed original application form and all original or certified original supporting anti-money laundering documentation must be promptly received. No additional subscriptions, transfers of Shares or redemption payments may be made until the signed application form and all anti-money laundering documentation have been received from the investor (and in the case of investors identified by the Administrator as high risk, the signed original application form and original or certified original supporting anti-money laundering

documentation) and all anti-money laundering procedures have been carried out to the satisfaction of the Manager and its delegates.

Subscriptions for Shares must be made in the currency of the class. However, in exceptional circumstances and by prior agreement with the Administrator and the Manager, subscriptions may be made in a currency that is not the currency of the class but will be converted into the currency of the class at the prevailing rate of exchange and the costs of conversion shall be deducted from the subscription monies which will then be invested in Shares.

Investors must transmit cleared funds representing the subscription monies by wire instructions to the relevant accounts set out in the application form so that the monies are received in the ICAV's account by the Administrator for value on the relevant Settlement Date. If payment for a subscription is not received by the relevant Settlement Date, any Shares issued may be cancelled or the investor may be charged interest on the outstanding subscription monies at normal commercial rates.

The ICAV may issue fractional shares rounded to such number of decimal places as is determined by the Directors. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.01 of a Share. Subscription monies representing less than 0.01 of a Share will not be returned to the investor but will be retained by the ICAV in order to defray administration costs. Fractional shares shall not carry any voting rights.

The Manager reserves the right to reject an application for Shares.

Applications for Shares by in specie transfer may be made by agreement with the Investment Manager on a case-by-case basis and subject to the approval of the Depositary. The Depositary must be satisfied that there is unlikely to be any material prejudice to the existing Shareholders of the ICAV. In such cases the ICAV shall issue Shares in exchange for investments which the ICAV may acquire in accordance with its investment objectives, policies and restrictions and may hold or sell, dispose of or otherwise convert such securities into cash. No Shares shall be issued until the investments are vested in the Depositary or its nominee. The value of the Shares to be issued shall be calculated on the same basis as the valuation of Shares to be issued for cash.

9.3 Anti-Money Laundering Procedures

The Administrator reserves the right, working in conjunction with the designated anti-money laundering reporting officer of the ICAV to reject any application for Shares or to request further details or evidence of identity from an applicant for, or transferee of, Shares or a Shareholder. Where an application for Shares or additional subscription is rejected, the subscription monies shall be returned where appropriate to do so to the applicant without interest. It is acknowledged that the ICAV, the Manager, the Investment Manager and the Administrator shall be held harmless by the applicant, transferee or Shareholder (as appropriate) against any loss arising as a result of the failure to process an initial subscription application, subsequent additional subscription, transfer of Shares or a redemption request if such information as has been requested by the Administrator has not been provided.

Measures aimed at the prevention of money laundering and terrorist financing may require an applicant or transferee of Shares or Shareholder to provide verification of identity to the Administrator (whether in relation to themselves or persons connected with them). The Administrator will notify applicants, transferees and Shareholders if additional proof of identity is required. Where documentation is supplied all documents are sent at the applicant's, transferee's or Shareholder's own risk and the ICAV, the Manager, the Investment Manager and the Administrator are not liable for any lost documentation. By way of example, an individual may be required to produce a copy of a passport or identification card together with evidence of the person's address, such as a utility bill or bank statement. In the case of corporate entities, this may require production of a certified copy of the certificate of incorporation (and

any change of name), bye-laws, memorandum and articles of association (or equivalent) and the names, dates of birth and addresses of all directors and beneficial owners. The Administrator may use electronic checking services, which may keep a record of those checks, in order to satisfy anti-money laundering and anti-terrorist financing requirements at any time.

Initial subscription applications, subsequent additional subscriptions and transfers of Shares cannot be accepted or processed and redemption proceeds and distribution payments be released until the signed application form and all documents required in connection with the obligations to prevent money laundering and terrorist financing have been received by the Administrator and all anti-money laundering and anti-terrorist financing procedures have been completed satisfactorily and in the case of investors identified by the Administrator as high risk, the signed original application form and original or certified original supporting anti-money laundering documentation have been received. Each Shareholder must notify the Administrator in writing of any change in the information contained in or accompanying the application form and furnish the Administrator with whatever additional documents relating to such change as it may request.

In accordance with section 54 of the Criminal Justice (Money Laundering and Terrorist Financing) Acts, 2010 - 2018, as amended, the Administrator and the Manager reserve the right to request additional information and documentation in respect of keeping Shareholder information and documentation up to date. In the event of delay or failure by the applicant to produce any information or documentation required for ongoing verification purposes, the Administrator and the Manager may refuse to accept additional subscriptions, permit, process, or release the Shareholder's investment

9.4 Subsequent Subscriptions

Subsequent subscriptions (i.e. subsequent to an initial subscription for Shares within a Fund) may be made by submitting an application form to the Administrator by the Trade Cut-Off Time:

- by telephone where the investor has authorised the Manager in writing to accept and execute telephonic instructions on terms agreed with the Manager;
- in writing or by fax on the terms agreed with the Manager; or
- by such other electronic means as the Directors may from time to time determine with the prior approval of the Central Bank and as disclosed in the Prospectus.

Subscription requests received subsequent to the Trade Cut-Off Time shall be effective on the next succeeding Dealing Day. However, the Manager may, in exceptional circumstances, decide to accept a subscription request received by the Administrator after the Trade Cut-Off Time, but before the Valuation Point.

Each Shareholder who wishes to subscribe by telephone or by electronic means who has not previously agreed written terms with the Manager should contact the Administrator for further details.

Subsequent faxed or electronic subscription requests may be processed by the Administrator at its discretion without a requirement to submit original documentation.

If a Shareholder who has been identified as high risk by the Administrator wishes to amend the details and/or payment instructions set out in the application form submitted as part of its initial subscription, such amendments will only be accepted by the Administrator on receipt of original documentation from the relevant Shareholder. In the case of Shareholders who are identified as low or medium risk by the Administrator, any such amendments to registration details and/or payment instructions may be accepted by the Administrator without original documentation from the relevant Shareholder. However,

the Administrator reserves the right to request original documentation from such low and medium risk Shareholders if required in the circumstances.

9.5 Subscription Price

During the Initial Offer Period, the initial subscription price per Share of each Fund shall be the Initial Offer Price. Following the close of the Initial Offer Period, the subscription price per Share shall be the Net Asset Value per Share determined on a Dealing Day. Typically, the Initial Offer Period of a class of Shares ends following the receipt by the ICAV of the initial subscription.

Shares will be issued at the Net Asset Value per Share as determined on the Dealing Day on which the Share is deemed to be issued.

For a Fund that is a LVNAV MMF Shares will be issued at the Stable Net Asset Value per Share with the addition or deduction of any applicable duties and charges (if any) outlined in the Supplement for that Fund. If the Stable Net Asset Value per Share deviates from the MTM Net Asset Value per Share by more than 0.20%, subscriptions for that Fund will be undertaken at a price that is equal to the MTM Net Asset Value per Share. For further information, please refer to Schedule 4 of this Prospectus under the heading “Specific provisions relating to the calculation of the Net Asset Value per Share”.

9.6 Written Confirmations of Ownership

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

9.7 Redemption Requests

Shares may be redeemed on a Dealing Day by submitting a signed redemption form to the Administrator by the Trade Cut-Off Time. The redemption request may be in writing, by fax or such other means, for example, electronically, in accordance with the requirements of the Central Bank.

Redemptions may also be made by telephone where the investor has authorised the Manager in writing to accept and execute telephonic instructions on terms agreed with the Manager.

In the case of redemption requests made electronically, payment will only be made to the account of record provided that, in the case of Shareholders identified as high risk by the Administrator, the signed original application form and all original or certified original supporting anti-money laundering documentation in connection with that Shareholder’s initial subscription have been received from the Shareholder

Redemption requests received subsequent to the Trade Cut-Off Time shall be effective on the next succeeding Dealing Day. However, the Manager may, in exceptional circumstances decide to accept a redemption request received by the Administrator after the Trade Cut-Off Time but before the Valuation Point.

Investors dealing in Shares via clearing systems or other intermediaries should note that redemptions will be effected at the Net Asset Value per Share applicable to the Dealing Day on which the dealing

application is received by the Manager and not necessarily the Net Asset Value per Share associated with the Dealing Day on which the investors placed their redemption order.

If total redemption requests on any Dealing Day exceed 10% of the Net Asset Value of a Fund that is not a LVNAV MMF, the Manager may defer the excess redemption requests to subsequent Dealing Days until all the Shares to which original request related have been redeemed and shall redeem such Shares rateably. For the avoidance of doubt, redemptions which are deferred to subsequent Dealing Days pursuant to this section will not be redeemed in priority to any other redemption requests on the same Dealing Day.

For a Fund that is authorised as a LVNAV MMF, in accordance with the provisions of Article 34(1)(a) of the MMF Regulations, whenever the proportion of weekly maturing assets falls below 30% of the total assets of the LVNAV MMF and net daily redemptions on a single Dealing Day exceed 10% of the total assets of the LVNAV MMF, the Investment Manager shall immediately inform the Manager thereof and the Manager shall undertake a documented assessment of the situation to determine the appropriate course of action having regard to the interests of the Shareholders and may decide to apply: (i) liquidity fees on redemptions that adequately reflect the cost to the LVNAV MMF of achieving liquidity and ensure that Shareholders who remain in the Fund are not unfairly disadvantaged when other Shareholders redeem Shares during the period; (ii) redemption gates that limit the amount of Shares to be redeemed on any one Dealing Day to a maximum of 10% of the Shares in the LVNAV MMF for any period up to 15 Business Days; or (iii) a suspension of redemptions for any period up to 15 Business Days. Further information on the Manager's obligations pursuant to Article 34(1)(a) of the MMF Regulations to implement redemption gates, a suspension of redemptions or the imposition of liquidity fees is contained in the section of this Prospectus entitled "Liquidity Management Procedures for LVNAV MMFs" in Schedule 4.

Similarly, a Fund that is authorised as a LVNAV MMF, in accordance with the provisions of Article 34(1)(b) of the MMF Regulations, whenever the proportion of weekly maturing assets falls below 10% of the total assets of the LVNAV MMF, the Investment Manager shall immediately inform the Manager thereof and the Manager shall undertake a documented assessment of the situation to determine the appropriate course of action having regard to the interests of the Shareholders and may decide to apply: (i) liquidity fees on redemptions that adequately reflect the cost to the LVNAV MMF of achieving liquidity and ensure that Shareholders who remain in the Fund are not unfairly disadvantaged when other Shareholders redeem Shares during the period; or (ii) a suspension of redemptions for any period up to 15 Business Days. Further information on the Manager's obligations pursuant to Article 34(1)(b) of the MMF Regulations to implement a suspension of redemptions or the imposition of liquidity fees is contained in the section of this Prospectus entitled "Liquidity Management Procedures for LVNAV MMFs" in Schedule 4.

9.8 Redemption Price

Shares shall be redeemed at the applicable Net Asset Value per Share determined on the Dealing Day in respect of which the redemption is effected. The Manager may apply a dilution adjustment where there are net redemptions in order to cover the costs of dealing.

For a Fund that is a LVNAV MMF Shares will be redeemed at the Stable Net Asset Value per Share with the addition or deduction of any applicable duties and charges (if any) outlined in the Supplement for that Fund. If the Stable Net Asset Value per Share deviates from the MTM Net Asset Value per Share by more than 0.20%, redemptions for that Fund will be undertaken at a price that is equal to the MTM Net Asset Value per Share. For further information, please refer to Schedule 4 of this Prospectus under the heading "Specific provisions relating to the calculation of the Net Asset Value per Share".

All payments of redemption monies shall normally be made by the Settlement Date but in any event within 10 Business Days of the Trade Cut-Off Time by which the redemption request is received. The redemption proceeds shall be sent by wire transfer at the Shareholder's expense to the Shareholder's bank account, details of which shall be set out by the Shareholder to the Administrator in the application

form. In respect of Shareholders identified as low or medium risk by the Administrator, redemption proceeds cannot be released until the signed application form and all documents required in connection with the obligation to prevent money laundering and terrorist financing have been received by the Administrator in the required form (i.e. by fax as set out under the heading "Application for Shares") and all anti-money laundering and anti-terrorist financing procedures have been completed satisfactorily. In the case of investors identified by the Administrator as high risk, the signed original application form and original or certified original supporting anti-money laundering documentation have been received before redemption proceeds can be released.

At the discretion of the Manager and with the consent of the Shareholder making such redemption request, assets may be transferred to a Shareholder in satisfaction of the redemption monies payable on the redemption of Shares, provided that such distribution is equitable and not prejudicial to the interests of the remaining Shareholders. The allocation of such assets shall be subject to the approval of the Depositary. Where a redemption request represents 5% or more of the Shares of a Fund, the ICAV may satisfy the redemption request by the transfer of assets in specie to the Shareholder without the Shareholder's consent. At the request of the Shareholder making such redemption request such assets may be sold by the ICAV and the proceeds of sale shall be transmitted to the Shareholder. The transaction costs incurred in the sale of the assets will be payable by the Shareholder.

9.9 Dilution Adjustment

In calculating the subscription price (Net Asset Value per Share), the Manager may, at its discretion, on any Dealing Day when there are net subscriptions adjust the subscription price by applying (adding) a dilution adjustment to cover actual dealing costs and to preserve the value of the underlying assets of the relevant Fund.

In calculating the redemption price (Net Asset Value per Share), the Manager may, at its discretion, on any Dealing Day when there are net redemptions adjust the redemption price by applying (deducting) a dilution adjustment to cover actual dealing costs and to preserve the value of the underlying assets of the relevant Fund.

The purpose of the anti-dilution adjustment is to protect existing Shareholders from bearing the costs of subscriptions, redemptions or conversions and it is not operated with the intention of deriving a profit for the ICAV, the Manager, the Investment Manager or any other party. The level of the dilution adjustment is set by the Manager in consultation with the Investment Manager based on prevailing market conditions.

As set out in the section entitled "Liquidity Management Procedures for LVNAV MMFs" in Schedule 4, the Manager may apply liquidity fees to redemptions in circumstances where the weekly maturing assets of a LVNAV MMF fall below certain liquidity thresholds to ensure that the remaining Shareholders in the LVNAV MMF are not unfairly disadvantaged by the redemptions.

9.10 Mandatory Redemption of Shares

If a repurchase causes a Shareholder's holding in the ICAV to fall below the Minimum Holding, the Manager may redeem the whole of that Shareholder's holding. Before doing so, the Manager shall notify the Shareholder in writing and allow the Shareholder 30 days to purchase additional Shares to meet the minimum requirement.

Shareholders are required to notify the Administrator immediately in the event that they become US Persons. Shareholders who become US Persons may be required to dispose of their Shares to non-US Persons on the next Dealing Day thereafter unless the Shares are held pursuant to an exemption which would allow them to hold the Shares. The Manager reserves the right to redeem or require the transfer of any Shares which are or become owned, directly or indirectly, by a US Person or other person if the holding of the Shares by such person is unlawful or, in the opinion of the Directors, the holding might result in the ICAV or the Shareholders as a whole incurring any liability to taxation or suffering

pecuniary or material administrative disadvantage which the ICAV or the Shareholders as a whole might not otherwise suffer or incur.

9.11 Negative Yield Event

Where the Directors determine in their sole discretion that Income Shares within a Fund which is authorised as a LVNAV MMF may be unable to maintain a Stable Net Asset Value due to the net yield attributable to Income Shares on a particular Dealing Day being negative (a “**Negative Yield Event**”), the Directors may upon the provision of prior written notice to Shareholders (during which Shareholders may, free of charge, redeem their Shares), implement a conversion of the Income Shares to Accumulation Shares (Acc T+1).

Where such a conversion is implemented, the class(es) of Shares affected by the Negative Yield Event shall be amended as follows: (i) the distribution policy shall be amended and the Income Shares shall become Accumulation Shares; (ii) the name of the relevant Income Share class shall be changed, with the replacement of “(Income)” with “(Acc T+1)”; and (iii) as described in Schedule 4 of this Prospectus under the heading “*Calculation of the Net Asset Value per Share*”, as Accumulation Shares, the Net Asset Value per Share shall be calculated to four decimal places. The negative income will be accrued into the Net Asset Value of the relevant class(es) and, as such, the Net Asset Value per Share for these classes will not remain stable and their capital may be eroded.

The Directors reserve the right to reverse the conversion to Accumulation Shares if they deem it to be in the interests of the Shareholders to do so.

9.12 Transfer of Shares

All transfers of Shares shall be effected by a transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee, together with the account number and the ISIN code of the transferor, where applicable. The instrument of transfer of a Share shall be signed by or on behalf of the transferor and the transferee and the original form must be submitted to the Administrator. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Share register in respect thereof. Where the transferee is not an existing Shareholder in any of the Funds, the transferee must complete an application form and comply with the relevant anti-money laundering and anti-terrorist financing procedures. The Directors or the Manager may decline to register any transfer of Shares if, in consequence of such transfer, the transferor or transferee would hold less than the Minimum Holding, or would otherwise infringe the restrictions on holding Shares outlined above. The registration of transfers may be suspended at such times and for such periods as the Directors or the Manager may from time to time determine, provided always that such registration shall not be suspended for more than 30 days in any calendar year. The Directors or the Manager may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the ICAV or at such other place as the Directors or the Manager may reasonably require together with such other evidence as the Directors or the Manager may reasonably require to show the right of the transferor to make the transfer. Such evidence may include a declaration that the proposed transferee is not a US Person and that upon transfer the Shares will not be held by or for the account of any US Person.

9.13 Withholdings and Deductions

The ICAV may be required to account for tax on any distribution or the value of the Shares redeemed or transferred at the applicable rate unless it has received from the recipient, redeemer or transferor a declaration in the prescribed form confirming that the Shareholder is not a Shareholder in respect of whom it is necessary to deduct tax. The ICAV or the Manager reserves the right to redeem such number of Shares held by a recipient, redeemer or transferor as may be necessary to discharge the tax liability arising therefrom. The ICAV or the Manager reserves the right to refuse to register a transfer of Shares

or to implement a redemption request until it receives a declaration as to the redeemer's, transferor's or transferee's (as appropriate) residency or status in the form prescribed by the Revenue Commissioners.

9.14 Conversion of Shares

With the consent of the Manager, a Shareholder may convert Shares of one Fund or class into Shares of another Fund or class on giving notice to the Administrator in such form as the Administrator may require, provided that the shareholding satisfies the minimum investment criteria and provided that the original application is received within the time limits specified above in the case of subscriptions. Conversion is not intended to facilitate short-term or excessive trading. The conversion is effected by arranging for the redemption of Shares of one Fund and subscribing for the Shares of the other Fund with the proceeds.

Conversion will take place in accordance with the following formula:

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

where:

NS	=	the number of Shares which will be issued in the new Fund;
A	=	the number of the Shares to be converted;
B	=	the redemption price of the Shares to be converted;
C	=	the currency conversion factor (if any) as determined by the Directors;
D	=	the issue price of Shares in the new Fund on the relevant Dealing Day; and
TC	=	the transaction charge (redemption charge) incurred in connection with the proposed transaction which shall not in any event exceed 5% of the Net Asset Value per Share.

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

The length of time for completion of a conversion will vary depending on the Funds involved and the time when the conversion is initiated. In general, the length of time for completion of a conversion will depend upon the time required to obtain payment of redemption proceeds from the Fund whose Shares are being acquired. As the conversion of Shares requires the consent of the Manager, once a request is made the need for such consent may result in Shares being converted on a Dealing Day subsequent to the Dealing Day on which the Shareholder initially wished to have the Shares converted.

9.15 Publication of the Price of the Shares

Except where the determination of the Net Asset Value has been temporarily suspended in the circumstances described below, the Net Asset Value per Share, shall be made public at the office of the Administrator on each Dealing Day. For a Fund that is a LVNAV MMF, the Stable Net Asset Value per Share and any difference between it and the MTM Net Asset Value per Share shall also be made public at the office of the Administrator on each Dealing Day. In addition, the prices shall be published on the Business Day immediately succeeding each Dealing Day on the internet address <https://www.schroders.com/en-ie/ie/professional/>. The prices posted on the internet will be kept up-to-date. Such information shall relate to the up to date Net Asset Value per Share for the previous Dealing

Day and is published for information purposes only. It is not an invitation to subscribe for, redeem or convert Shares at these prices.

9.16 Temporary Suspension of Valuation of the Shares and of Sales and Redemptions

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

- (i) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of a Fund's investments, or when trading thereon is restricted or suspended;
- (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the ICAV is not reasonably practicable without this being seriously detrimental to the interests of Shareholders;
- (iii) any period during which disposal or valuation of investments which constitute a substantial portion of the assets of a Fund is not practically feasible or if feasible would be possible only on terms materially disadvantageous to Shareholders;
- (iv) any period when for any reason the prices of any investments of a Fund cannot be reasonably, promptly or accurately ascertained by the Administrator;
- (v) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of a Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (vi) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from a Fund's account;
- (vii) upon the service on the Shareholders of a notice to consider a resolution to wind up the ICAV or close a Fund;
- (viii) upon the occurrence of an event causing the ICAV to enter into liquidation;
- (ix) during any period when the Directors consider it to be in the interests of the ICAV or a Fund;
- (x) in the case of a LVNAV MMF, and as more particularly described in Schedule 4 under the heading "Liquidity Management Procedures for LVNAV MMFs", if the proportion of weekly maturing assets falls below 30% of its Net Asset Value, net daily redemptions on a single Dealing Day exceed 10% of its Net Asset Value and the Manager considers it to be in the best interests of the Shareholders; or
- (xi) in the case of a LVNAV MMF, and as more particularly described in Schedule 4 under the heading "Liquidity Management Procedures for LVNAV MMFs", if the proportion of weekly maturing assets falls below 10% of its Net Asset Value and the Manager considers it to be in the best interests of the Shareholders.

A suspension of redemptions may be made at any time prior to the payment of the redemption monies and the removal of the details of the relevant Shares from the register of Shareholders. A suspension

of subscriptions may be made at any time prior to the entry of the details of the relevant Shares on the register of Shareholders.

Any such suspension shall be notified immediately (without delay) to the Central Bank. Where possible, all reasonable steps will be taken to bring a period of suspension to an end as soon as possible.

9.17 Data Protection Notice

Prospective investors should note that by completing the application form they have provided personal information, which may constitute “personal data” within the meaning of the Data Protection Legislation.

Investors’ personal data will be used by the ICAV and/or the Manager for the following purposes:

- to manage and administer an investor’s holding in the ICAV and any related accounts on an ongoing basis in accordance with the contract between the investor and the ICAV;
- to comply with legal and regulatory obligations applicable to the investor and the ICAV from time to time including applicable anti-money laundering and counter terrorist financing legislation. In particular, in order to comply with the information reporting regimes set out in Section 891C and Section 891E to Section 891G (inclusive) of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections), Shareholders’ personal data (including financial information) may be shared with the Irish Revenue Commissioners. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including the US Internal Revenue Service and foreign tax authorities located outside the European Economic Area). Please consult the AEOI (Automatic Exchange of Information) webpage on www.revenue.ie for further information in this regard; and
- to record the telephone calls from investors, Shareholders and other individuals to the Fund and its agents and service providers for record-keeping, security, quality assurance and training purposes.

Investors’ personal data may be disclosed by the ICAV and/or the Manager to its delegates, professional advisors, service providers, regulatory bodies, auditors, technology providers and any duly authorised agents or related, associated or affiliated companies of the foregoing for the same or related purposes.

Investors’ personal data may be transferred to countries which may not have the same or equivalent data protection laws as Ireland. If such transfer occurs, the ICAV and/or the Manager is required to ensure that such processing of investors’ personal data is in compliance with Data Protection Legislation and, in particular, that appropriate measures are in place such as entering into model contractual clauses (as published by the European Commission) or ensuring that the recipient is “Privacy Shield” certified, if appropriate. For more information on the means of transfer of investors’ data or a copy of the relevant safeguards, please contact the Manager, at 5, rue Höhenhof, 1736 Senningerberg, Grand Duchy of Luxembourg.

Pursuant to the Data Protection Legislation, investors have a number of rights which may be exercised in respect of their personal data, i.e.:

- the right of access to personal data held by the ICAV and/or the Manager;
- the right to amend and rectify any inaccuracies in personal data held by the ICAV and/or the Manager;
- the right to erase personal data held by the ICAV and/or the Manager;

- the right to data portability of personal data held by the ICAV and/or the Manager; and
- the right to request restriction of the processing of personal data held by the ICAV and/or the Manager; and
- the right to object to processing of personal data by the ICAV and/or the Manager.

These rights will be exercisable subject to limitations as provided for in the Data Protection Legislation. In certain circumstances it may not be feasible for the ICAV and/or the Manager to discharge these rights, for example because of the structure of the ICAV or the manner in which the Shareholder holds Shares in a Fund. Investors may make a request to the ICAV and/or the Manager to exercise these rights by contacting the Manager at 5, rue Höhenhof, 1736 Senningerberg, Grand Duchy of Luxembourg.

Please note that personal data may be retained by the ICAV and/or the Manager for the duration of an investor's investment and afterwards in accordance with the ICAV and/or the Manager's legal and regulatory obligations, including but not limited to the ICAV's or the Manager's record retention policy.

The ICAV and the Manager are each a data controller within the meaning of the Data Protection Legislation and each undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Legislation. For queries, requests or comments in respect of this notice or the way in which the ICAV and/or the Manager uses investors' personal data, please contact the Manager at 5, rue Höhenhof, 1736 Senningerberg, Grand Duchy of Luxembourg. Investors have the right to lodge a complaint with the Office of the Data Protection Commissioner if they are dissatisfied with the manner in which their personal data is used by the Manager.

10. MANAGEMENT AND ADMINISTRATION

10.1 The Board of Directors

The Board of Directors is responsible for managing the business affairs of the ICAV in accordance with the Instrument of Incorporation. The Directors have delegated certain of their powers, duties and functions to the Manager which has, in turn, delegated certain of its powers, duties and functions to the Administrator and the Investment Manager, subject to supervision and direction by the Directors and provided that the delegation does not prevent the ICAV from being managed in the best interests of its Shareholders. The conduct of the ICAV's business shall be decided by at least two of the Directors.

The Directors and their principal occupations are set forth below. The address of the Directors is the registered office of the ICAV.

Michael Marsh (UK Resident)

Mr. Marsh is Senior Advisor and Strategic Program Director at Schroder Investment Management Limited. Mr. Marsh has over 30 years' experience in the financial sector. Prior to commencing his role he was Global and EMEA Head of Fund Operations at Schroder Investment Management Limited. Prior to this he was Chief Operating Officer of CBRE EMEA Asset Services for five years. Mr. Marsh has also been employed as an executive director of Fidelity International Limited with responsibility for investment operations and change management. Prior to this he held various roles at UBS over a 14 year period, including Head of Fund and Portfolio Services. He holds an advanced practitioner

designation from the Association of Project Managers and attended the City University Business School.

Gerald Brady (Irish Resident)

Gerry Brady is an independent, non-executive director and consultant in the regulated, international financial services industry. Mr. Brady has 30 years' experience of the funds industry, both as a director and full-time executive, and has held senior executive management positions in Bank of Bermuda, Capita Financial Group and Northern Trust. Mr. Brady has worked both abroad and in Ireland and is a past Council Member of Irish Funds (IF) and former Executive Board Member of Financial Services Ireland/Irish Business and Employers Confederation (FSI/IBEC). Mr. Brady has a First Class Honours degree in Economics and is a Fellow of the Institute of Chartered Accountants of Ireland (FCA) and a Chartered Financial Analyst (CFA).

Michael K Griffin (Irish Resident)

Michael K Griffin has over 40 years' experience in the financial sector. For the past 20 years he has been a non-executive director of fund companies in Dublin and Luxembourg where he worked with some of the leading sponsors in the sector. Most of his executive experience was with the wholesale arm of the Ulster Bank Group in Dublin where he served on the board and management committee of Ulster Investment Bank Limited for 12 years. In his role he managed the Treasury trading of the bank which included sovereign debt, money markets and foreign exchange. He was Chairman of the Irish Bankers Federation EMU Capital Markets Committee from 1996 to 1999. He is a fellow of the Institute of Bankers in Ireland and is a member of the Board of Directors of Schroder Investment Management (Ireland) Limited, Schroder Private Equity Fund of Funds II plc, Schroder Private Equity Fund of Funds III plc and Schroder Private Equity Fund of Funds IV plc, among other funds.

The Secretary of the ICAV is Bradwell Limited.

The Instrument of Incorporation does not stipulate a retirement age for Directors and does not provide for retirement of Directors by rotation. The Instrument of Incorporation provides that a Director may be a party to any transaction or arrangement with the ICAV or in which the ICAV is interested, provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. However, a Director may vote in respect of any proposal concerning any other ICAV in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5% or more of the issued shares of any class of such ICAV or of the voting rights available to members of such ICAV. A Director may also vote in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the ICAV or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the ICAV for which the Director has assumed responsibility in whole or in part.

The Instrument of Incorporation provides that the Directors may exercise all the powers of the ICAV to borrow money, to mortgage or charge its undertaking, property or any part thereof and may delegate these powers to the Investment Manager.

10.2 The Manager

The ICAV has appointed the Manager as manager of the ICAV on the terms and conditions of the Management Agreement. The Manager shall, subject to the overall control and supervision of the Directors, provide administration, distribution, investment management and related services to the ICAV.

The Manager was incorporated as a *société anonyme* under the laws of the Grand Duchy of Luxembourg on 23 August 1991 and is registered on the Luxembourg Commercial Register under number B37799.

The registered office of the Manager is 5, rue Höhenhof, 1736 Senningerberg, Grand Duchy of Luxembourg. The Manager acts as management company to three Luxembourg-domiciled UCITS funds.

The directors of the Manager are:

Graham Staples (Chairman of the Board)

Graham Staples is the Group Company Secretary of Schroders plc. He is responsible for the Group's governance framework and for advising the Board and Group Management Committee on all governance matters.

Graham joined Schroders in 2004. Previously, he held senior company secretarial, compliance and business development roles at Natwest, Barclays, TSB and Computershare.

Graham holds a Bachelor of Law from the University of Leeds, a Master in Business Administration from Henley Management College and a Fellow of the Chartered Governance Institute. He is on the advisory board of the Management Division at Leeds University and a trustee of the Sherborne Girls School Foundation.

Finbarr Browne

CEO Schroder Investment Management (Europe) S.A.

Finbarr is the Luxembourg Country Head of the Manager since January 2020..

In addition to his Luxembourg role, Finbarr is the COO for Continental Europe and the regional Head of Product. Finbarr also joined the Luxembourg Fund Industry Association board of directors in February 2020.

He has previously held regional and global roles in Operations, Finance and Change Management during his over 20 years with the Schroders Group. He has worked for companies such as Deloitte and Brown Brothers Harriman in the past.

Vanessa Grueneklee

Vanessa Grueneklee is one of the Conducting Officers responsible for Client Service/Marketing activities as well as the oversight of all activities performed by the branches of the Manager.

She is currently the Head of Luxembourg Client Service & Branch Oversight, responsible for the Luxembourg Client Services department and branch oversight processes as well as of the onsite visits and due diligence on the Manager's branch offices.

Before joining Schroders in 2018, Vanessa held several roles within AXA Investment Managers Deutschland GmbH between 1999 to 2018, including serving as Head of Retail Operations, Head of Cross Border Client Operations Management, Head of European Client Operations, and Global Head of Client Operations and Distribution Support. Prior to AXA Investment Managers Deutschland GmbH, Vanessa worked for Enskilda Securities in Paris and in Frankfurt, from 1997 to 1999.

Vanessa holds a Masters in Finance and Information Technology from Université Paris IX Dauphine, France and a Master 2 in Management of Financial Market Operations from Université de Lyon, France.

John Hennessey

John Hennessey is Chief Operating Officer, Client Group at Schroders, which involves being responsible for central Client Group operational functions (Client Take-On, Client Insights Unit, European Client Service) alongside a team which defines and implements business and regulatory change across the division. He joined Schroders in 1999 and is based in London. John was Founding

Partner at The Change Management Partnership from 2010 to 2015, which involved setting up and running a boutique change consultancy that helped a wide variety of clients across a diverse range of sectors define and implement change in their organisations. He re-joined Schroders in 2015.

He was Group Head of Change Management at Schroders from 2008 to 2010, which involved being responsible for the definition and execution of the firm's change agenda.

John holds a BA in Engineering from Cambridge University.

Peter Hilborne

Peter Hilborne is the Group Chief Operating Officer, Operations at Schroders.

Before joining Schroders in 2017, Peter was Global Head of Solutions at Columbia Threadneedle Investments from 2006 to 2017. Peter was Head of Operational Controls at Barclays Global Investors from 2005 to 2006 and Senior Manager at PricewaterhouseCoopers from 1992 to 2005.

Peter holds a BA (HONS) in Economics and Accounting from Durham University, United Kingdom.

Mike Sommer

Mike Sommer is the Conducting Officer responsible for Risk and Compliance (Europe).

He is currently in charge of the product and legal entity compliance within the Manager's local risk management framework as well as Schroders Investment Risk Framework and Group Operational Risk Management framework (EMEA Region ex UK/Switzerland).

Before joining Schroders in 2019, Mike was Conducting Officer and Head of Risk Management at FTIS S.à r.l. between 2017 and 2019. He held several roles within Franklin Templeton Investments in Luxembourg between 2007 to 2017, including serving as Compliance & Risk Officer/MLRO and Head of Risk Management and was responsible for regulatory investment risk compliance for EMEA.

Mike has a degree in Economics from the University Trier in Germany and is the current Co-Chair of the Luxembourg Fund Industry Association Real Assets risk management working group.

Peter Arnold

Peter Arnold is the Chief Operating Officer of Schroders Capital, accountable for Operations, Technology, Data and Change across Schroders' private assets business. Prior to joining Schroders in 2016, Peter held positions at GAM and Accenture.

He holds a Master's degree in Computer Science from the Swiss Federal Institute of Technology (ETH) Zurich.

Gavin Ralston

Gavin Ralston is a senior adviser to Schroders and a director of Schroder investment Management (EU) SA. His previous full time role at Schroders was Head of the Strategic Client Group, which involved working with the firm's largest clients, and leading the channel specialist teams covering insurance, official institutions and global financial clients. He joined Schroders in 1980 and is based in London.

Gavin was Head of Product at Schroders from 2008 to 2012, which involved oversight of product strategy, and he served as a director of the Schroder International Selection Fund for several years.

He was Head of Continental Europe and Middle East at Schroders from 2003 to 2008, a role which involved responsibility for sales teams in nine offices across Europe; setting strategy and priorities, managing the teams, and interacting with a large number of clients. Prior to this he worked as an equity analyst and portfolio manager.

Qualifications: Associate Member of the UK Society of Investment Professionals; MA in Classics from Oxford University.

Company secretarial services in respect of the Manager are provided by an internal team at the Manager.

The Manager has delegated responsibility for the investment management and disposal of the assets of the Company to the Investment Manager. The Investment Manager, in accordance with the investment objectives, policies and restrictions of the Funds makes and implements asset management and portfolio selection recommendations in connection with the investment and reinvestment of the assets of the Funds.

The Manager has delegated the administration of the ICAV's affairs, including responsibility for the preparation and maintenance of the ICAV's records and accounts, transfer agency related matters and fund accounting matters (including calculation of the Net Asset Value per Share) to the Administrator.

Details of the fees payable by each of the Funds to the Manager are set out in the section titled "Fees and Expenses" and in the relevant Supplement.

The Management Agreement between the ICAV and the Manager provides for the appointment of the Manager, the standard of care to be applied by the Manager and the control and supervision of the Manager. The Management Agreement defines the duties and powers of the Manager together with its responsibilities.

The Management Agreement details activities related to the delegation of activity by the Manager and defines such matters as "proper instruction" and fees and expenses of the Manager.

The Management Agreement shall continue in force until terminated by either the ICAV or the Manager giving not less than ninety (90) days' notice in writing to the other party. Notwithstanding the foregoing, either party may at any time terminate the Management Agreement by notice in writing to the other party if at any time: (i) either party shall go into liquidation or be unable to pay its debts or commit any act of bankruptcy or if a receiver is appointed or if some event having an equivalent effect occurs; (ii) the Manager ceases to be permitted to act as manager of the ICAV under any applicable law or regulation; (iii) either party commits any material breach of the Management Agreement and shall not have remedied such breach (if capable of remedy) within thirty (30) days of notice requiring same to be remedied; or (iv) an examiner, administrator or similar person is appointed to either party.

The Manager shall be liable to the ICAV or any Shareholder for loss, costs, demands, expenses or damages that may arise from the Manager's wilful default, fraud, recklessness or negligence. The ICAV shall hold harmless and indemnify the Manager against all actions, proceedings and claims and against all costs, demands, loss and expenses arising therefrom other than due to the wilful default, fraud, recklessness or negligence of the Manager in the performance of its duties under the Management Agreement.

10.3 The Investment Manager

The Investment Manager is Schroder Investment Management Limited. Schroder Investment Management Limited is a company incorporated in England and Wales and is authorised and regulated by the FCA. Its principal activities are fund management and investment advice. Schroder Investment

Management Limited had total assets under management of approximately £737.5 billion as at 31 December 2022.

The Investment Management Agreement between the Manager, the ICAV and the Investment Manager provides that the Investment Manager shall be responsible for the investment and reinvestment of the ICAV's assets. The Investment Management Agreement shall continue in force until terminated by any party on not less than ninety (90) days' notice in writing to the other party. Notwithstanding the foregoing, any party may at any time terminate the Investment Management Agreement forthwith by notice in writing to the other parties if at any time: (i) another party shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting party) or be unable to pay its debts or commit any act of bankruptcy under applicable law, or if an examiner, administrator or receiver is appointed over any of the assets of the other party or if some event having an equivalent effect occurs; or if (ii) another party ceases to be permitted to perform its duties under any applicable laws or regulations; or if (iii) another party shall commit any material breach of the Investment Management Agreement and shall not have remedied such breach (if capable of remedy) within thirty (30) days of notice requiring the same to be remedied.

The ICAV shall indemnify and hold harmless out of the assets of the relevant Fund the Investment Manager, its directors, officers and authorised agents against any losses, liabilities, actions, proceedings, claims, costs and expenses which the Investment Manager directly incurs or to which the Investment Manager is directly subjected other than as a result of the negligence, fraud, bad faith, will default or recklessness of the Investment Manager in the performance of its obligations and duties under the Investment Management Agreement or breach of the Investment Management Agreement by the Investment Manager.

10.4 The Administrator

The Administrator is a limited liability company incorporated under the laws of Ireland on 28 May 1990. The Administrator is authorised as an investment business firm for the provision of administration services to collective investment schemes, including the performance of valuation services, fund accounting and transfer agency activities.

The Administration Agreement provides that the Administrator shall administer the ICAV in accordance with the laws of Ireland (including the UCITS Rules), the Instrument of Incorporation and the provisions of this Prospectus. The Administrator will also act as registrar and transfer agent of the ICAV. The Administration Agreement shall continue in force until terminated by either party on 180 days' notice in writing to the other party. Any party may at any time terminate the Administration Agreement by notice in writing to the other parties in the event that: (i) another party commits a material breach of the provisions of the Administration Agreement which, if capable of remedy, shall not have been remedied within 90 days of written notice requiring it to be remedied or such longer period as the parties may agree; or (ii) the continued performance of the Administration Agreement for any reason ceases to be unlawful; or (iii) another party: (A) admits in writing its inability or is generally unable to pay its debts as they become due; (B) institutes, consents to or is otherwise subject to examinership, receivership or liquidation proceedings; (C) is subject to an involuntary order for the transfer of all or part of its business by a statutory authority; (D) has any of its issued shares suspended from trading on any exchange on which they are listed (if applicable); or (E) is subject of a measure similar to any of the foregoing; or (iv) another party has its authorisation withdrawn by the relevant regulatory authority or the relevant regulatory authority instructs the other party to terminate the Administration Agreement. In the event of the termination of the Depositary Agreement, the Administrator may terminate the Administration Agreement in whole or in part.

The Administrator shall not be liable for any losses, damages or expenses suffered by the ICAV or any Shareholder in connection with the performance by the Administrator of its obligations and duties under the Administration Agreement, except a loss, damage or expense resulting from the material breach,

negligence, fraud, wilful default, recklessness or bad faith of the Administrator in the performance of its obligations and duties under the Administration Agreement.

The ICAV has agreed to indemnify and hold harmless the Administrator from any losses, claims, damages, liabilities or expenses (including reasonable counsel's fees and expenses) in connection with or arising out of performance of its obligations and duties under the Administration Agreement provided that the Administrator has not acted in breach of the Administration Agreement or with negligence, bad faith, recklessness or engaged in fraud or wilful misconduct in connection with the liabilities in question. The ICAV has further agreed that it will indemnify and hold harmless the Administrator from any liabilities that may be imposed on, incurred by, or asserted against the Administrator as a result of any action or omission taken in accordance with any instruction from the ICAV, except to the extent that such liabilities are caused by the fraud, negligence or wilful misconduct of the Administrator in the manner in which it carries out the instruction.

The Administrator has agreed to indemnify the ICAV from direct losses, claims, damages, liabilities or expenses (including reasonable counsel's fees and expenses) suffered or incurred or awarded against the ICAV as a result of: (i) any regulatory action (including any resulting fines and penalties) brought or levied by a regulatory authority; (ii) any action brought by an investor or a beneficial owner (where an investment is made via a nominee); and (iii) any claim that the Administrator has infringed any intellectual property rights of a third party, solely to the extent that such losses or portion of such losses are incurred as a result of the Administrator's negligence, fraud or wilful default in performing its duties under the Administration Agreement.

10.5 The Depositary

J.P. Morgan SE – Dublin Branch has been appointed as the Depositary to provide depositary, custodial, settlement and certain other associated services to the ICAV. J.P. Morgan SE is a European Company (Societas Europaea) organised under the laws of Germany, with registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany and registered with the commercial register of the local court of Frankfurt under number HRB 16861.

It is a credit institution subject to direct prudential supervision by the European Central Bank, the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank, the German Central Bank.

J.P. Morgan SE – Dublin Branch is authorised by the Central Bank to act as Depositary. J.P. Morgan SE – Dublin Branch is registered in the Companies Registration Office and is subject to the supervision of the home State supervisory authorities mentioned above, as well as local supervision by the Central Bank. Its business activities include the provision of custody and banking services, corporate finance and agency treasury management services. The Depositary has in excess of \$438 billion of assets under custody as at 31 August 2023. The ultimate parent company of the Depositary is JP Morgan Chase & Co. incorporated in Delaware, U.S.A.

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the ICAV and each Fund in accordance with the provisions of the UCITS Rules and the Directive. The Depositary will also provide cash monitoring services in respect of each Fund's cash flows and subscriptions.

The Depositary has the power to delegate certain of its depositary functions. In general, whenever the Depositary delegates any of its custody functions to a delegate, the Depositary will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Depositary.

As at the date of this Prospectus, the Depositary has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the ICAV's assets to sub-custodians. The list of sub-custodians appointed by the Depositary as at the date of this Prospectus can be found on

each Fund's webpage via the following link <https://www.schroders.com/en-ie/ie/professional/funds-and-strategies/>. The use of particular sub-custodians will depend on the markets in which the ICAV invests.

The Depositary must exercise due skill, care and diligence in the discharge of its duties.

The Depositary will be liable for loss of financial instruments held in custody or in the custody of any sub-custodian unless it can prove that loss was not as a result of the Depositary's negligent or intentional failure to perform its obligations and has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable for all other losses suffered as a result of the Depositary's negligent or intentional failure to perform its obligations under the Directive and the Depositary Agreement. The liability of the Depositary will not be affected by the fact that it has delegated a third party certain of its safekeeping functions in respect of the ICAV's assets. The Depositary shall exercise due skill, care and diligence in the selection, continued appointment and ongoing monitoring of delegates and sub-delegates.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, and without prejudice to the generality of the foregoing, where an appointed delegate is an affiliated group company and is providing a product or service to the ICAV and has a financial or business interest in such product or service, or receives remuneration for other related products or services it provides to the ICAV. The Depositary maintains a conflict of interest policy to address this.

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 and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee 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 and/or other funds for which the Depositary (or any of its affiliates) act. Potential conflicts of interest may also arise between the Depositary and its delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the ICAV. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the ICAV and will treat the ICAV 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 than if the conflict or potential conflict had not existed.

Up-to-date information regarding the identity of the Depositary, a description of the duties of the Depositary, a description of any conflicts of interest that may arise, the Depositary's delegation arrangements in respect of safekeeping functions, a list of delegates and sub-delegates and information on any conflicts that may arise from such delegation will be made available to investors from the Depositary on request.

The Depositary Agreement may be terminated by either the Depositary or the ICAV giving not less than 90 days' written notice to the other party. Either party may terminate the Depositary Agreement immediately by notice in writing to the other party in the event that: (i) a receiver or examiner is appointed to such party or upon the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise; or (ii) the other party fails to remedy a material breach of the Depositary Agreement within 30 days of being required to do so; or (iii) if the Depositary is no longer permitted to act as depositary or trustee by the Central Bank. However, the Depositary shall continue in office until a successor approved in advance by the Central Bank has been appointed or the authorisation of the ICAV has been revoked. If no successor depositary is appointed within 90 days of the service of notice of termination, an extraordinary general meeting shall be convened at which a special resolution to wind up the ICAV shall be considered so that Shares may be

redeemed or a liquidator appointed who shall wind up the ICAV and as soon as possible thereafter the ICAV shall apply to the Central Bank to revoke the ICAV's authorisation whereupon the Depositary's appointment shall terminate. In such case, the Depositary's appointment shall not terminate until revocation of the ICAV's authorisation by the Central Bank.

11. TAXATION

The following is a general summary of the main Irish tax considerations applicable to the ICAV and certain investors in the ICAV who are the beneficial owners of Shares in the ICAV. It does not purport to deal with all of the tax consequences applicable to the ICAV or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Shareholders whose acquisition of Shares in the ICAV would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (PPIU). Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely.

Taxation of the ICAV

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

Chargeable Event

Although the ICAV is not chargeable to Irish tax on its income and gains, Irish tax (at rates ranging from 25% to 60%) can arise on the happening of a “**chargeable event**” in the ICAV. A chargeable event includes any payments or distributions to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares in the ICAV for a period of eight years or more. Where a chargeable event occurs, the ICAV is required to account for the Irish tax thereon.

No Irish tax will arise in respect of a chargeable event where:

- (a) the Shareholder is neither resident nor ordinarily resident in Ireland (“Non-Irish Resident”) and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the ICAV is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or
- (b) the Shareholder is Non-Irish Resident and has confirmed that to the ICAV and the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or
- (c) the Shareholder is an Exempt Irish Resident as defined below.

A reference to “**intermediary**” means an intermediary within the meaning of Section 739B(1) of the TCA, being 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 units in an investment undertaking on behalf of other persons.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the ICAV at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland (“**Irish Resident**”) or is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners; or
- a transfer of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
- an exchange by a Shareholder, effected by way of arm’s length bargain, of Shares in the ICAV for other Shares in the ICAV; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the ICAV with another investment undertaking.

If the ICAV becomes liable to account for tax on a chargeable event, the ICAV shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of Shares held by the Shareholder as is required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the happening of a chargeable event.

Irish Courts Service

Where Shares are held by the Irish Courts Service the ICAV is not required to account for Irish tax on a chargeable event in respect of those Shares. Rather, where money under the control or subject to the order of any Irish Court is applied to acquire Shares in the ICAV, the Irish Courts Service assumes, in respect of the Shares acquired, the responsibilities of the ICAV to, *inter alia*, account for tax in respect of chargeable events and file returns.

Exempt Irish Resident Shareholders

The ICAV will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the ICAV has in its possession the necessary declarations from those persons (or an intermediary acting on their behalf) and the ICAV is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Shareholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the ICAV is referred to herein as an “**Exempt Irish Resident**”:

- (a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;
- (b) a company carrying on life business within the meaning of Section 706 of the TCA;

- (c) an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;
- (d) a special investment scheme within the meaning of Section 737 of the TCA;
- (e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- (f) a qualifying management company within the meaning of Section 739B(1) of the TCA;
- (g) a unit trust to which Section 731(5)(a) of the TCA applies;
- (h) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Shares are assets of a PRSA;
- (j) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (k) the National Asset Management Agency;
- (l) the National Treasury Management Agency or a Fund investment vehicle (within the meaning of Section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance of Ireland is the sole beneficial owner or Ireland acting through the National Asset Management Agency;
- (m) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);
- (n) in certain circumstances, a company within the charge to corporation tax in accordance with Section 739G(2) of the ICA in respect of payments made to it by the ICAV; or
- (o) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the ICAV or jeopardising the tax exemptions associated with the ICAV.

There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

Taxation of Non-Irish Resident Shareholders

Non-Irish Resident Shareholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the ICAV and no tax will be deducted on distributions from the ICAV or payments by the ICAV in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment. Such Shareholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Shareholder.

Unless the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn, in the event that a non-resident Shareholder (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and

notwithstanding that the Shareholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident ICAV holds Shares in the ICAV which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the ICAV under the self-assessment system.

Taxation of Irish Resident Shareholders

Deduction of Tax

Tax will be deducted and remitted to the Revenue Commissioners by the ICAV from any distributions made by the ICAV to an Irish Resident Shareholder who is not an Exempt Irish Resident at the rate of 41%.

Tax will also be deducted by the ICAV and remitted to the Revenue Commissioners from any gain arising on an encashment, repurchase, redemption, cancellation or other disposal of Shares by such a Shareholder at the rate of 41%. Any gain will be computed as the difference between the value of the Shareholder's investment in the ICAV at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where the Shareholder is an Irish resident company and the ICAV is in possession of a relevant declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the ICAV from any distributions made by the ICAV to the Shareholder and from any gains arising on an encashment, repurchase, redemption, cancellation or other disposal of shares by the Shareholder at the rate of 25%.

Deemed Disposals

A deemed disposal of Shares will occur on each and every eighth anniversary of the acquisition of Shares in the ICAV held by Irish Resident Shareholders who are not Exempt Irish Residents. The ICAV may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares held by Shareholders who are Irish Resident and, who are not Exempt Irish Residents, is 10% or more of the Net Asset Value of the relevant Fund, the ICAV will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund. However, where the total value of Shares held by such Shareholders is less than 10% of the Net Asset Value of the relevant Fund, the ICAV may, and it is expected that the ICAV will, elect not to account for tax on the deemed disposal. In this instance, the ICAV will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves.

The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, where the ICAV so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 41% (or in the case of Irish resident corporate Shareholders where a relevant declaration has been made, at the rate of 25%). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Residual Irish Tax Liability

Corporate Shareholders resident in Ireland which receive payments from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25% (or 41% if no declaration has been made) has been deducted. Subject to the comments below concerning tax on a currency gain, in general, such Shareholders will not be subject to further Irish tax on payments received in respect of their holding from which tax has been

deducted. A corporate Shareholder resident in Ireland which holds the Shares in connection with a trade will be taxable on any income or gains received from the ICAV as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the ICAV. In practice, where tax at a rate higher than 25% has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25% should be available.

Where a currency gain is made by a Shareholder on the disposal of Shares, the Shareholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Shares are disposed of.

Any Irish Resident Shareholder who is not an Exempt Irish Resident and who receives a distribution from which tax has not been deducted or who receives a gain on an encashment, repurchase, redemption, cancellation or other disposal from which tax has not been deducted, (for example, because the Shares are held in a recognised clearing system) will be liable to account for income tax or corporation tax as the case may be on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A of the TCA.

Overseas Dividends

Dividends (if any) and interest which the ICAV receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the ICAV will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.

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

Stamp Duty

On the basis that the ICAV qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the ICAV. However, where any subscription for or redemption of Shares is satisfied by an in-kind or in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

No Irish stamp duty will be payable by the ICAV on the conveyance or transfer of stock or marketable securities of a ICAV not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a ICAV (other than a ICAV which is an investment undertaking within the meaning of Section 739B of the TCA or a qualifying ICAV within the meaning of Section 110 of the TCA) which is registered in Ireland.

Residence

In general, Shareholders in the ICAV will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

Individual Investors

Test of Residence

An individual will be regarded as resident in Ireland for a particular tax year if the individual is present in Ireland: (1) for a period of at least 183 days in any one tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each tax year. In determining days present in Ireland, an individual is deemed to be present if he/she is present in the country at any time during the day.

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

Test of Ordinary Residence

If an individual has been resident for the three previous tax years then the individual will be deemed “ordinarily resident” from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three consecutive tax years.

Trust Investors

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

Corporate Investors

An ICAV will be resident in Ireland if its central management and control is in Ireland or (in certain circumstances) if it is incorporated in Ireland. For Ireland to be treated as the location of an ICAV’s central management and control this typically means Ireland is the location where all fundamental policy decisions of the ICAV are made.

All companies incorporated in Ireland are resident in Ireland for tax purposes except where:

- (i) in the case of a company incorporated before 1 January 2015, the company or a related company carries on a trade in Ireland, and either (a) the company is ultimately controlled by persons resident in a “relevant territory”, being a Member State or a country with which Ireland has a double taxation agreement in force by virtue of Section 826(1) of the TCA or that is signed and which will come into force once all the ratification procedures set out in Section 826(1) of the TCA have been completed, or (b) the principal class of the shares in the company or a related company is substantially and regularly traded on a recognised stock exchange in a relevant territory, and the company’s central management and control is located outside of Ireland (however this exception does not apply where the company’s place of central management and control is in a jurisdiction that only applies an incorporation test for determining residency and the company would thus not be regarded as tax-resident in any jurisdiction); or
- (ii) the company is regarded as resident in a country other than Ireland and not resident in Ireland under a double taxation agreement between Ireland and that other country.

The exception from the incorporation rule of tax residence at (i) above in respect of a ICAV incorporated before 1 January 2015 will however cease to apply or be available after 31 December 2020, or, if earlier, from the date, after 31 December 2014, of a change in ownership (direct or indirect) of the company where there is a major change in the nature or conduct of the business of the company within the period beginning on the later of 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company, and ending 5 years after the date of the change in ownership. For these purposes a major change in the nature or conduct of the business of the company includes the commencement by the company of a new trade or a major change arising from the acquisition by the company of property or of an interest in or right over property.

Disposal of Shares and Irish Capital Acquisitions Tax

(a) Persons Domiciled or Ordinarily Resident in Ireland

The disposal of Shares by means of a gift or inheritance made by a disponent domiciled or ordinarily resident in Ireland or received by a beneficiary domiciled or ordinarily resident in Ireland may give rise to a charge to Irish Capital Acquisitions Tax for the beneficiary of such a gift or inheritance with respect to those Shares.

(b) Persons Not Domiciled or Ordinarily Resident in Ireland

On the basis that the ICAV qualifies as an investment undertaking within the meaning of Section 739B of the TCA, the disposal of Shares will not be within the charge to Irish Capital Acquisitions Tax, provided that;

- the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
- the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and
- the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

The Foreign Account Tax Compliance Act (FATCA)

The provisions of FATCA are designed to require certain US Persons' direct and indirect ownership of certain non-US accounts and non-US entities to be reported by foreign financial institutions ("FFIs") to foreign tax authorities who will then provide the information to the IRS.

The ICAV may be regarded as an FFI for FATCA purposes. FATCA may impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) and, after 31 December 2018, gross proceeds from the sale or other disposal of property that can produce US source interest or dividends paid to an FFI.

FATCA compliance is enforced under Irish tax legislation, including the Financial Accounts Reporting (United States of America) Regulations 2014, and reporting rules and practices. The ICAV may require additional information from Shareholders in order to comply with these provisions. The ICAV may disclose the information, certificates or other documentation that it receives from (or concerning) its Shareholders to the Revenue Commissioners as necessary to comply with the Irish tax legislation and reporting rules and practices relating to FATCA, related intergovernmental agreements or other applicable law or regulation. The Revenue Commissioners, in turn, report such information to the IRS. If a Shareholder causes (directly or indirectly) the ICAV to suffer a withholding for or on account of FATCA ("**FATCA Deduction**") or other financial penalty, cost, expense or liability, the ICAV may compulsorily repurchase any Shares of such Shareholder and/or take any action required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such Shareholder. Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective investor's own situation. If applicable, investors should contact their intermediary regarding the application of this regime to their investments in the ICAV.

The OECD Common Reporting Standard

Ireland has implemented the "Standard for Automatic Exchange of Financial Account Information", also known as the Common Reporting Standard ("**CRS**"), into Irish law.

The CRS is a single global standard on Automatic Exchange of Information (“**AEOI**”) which was approved by the Council of the OECD in July 2014. It draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.

Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers. To comply with its obligations under the CRS (or similar information sharing arrangements), the ICAV may require additional information and documentation from Shareholders. The ICAV may disclose the information, certifications or other documentation that they receive from or in relation to Shareholders to the Revenue Commissioners who may in turn exchange this information with tax authorities in other territories.

By subscribing for Shares in the ICAV, each Shareholder is agreeing to provide such information upon request from the ICAV or its delegate. Shareholders refusing to provide the requisite information to the ICAV may be reported to the Irish tax authorities or other parties as necessary to comply with the CRS.

The above description is based in part on regulations, guidance from the OECD and the CRS, all of which are subject to change. Each prospective investor should consult their own tax adviser on the requirements applicable to their own situation under these arrangements.

Investment Undertaking Reporting

Pursuant to Section 891C TCA and the Return of Values (Investment Undertakings) Regulations 2013, the ICAV is obliged to report certain details in relation to Shares held by investors to the Revenue Commissioners on an annual basis. The details to be reported include the name, address, date of birth (if on record) and the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual’s PPS number or, in the absence of a tax reference number, a marker indicating that this was not provided) and the investment number associated with and the value of the Shares held by the Shareholder. These provisions do not require such details to be reported in respect of Shareholders who are:

- Exempt Irish Residents (as defined above);
- Shareholders who are neither Irish Resident nor ordinarily resident in Ireland (provided the relevant declaration has been made); or
- Shareholders whose Shares are held in a recognised clearing system.

12. GENERAL

12.1 Remuneration Policy

The Manager has established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or the ICAV, that:

- are consistent with and promote sound and effective risk management and do not encourage risk taking which is inconsistent with the risk profiles and rules of the ICAV or with its Instrument of Incorporation;
- are in line with the business strategy, objective, values and interests of the Manager, the ICAV and its Shareholders and includes measures to avoid conflicts of interest;

- include an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the investors of the Funds in order to ensure that the assessment process is based on the longer-term performance of the Funds and its investment risks; and
- appropriately balance fixed and variable components of total remuneration.

The Schroders group has an established remuneration committee (the “**Remuneration Committee**”) consisting of independent non-executive directors of Schroders plc. Their responsibilities include recommending to the board of Schroders plc the Schroders group policy on directors’ remuneration, overseeing the remuneration governance framework and ensuring that remuneration arrangements are consistent with effective risk management. The role and activities of the Remuneration Committee and their use of advisors are further detailed in the Remuneration Report and the Remuneration Committee’s Terms of Reference (both available on the Schroders group website).

The Manager delegates responsibility for determining the remuneration policies to the Remuneration Committee of Schroders plc. The Manager defines the objectives of each UCITS fund it manages and monitors adherence to those objectives and conflict management. The Remuneration Committee receives reports from the Manager regarding each fund’s objectives, risk limits and conflicts register and the performance against those measures. The Remuneration Committee receives reports on risk, legal and compliance matters from the heads of those areas in its consideration of compensation proposals, which provides an opportunity for any material concerns to be escalated.

A summary of the up-to-date remuneration policies of the Manager, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the Remuneration Committee, are available at <https://www.schroders.com/en/global/individual/corporatetransparency/disclosures/remuneration-disclosures/>. A paper copy is available free of charge upon request at the registered office of the Manager.

12.2 Conflicts of Interest

The Directors, the Manager, Investment Manager, the Depositary and the Administrator may from time to time act as directors, manager, investment manager, investment adviser, depositary, administrator, ICAV secretary, dealer or distributor in relation to, or be otherwise involved in, other funds and accounts established by parties other than the ICAV which have similar investment objectives to those of the ICAV and any Fund. Such other funds and accounts may pay higher or lower fees than a Fund or performance-based fees for such services. The Investment Manager and affiliates shall not be under any obligation to offer investment opportunities of which any of them becomes aware to the ICAV or to account to the ICAV in respect of (or share with the ICAV or inform the ICAV of) any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the ICAV and other clients, taking into consideration the investment objectives, investment limitations, capital available for investment and diversification posture of the ICAV and other clients. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the ICAV and a Fund. Each will, at all times, have regard in such event to its obligations to the ICAV and the Funds and will ensure that such conflicts are resolved fairly.

In addition, any of the Directors, the Manager, the Investment Manager or the Depositary, the delegates or sub-delegates of the Depositary (excluding any non-group company sub-depositaries appointed by the Depositary) and any associated or group company of the Depositary or a delegate or sub-delegate of the Depositary (excluding any non-group company

sub-depositaries appointed by the Depositary) may deal, as principal or agent, with the ICAV in respect of the assets of a Fund, provided that such dealings are conducted at arm's length. Transactions must be in the best interests of Shareholders.

Dealings will be deemed to have been conducted at arm's length if: (a) the value of the transaction is certified by either (i) a person who has been approved by the Depositary as being independent and competent or (ii) a person who has been approved by the Directors as being independent and competent in the case of transactions involving the Depositary; (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or (c) where (a) and (b) are not practical, the transaction is executed on terms which the Depositary or, in the case of a transaction involving the Depositary, the Directors, are satisfied are negotiated at arm's length and are in the best interests of Shareholders. The Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document how it complied with the requirements of paragraphs (a), (b) or (c) above. Where transactions are conducted in accordance with paragraph (c) above, the Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document its or their rationale for being satisfied that the transaction conformed to the principles outlined here.

Conflicts of interest may arise as a result of transactions in Financial Derivative Instruments. For example, the counterparties to, or agents, intermediaries or other entities which provide services in respect of, such transactions may be related to the Depositary. As a result, those entities may generate profits, fees or other income or avoid losses through such transactions. Furthermore, conflicts of interests may also arise where the collateral provided by such entities is subject to a valuation or haircut applied by a related party.

The Manager, the Investment Manager and their affiliates may invest, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the ICAV. Neither the Manager, the Investment Manager nor any of their affiliates are under any obligation to offer investment opportunities of which any of them becomes aware to the ICAV or to account to the ICAV in respect of or share with the ICAV or inform the ICAV of any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the ICAV and other clients.

The Investment Manager may assist the Administrator with valuing certain securities held by a Fund. The Investment Manager is paid a fee which is a percentage of the Net Asset Value of each Fund. Consequently, a conflict of interest could arise between its interest and those of a Fund. In the event of such a conflict of interests, the Investment Manager shall have regard to its obligations to the ICAV and the Funds and will ensure that such a conflict is resolved fairly and on a basis consistent with the best interests of the Shareholders.

The ICAV and the Manager have policies designed to ensure that in all transactions a reasonable effort is made to avoid conflicts of interest and when they cannot be avoided that the Funds and their Shareholders are fairly treated.

The Manager has policies designed to ensure that its service providers act in the Funds' best interests when executing decisions to deal on behalf of those Funds in the context of managing the Funds' portfolios. For these purposes, all reasonable steps must be taken to obtain the best possible result for the Funds, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature or any other consideration relevant to the execution of the order. Any research services provided by a broker to the Investment Manager will be paid for by the Investment Manager. Information about the Manager's execution policies are available to Shareholders at no charge upon request.

12.3 The Share Capital

The share capital of the ICAV shall at all times equal the Net Asset Value of the ICAV. The Directors are empowered to issue up to the currency equivalent of €500 billion divided into an unspecified number of Shares of no par value in the ICAV at the Net Asset Value per Share on such terms as they may think fit. There are no rights of pre-emption upon the issue of Shares in the ICAV. On incorporation, the ICAV issued Subscriber Shares to the value of EUR 300,002. The Subscriber Shares do not participate in the assets of any Fund. The ICAV will at all times have a minimum issued share capital to the value of EUR 300,000.

Each of the Shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of a Fund attributable to the relevant class in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares' entitlement is limited to the amount subscribed and accrued interest thereon.

The proceeds from the issue of Shares shall be applied in the books of the ICAV to the relevant Fund and shall be used in the acquisition on behalf of the relevant Fund of assets in which the Fund may invest. The records and accounts of each Fund shall be maintained separately.

The Directors reserve the right to redesignate any class of Shares from time to time, provided that Shareholders in that class shall first have been notified by the ICAV that the Shares will be redesignated and shall have been given the opportunity to have their Shares redeemed by the ICAV, except that this requirement shall not apply where the Directors redesignate Shares in issue in order to facilitate the creation of an additional class of Shares.

Each of the Shares entitles the holder to attend and vote at meetings of the ICAV and of the Fund represented by those Shares. No class of Shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other class of Shares or any voting rights in relation to matters relating solely to any other class of Shares.

Any resolution to alter the class rights of the Shares requires the approval in writing of all of the holders of the Shares or the approval of three quarters of the holders of the Shares, by value, represented or present and voting at a general meeting duly convened in accordance with the Instrument of Incorporation.

The Instrument of Incorporation empowers the Directors to issue fractional Shares in the ICAV. Fractional shares may be issued and shall not carry any voting rights at general meetings of the ICAV or of any Fund or class and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the ICAV but do not entitle the holders to participate in the dividends or net assets of any Fund or of the ICAV.

12.4 The Funds and Segregation of Liability

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

- (a) the proceeds from the issue of Shares representing a Fund shall be applied in the books of the ICAV to the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Instrument of Incorporation;
- (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the ICAV to the same Fund as the assets from which it was derived

and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;

- (c) where the ICAV incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and
- (d) where an asset or a liability of the ICAV cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds pro rata to the Net Asset Value of each Fund.

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

There shall be implied in every contract, agreement, arrangement or transaction entered into by the ICAV the following terms, that:

- (i) the party or parties contracting with the ICAV shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund;
- (ii) if any party contracting with the ICAV shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to the ICAV to pay a sum equal to the value of the benefit thereby obtained by it; and
- (iii) if any party contracting with the ICAV shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the ICAV and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the ICAV shall be credited against any concurrent liability pursuant to the implied terms set out in (i) to (iii) above.

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

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

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

Separate records shall be maintained in respect of each Fund.

12.5 Termination

All of the Shares in the ICAV or all of the Shares in a Fund may be redeemed by the ICAV in the following circumstances:

- (i) a majority of votes cast at a general meeting of the ICAV or the relevant Fund, as appropriate, approves the redemption of the Shares;
- (ii) if so determined by the Directors, provided that not less than 21 days' written notice has been given to the holders of the Shares of the ICAV or the Fund, as appropriate, that all of the Shares of the ICAV or the relevant Fund, as the case may be, shall be redeemed by the ICAV;
- (iii) if no replacement depositary shall have been appointed during the period of 90 days commencing on the date the Depositary or any replacement thereof shall have notified the ICAV of its desire to retire as depositary or shall have ceased to be approved by the ICAV, the Central Bank; or
- (iv) if after the first anniversary of the first issue of Shares the Net Asset Value of the ICAV, a Fund or a class is lower than £ 100,000,000, £ 100,000,000 and £ 25,000,000 respectively for a period of 30 consecutive days.

Where a redemption of Shares would result in the number of Shareholders falling below 2 or such other minimum number stipulated by statute or where a redemption of Shares would result in the issued share capital of the ICAV falling below such minimum amount as the ICAV may be obliged to maintain pursuant to applicable law, the Manager may defer the redemption of the minimum number of Shares sufficient to ensure compliance with applicable law. The redemption of such Shares will be deferred until the ICAV is wound up or until the ICAV procures the issue of sufficient Shares to ensure that the redemption can be effected. The ICAV shall be entitled to select the Shares for deferred redemption in such manner as it may deem to be fair and reasonable and as may be approved by the Depositary.

On a winding up or if all of the Shares in any Fund are to be redeemed, the assets available for distribution (after satisfaction of creditors' claims) shall be distributed pro rata to the holders of the Shares in proportion to the number of the Shares held in that Fund. The balance of any assets of the ICAV then remaining that are not attributable to any particular Fund shall be apportioned among the Funds pro rata to the Net Asset Value of each Fund immediately prior to any distribution to Shareholders and shall be distributed among the Shareholders of each Fund pro rata to the number of Shares in that Fund held by them. With the authority of an ordinary resolution of the Shareholders or with the consent of any Shareholder, the ICAV may make distributions in specie to Shareholders or to any individual Shareholder who so consents. At the request of any Shareholder, the ICAV shall arrange the sale of such assets at the expense of such Shareholder and without any liability on the part of the ICAV, the Manager, the Administrator or the Investment Manager if the proceeds of sale of any asset are less than the value of the assets at the time at which it was distributed in specie. The transaction costs incurred in the disposal of such investments shall be borne by the Shareholder. The Subscriber Shares do not entitle the holders to participate in the dividends or net assets of any Fund.

12.6 Meetings

All general meetings of the ICAV or of a Fund shall be held in Ireland. In each year the ICAV shall hold a general meeting as its annual general meeting. The quorum for general meetings shall be 2 persons present in person or by proxy. 21 clear days' notice shall be given in respect of each general meeting of the ICAV. The notice shall specify the venue and time of the

meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. The Instrument of Incorporation provides that matters may be determined by a meeting of Shareholders on a show of hands with each Shareholder having one vote unless a poll is requested by 5 Shareholders or by Shareholders holding 10% or more of the Shares or unless the Chairman of the meeting requests a poll. Each Share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the ICAV which are submitted to Shareholders for a vote by poll.

Notice of Election to Dispense with Annual General Meetings

The Directors have elected, pursuant to Section 89(4) of the ICAV Act, to dispense with the holding of annual general meetings of the ICAV. This election is effective for 2019 and subsequent years. However, pursuant to Section 89(6) of the ICAV Act: (i) one or more Shareholders of the ICAV holding, or together holding, not less than 10% of the voting rights in the ICAV; or (ii) the auditor of the ICAV, may require the ICAV to hold an annual general meeting in any year by giving notice in writing to the ICAV in the previous year or at least one month before the end of that year.

12.7 Reports

In each year the Directors shall arrange to be prepared an annual report and audited annual accounts for the ICAV. These will be published and forwarded to Shareholders within 4 months of the end of the financial year and at least 21 days before the annual general meeting. In addition, the ICAV shall publish and send to Shareholders within 2 months of the end of the relevant period a half-yearly report which shall include unaudited half-yearly accounts for the ICAV.

Annual accounts shall be made up to 30 September in each year. Unaudited half-yearly accounts shall be made up to 31 March in each year.

Audited annual reports and unaudited half-yearly reports incorporating financial statements shall be sent to each Shareholder, or will be sent on request to any potential investors, and will be made available for inspection at the registered office of the ICAV.

12.8 Shareholder Complaints

Shareholders may file any complaints about the ICAV or a Fund free of charge at the registered office of the Manager. Information regarding the Manager's complaints procedures are available to Shareholders free of charge upon request.

12.9 Minimum Viable Size

Each Fund must achieve a Net Asset Value of at least £100,000,000 or such other amount as may be determined by the Directors and notified to Shareholders in the Fund from time to time (the "**Minimum Viable Size**") by the end of the Initial Offer Period. In the event that a Fund does not reach the Minimum Viable Size within such period, the ICAV shall redeem any Shares in issue in the Fund and return the redemption proceeds to Shareholders.

12.10 Miscellaneous

- (i) The ICAV is not, and has not been since its incorporation, engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the ICAV.

- (ii) There are no service contracts in existence between the ICAV and any of its Directors, nor are any such contracts proposed.
- (iii) Michael Marsh is an employee of the Investment Manager.
- (iv) Neither the Directors nor their spouses nor their infant children nor any connected person have any direct or indirect interest in the share capital of the ICAV or any options in respect of such capital.
- (v) No share or loan capital of the ICAV is under option or is agreed conditionally or unconditionally to be put under option.
- (vi) Save as disclosed herein in the section entitled “Fees and Expenses” above, no commissions, discounts, brokerage or other special terms have been granted by the ICAV in relation to Shares issued by the ICAV.
- (vii) The ICAV does not have, nor has it had since its incorporation, any employees or subsidiary companies.

12.11 Material Contracts

The following contracts, details of which are set out in the section entitled “Management and Administration”, have been entered into and are material:

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

12.12 Supply and Inspection of Documents

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

- (a) the Instrument of Incorporation;
- (b) the material contracts referred to above;
- (c) the ICAV Act and any guidance issued by the Central Bank thereunder; and
- (d) the UCITS Rules.

Copies of the Instrument of Incorporation and the latest financial reports of the ICAV, as appropriate, may be obtained, free of charge, upon request at the registered office of the ICAV.

12.13 Genuine Diversity of Ownership Condition

Shares in the Funds are widely available, and the Manager undertakes that the Shares will be marketed and made available sufficiently widely and in a manner appropriate to reach the intended categories of investor who meet the broad requirements for investment in any given Share class, and are not intended to be limited to particular investors or narrowly-defined groups of investor.

Please refer to the "Share Class Features" in the supplement for details of the minimum levels of investment and/or investor categories that are specified as eligible to acquire particular Share classes. Provided that a person meets the broad requirements for investment in any given Share class, that person may obtain information on and acquire the relevant Shares in the ICAV.

SCHEDULE 1

THE REGULATED MARKETS

The exchanges/markets are set out below in accordance with the regulatory criteria as defined in the Central Bank Regulations. The Central Bank does not issue a list of approved markets.

With the exception of permitted investment in unlisted securities, investment in securities will be limited to the following stock exchanges and regulated markets:

- (i) any stock exchange or market in any EU Member State or in any of the following member countries of the OECD: Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland, the United Kingdom and the United States of America.

- (ii) any of the following exchanges or markets:

Argentina	Buenos Aires Stock Exchange,, , Mercado Abierto Electronico, , Mercado a Termino de Buenos Aires S.A. (MATba)
Bahrain	Manama Stock Exchange
Bangladesh	Dhaka Stock Exchange, Chittagong Stock Exchange
Bermuda	Bermuda Stock Exchange
Botswana	Botswana Stock Exchange
Brazil	Mercadorias & Futuros de São Paulo
Chile	Santiago Stock Exchange,
China	Shanghai Stock Exchange, Shenzhen Stock Exchange
Colombia	Bolsa de Valores de Colombia (BVC)
Croatia	Zagreb Stock Exchange
Egypt	Egyptian Stock Exchange
Ghana	Ghana Stock Exchange
Hong Kong	Stock Exchange of Hong Kong
India	The National Stock Exchange of India, The Bombay Stock Exchange, , Calcutta Stock Exchange
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Jordan	Amman Stock Exchange
Kazakhstan	Kazakhstan Stock Exchange

Kenya	Nairobi Stock Exchange
Kuwait	Kuwait Stock Exchange
Malaysia	The Bursa Malaysia Berhad
Mauritius	Stock Exchange of Mauritius
Mexico	Mexico Stock Exchange
Morocco	Casablanca Stock Exchange
Nigeria	Nigeria Stock Exchange
Oman	Oman Stock Exchange
Pakistan	Karachi Stock Exchange (Guarantee) Ltd,
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange Inc.
Qatar	Doha Securities Market
Saudi Arabia	Saudi Stock Exchange (Tadawul)
Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange Limited
South Africa	Johannesburg Stock Exchange
South Korea	Korea Stock Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan	Taiwan Stock Exchange Corporation, Greta Securities Market
Thailand	Stock Exchange of Thailand, Bangkok
Tunisia	Bourse de Valeurs Mobiliers de Tunis
Turkey	Istanbul Stock Exchange
United Arab Emirates	Abu Dhabi Stock Exchange, Dubai Financial Market, Dubai International Financial Exchange
Vietnam	Ho Chi Minh Securities Trading Center, Hanoi Securities Trading Center
Zimbabwe	Zimbabwe Stock Exchange

(iii) the following markets:

the market organised by the International Capital Markets Association;

the UK market (i) conducted by banks and other institutions regulated by the Financial Conduct Authority (FCA) and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) in non-investment products which are subject to the guidance contained in the "Non-Investment Product Code" drawn up by the participants in the London market, including the FSA and the Bank of England (formerly known as "The Grey Paper");

(a) NASDAQ in the United States, (b) the market in the US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; (c) the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and the National Association of Securities Dealers and by banking institutions regulated by the US Controller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;

(a) NASDAQ Japan, (b) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan, and (c) Market of the High-Growth and Emerging Stocks ("**MOTHERS**")

the alternative investment markets in the UK regulated and operated by the London Stock Exchange;

the Hong Kong Growth Enterprise Market ("**GEM**");

the Korean Securities Dealers Automated Quotation ("**KOSDAQ**")

the French Market for Titres de Créances Négotiables (over the counter market in negotiable debt instruments)

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

EASDAQ (European Association of Securities Dealers Automated Quotation)

Financial Derivative Instruments

NASDAQ, the Chicago Mercantile Exchange American Stock Exchange, Chicago Board of Trade, Chicago Board of Options Exchange, Coffee, Sugar and Cocoa Exchange, Minneapolis Grain Exchange, New York Cotton Exchange, New York Futures Exchange, New York Board of Trade, New York Mercantile Exchange, Hong Kong Futures Exchange, Singapore Commodity Exchange, Tokyo International Futures Exchange, New Zealand Futures and Options Exchange and any exchange or market, including any board of trade or similar entity, or automated quotation system, which exchanges and markets are regulated, operating regularly, recognised and open to the public in a Member State, or a member state of the EEA or the UK.

SCHEDULE 2

INVESTMENT RESTRICTIONS APPLICABLE TO THE FUNDS

1	Permitted Investments
	Investments of a Fund are confined to:
1.1	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money market instruments other than those dealt on a Regulated Market.
1.4	Units of UCITS.
1.5	Units of alternative investment funds (“AIFs”).
1.6	Deposits with credit institutions.
1.7	Financial derivative instruments.
2	Investment Restrictions
2.1	A Fund may invest no more than 10% of Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
2.2	<p><u>Recently Issued Transferable Securities</u></p> <p>(1) Subject to paragraph (2), a Fund shall not invest any more than 10% of its assets in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply.</p> <p>(2) Paragraph (1) does not apply to an investment by a Fund in US securities known as Rule 144A securities, provided that:</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within one year of issue; and</p> <p>(b) the securities are not illiquid securities i.e., they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.</p>
2.3	A Fund may invest no more than 10% of Net Asset Value in transferable securities or money market instruments issued by the same body, provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%
2.4	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund. A Fund will not avail of this without the prior approval of the Central Bank.

2.5	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
2.6	The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
2.7	<p>Cash booked in accounts and held as ancillary liquidity shall not exceed:</p> <p>(a) 10% of the Net Asset Value of the Fund; or</p> <p>(b) where the cash is booked in an account with the Depositary, 20% of the Net Asset Value of the Fund.</p>
2.8	<p>The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of Net Asset Value.</p> <p>This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>
2.9	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20 % of Net Asset Value:</p> <p>(i) investments in transferable securities or money market instruments;</p> <p>(ii) deposits; and/or</p> <p>(iii) counterparty risk exposures arising from OTC derivatives transactions.</p>
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35 % of Net Asset Value.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.

2.12	<p>A Fund may invest up to 100% of Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:</p> <p>OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC.</p> <p>The Fund must hold securities from at least six different issues, with securities from any one issue not exceeding 30% of Net Asset Value.</p>
3	Investment in Collective Investment Schemes ("CIS")
3.1	A Fund may not invest more than 20% of Net Asset Value in any one CIS.
3.2	Investment in AIFs may not, in aggregate, exceed 30% of Net Asset Value.
3.3	The CIS are prohibited from investing more than 10% of Net Asset Value in other open-ended CIS.
3.4	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
3.5	Where by virtue of investment in the units of another investment fund, the ICAV, an investment manager or an investment advisor receives a commission on behalf of a Fund (including a rebated commission), the ICAV shall ensure that the relevant commission is paid into the property of the Fund.
4	Index Tracking UCITS
4.1	A Fund may invest up to 20% of Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank Regulations and is recognised by the Central Bank.
4.2	The limit in 4.1 may be raised to 35% and applied to a single issuer, where this is justified by exceptional market conditions.

5	General Provisions
5.1	An investment company, Irish collective asset-management vehicle (“ICAV”) or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> (i) 10% of the non-voting shares of any single issuing body; (ii) 10% of the debt securities of any single issuing body; (iii) 25% of the units of any single CIS; (iv) 10% of the money market instruments of any single issuing body. <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
5.3	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities; (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State; (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members; (iv) shares held by a Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in paragraphs 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed; and (v) shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders’ request exclusively on their behalf.
5.4	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

5.6	If the limits laid down herein are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
5.7	Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: <ul style="list-style-type: none"> (i) transferable securities; (ii) money market instruments¹; (iii) units of investment funds; or (iv) financial derivative instruments.
5.8	A Fund may hold ancillary liquid assets.
6	Financial Derivative Instruments (“FDIs”)
6.1	A Fund’s global exposure relating to FDI must not exceed its total net asset value.
6.2	Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Regulations/guidance. (This provision does not apply in the case of index-based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Regulations.)
6.3	A Fund may invest in FDIs dealt in over-the-counter (OTC), provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
6.4	Investment in FDI is subject to the conditions and limits laid down by the Central Bank.

¹ Any short selling of money market instruments by a Fund is prohibited.

SCHEDULE 3

INVESTMENT RESTRICTIONS APPLICABLE TO MONEY MARKET FUNDS

1	Eligible Assets
	A MMF shall invest only in one or more of the following categories of financial assets and only under the conditions specified in the MMF Regulations:
1.1	Money market instruments.
1.2	Eligible securitisations and asset-backed commercial paper (“ABCPs”).
1.3	Deposits with credit institutions.
1.4	Financial derivative instruments.
1.5	Repurchase agreements that fulfil the conditions set out in Article 14.
1.6	Reverse repurchase agreements that fulfil the conditions set out in Article 15.
1.7	Units or shares of other MMFs.
2	Investment Restrictions
2.1	<p>A MMF shall invest no more than:</p> <ul style="list-style-type: none"> (a) 5% of its assets in money market instruments, securitisations and ABCPs issued by the same body; (b) 10% of its assets in deposits made with the same credit institution, unless the structure of the banking sector in the Member State in which the MMF is domiciled is such that there are insufficient viable credit institutions to meet that diversification requirement and it is not economically feasible for the MMF to make deposits in another Member State, in which case up to 15% of its assets may be deposited with the same credit institution.
2.2	By way of derogation from point (a) of paragraph 2.1 above, a VNAV MMF may invest up to 10% of its assets in money market instruments, securitisations and ABCPs issued by the same body provided that the total value of such money market instruments, securitisations and ABCPs held by the VNAV MMF in each issuing body in which it invests more than 5% of its assets does not exceed 40 % of the value of its assets.
2.3	<p>The aggregate of all of a MMF’s exposures to securitisations and ABCPs shall not exceed 15% of the assets of the MMF.</p> <p>As from the date of application of the delegated act referred to in Article 11(4) of the MMF Regulations, the aggregate of all of an MMF’s exposures to securitisations and ABCPs shall not exceed 20% of the assets of the MMF, whereby up to 15 % of the assets of the MMF may be invested in securitisations and ABCPs that do not comply with the criteria for the identification of STS securitisations and ABCPs.</p>
2.4	The aggregate risk exposure of a MMF to the same counterparty to OTC derivative transactions which fulfil the conditions set out in Article 13 of the MMF Regulations shall not exceed 5% of the assets of the MMF.
2.5	The cash received by the MMF as part of the repurchase agreement does not exceed 10% of its assets.
2.6	The aggregate amount of cash provided to the same counterparty of an MMF in reverse repurchase agreements shall not exceed 15% of the assets of the MMF.

2.7	<p>Notwithstanding paragraphs 2.1 and 2.4 above, a MMF shall not combine, where to do so would result in an investment of more than 15% of its assets in a single body, any of the following:</p> <ul style="list-style-type: none"> (a) investments in money market instruments, securitisations and ABCPs issued by that body; (b) deposits made with that body; (c) OTC financial derivative instruments giving counterparty risk exposure to that body.
2.8	<p>By way of derogation from the diversification requirement provided for in paragraph 2.7 above, where the structure of the financial market in the Member State in which the MMF is domiciled is such that there are insufficient viable financial institutions to meet that diversification requirement and it is not economically feasible for the MMF to use financial institutions in another Member State, the MMF may combine the types of investments referred to in points (a) to (c) up to a maximum investment of 20% of its assets in a single body.</p>
2.9	<p>Provided the MMF has sought authorisation from the Central Bank under Article 17(7) of the MMF Regulations, a MMF may in accordance with the principle of risk-spreading invest up to 100% of its assets in different money market instruments issued or guaranteed separately or jointly by the European Union, the national, regional and local administrations of the Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a third country, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more Member States belong.</p>
2.10	<p>Paragraph 2.9 above shall only apply where all of the following requirements are met:</p> <ul style="list-style-type: none"> (a) the MMF holds money market instruments from at least six different issues by the issuer; (b) the MMF limits the investment in money market instruments from the same issue to a maximum of 30% of its assets; (c) the MMF makes express reference, in its fund rules or instruments of incorporation, to all administrations, institutions or organisations referred to in the first subparagraph that issue or guarantee separately or jointly money market instruments in which it intends to invest more than 5% of its assets; (d) the MMF includes a prominent statement in its prospectus and marketing communications drawing attention to the use of the derogation and indicating all administrations, institutions or organisations referred to in the first subparagraph that issue or guarantee separately or jointly money market instruments in which it intends to invest more than 5% of its assets.
2.11	<p>Notwithstanding the individual limits laid down in paragraph 2.1 above, a MMF may invest no more than 10% of its assets in bonds issued by a single credit institution that has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.</p>
2.12	<p>Where a MMF invests more than 5% of its assets in the bonds referred to in paragraph 2.11 issued by a single issuer, the total value of those investments shall not exceed 40% of the value of the assets of the MMF.</p>
2.13	<p>Notwithstanding the individual limits laid down in paragraph 2.1, a MMF may invest no more than 20% of its assets in bonds issued by a single credit institution where the requirements set out in point (f) of Article 10(1) or point (c) of Article 11(1) of Delegated Regulation (EU) 2015/61 are met, including any possible investment in assets referred to in paragraph 2.11.</p>

2.14	Where a MMF invests more than 5% of its assets in the bonds referred to in paragraph 2.13 issued by a single issuer, the total value of those investments shall not exceed 60% of the value of the assets of the MMF, including any possible investment in assets referred to in paragraph 2.11, respecting the limits set out therein.
2.15	Companies which are included in the same group for the purposes of consolidated accounts under Directive 2013/34/EU of the European Parliament and of the Council or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits referred to in paragraphs 2.1 to 2.8.
3	Eligible units or shares of MMFs
3.1	A MMF may acquire the units or shares of any other MMF ('targeted MMF') provided that all of the following conditions are fulfilled: <ul style="list-style-type: none"> (a) no more than 10% of the assets of the targeted MMF are able, according to its fund rules or instruments of incorporation, to be invested in aggregate in units or shares of other MMFs; (b) the targeted MMF does not hold units or shares in the acquiring MMF.
3.2	A MMF whose units or shares have been acquired shall not invest in the acquiring MMF during the period in which the acquiring MMF holds units or shares in it.
3.3	A MMF may acquire the units or shares of other MMFs, provided that no more than 5% of its assets are invested in units or shares of a single MMF.
3.4	A MMF may, in aggregate, invest no more than 17.5% of its assets in units or shares of other MMFs.
3.5	Units or shares of other MMFs shall be eligible for investment by an MMF provided that all of the following conditions are fulfilled: the targeted MMF is authorised under the MMF Regulations; where the targeted MMF is managed, whether directly or under a delegation, by the same manager as that of the acquiring MMF or by any other ICAV to which the manager of the acquiring MMF is linked by common management or control, or by a substantial direct or indirect holding, the manager of the targeted MMF, or that other ICAV, is prohibited from charging subscription or redemption fees on account of the investment by the acquiring MMF in the units or shares of the targeted MMF;
3.6	Short Term MMFs may only invest in units or shares of other Short Term MMFs.
3.7	MMFs that are not Short Term MMFs may invest in units or shares of Short Term MMFs and standard MMFs.

SCHEDULE 4

ADDITIONAL INFORMATION FOR MONEY MARKET FUNDS

1. Central Bank Authorisation

In respect of a Fund which is authorised by the Central Bank as a LVNAV MMF under the MMF Regulations investors should note that: (a) a LVNAV MMF is not a guaranteed investment; (b) an investment in a LVNAV MMF is different from an investment in deposits, including, in particular, because of the risk that the principal invested in a LVNAV MMF is capable of fluctuation; (c) a LVNAV MMF does not rely on external support for guaranteeing liquidity or stabilising the Net Asset Value per Share; and (d) the risk of loss of the principal is borne by the investor.

2. Fund Rating

The ICAV or the Manager may apply for a fund rating from a Recognised Rating Agency in respect of any class or Fund. Where it is stated in the Supplement that the Fund has or will seek to obtain a rating, the rating will be solicited and financed by the ICAV, the Manager or the Investment Manager on behalf of the Fund.

3. Additional information to Shareholders

In addition to the information made available to Shareholders in accordance, with the Prospectus, the following information will be made available at the registered office in the ICAV and on the internet address <https://www.schroders.com/en-ie/ie/professional/> on a weekly basis:

- (a) the maturity breakdown of the portfolio of the Fund;
- (b) the credit profile of the Fund;
- (c) the weighted average maturity and the weighted average life of the relevant Fund;
- (d) details of the 10 largest holdings in the Fund, including the name, country, maturity and asset type, the counterparty in the case of repurchase and reverse repurchase agreements;
- (e) the total value of the Fund; and
- (f) the net yield of the Fund.

In addition, the Stable Net Asset Value per Share of the Share classes of the Fund shall be made available on the internet address <https://www.schroders.com/en-ie/ie/professional/funds-and-strategies/sterling-liquidity-fund/> on a daily basis and any difference between the Stable Net Asset Value per Share and the MTM Net Asset Value per Share.

4. Eligible Assets

- (a) A LVNAV MMF shall invest only in one or more of the categories of financial assets referred to in paragraph 1 of Schedule 3.
- (b) A LVNAV MMF shall not undertake any of the following activities:
 - investing in assets other than those referred to in paragraph 1 of Schedule 3;
 - short sale of any of the following instruments: money market instruments, securitisations, ABCPs and units or shares of other MMFs;

- taking direct or indirect exposure to equity or commodities, including via derivatives, certificates representing them, indices based on them, or any other means or instrument that would give an exposure to them;
 - entering into securities lending agreements or securities borrowing agreements, or any other agreement that would encumber the assets of the LVNAV MMF;
 - borrowing and lending cash.
- (c) A LVNAV MMF may hold ancillary liquid assets in accordance with Article 50(2) of Directive 2009/65/EC.

5. **Specific provisions relating to the calculation of the Net Asset Value per Share**

Calculation of the Net Asset Value per Share

The Net Asset Value per Share is the difference between the sum of all assets of the LVNAV MMF and the sum of all liabilities of the LVNAV MMF valued in accordance mark-to-market or mark-to-model or both, and as more particularly described in this Schedule, divided by the number of outstanding Shares of the LVNAV MMF. The Net Asset Value of a LVNAV MMF calculated using the mark-to-market method or mark-to-model method shall be referred to as the “**MTM Net Asset Value**” and the Net Asset Value per Share shall be referred to as the “**MTM Net Asset Value per Share**”. The MTM Net Asset Value per Share will be calculated to four decimal places.

The Net Asset Value per Share shall be rounded to the nearest basis point or its equivalent when the Net Asset Value is published in a currency unit.

Notwithstanding the provisions in the section entitled “Determination of the Net Asset Value”, the assets of the LVNAV MMF will be valued on at least a daily basis as set out below. The LVNAV MMF shall calculate the Net Asset Value per Share where all of the assets of the LVNAV MMF are valued using the mark-to-market method where possible or, if not, the mark-to-model method.

Calculation of the Stable Net Asset Value

The Stable Net Asset Value per Share of a LVNAV MMF is the difference between the sum of all assets of the LVNAV MMF valued in accordance with the amortised cost method and the sum of all of its liabilities divided by the number of outstanding Shares. The Net Asset Value of a LVNAV MMF calculated in this manner shall be referred to as the “**Stable Net Asset Value**” and the Net Asset Value per Share shall be referred to as the “**Stable Net Asset Value per Share**”. The Stable Net Asset Value per Share will be calculated to two decimal places.

The Stable Net Asset Value per Share will be calculated at least daily to the nearest basis point or its equivalent when the Stable Net Asset Value is published in a currency unit.

As more particularly described below and in accordance with the MMF Regulation, the shares of a LVNAV MMF may be issued or redeemed at a price equal to the Fund’s Stable Net Asset Value per Share, but only where the Stable Net Asset Value per Share calculated in accordance with the amortised cost method does not deviate from the MTM Net Asset Value per Share by more than 20 basis points.

MTM Net Asset Value

When using mark-to-market, the assets shall be valued at the more prudent side of bid and offer unless the asset can be closed out at mid-market. Only good quality market data shall be used and such data shall be assessed on the basis of the following factors: (i) the number and quality of the counterparties; (ii) the volume and turnover in the market of the asset; (iii) the issue size and the portion of the issue that the Fund plans to buy or sell. Where use of mark-to-market valuation as described above is not

possible or the market data is not of sufficient quality, an asset shall be valued conservatively by using mark-to-model. The model shall be operated with care and in good faith by the Manager. One or more of a variety of models may be used (depending on factors including the asset type). The model shall accurately estimate the intrinsic value of the asset (i.e. its probable realisation value) based on all of the following up-to-date key factors: (a) the volume and turnover in the market of that asset; (b) the issue size and the portion of the issue that the LVNAV MMF plans to buy or sell; and (c) market risk, interest rate risk and credit risk attached to the asset. When using mark-to-model, the amortised cost shall not be used.

Partial Amortised Cost - Stable Net Asset Value

When calculating the Net Asset Value of a LVNAV MMF, the assets of a LVNAV MMF having a residual maturity of up to 75 days may be valued using the amortised cost method. Any other assets (i.e. with a residual maturity of 75 days and above) of the LVNAV MMF will be valued using the mark-to-market method where possible or, if not, the mark-to-model method (as set out above).

If however the valuation of an asset of a LVNAV MMF with the amortised cost method deviates by more than 0.10% from its valuation using the mark-to-market method or mark-to-model method, the price of that asset will be valued using mark-to-market method where possible or, if not, the mark-to-model method.

The difference between the MTM Net Asset Value per Share and the Stable Net Asset Value per Share shall be published as at each Valuation Point. If at any Valuation Point, the difference between the MTM Net Asset Value per Share and the Stable Net Asset Value per Share of a LVNAV MMF exceeds 20 basis points, the MTM Net Asset Value per Share shall become the Net Asset Value per Share of the LVNAV MMF until the next Valuation Point (when the difference shall be re-calculated). The Directors may at their discretion make such change at any time prior to the difference between the MTM Net Asset Value per Share and the Stable Net Asset Value per Share of a LVNAV MMF exceeding 20 basis points where this is in the best interests of Shareholders. The Manager shall monitor the use of the amortised cost method of valuation to ensure that this method continues to be in the best interests of the Shareholders of the relevant Fund and provides a fair valuation of a Fund's assets. There may be periods during which the value of an asset determined using the amortised cost method is higher or lower than the price which the relevant Fund would receive if the asset were sold, and the accuracy of the amortised cost method of valuation can be affected by changes in interest rates and the credit standing of issuers of the Fund's investments.

The Manager shall review the valuation of such assets using the amortised cost method to determine whether the value of the assets deviates from the value of such assets if valued on a mark-to-market basis and, if so, whether such deviation may result in a material dilution or other unfair results to the Shareholders in the LVNAV MMF. Any such review of the amortised cost valuation vis-à-vis market evaluation will be carried out in accordance with the Central Bank's guidelines and the MMF Regulations.

6. Eligible Money Market Instruments

A money market instrument shall be eligible for investment by a LVNAV MMF provided that it fulfils all of the following requirements:

- (a) it falls within one of the categories of money market instruments referred to in point (a), (b), (c) or (h) of Article 50(1) of the Directive 2009/65/EC;
- (b) it displays one of the following alternative characteristics:
 - (i) it has a legal maturity at issuance of 397 days or less;
 - (ii) it has a residual maturity of 397 days or less;

- (c) the issuer of the money market instrument and the quality of the money market instrument have received favourable assessment in pursuant to Articles 19 to 22 of the MMF Regulations;
- (d) where a LVNAV MMF invests in securitisations or ABCPs, it is subject to the requirements laid down in Article 11 of the MMF Regulations.

Point (c) above shall not apply to money market instruments issued or guaranteed by the European Union, a central authority or central bank of a Member State, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility

7. Eligible Securitisations and ABCPs

Both a securitisation and an ABCP shall be considered to be eligible for investment by a LVNAV MMF provided that the securitisation or ABCP is sufficiently liquid, has received a favourable assessment pursuant to Articles 19 to 22 of the MMF Regulation, and is any of the following:

- (a) a securitisation referred to in Article 13 of Commission Delegated Regulation (EU) 2015/61 with regard to liquidity coverage requirement for credit institutions; or
- (b) an ABCP issued by an ABCP programme which:
 - (i) is fully supported by a regulated credit institution that covers all liquidity, credit and material dilution risks, as well as ongoing transaction costs and ongoing programme-wide costs related to the ABCP, if necessary to guarantee the investor the full payment of any amount under the ABCP; or
 - (ii) is not a re-securitisation and the exposures underlying the securitisation at the level of each ABCP transaction do not include any securitisation position; or
 - (iii) does not include a synthetic securitisation as defined in point (11) of Article 242 of Regulation (EU) No 575/2013 on capital requirements; or
- (c) a simple, transparent and standardised (STS) securitisation or ABCP; and

provided any of the following conditions is fulfilled, as applicable:

- (d) the legal maturity at issuance of the securitisations referred to in point (a) of paragraph 1 is 2 years or less and the time remaining until the next interest rate reset date is 397 days or less;
- (e) the legal maturity at issuance or residual maturity of the securitisations or ABCPs referred to in points (b) and (c), above, is 397 days or less;
- (f) the securitisations referred to in points (a) and (c), above, are amortising instruments and have a WAL of 2 years or less.

8. Eligible Deposits with Credit Institutions

A deposit with a credit institution shall be eligible for investment by a LVNAV MMF provided that all of the following conditions are fulfilled:

- (a) the deposit is repayable on demand or is able to be withdrawn at any time;
- (b) the deposit matures in no more than 12 months;
- (c) the credit institution has its registered office in a Member State or, where the credit institution has its registered office in a third country, it is subject to prudential rules considered equivalent to those laid down in European Union law in accordance with the procedure laid down in Article 107(4) of Regulation (EU) No 575/2013 on capital requirements.

9. **Eligible Financial Derivative Instruments**

A financial derivative instrument shall be eligible for investment by a LVNAV MMF provided it is dealt in on a regulated market as referred to in point (a), (b) or (c) of Regulation 68 of the UCITS Regulations or OTC and provided that all of the following conditions are fulfilled:

- (a) the underlying of the derivative instrument consists of interest rates, foreign exchange rates, currencies or indices representing one of those categories;
- (b) the derivative instrument serves only the purpose of hedging the interest rate or exchange rate risks inherent in other investments of the LVNAV MMF;
- (c) the counterparties to OTC derivative transactions are institutions subject to prudential regulation and supervision and belonging to the categories approved by the competent authority of the LVNAV MMF;
- (d) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the LVNAV MMF's initiative.

10. **Repurchase Agreements**

A repurchase agreement shall be eligible to be entered into by a LVNAV MMF provided that all of the following conditions are fulfilled:

- (a) it is used on a temporary basis, for no more than seven working days, only for liquidity management purposes and not for investment purposes other than as referred to in point (c);
- (b) the counterparty receiving assets transferred by the LVNAV MMF as collateral under the repurchase agreement is prohibited from selling, investing, pledging or otherwise transferring those assets without the LVNAV MMF's prior consent;
- (c) the cash received by the LVNAV MMF as part of the repurchase agreement to be:
 - (i) placed on deposits in accordance with Article 50(1)(f) of the Directive 2009/65/EC; or
 - (ii) invested in assets referred to in paragraph 6 under the section entitled "Reverse Repurchase Agreements" below, but shall not otherwise be invested in eligible assets as referred to in Article 9 of the MMF Regulations, transferred or otherwise reused;
- (d) the cash received by the LVNAV MMF as part of the repurchase agreement does not exceed 10% of its assets;

- (e) the MMF has the right to terminate the agreement at any time upon giving prior notice of no more than two working days.

11. **Reverse Repurchase Agreements**

A reverse repurchase agreement shall be eligible to be entered into by a LVNAV MMF provided that all of the following conditions are fulfilled:

- (a) the LVNAV MMF has the right to terminate the agreement at any time upon giving prior notice of no more than two working days;
- (b) the market value of the assets received as part of the reverse repurchase agreement is at all times at least equal to the value of the cash paid out.

The assets received by a LVNAV MMF as part of a reverse repurchase agreement shall be Money Market Instruments that fulfil the requirements set out in Article 10 of the MMF Regulations. The assets received by a LVNAV MMF as part of a reverse repurchase agreement must not be sold, reinvested, pledged or otherwise transferred.

Securitisations and ABCPs shall not be received by a LVNAV MMF as part of a reverse repurchase agreement.

The assets received by a LVNAV MMF as part of a reverse repurchase agreement must be sufficiently diversified with a maximum exposure to a given issuer of 15% of the LVNAV MMF's NAV, except where those assets take the form of money market instruments the requirements of Article 17(7) of the MMF Regulations. In addition, the assets received by a LVNAV MMF as part of a reverse repurchase agreement shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

A LVNAV MMF that enters into a reverse repurchase agreement must ensure that it is able to recall the full amount of cash at any time on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the calculation of the NAV of the LVNAV MMF.

Notwithstanding paragraph 2 above, a LVNAV MMF may receive as part of a reverse repurchase agreement liquid transferable securities or money market instruments other than those that fulfil the requirements set out in Article 10 of the MMF Regulations provided that those assets comply with one of the following conditions:

- (a) they are issued or guaranteed by the EU, a central authority or central bank of a Member State, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility provided that a favourable assessment has been received pursuant to the Credit Quality Assessment Procedure;
- (b) they are issued or guaranteed by a central authority or central bank of a third country, provided that a favourable assessment has been received pursuant to the Credit Quality Assessment Procedure.

The assets received as part of a reverse repurchase agreement in accordance with the first subparagraph of this paragraph shall be disclosed to Shareholders in accordance with Article 13 of the Securities Financing Transactions Regulations.

The assets received as part of a reverse repurchase agreement in accordance with the first sub-paragraph of this paragraph shall fulfil the requirements of Article 17(7) of the MMF Regulations.

12. Credit Quality Assessment Procedure

The Manager shall in accordance with the requirements of the MMF Regulations establish, implement and consistently apply a prudent Credit Quality Assessment Procedure for determining the credit quality of money market instruments, securitisations and ABCPs in which it is intended to invest, taking into account the issuer of the instrument and the characteristics of the instrument itself.

The Manager shall ensure that the information used in applying the internal Credit Quality Assessment Procedure is of sufficient quality, up-to-date and from reliable sources. The internal assessment procedure shall be based on prudent, systematic and continuous assessment methodologies. The methodologies used shall be subject to validation by the Manager based on historical experience and empirical evidence, including back testing. The Manager shall ensure that the internal credit quality assessment procedure complies with all of the following general principles:

- (a) an effective process is to be established to obtain and update relevant information on the issuer and the instrument's characteristics;
- (b) adequate measures are to be adopted and implemented to ensure that the internal credit quality assessment is based on a thorough analysis of the information that is available and pertinent, and includes all relevant driving factors that influence the creditworthiness of the issuer and the credit quality of the instrument;
- (c) the internal Credit Quality Assessment Procedure is to be monitored on an ongoing basis and all credit quality assessments shall be reviewed at least annually;
- (d) while there is to be no mechanistic over-reliance on external ratings in accordance with Article 5a of Regulation (EC) No. 1060/2009, the Investment Manager shall undertake a new credit quality assessment for money market instruments, securitisations and ABCPs when there is a material change that could have an impact on the existing assessment of the instrument;
- (e) the credit quality assessment methodologies are to be reviewed at least annually by the Investment Manager to determine whether they remain appropriate for the current portfolio and external conditions. Where the Investment Manager becomes aware of errors in the credit quality assessment methodology or in its application, it shall immediately correct those errors; and
- (f) when methodologies, models or key assumptions used in the internal credit quality assessment procedure are changed, the Investment Manager shall review all affected internal credit quality assessments as soon as possible.

13. Liquidity Management Procedures for LVNAV MMFs

Portfolio Rules

A LVNAV MMF shall comply on an ongoing basis with all of the following portfolio requirements:

- (a) its portfolio is to have a WAM of no more than 60 days;
- (b) its portfolio is to have a WAL of no more than 120 days, subject to paragraphs (c) and (d) below;
- (c) at least 10% of a LVNAV MMF's assets must be comprised of daily maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of one working day, or cash which is able to be withdrawn by giving prior notice of one working day. A LVNAV MMF may not acquire any asset other than a daily maturing asset

when its acquisition would result in the LVNAV MMF investing less than 10% of its portfolio in daily maturing assets;

- (d) at least 30% of a LVNAV MMF's assets are to be comprised of weekly maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of five working days, or cash which is able to be withdrawn by giving prior notice of five working days. A LVNAV MMF may not acquire any asset other than a weekly maturing asset when its acquisition would result in the LVNAV MMF investing less than 30% of its portfolio in weekly maturing assets;
- (e) for the purposes of the calculation referred to in paragraph (e) above, assets referred to in Article 17(7) of the MMF Regulations which are highly liquid and can be redeemed and settled within one working day and have a residual maturity of up to 190 days may also be included within the LVNAV MMF's weekly maturing assets up to a limit of 17.5% of its assets.

Liquidity Thresholds

The Manager and the Investment Manager have established, implemented and consistently apply prudent and rigorous liquidity management procedures for ensuring a LVNAV MMF's compliance with the weekly liquidity thresholds set out in the MMF Regulations. The following describes the actions that shall be taken when weekly maturing assets of a LVNAV MMF fall below weekly liquidity thresholds:

- (a) where weekly maturing assets as set out in paragraph 13(d), above, fall below 30% of the Net Asset Value of the LVNAV MMF and the net daily redemptions on a single Dealing Day exceed 10% of the Net Asset Value of the LVNAV MMF, the Investment Manager will immediately inform the Manager. The Manager will undertake a documented assessment of the situation to determine the appropriate course of action having regard to the best interests of the Shareholders and will decide whether to apply one or more of the following measures:
 - (i) liquidity fees on redemptions that adequately reflect the cost to the LVNAV MMF of achieving liquidity and ensure that Shareholders who remain in the Fund are not unfairly disadvantaged when other Shareholders redeem their Shares during the period;
 - (ii) redemption gates that limit the amount of Shares to be redeemed in the LVNAV MMF on any one Dealing Day to a maximum of 10% of the Shares in the LVNAV MMF for any period up to 15 Business Days;
 - (iii) suspension of redemptions for any period up to 15 Business Days; or
 - (iv) take no immediate action other than adopting as a priority objective the correction of that situation taking due account of the interests of the LVNAV MMF's Shareholders;
- (b) where weekly maturing assets as set out in paragraph 13(c), above, fall below 10% of the Net Asset Value of the LVNAV MMF, the Investment Manager will immediately inform the Manager and the Manager will undertake a documented assessment of the situation to determine the appropriate course of action having regard to the interests of the Shareholders and will decide to apply one or more of the following measures and document the reasons for their choice:
 - (i) liquidity fees on redemptions that adequately reflect the cost to the LVNAV MMF of achieving liquidity and ensure that Shareholders who remain in the Fund are not

unfairly disadvantaged when other investors redeem their Shares during the period; or

- (ii) suspension of redemptions for a period of up to 15 Business Days.

If the Manager suspend redemptions for a LVNAV MMF and the total duration of such suspensions exceeds 15 Business Days within a period of 90 days, the Fund will automatically cease to be a LVNAV MMF. Each Shareholder in the LVNAV MMF will immediately be informed in writing of such event in a clear and comprehensible way.

14. Subscription and Redemption Prices

Shares in a LVNAV MMF will generally be issued and redeemed at the Stable Net Asset Value per Share. However, if the Stable Net Asset Value per Share deviates from the MTM Net Asset Value per Share by more than 0.2%, subscriptions and redemptions will be undertaken at a price that is equal to the MTM Net Asset Value per Share.

SCHEDULE 5

INVESTMENT TECHNIQUES AND INSTRUMENTS

A Fund (which is not authorised as a Money Market Fund) may use derivative instruments traded on a Regulated Market, whether such instruments are used for investment purposes or the purposes of the efficient portfolio management of the Fund. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations and these strategies may be used only in accordance with the investment objectives of the Fund.

Financial Derivative Instruments

Permitted financial derivative instruments ("FDI")

1. The ICAV shall only invest assets of a Fund in an FDI if:
 - 1.1 the relevant reference items or indices consist of one or more of the following: instruments referred to in Regulation 68(1)(a) – (f) and (h) of the UCITS Regulations, including financial instruments having one or several characteristics of those assets, financial indices, interest rates, foreign exchange rates or currencies;
 - 1.2 the FDI does not expose the Fund to risks which the Fund could not otherwise assume;
 - 1.3 the FDI does not cause the Fund to diverge from its investment objectives;
 - 1.4 the FDI is dealt in on a Regulated Market or alternatively the conditions in paragraph 6 are satisfied.
2. The reference in 1.1 above to financial indices shall be understood as a reference to indices which fulfil the following criteria:
 - 2.1 they are sufficiently diversified, in that the following criteria are fulfilled:
 - (a) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
 - (b) where the index is composed of assets referred to in Regulation 68(1) of the UCITS Regulations, its composition is at least diversified in accordance with Regulation 71 of the UCITS Regulations;
 - (c) where the index is composed of assets other than those referred to in Regulation 68(1) of the UCITS Regulations, it is diversified in a way which is equivalent to that provided for in Regulation 71(1) of the UCITS Regulations;
 - 2.2 they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:
 - (a) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - (b) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;

- (c) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;
- 2.3 they are published in an appropriate manner, in that the following criteria are fulfilled:
 - (a) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;
 - (b) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in 2.1, 2.2 or 2.3 above, those FDI shall, where they comply with the criteria set out in Regulation 68(1)(g) of the UCITS Regulations, be regarded as FDI on a combination of the assets referred to in Regulation 68(1)(g)(i) of the UCITS Regulations, excluding financial indices.

- 3. A transferable security or money market instrument embedding an FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the UCITS Regulations and which contain a component which fulfils the following criteria:
 - 3.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone FDI;
 - 3.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
 - 3.3 it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.
- 4. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.

OTC FDI

- 6. The Manager shall only invest assets of a Fund in an OTC FDI if the FDI counterparty is within at least one of the following categories:
 - 6.1 a credit institution that is within any of the categories set out in Regulation 7 of the Central Bank Regulations;
 - 6.2 an investment firm authorised in accordance with MiFID; or
 - 6.3 a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve.
- 7. Where a counterparty within paragraphs 6.2 or 6.3:

- 7.1 was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and
 - 7.2 where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in paragraph 7.1 this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay.
8. Where an OTC FDI referred to in paragraph 6 is subject to a novation, the counterparty after the novation must be:
- 8.1 an entity that is within any of the categories set out in paragraph 6; or
 - 8.2 a central counterparty that is:
 - (a) authorised or recognised under EMIR; or
 - (b) pending recognition by ESMA under Article 25 of EMIR, an entity classified:
 - (A) by the SEC as a clearing agency; or
 - (B) by the Commodity Futures Trading Commission as a derivatives clearing organisation.
9. 9.1 Risk exposure to the counterparty shall not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations, assessed in accordance with paragraph 9.2.
- 9.2 In assessing risk exposure to the counterparty to an OTC FDI for the purpose of Regulation 70(1)(c) of the UCITS Regulations:
- (a) the Manager shall calculate the exposure to the counterparty using the positive mark-to-market value of the OTC FDI with that counterparty;
 - (b) the Manager may net FDI positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. For this purpose netting is permissible only in respect of OTC FDI with the same counterparty and not in relation to any other exposures the Fund has with the same counterparty;
 - (c) the Manager may take account of collateral received by the FDI in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in paragraphs (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank Regulations.
10. OTC FDI must be subject to reliable and verifiable valuation on a daily basis and sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

Issuer concentration limits

11. For the purpose of Regulation 70 of the UCITS Regulations and the calculation of issuer concentration limits of a Fund, the Manager shall:
- 11.1 include any net exposure to a counterparty generated through a securities lending or repurchase agreement, where net exposure means the amount receivable by the Fund less any collateral provided by the Fund;
 - 11.2 include exposures created through the reinvestment of collateral; and

- 11.3 establish whether the exposure of the Fund is to an OTC counterparty, a broker, a central counterparty or a clearing house.
- 12. The position exposure of the Fund, if any, to the underlying assets of an FDI, including an FDI that is embedded in transferable securities, money market instruments or investment funds, when combined with positions resulting from direct investments:
 - 12.1 shall be calculated in accordance with paragraph 13; and
 - 12.2 shall not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations.
- 13. For the purposes of paragraph 12:
 - 13.1 when calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure and this position exposure shall be taken into account in the issuer concentration calculations;
 - 13.2 the Manager shall calculate the position exposure of the Fund using the commitment approach or the VaR approach as a result of default by the issuer approach, whichever is greater; and
 - 13.3 the Manager shall calculate the position exposure, regardless of whether the Fund uses VaR for global exposure purposes.
- 14. Paragraph 12 does not apply in the case of an index-based FDI provided the underlying index meets the criteria set out in Regulation 71(1) of the UCITS Regulations.
- 15. Collateral received must at all times meet with the requirements set out in paragraphs 30 to 38 below.
- 16. Collateral passed to an OTC FDI counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.
- 17. The risk exposures to a counterparty arising from OTC FDI transactions and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.

Cover requirements

- 18. Where the initial margin posted to and variation margin receivable from a broker relating to an exchange-traded FDI or an OTC FDI is not protected by client money rules or other similar arrangements to protect the Fund in the event of the insolvency of the broker, the Manager shall calculate exposure of the Fund within the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.
- 19. The Manager shall ensure that, at all times:
 - 19.1 the Fund is capable of meeting all its payment and delivery obligations incurred by transactions involving FDI;
 - 19.2 the risk management process of the Manager includes the monitoring of FDI transactions to ensure that every such transaction is covered adequately; and

- 19.3 a transaction in FDI which gives rise to, or could potentially give rise to, a future commitment on behalf of a Fund is covered in accordance with the conditions specified in paragraph 20.
20. The conditions to which paragraph 19.3 refers are:
 - 20.1 in the case of an FDI that is, automatically or at the discretion of the Fund, cash-settled, the Fund must, at all times, hold liquid assets that are sufficient to cover the exposure;
 - 20.2 in the case of an FDI that requires physical delivery of the underlying asset, either:
 - (a) the asset must at all times be held by a Fund; or
 - (b) where either or both of the conditions in paragraphs 21.1 and 21.2 applies, the Fund must cover the exposure with sufficient liquid assets.
21. The conditions to which paragraph 20.2(b) refers are:
 - 21.1 the underlying asset consists, or the underlying assets consist, of highly liquid fixed income securities;
 - 21.2
 - (a) the exposure can be covered without the need to hold the underlying assets;
 - (b) the specific FDI is addressed in the risk management process; and
 - (c) details of the exposure are provided in the prospectus.

In this regard, please note that in the case of the instruments referred to in the section entitled “Investment Techniques and Instruments”, the Manager considers that from time to time the exposure may be covered with sufficient liquid assets.

Risk management process and reporting

22. A Fund must provide the Central Bank with details of its proposed risk management process vis-à-vis its FDI activity pursuant to Chapter 3 of Part 2 of the Central Bank Regulations. The initial filing is required to include information in relation to:
 - 22.1 permitted types of FDI, including embedded FDI in transferable securities and money market instruments;
 - 22.2 details of the underlying risks;
 - 22.3 relevant quantitative limits and how these will be monitored and enforced; and
 - 22.4 methods for estimating risks.
23.
 - 23.1 The Manager shall in writing notify the Central Bank of material amendments to the initial filing of the risk management process of a Fund, in advance of the amendment being made.
 - 23.2 The Central Bank may object to the making of any proposed amendment that is notified to it under paragraph 23.1.
 - 23.3
 - (a) No proposed amendment to which the Bank has objected under paragraph 23.2 shall be made to the risk management process of a Fund.

- (b) Where the Central Bank has objected under paragraph 23.2 to the making of a proposed amendment to the risk management process of a Fund.

The relevant Fund shall not engage in any activity that is associated with or which would derive from the proposed amendment to which the objection has been made.

- 24. The Manager must submit a report to the Central Bank on the Funds' FDI positions on an annual basis. The report, which must include information which reflects a true and fair view of the types of FDI used by the Funds, the underlying risks, the quantitative limits and the methods used to estimate those risks, must be submitted with the annual report of the ICAV. The Manager must, at the request of the Central Bank, provide this report at any time.

Calculation of global exposure

- 25. The Manager shall ensure that in the case of each Fund, at all times:
 - 25.1 the Fund complies with the limits on global exposure;
 - 25.2 the Fund establishes and implements appropriate internal risk management measures and limits, irrespective of whether the Fund uses a commitment approach or the VaR approach or any other methodology to calculate global exposure. For the purpose of subparagraph (1), paragraph 12 of Schedule 9 of the UCITS Regulations, a UCITS shall only select a methodology where ESMA has published guidelines on the selected methodology; and
 - 25.3 it calculates the global exposure in accordance with Schedule 2 to the Central Bank Regulations.

Efficient Portfolio Management

Portfolio Management Techniques

- 26. The ICAV shall only use efficient portfolio management techniques and instruments for the purposes of Article 51(2) of Directive 2009/65/EC and Article 11 of Directive 2007/16/EC where same are in the best interests of the relevant Fund.
- 27. The Manager shall ensure that all the revenues arising from efficient portfolio management techniques and instruments, net of direct and indirect operational costs, are returned to the relevant Fund.
- 28. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:
 - 28.1 they are economically appropriate in that they are realised in a cost-effective way;
 - 28.2 they are entered into for one or more of the following specific aims:
 - (a) reduction of risk;
 - (b) reduction of cost;
 - (c) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk

diversification rules set out in Regulations 70 and 71 of the UCITS Regulations; and

28.3 their risks are adequately captured by the risk management process of the Fund.

29. Repurchase agreements, reverse repurchase agreements and securities lending may only be effected in accordance with normal market practice and only for the purpose of efficient portfolio management.

Collateral

30. The Manager shall ensure, in engaging in efficient portfolio management techniques and instruments, that:

30.1 every asset that is received by a Fund as a result of engaging in efficient portfolio management techniques and instruments is treated as collateral;

30.2 such techniques comply with the criteria set down in paragraph 24(2) of the Central Bank Regulations; and

30.3 at all times, collateral that is received by a Fund meets the criteria specified in paragraph 31.

31. The conditions for the receipt of collateral by a Fund, to which paragraph 30 refers, are:

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

31.2 **Valuation:** Collateral that is received should be valued on a marked to market basis on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. Any such collateral will, to the extent required by the UCITS Regulations, be held by the Depositary in accordance with the Depositary Agreement.

31.3 **Issuer credit quality:** Collateral received should be of high quality. The Manager shall ensure that:

(a) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and

(b) where an issuer is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the issuer by the Manager without delay.

31.4 **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Manager to expect that it would not display a high correlation with the performance of the counterparty.

31.5 **Diversification (asset concentration):**

(a) Subject to sub-paragraph (b) below, collateral received should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value of the Fund. When a Fund is

exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

- (b) It is intended that a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund's Net Asset Value. The Member States, local authorities, third countries, or public international bodies or issuing or guaranteeing securities which a Fund is able to accept as collateral for more than 20% of its Net Asset Value shall be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), the Government of Brazil, the Government of India and the Government of the People's Republic of China (provided the relevant issues are investment grade), the Government of Singapore, the EU, the Council of Europe, Eurofima, the European Investment Bank, Euratom, the Inter-American Development Bank, the Asian Development Bank, the International Bank for Reconstruction and Development (The World Bank), the African Development Bank, the European Central Bank, the European Bank for Reconstruction and Development, the International Monetary Fund, the International Finance Corporation, the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Government National Mortgage Association (Ginnie Mae), the Student Loan Marketing Association (Sallie Mae), the Federal Home Loan Bank, the Federal Farm Credit Bank, the Tennessee Valley Authority, Straight A Funding LLC and issues backed by the full faith and credit of the US government.

- 31.6 **Immediately available:** Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
32. The Manager shall ensure that the risk management process identifies, manages and mitigates risks linked to the management of collateral, including operational risks and legal risks.
33. Where a Fund receives collateral on a title transfer basis, the Manager shall ensure that the collateral is to be held by the Depositary. Where a Fund receives collateral on any basis other than a title transfer basis, that collateral may be held by a third party depositary, provided that that depositary is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.
34. The Manager shall not sell, pledge or re-invest the non-cash collateral received by a Fund.
35. Where the Manager invests cash collateral received by a Fund, such investments shall only be made in one or more of the following:
- 35.1 a deposit with a credit institution referred to in Regulation 7 of the Central Bank Regulations;
- 35.2 a high-quality government bond;
- 35.3 a reverse repurchase agreement provided the transaction is with a credit institution referred to in Regulation 7 of the Central Bank Regulations and the Fund is able to recall at any time the full amount of cash on an accrued basis; or

- 35.4 short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (Ref: CESR/10-049).
36. Where the Manager invests cash collateral received by a Fund: (a) that investment shall comply with the diversification requirements applicable to non-cash collateral; and (b) invested cash collateral shall not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.
37. The Manager shall ensure that, where a Fund receives collateral for at least 30% of its assets, there is in place an appropriate stress testing policy and stress tests are carried out regularly under normal and exceptional liquidity conditions to enable the Manager to assess the liquidity risk attached to the collateral. The stress testing policy should at least prescribe the following components:
- 37.1 the design of stress test scenario analysis including calibration, certification and sensitivity analysis;
 - 37.2 the empirical approach to impact assessment, including back-testing of liquidity risk estimates;
 - 37.3 the reporting frequency and the threshold(s) for limits and losses; and
 - 37.4 the mitigation actions to reduce loss including haircut policy and gap risk protection.
38. The Manager shall establish and ensure adherence to a haircut policy for a Fund, adapted for each class of assets received as collateral. When devising the haircut policy, the Manager shall take into account the characteristics of the assets, such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with Regulation 21 of the Central Bank Regulations. The Manager shall document the haircut policy and the Manager shall justify and document each decision to apply a specific haircut or to refrain from applying any haircut, to any specific class of assets.
39. Where a counterparty to a repurchase or a securities lending agreement which has been entered into by the Manager on behalf of a Fund:
- 39.1 was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and
 - 39.2 where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay.
40. The Manager shall ensure that it is at all times able to recall any security that has been lent out or to terminate any securities lending agreement to which it is party.

Repurchase and reverse repurchase agreements

41. Where the Manager enters into a reverse repurchase agreement on behalf of a Fund it shall ensure that the Fund is at all times able to recall the full amount of cash or to terminate the relevant agreement on either an accrued basis or a mark-to-market basis.
42. In circumstances in which cash is, by virtue of the obligation under paragraph 41 recallable at any time on a mark-to-market basis, the Manager shall use the mark-to-market value of the reverse repurchase agreement for the calculation of the Net Asset Value of the Fund.

43. Where the Manager enters into a repurchase agreement on behalf of a Fund it shall ensure that the Fund is at all times able to recall any securities that are subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
44. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations, respectively.

SCHEDULE 6

SUB-CUSTODIANS

A list of the third party delegates appointed by the Depositary pursuant to the Depositary Agreement is available on each Fund's webpage via the following link <https://www.schroders.com/en-ie/ie/professional/funds-and-strategies/>.

Up-to-date information on the identity of the Depositary, its duties, of conflicts of interest, of the delegated safekeeping functions and of any conflicts of interest that may arise from such a delegation (or, if applicable, sub-delegation) will be made available to Investors on request.