

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

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

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## TYCHO CAPEVIEW EUROPEAN LONG SHORT FUND

### (THE "FUND")

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

### SUPPLEMENT

**DATED: 14 November 2025**

**Investment Manager**

**Kepler Partners LLP**

**Sub-Investment Manager**

**CapeView Capital LLP**

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**This Supplement forms part of, and should be read in the context of and together with the Prospectus dated 26 August 2025 in relation to the ICAV and contains information in relation to the Fund, a sub-fund of the Tycho ICAV. As at the date of this document, the ICAV has seven other sub-funds, KLS Corinium Emerging Markets All Weather Fund, Tycho Arete Macro Fund, Tycho Athos Event Driven Fund, KLS SGA US Large Cap Growth Fund, Tycho Scopia Market Neutral Equity Fund, Tycho BH-DG Systematic Trading UCITS Fund and Tycho Talomon PE Alpha Fund.**

**The Fund may invest principally in FDI and accordingly an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

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

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## DEFINITIONS

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

<b>"Base Currency"</b>	the base currency of the Fund is Euro ( <b>EUR</b> );
<b>"Business Day"</b>	means a day (except Saturdays, Sundays and public holidays) on which banks in Dublin and London are open for normal banking business or such other day or days as may be specified by the Directors;
<b>"Dealing Day"</b>	means each Business Day or such other days as the Directors, in consultation with the Manager, may determine and notify to Shareholders in advance provided that there shall be at least one Dealing Day per fortnight;
<b>"Dealing Deadline"</b>	means 11.00am (Irish time) one (1) Business Day immediately prior to each Dealing Day or on an exceptional basis only, such later time as the Directors may from time to time permit and notify in advance to Shareholders provided that applications will not be accepted after the Valuation Point;
<b>"Founder Investor"</b>	means a Shareholder having initially subscribed into the Fund during the Initial Offer Period;
<b>"NAV"</b>	means the net asset value of the Fund;
<b>"Sub-Investment Manager"</b>	means CapeView Capital LLP or such other entity or entities appointed by the Investment Manager as sub-investment manager in respect of the Fund and approved by the Central Bank to act as investment manager in respect of Irish authorised collective investment schemes;
<b>"Sub-Investment Management Agreement"</b>	means the sub-investment management agreement between the Investment Manager, the ICAV, the Manager and the Sub-Investment Manager, as may be amended; and
<b>"Valuation Point"</b>	means, with respect to any Dealing Day, 10.00pm (Irish time) on the Dealing Day, or such other time or Business Day as the Directors may determine and notify in advance to Shareholders, provided that there shall always be a Valuation Point for every Dealing Day. Unless otherwise determined by the Directors, the value of relevant investments which are quoted, listed or traded on a Recognised Market will be valued at the official closing price at the most recent close of business on such Recognised Market.

## INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to seek to deliver an attractive risk-adjusted capital return to its investors by acquiring long and short positions.

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

### Investment Policies

The Fund seeks to achieve its objective by investing up to 100% of its Net Asset Value directly and/or indirectly through financial derivative instruments (**FDI**) set out below primarily in equities and equity-linked securities listed or traded on a Recognised Market, namely publicly traded common stocks, preferred stocks, stock warrants and rights issues, exchange-traded equity indices, equity baskets and listed depositary receipts (American depositary receipts and global depositary receipts). The Fund may also purchase/receive common shares or warrants/participation rights or private placement issues of companies that are offered pursuant to an initial public offering (**IPO**).

The Fund primarily invests in European companies which are incorporated in and listed on a Recognised Market in Europe (for the avoidance of doubt, the European companies in which the Fund may invest includes the UK).

The Fund may also invest up to 100% of its Net Asset Value in cash, cash equivalents including money market funds, government bonds (which may be fixed or floating rate) listed or traded on a Recognised Market, fixed or floating rate notes and fixed or variable rate commercial paper (which are considered Investment Grade or above) issued by governments and/or corporations, certificates of deposit, and other money market instruments including treasury bills and commercial bills for temporary cash management purposes and/or pending investment or re-investment.

The Fund may only invest up to 10% of its Net Asset Value in aggregate in collective investment schemes (including UCITS and UCITS equivalent ETFs and money market funds), and such collective investment schemes must be regulated as UCITS or alternative investment funds which are eligible for investment by the Fund in accordance with the Central Bank's guidance on "UCITS acceptable investment in other investment funds".

The Fund's investments set out above will be listed and/or traded on the Recognised Markets set out in Appendix II to the Prospectus, save for up to 10% of the Fund's Net Asset Value which may be invested in permitted unlisted investments of the Fund identified above, provided that they meet the criteria applicable to transferable securities under the UCITS Regulations.

The Fund may use FDI as further detailed in the FDI table below for investment or hedging purposes. FDIs may be exchange-traded or dealt over-the-counter. The Fund may gain indirect exposure to the above mentioned equities through synthetic long and short positions in equity swaps, equity index swaps, Total Return Swaps, Securities Financing Transactions, equity options, equity index options, equity index futures, options on equity index futures, contracts for difference (**CFDs**) multi-asset options, swaps and forwards, interest rate swaps, currency forwards and foreign exchange swaps currency options. Investors' attention is drawn to the heading below entitled "**Long/Short Exposure**" for details in relation to how the Sub-Investment Manager intends to structure the ratio between the long/short portfolio in normal circumstances.

As outlined in the Prospectus, the Fund may enter into Securities Financing Transactions including Total Return Swaps to help meet its investment objective and/or as part of efficient portfolio management and to reduce investment risk through diversification. The Fund may engage in all types of Securities Financing Transactions and Total Return Swaps as defined in the Securities Financing Transaction Regulations, including securities lending/securities borrowing, buy-sell back transactions and sell-buy back transactions, repurchase transactions and margin lending transactions with other counterparties unrelated to the Sub-Investment Manager. The types of assets that may be subject to Securities Financing Transactions or Total Return Swaps will be of a type which is consistent with the

investment policy of the Fund. Assets subject to Securities Financing Transactions, Total Return Swaps and collateral received are safe-kept by the Depositary.

The maximum exposure of the Fund in respect of CFDs shall be 10% of the NAV and the maximum exposure of the Fund in respect of Securities Financing Transactions or Total Return Swaps shall be 500% of the NAV. In normal market conditions the Sub-Investment Manager anticipates that the Fund's exposure to Securities Financing Transactions or Total Return Swaps will range between 200% and 400% of the NAV. The Fund may use Securities Financing Transactions or Total Return Swaps to obtain exposure to all short investments. The Fund may also use Securities Financing Transactions or Total Return Swaps to obtain exposure to some or all of the long investments.

The Fund promotes environmental and social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the **SFDR**) in respect of the transparency of the promotion of environmental or social characteristics in pre-contractual disclosures. The Fund's long investments promote the following environmental and social characteristics:

- (i) climate change mitigation; (ii) human health and well-being of communities; and (iii) human rights and anti-corruption by excluding certain sectors in the Fund's long investments in accordance with its Negative Exclusion List, specifically controversial weapons, tobacco production, thermal coal, unconventional oil and companies breaching UN Global Compact principles.
- The Fund promotes the social characteristic of human health and well-being of communities and the avoidance of adverse harm to the environment by excluding tobacco production.
- The Fund promotes adherence to the UN Global Compact principles by excluding companies that violate them. This helps avoid investments that, at a minimum, do not meet human rights, labour, anti-corruption and damage to the environment.
- The promotion of companies with low ESG risks by utilising the Sub-Investment Manager's ESG integration and positive screening processes to select companies that meet certain ESG assessment standards, as assessed using a third party ESG data and ratings provider.

Please see further information under the heading **Investment Strategy** below, and **ESG and Sustainable Investments Integration** below.

The Fund will be actively managed without reference to any benchmark.

#### *Investment Strategy*

#### *Long/Short Equity*

The strategy is long/short because the Fund invests in both long positions and short positions. The goal of a long/short, or hedged, portfolio such as the Fund's, is to identify and purchase stocks that the Sub-Investment Manager believes will increase in value (or at least maintain their value) even in a falling market, and conversely to identify and sell short stocks that the Sub-Investment Manager believes will drop in value (or at least under-perform) regardless of the market's overall direction. There is no guarantee that the Fund will be able to achieve its objective, but the Sub-Investment Manager believes that a hedged portfolio is an attractive long-term investment strategy for investors in the Fund.

#### *Long investments*

The selection process employed by the Sub-Investment Manager for suitable long investments will emphasise identifying companies with the following characteristics:

- Growth at reasonable price (GARP): This is an approach to investing that combines the two popular strategies of value and growth investing. It seeks exposures to equities that have both growth potential and are reasonably priced.

- Return on capital employed (ROCE): This is a ratio that indicates the efficiency and profitability of a company's capital investments and is used as a method for screening investment ideas.

#### *Short investments*

The selection process employed by the Sub-Investment Manager for suitable short investments will emphasise identifying companies with the following characteristics:

- management teams who are seeking to buy growth quickly and who are very active in mergers and acquisitions, potentially leading to; (i) overpaying for acquisitions; (ii) taking on too much debt; and (iii) difficulties with integration;
- management teams engaged in transactions with related entities which have potential to give rise to conflicts of interest;
- accounting practices that may be considered less than rigorous such as the improper use of exceptions or the prevalence of unbilled receivables;
- 'buying' growth via balance sheet expansion at a declining marginal ROCE (as described above) demonstrating declining efficiency and profitability or through poor acquisitions; and
- consistent discrepancies between profits reported by a company and actual cash generated by the company.

The Sub-Investment Manager may employ other selection processes in seeking out equities of those companies that represent growth opportunities (in which long positions will be taken) and those companies whose activities put them at risk of a fall in their equities trading price (in which short positions will be taken).

#### *Investment process*

The Sub-Investment Manager will base its investment decisions on in-house qualitative analysis (e.g., meeting a company's management) and external (e.g., channel checking) research, financial modelling, technical analysis, liquidity analysis and verification of the investment process (used for structuring and implementing a potential idea). Technical analysis attempts to forecast price changes through observations of the markets themselves and historical price patterns.

The Sub-Investment Manager considers the careful management of risk to be equally as important an element of a successful investment management programme as investment selection and will use a range of monitoring and analytical techniques including stress testing, scenario analysis, liquidity analysis, and factor decomposition to make risk management more rational and effective. The Fund's portfolio of positions and investments will be continuously monitored with a view to maintaining appropriate levels of risk and volatility. To manage leverage and net exposure of the Fund's investments, macro-economic assessment from time to time may be carried out with particular focus on market factors (such as economic growth, inflation and market indicators), balance sheet management, adhering to risk objectives and employing multiple stress test scenarios.

#### *Hedging of the Fund's investments*

The Fund will mainly be exposed to the Euro, Pound Sterling, Swiss Franc, Scandinavian currencies and US Dollar but may also be exposed to other global currencies through investments denominated in those currencies. The Fund will not hedge the non-US Dollar portfolio-level exposure given the diversified revenue/cost base and natural hedge inherent in a diversified portfolio of up to 50 companies. However, the Sub-Investment Manager reserves the right in its absolute discretion to do so where in the best interests of the Fund and its investors, utilising the FDI set out in the table in the "Financial Derivative Instruments" section of this Supplement below.

## ESG and Sustainable Investments Integration

### *Promotion of E/S characteristics – assessment process*

The Fund promotes environmental and social characteristics (**E/S**) in line with article 8 of the SFDR for its long investments. The binding elements of the investment strategy used to select the investments to attain each of the E/S characteristics promoted by the Fund are:

1. The Negative Exclusion List, as further detailed in Annex I, is applied to 100% of long exposure. The Fund seeks to exclude long positions in certain harmful activities (subject to the thresholds specified in Annex I), specifically controversial weapons, tobacco, thermal coal, unconventional oil and companies breaching UN Global Compact principles. The screening process takes place pre-investment and companies on the Negative Exclusion List are admitted to a restricted trading list on the Sub-Investment Manager's order management system which prohibits investment in the excluded companies.
2. At pre-screening stage, the Fund seeks to align at least 90% of long exposure in companies rated BBB and above on the MSCI ESG rating scale. The sustainability indicator used to measure attainment of this characteristic is the percentage of long exposure that is scored AAA, AA, A or BBB on the MSCI ESG rating scale.

The Sub-Investment Manager does not take ESG factors into consideration for the Fund's short positions.

A **sustainability risk** means an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Please see further details of sustainability risks set out in the "Investment Risks" section of the Prospectus under the headings "Sustainability Risks", "Environmental Risks", "Social Risks" and "Governance Risks".

While the Sub-Investment Manager takes into account sustainability risks and sustainability factors in its investment management activity, it currently does not consistently evaluate the adverse impacts of investment decisions made on a uniform set of sustainability factors with respect to the Fund given the investment strategy of the Fund.

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

The Manager does not consider PAIs at the entity level as it has a number of delegate investment managers and has determined that the aggregation of its delegated investment manager PAI reporting (where available) is of no value to its stakeholders due to the vast range of investment strategies and approaches to sustainability risk integration.

### **Disclosure under 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 the SFDR (the Taxonomy Regulation)**

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

The Manager in conjunction with the Investment Manager and Sub-Investment Manager consider that the Fund does not presently intend to be invested in investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation. Therefore, for the purpose of the Taxonomy Regulation, the current proportion of environmentally sustainable investments in accordance with the Taxonomy Regulation is 0% of the net assets of the Fund.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable activities.

## **LEVERAGE OF THE FUND**

Where utilised, the Fund will be leveraged through the use of FDIs detailed below.

The leverage of the Fund under normal market conditions, calculated by adding together the absolute value of the notional exposures of each of the FDIs held by the Fund in accordance with the Central Bank UCITS Regulations is expected to be in the range of 200% to 500% of the Net Asset Value of the Fund (and is not expected to exceed 800% of the Fund's Net Asset Value in most market conditions), although higher levels are possible. The Fund may approach the higher end of this range (for example when hedging the underlying local currency exposure of the equity investments held) as the notional exposures of derivatives positions are required to be summed together even though the portfolio may comprise offsetting derivative or underlying positions. The Fund employs the Value at Risk ("VaR") approach to market risk. The Fund uses an absolute VaR approach which calculates the Fund's VaR as a percentage of the Net Asset Value of the Fund, which must not exceed an absolute limit of 20% as defined by the Central Bank.

The calculation of VaR shall be carried out in accordance with the following parameters:

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

### **Long/short exposure**

The use of FDIs may also create synthetic short positions (i.e. positions which are in economic terms equivalent to short positions) and long positions to equities and equity-related securities. Short positions can only be synthetically taken through FDIs. Short positions may be taken by the Sub-Investment Manager to reduce exposure to a particular sector without having to sell all or some of the Fund's holdings. Short positions may also be used for investment purposes, for example, whereby the Fund would benefit from a fall in the value of the shares of a company. The Fund may also take long positions to equities and equity-related securities. The Sub-Investment Manager will seek to structure the Fund's portfolio so that in normal circumstances it has a long exposure ranging between 40% and 300% and a short exposure ranging between 40% and 250%.

The Fund may deviate significantly from these ranges in exceptional market conditions and/or times of market uncertainty.

## **FINANCIAL DERIVATIVE INSTRUMENTS**

As detailed above, the Fund may utilise the FDIs set-out in the below table, for investment and/or hedging purposes. The Fund's use of the financial derivative instruments listed below is provided for in the Fund's Risk Management Process. The Investment Manager employs a Risk Management Process

in respect of the Fund which enables it to accurately measure, monitor and manage the various risks associated with these FDIs.

FDI	Specific Use	Where used for hedging purposes: risk being hedged	EPM?	How FDI will help achieve investment objectives?
Equity Baskets, Sector, Equity and Equity Index Swaps (including Total Return Swaps)	To implement investment policy which has the effect of increasing exposure, and for hedging purposes, which has the intent of decreasing risk.	Market risk	Yes	The intended purpose would be to generate positive returns and/or hedge market risk and/or mitigate volatility. In particular, equity swaps may be used to provide efficient market access for example where local custody is impractical or it is otherwise considered more efficient or beneficial to establish a long or short exposure through a swap structure.
Equity and Equity Index Options	To implement investment policy which has the effect of increasing exposure, and for hedging purposes, which has the intent of decreasing risk.	Market risk	Yes	The intended purpose would be to generate positive returns and/or hedge market risk and/or mitigate volatility. In particular, options may be used to provide exposure without a fully funded commitment being required and/or to create a structure which provides a potentially more cost effective or beneficial means to gain or reduce exposure.
Equity and Equity Index Futures	To implement investment policy which has the effect of increasing exposure, and for hedging purposes, which has the intent of decreasing risk.	Market risk	Yes	The intended purpose would be to generate positive returns and/or hedge market risk and/or mitigate volatility. In particular, equity index futures may be used to increase or decrease the overall market exposure of the Fund in a timely and cost effective manner.
Options on equity index futures.	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk	Market risk	Yes	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk
Contracts for Difference (CFDs)	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk	Market risk	Yes	Replicate an equity return profile, where it is more favourable to do so via a CFD, which helps the Fund achieve its objective.
Multi-asset options, swaps and forwards, where such asset classes may be equities, currencies, credit, interest rates, and eligible multiple commodity indices	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk	Credit Risk	No	Provide exposure to two or more eligible assets and/or exposures, which assists the Fund in creating investment opportunities as an efficient alternative to non-derivative instruments and helps the Fund achieve its objective.

FDI	Specific Use	Where used for hedging purposes: risk being hedged	EPM?	How FDI will help achieve investment objectives?
Interest Rate swaps	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk	Interest rate risk	Yes	Assist in managing the Fund's exposure to interest rate risk, and assist in mitigating NAV fluctuations caused by fluctuations in markets to which the Fund is exposed, or enable the Fund take a directional view on interest rate markets, indices and/or as an efficient alternative to non-derivative instruments, which helps the Fund achieve its objective.
Currency Forwards	To implement investment policy which has the effect of increasing exposure, and for hedging purposes, which has the intent of decreasing risk.	Currency risk	No	The intended purpose would be to manage the Fund's exposure to currency fluctuations and/ or hedge currency risk and/or generate positive returns. In particular, currency forwards may be used to protect the base currency returns of the Fund as well as express a particular macro view in relation to the currency of a country (positive or negative).
Foreign exchange swaps	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk	Currency risk	Yes	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk
Currency options	Investment policy and for hedging purposes	Currency risk	No	The intended purpose would be to provide exposure to currencies and/or manage the Fund's exposure to currency risk or take a directional view on currency markets.

Details of the indices to which the Fund may gain exposure shall comply with the Central Bank's UCITS Regulations and guidance and shall be available upon request from the Sub-Investment Manager. In accordance with the requirements of the Central Bank, the Sub-Investment Manager shall disclose where further material information on such indices can be obtained. Such indices are rebalanced on a periodic basis, typically annually, but such rebalancing is not expected to have a material effect on the costs incurred by the Fund within this strategy. Should the weighting of any particular index constituent exceed the investment restrictions permitted by the Central Bank, the Sub-Investment Manager will adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

## THE SUB-INVESTMENT MANAGER

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

The Sub-Investment Manager was formed on 5 May 2011 and is a limited liability partnership formed under the laws of England and Wales, and is authorised and regulated by the Financial Conduct Authority to act as an investment manager and authorised to market financial assets. The Sub-Investment Manager's principal address is Borough Yards, 13 Dirty Lane, London, SE1 9PA.

The Sub-Investment Management Agreement provides that the Sub-Investment Manager shall exercise the due care of a prudent professional investment manager in the performance of its duties and obligations and exercising its rights and authorities under the Sub-Investment Management Agreement

and that the Sub-Investment Manager and its members, managers, directors, officers, employees and agents shall not be liable for any loss or damage arising directly or indirectly out of any act or omission of the Sub-Investment Manager in the performance of its duties under the Sub-Investment Management Agreement unless such loss or damage arose from the negligence, wilful default, bad faith or fraud of or by the Sub-Investment Manager or any of its members, managers, directors, officers, employees and agents. Under the Sub-Investment Management Agreement, in no circumstances shall the Sub-Investment Manager be liable for special, indirect or consequential damages, or for lost profits or loss of business, arising out of or in connection with the performance of its duties, or the exercise of its powers, under the Sub-Investment Management Agreement. The Investment Manager and the ICAV acting solely in respect of the Fund are obliged under the Sub-Investment Management Agreement, from the assets of the Fund, to indemnify and keep indemnified and hold harmless the Sub-Investment Manager (and each of its members, managers, directors, officers, employees and agents) from and against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including legal fees, professional fees and expenses arising therefrom or incidental thereto) directly or indirectly suffered or incurred by the Sub-Investment Manager (or any of its members, managers, directors, officers, employees and agents) in connection with the performance of its duties and/or the exercise of its powers hereunder, in the absence of any such negligence, wilful default, bad faith or fraud.

The Sub-Investment Management Agreement shall continue in full force and effect unless terminated by any party at any time upon 180 (one hundred and eighty) days' prior written notice (provided that such termination shall not take effect until the appointment of a successor sub-investment manager is approved by the Central Bank, or terminated by any party at any time if the other party: (i) commits any material breach of the Sub-Investment Management Agreement or commits persistent breaches of the Sub-Investment Management Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the non-defaulting party serving notice requiring the remedying of the default; (ii) becomes incapable of performing its duties or obligations under the Sub-Investment Management Agreement; (iii) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof; (iv) is the subject of a petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; (v) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) is the subject of an effective resolution for the winding up (except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party); or (vii) is the subject of a court order for its winding up or liquidation.

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

## **PROFILE OF A TYPICAL INVESTOR**

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

## **BORROWING**

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

## **INVESTMENT RESTRICTIONS**

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

In addition to investment restrictions outlined in the Prospectus, the Fund will not invest more than 10% of its assets in units or shares of other UCITS or other collective investment schemes in order to be eligible for investment by UCITS governed by the UCITS directives.

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

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

## INVESTMENT RISKS

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "Investment Risks" section of the Prospectus and the "Investment Risks" section of this Supplement. The principal risk factors, which are described in the "Investment Risks" section of the Prospectus, are as follows:

- "Short Selling";
- "Short Selling Regulation";
- "Counterparty Risk";
- "Derivatives Securities Risk"; and
- "Liquidity and Settlement Risks".

These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.

The Fund is designed primarily for investors seeking long-term capital appreciation from a fund that typically invests predominantly in European equity securities. Those investors should be willing to assume the currency, equity, foreign investing, market, and other material risks associated with the Fund's investment strategy.

### Equity Investments Risk

Equity securities are subject to market risk. The Fund's investments in equity securities may include equity securities such as common stocks, securities convertible into or exchangeable for common stocks, preferred stocks, American depositary receipts and global depositary receipts. Such investments may expose the Funds to additional risks.

- (i) **Common Stocks.** The value of a company's common stock may fall as a result of factors directly relating to that company, such as decisions made by its management or decreased demand for the company's products or services. A stock's value may also decline because of factors affecting not just the company, but also companies in the same industry or sector. The price of a company's stock may also be affected by changes in financial markets that are relatively unrelated to the company, such as changes in interest rates, exchange rates or industry regulation. Companies that pay dividends on their common stock generally only do so after they invest in their own business and make required payments to bondholders and on other debt and preferred stock. Therefore, the value of a company's common stock will usually be more volatile than its bonds, other debt and preferred stock.
- (ii) **Preferred Stocks.** If interest rates rise, the dividend on preferred stocks may be less attractive, causing the price of preferred stocks to decline. Preferred stocks may have mandatory sinking fund provisions, as well as provisions for their call or redemption prior to maturity which can have a negative effect on their prices when interest rates decline. Issuers may threaten preferred stockholders with the cancellation of all dividends and liquidation preference rights in an attempt to force their conversion to less secure common stock. Certain preferred stocks are equity securities because they do not constitute a liability of the issuer and therefore do not

offer the same degree of protection of capital or continuation of income as debt securities. The rights of preferred stock on distribution of a corporation's assets in the event of its liquidation are generally subordinated to the rights associated with a corporation's debt securities. Therefore, in the event of an issuer's bankruptcy, there is substantial risk that there will be nothing left to pay preferred stockholders after payments, if any, to bondholders have been made. Preferred stocks may also be subject to credit risk.

(iii) **Listed Depository Receipts.** Investments in American deposit receipts, European depositary receipts, global depositary receipts, and non-voting depositary receipts are subject to certain of the risks associated with investing directly in foreign securities. See "Foreign Investing Risk".

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

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

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

### **Non-US Investments Risk**

Non-US investments carry potential risks not associated with U.S. investments. Such risks include, but are not limited to:

- (i) currency exchange rate fluctuations;
- (ii) political and financial instability;
- (iii) less liquidity and greater volatility;
- (iv) lack of uniform accounting, auditing and financial reporting standards;
- (v) increased price volatility;
- (vi) less government regulation and supervision of foreign stock exchanges, brokers and listed companies; and
- (vii) delays in transaction settlement in some foreign markets.

### **Investment Risk**

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by any governmental agency or authority. When an investor sells its Shares, they could be worth less than what they paid for them. Therefore, an investor may lose money by investing in the Fund.

### **Valuation Risk**

The Administrator may consult with the Investment Manager and the Sub-Investment Manager with respect to the valuation of investments. As a result of this consultation, a conflict of interest may arise as the Investment Manager and Sub-Investment Manager receive a fee that increases as the value of the Fund increases.

### **Issuer Risk**

The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services, as well as the historical and prospective earnings of the issuer and the value of its assets.

## **Liquidity Risk**

From time to time, certain investments held by the Fund may have limited marketability or have restrictions on sale, and may be difficult to sell at favourable times or prices. The Fund could lose money if it is unable to dispose of an investment at a time that is most beneficial to the Fund.

## **Market Events Risk**

Turbulence in financial markets and reduced liquidity in equity markets may negatively affect many issuers in the U.S. and worldwide, which could adversely affect the Fund.

## **Stabilised Investments Risk**

The Sub-Investment Manager may make investments where the prices of the relevant securities are subject to stabilisation. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is offered to the public. Stabilisation may affect not only the price of the new issue, but also the price of other securities related to it.

Stabilisation may be permitted under the applicable rules to help counter the scenario where a new issue comes on the market for the first time and the price drops temporarily before buyers invest. Stabilisation is typically carried out by a "stabilisation manager", usually, the firm chiefly responsible for bringing a new issue to the market. If the stabilisation manager follows a strict set of rules, it is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be the price being maintained at a higher level than it would otherwise be during the period of stabilisation.

## **IPOs and Other Limited Opportunities Risk**

The Fund may purchase securities of companies that are offered pursuant to an IPO or other similar limited opportunities. Although companies can be any age or size at the time of their IPO, they are often smaller and have a limited operating history, which involves a greater potential for the market value of their securities to be impaired following the IPO. The price of a company's securities may be highly unstable at the time of its IPO and for a period thereafter due to factors such as market psychology prevailing at the time of the IPO, the absence of a prior public market, the small number of shares available, and limited availability of investor information. Securities purchased in IPOs have the tendency to fluctuate in market value significantly shortly after the IPO relative to the price at which they were purchased. These fluctuations could impact the Fund's return. Investors in IPOs can be adversely affected by substantial dilution in the market value of their shares, by sales of additional shares, and by concentration of control in existing management and principal shareholders. In addition, all of the factors that affect the performance of an economy or equity markets may have a greater impact on the shares of IPO companies. IPO securities tend to expose the Fund to greater risk due, in part, to public perception and the lack of publicly available information and trading history.

## **Performance Fee Risk**

The Investment Manager and Sub-Investment Manager may be entitled to a performance fee from the Fund based on a percentage of any net realised and unrealised profits. Performance fees may create an incentive for the Investment Manager and Sub-Investment Manager to make investments that are riskier or more speculative than would be the case in the absence of such incentive compensation arrangements. In addition, the Investment Manager and Sub-Investment Manager's performance fees will be based on unrealised as well as realised gains.

## **Non-Diversification Risk**

To the extent permitted by the Regulations and as set out in the "Investment Policies" and "Investment Strategy" sections of this Supplement, the Fund may not be widely diversified, which means the Fund may focus its investments in the securities of a relatively small number of issuers (up to 50 issuers). Investment in securities of a relatively limited number of issuers exposes the Fund to greater market risk and potential losses than if assets were diversified among the securities of a greater number of

issuers. Since the Fund is not widely diversified, its NAV and total return may fluctuate more or fall greater in times of weaker markets than a widely diversified fund. From time to time, the Fund may have a significant portion of its assets invested in the securities of issuers in only one or a few countries, and/or regions.

### **Long-Term Investment Risk**

The Fund may pursue investment opportunities that seek to maximise asset value or create market opportunities on a long-term basis. In pursuing such long-term strategies, the Fund may forego value in the short term or temporary investments to avail of additional and/or longer-term opportunities in the future. Consequently, the Fund may not capture maximum available value in the short term, which may be disadvantageous, for example, for Shareholders who redeem all or a portion of their Shares before such long-term value may be realised by the Fund.

### **Short-Term Market Consideration Risk**

The Sub-Investment Manager's trading decisions may be based on short-term market considerations, and the portfolio turnover rate could result in significant trading related expenses.

#### **Short selling**

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

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

There is also a risk that securities borrowed in connection with a synthetic short sale will, following any corporate activity on the part of the relevant issuer, including, but not limited to, merger and acquisition activity, corporate restructuring or the entity demerging subsidiaries, become the securities of a different issuer and that the Fund will be required to deliver securities of a different issuer or additional securities. In such event the relevant synthetic short position may therefore not provide the investment return that the Investment Manager expected.

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

## KEY INFORMATION FOR SUBSCRIBING AND REDEEMING

The Fund is offering classes set out in the table below:

Class	Currency	Distribution Policy	Initial Offer Price per Share	Minimum Initial Investment	Investment Management Fee	Performance Fee
F-USD	USD	Accumulating	US\$100	US\$50,000,000*	0.75%	20%
F-EUR	EUR	Accumulating	€100	€50,000,000*	0.75%	20%
F-GBP	GBP	Accumulating	£100	£50,000,000*	0.75%	20%
F-CHF	CHF	Accumulating	CHF100	CHF50,000,000*	0.75%	20%
SI-USD	USD	Accumulating	US\$100	US\$50,000,000*	1.25%	20%
SI-EUR	EUR	Accumulating	€100	€50,000,000*	1.25%	20%
SI-GBP	GBP	Accumulating	£100	£50,000,000*	1.25 %	20%
SI-CHF	CHF	Accumulating	CHF100	CHF50,000,000*	1.25%	20%
SIF-USD	USD	Accumulating	US\$100	US\$50,000,000*	2%	0%
SIF-EUR	EUR	Accumulating	€100	€50,000,000*	2%	0%
SIF-GBP	GBP	Accumulating	£100	£50,000,000*	2%	0%
I-USD	USD	Accumulating	US\$100	US\$1,000,000	1.5%	20%
I-EUR	EUR	Accumulating	€100	€1,000,000	1.5%	20%
I-GBP	GBP	Accumulating	£100	£1,000,000	1.5%	20%
I-CHF	CHF	Accumulating	CHF100	CHF1,000,000	1.5%	20%
R-USD	USD	Accumulating	US\$100	US\$100,000	2%	20%
R-EUR	EUR	Accumulating	€100	€100,000	2%	20%
R-GBP	GBP	Accumulating	£100	£100,000	2%	20%
R-CHF	CHF	Accumulating	CHF100	CHF100,000	2%	20%
M-USD	USD	Accumulating	US\$100	US\$100,000	0%	0%
M-EUR	EUR	Accumulating	€100	€100,000	0%	0%
M-GBP	GBP	Accumulating	£100	£100,000	0%	0%
M-CHF	CHF	Accumulating	CHF100	CHF100,000	0%	0%

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

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

commissions on management fees; and (iv) any other investors who do not receive any commissions on management fees.

Class F-USD, Class F-EUR, Class F-GBP and Class F-CHF are only available to Founder Investors.

Class M-USD, Class M-EUR, Class M-GBP and Class M-CHF Shares (the "**M Classes**") are available to: (i) the Investment Manager or any of its officers, members or employees, (ii) the Sub-Investment Manager or any of its officers, members or employees, (iii) any affiliates of the Investment Manager or Sub-Investment Manager or any of their respective officers, members or employees, (iv) any person connected with any such person described in (i) to (iii) (inclusive) (including, without limitation, a trustee of a trust established by or for such a person), (v) any company, partnership or other person or entity controlled by or which is the controller of any such person described in (i) to (iv) (inclusive), or (vi) any nominee of any of the foregoing. The Directors shall determine, in their sole discretion, a person's eligibility to subscribe for M Classes.

\*The Directors, the Manager, the Investment Manager and the Sub-Investment Manager may waive the minimum initial subscription amounts completely for each Class of Shares during the Initial Offer Period (as defined below), subject to equal treatment of investors in the same Class and fair treatment of investors in the Fund.

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

### **Share Class Hedging**

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

### **Initial Offer Period**

Shares will be available at the Initial Offer Price (as defined below) from 9.00am (Irish time) on 17 November 2025 to 5.30pm (Irish time) on 15 May 2026 or such shorter or longer period for each class as the Directors may determine on behalf of the Fund and notify to the Central Bank as required.

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

### **Initial Offer Price**

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

### **Subsequent Dealing**

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

In order to subscribe for Shares on any particular Dealing Day, for initial subscriptions the original Application Form and all relevant documentation, including anti-money laundering documentation, must be received by the Administrator no later than the Dealing Deadline with cleared subscription monies to be received within three (3) Business Days of the relevant Dealing Day. Applications received after such time will be held over until the following Dealing Day. For subsequent subscriptions the

subscription instruction form may be sent by facsimile or swift to the Administrator. The Administrator's contact details are set out in the Application Form.

Subscriptions for the, Class F-USD, Class SI-USD, Class SIF-USD, Class I-USD, Class R-USD and Class M-USD Shares must be in US Dollars, for the Class F-EUR, Class SI-EUR, Class SIF-EUR, Class I-EUR Class R-EUR and Class M-EUR Shares must be in Euros, for the Class F-GBP, Class SI-GBP, Class SIF-GBP, Class I-GBP, Class R-GBP and Class M-GBP Shares must be in British Pounds and for the Class F-CHF, Class SI-CHF, Class I-CHF, Class R-CHF and Class M-CHF Shares must be in Swiss Francs. No credit interest will accrue on subscription monies received prior to the deadline.

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

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

## **REDEMPTIONS**

### **Redemption of Shares**

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

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

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

## **SWITCHING BETWEEN SHARE CLASSES**

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

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

## DIVIDEND POLICY

The ICAV does not anticipate distributing dividends from net investment income in respect of the Fund, but the ICAV reserves the right to pay dividends or make other distribution in the future. Initially such amounts will be retained by the ICAV and will be reflected in the NAV of the Share Classes.

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

## FEES AND EXPENSES

### Management Fees

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

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

### Investment Management Fees

The Investment Manager and the Sub-Investment Manager shall be entitled to an investment management fee payable out of the assets of the Fund in relation to the relevant Class of Shares (the "**Investment Management Fee**"). The Investment Management Fee shall be calculated by the Administrator at the annual rates as specified in the Share Class table above.

The Investment Management Fee shall accrue as at each Valuation Point, and shall be payable monthly in arrears. The Investment Management Fee shall be shared between the Investment Manager and the Sub-Investment Manager in such manner as they may agree and notify to the ICAV from time to time.

### Performance Fees

The Investment Manager and the Sub-Investment Manager shall be entitled to a performance fee (the "**Performance Fee**") calculated on a per Class of Shares basis so that each Class of Shares is charged a Performance Fee depending on the performance of that Class. The Performance Fee shall be shared between the Investment Manager and the Sub-Investment Manager in such manner as they may agree and notify to the ICAV from time to time.

The Performance Fee will be calculated, crystallised and payable annually (in the Base Currency of the Fund) in respect of each period ending on the last Business Day of each calendar year (a "**Calculation Period**"). The Performance Fee is deemed to accrue on a daily basis as at each Valuation Point. The first Calculation Period is the period commencing on the Business Day immediately following the end of the Initial Offer Period for a Class of Shares and ending on the last Business Day of that Calculation Period. The Initial Offer Price will be taken as the starting price for the calculation of the Performance Fee. If a Share is redeemed during the Calculation Period, a separate Performance Fee for that Share will be calculated by the Administrator and verified by the Depositary and will be crystallised and become payable as if the Dealing Day on which that Share is redeemed were the end of the Calculation Period. The Performance Fee shall be paid to the Investment Manager and the Sub-Investment Manager within 14 calendar days of the end of the Calculation Period, or within 14 calendar days of the Dealing Day on which a Share is redeemed, as applicable.

For each Calculation Period, the Performance Fee payable in respect of each Class of Shares in the Fund that is liable to pay a Performance Fee will be equal to 20% of the appreciation in the net asset value per share which is net of all costs (including management and administration fees) but before deduction of any Performance Fees ("**GAV per Share**") for that Class of Shares for a Calculation Period above the Base Adjusted Net Asset Value per Share (as defined below) (which methodology for the

avoidance of doubt is in the best interests of investors as it results in the investor paying less Performance Fees).

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

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

Investors should note that the Fund does not perform equalisation for the purposes of determining the Performance Fee. Investors may therefore be advantaged or disadvantaged as a result of this method of calculation, depending upon the Net Asset Value of the relevant Class at the time an investor subscribes or redeems relative to the overall performance of the Class during the relevant Calculation Period. Potential investors and the Shareholders should fully understand the Performance Fee methodology when considering an investment in the Fund. The calculation of the Performance Fee is verified by the Depositary and is not open to the possibility of manipulation. Included in the calculation of the Performance Fee shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the relevant Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

### Worked examples of Performance Fee

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

#### Calculation Period 1

Valuation Point	1	2	3	4
Net Asset Value per Share (NAV)	100	108	95	103.5
High Water Mark per Share	100	100	100	100
Base Adjusted NAV per Share	100	100	100	97.5
GAV per Share	100	110	95	105
Investor A	Subscription 100,000 shares			
Investor B		Subscription 100,000 shares		

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

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

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

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

### **Calculation Period 2**

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

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

At the sixth Valuation Point, the GAV per Share has increased to 115, which is greater than both the High Water Mark and the Base Adjusted NAV per Share. As both conditions for the accrual of a Performance Fee are met, a Performance Fee is accrued. This is calculated as the difference between the GAV per Share and the Base Adjusted NAV per Share.

In this case it is calculated as 20% of 11.5 gives rise to a Performance Fee accrual of 2.3 per share. This is accrued and results in a Net Asset Value per Share of 112.7.

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

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

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

### **Administration Fees**

The Administrator will be paid a monthly fee not to exceed 0.04% per annum, exclusive of VAT, of the Net Asset Value of the Fund subject to a minimum monthly fee of €1,875, (exclusive of out-of-pocket expenses). A fee of up to €4,000 per annum will apply for the preparation of the Fund's financial statements. Registrar and transfer agency fees shall also be payable to the Administrator from the assets of the Fund at normal commercial rates (rates are available from the ICAV on request). An annual fee for FATCA account review and reporting of €1,600 will apply, with an additional fee of €40 per investor to be applied where the Fund has 100 or more Shareholders. An annual fee for CRS account review and reporting of €1,600 will apply, with an additional fee of €40 per investor to be applied where the Fund has 100 or more Shareholders. The Administrator will also be reimbursed out of the assets of the Fund for reasonable out-of-pocket expenses incurred by the Administrator.

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

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

### **Depositary Fees**

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

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

### **Other fees and expenses**

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

The ICAV will also reimburse the Sub-Investment Manager for its reasonable out-of-pocket expenses incurred by the Sub-Investment Manager and relating to customised research costs, research service subscriptions, which may be used to inform the investment strategy, and/or with respect to different economic and market conditions and the research can add value to the Sub-Investment Manager's investment decisions on behalf of the Fund, provided that they are charged at normal commercial rates and incurred by the Sub-Investment Manager in the performance of its duties under the Sub-Investment Management Agreement. The research charge is expected to be no more than 0.25% of the Net Asset Value of the Fund per annum.

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

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

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

### **Subscription Fees**

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

### **Anti-Dilution Levy**

In calculating the issue/repurchase price for the Fund the Directors and/or the Manager may on any Dealing Day when there are net subscriptions/repurchases make adjustments so that the issue/repurchase price reflects the addition/deduction of a dilution levy to cover dealing costs and to preserve the value of the underlying assets of the Fund. The Directors and/or the Manager will approve the application of such anti-dilution levy only in circumstances where it is deemed appropriate and will at all times take account of the best interests of Shareholders in deciding whether to apply any such anti-dilution levy. The Directors and/or the Manager reserve the right to waive such charge at any time.

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

The establishment costs of the Fund will not exceed €35,000 exclusive of VAT, which shall include the establishment costs of the Fund and such portion of the costs of establishment of the ICAV as determined by the Directors in such manner as they shall in their absolute discretion deem to be equitable. These costs will be borne out of the assets of the Fund and will be amortised over the first five (5) financial years of the Fund following the approval of the Fund by the Central Bank or such shorter period as the Directors may determine.

## ANNEX II

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

**Product name:** Tycho CapeView European Long Short Fund

**Legal entity identifier:** LEI 635400EM1XZ8UTP4UO60

## Environmental and/or social characteristics

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

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

Does this financial product have a sustainable investment objective?	
Yes	No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___ % <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___ % of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___ %	It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

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

The Fund's long investments promote the following environmental and social characteristics:

- (i) climate change mitigation (ii) human health and well-being of communities; and (iii) human rights and anti-corruption by excluding certain sectors in the Fund's long investments in accordance with its Negative Exclusion List (subject to the thresholds set out below), specifically controversial weapons, tobacco, thermal coal, unconventional oil and companies breaching UN Global Compact principles.
- The Fund promotes the social characteristic of human health, well-being of communities and the avoidance of adverse harm to the environment by excluding tobacco production.

- The Fund promotes adherence to the UN Global Compact principles by excluding companies that violate them. This helps avoid investments that, at a minimum, do not meet human rights, labour, anti-corruption and damage to the environment.
- The promotion of companies with low ESG risks by utilising the Sub-Investment Manager's ESG integration and positive screening processes to select companies that meet certain ESG assessment standards, as assessed using a third party ESG data and ratings provider.

The Fund has not designated a reference benchmark for the purposes of attaining the environmental and/or social characteristics.

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

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

The Fund uses the following sustainability indicators to measure the attainment of each of the environmental or social characteristics promoted by the Fund:

**1. Negative Screening**

The Fund seeks to align 100% of long exposure with the Fund's Negative Exclusion List, further details of which are set out below. The sustainability indicator used to measure the attainment of this characteristic is the percentage of long exposure aligned with the Fund's Negative Exclusion List. The screening process takes place pre-investment and companies on the Negative Exclusion List are admitted to a restricted trading list on the Sub-Investment Manager's order management system which prohibits investment in the excluded companies.

**Negative Exclusion List:**

Investments in the following are excluded from the long investment universe:

Exclusion List: Restrictions	Criteria	Qualifying Criteria for the Company	Portfolio Limit on Long Exposure of the Portfolio
Companies with revenues derived from certain criteria	Controversial Weapons (include cluster bombs, antipersonnel landmines, nuclear weapons, biological and chemical weapons)	>0% of revenue	0%
	Other Weapons	>10% of revenue	
	Tobacco Production	>10% of revenue	
	Thermal Coal	>10% of revenue	
	Unconventional Oil (includes Tar Sands, hydraulic fracking and arctic drilling)	>5% of revenue	
Global Norms	UN Global Compact	Violations	

**2. ESG Due Diligence and Positive ESG Screening**

The MSCI ESG rating scale assesses companies' exposure to, and management of, material environmental, social, and governance issues. At a pre-investment stage, the Sub-Investment Manager carries out a positive ESG screening process to seek to make investments in issuers with attractive ESG characteristics and limiting

exposure to companies with higher sustainability risks. The Fund seeks to align at least 90% of long exposure in companies rated BBB and above on the MSCI ESG rating scale. MSCI rates companies on a AAA-CCC scale (where AAA is lowest risk) relative to the standards and performance of industry peers. The sustainability indicator used to measure attainment of this characteristic is the percentage of long exposure that is scored AAA, AA, A or BBB on the MSCI ESG rating scale.



### 3. MSCI Governance scores

In order to assess good governance practices of potential investee companies that are being considered for a long investment, the Sub-Investment Manager reviews MSCI Governance scores for potential investments. MSCI calculates its Governance Scores using the following key metrics: board structure, executive pay, ownership, business ethics, tax transparency, and corporate behaviour. MSCI Governance scores are on a scale of 0-10 where 10 is best.

The Fund will be able to invest, unimpeded, in companies with a score of 5-10, which are considered by the Sub-Investment Manager to follow good governance practices.

Companies scoring below 5 will be added to an exclusion list which is hardcoded into the Sub-Investment Manager's order management system to prevent the Fund from investing. Such companies may be eligible for re-inclusion as an asset of the Fund subject to the Sub-Investment Manager's ESG Committee's review process as set out under the heading below "What is the policy to assess good governance practices of investee companies".

Companies that MSCI Governance scores below 2 will not be eligible for review by the Sub-Investment Manager to determine re-inclusion in the eligible asset pool for the long investments of the Fund.

The Sub-Investment Manager does not take ESG factors into consideration for the Fund's short positions.

**● *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable. The Fund does not commit to investing a minimum percentage in sustainable investments.

**● *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable. The Fund does not commit to investing a minimum percentage in sustainable investments.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



— — — *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable. The Fund does not commit to investing a minimum percentage in sustainable investments.

— — — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable. The Fund does not commit to investing a minimum percentage in sustainable investments.

## Does this financial product consider principal adverse impacts on sustainability factors?

Yes, \_\_\_\_\_

No

The principal adverse impacts (**PAIs**) are intended to capture the impact of investment decisions and advice that result in negative effects on sustainability factors. Whilst the Sub-Investment Manager has not committed to consider such adverse impacts at a firm level, certain PAIs are considered when investing in individual companies.

The following PAIs are considered in the investment process for long positions and monitored on an ongoing basis:

PAI	Metric
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector.
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).	Share of investments in investee companies involved in the manufacture or selling of controversial weapons.

The PAIs are monitored through the use of the Negative Exclusion List as set out above. Third-party data from MSCI is used to identify companies on the Negative Exclusion List, which are aligned with the PAIs as follows:

Exclusion List: Restrictions	Criteria	PAI Alignment	Qualifying Criteria for the Company	Portfolio Limit on Long Exposure of the Portfolio
Companies with revenues derived from certain criteria	Controversial Weapons (include cluster bombs, antipersonnel	14. Exposure to controversial weapons (anti-personnel mines,	>0% of revenue	0%

Exclusion List: Restrictions	Criteria	PAI Alignment	Qualifying Criteria for the Company	Portfolio Limit on Long Exposure of the Portfolio
	landmines, nuclear weapons, biological and chemical weapons)	cluster munitions, chemical weapons and biological weapons).		
	Other Weapons		>10% of revenue	
	Tobacco Production	N/A	>10% of revenue	
	Thermal Coal	4. Exposure to companies active in the fossil fuel sector	>10% of revenue	
	Unconventional Oil (includes Tar Sands, hydraulic fracking and arctic drilling)		>5% of revenue	
Global Norms	UN Global Compact	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Violations	

If a violation of the Negative Exclusion List occurs during the life of an investment, the Sub-Investment Manager will exit the position as soon as practically possible, taking into account market liquidity but ideally within 10 business days, as long as this action takes into account the best interest of the Fund and its Shareholders.

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

The Fund is a European equity long/short fund. The strategy is long/short because the Fund invests in both long positions and short positions. The goal of a long/short, or hedged, portfolio such as the Fund's, is to identify and purchase stocks that the Sub-Investment Manager believes will increase in value (or at least maintain their value) even in a falling market, and conversely to identify and sell short stocks that the Sub-Investment Manager believes will drop in value (or at least under-perform) regardless of the market's overall direction. There is no guarantee that the Fund will be able to achieve its objective, but the Sub-Investment Manager believes that a hedged portfolio is an attractive long-term investment strategy for investors in the Fund.

#### *Long investments*

The selection process employed by the Sub-Investment Manager for suitable long investments will emphasise identifying companies with the following characteristics:

- Growth at reasonable price (GARP): This is an approach to investing that combines the two popular strategies of value and growth investing. It seeks exposures to equities that have both growth potential and are reasonably priced.
- Return on capital employed (ROCE): This is a ratio that indicates the efficiency and profitability of a company's capital investments and is used as a method for screening investment ideas.

### *Short investments*

The selection process employed by the Sub-Investment Manager for suitable short investments will emphasise identifying companies with the following characteristics:

- management teams who are seeking to buy growth quickly and who are very active in mergers and acquisitions, potentially leading to; (i) overpaying for acquisitions; (ii) taking on too much debt; and (iii) difficulties with integration;
- management teams engaged in transactions with related entities which have potential to give rise to conflicts of interest;
- accounting practices that may be considered less than rigorous such as the improper use of exceptions or the prevalence of unbilled receivables;
- 'buying' growth via balance sheet expansion at a declining marginal ROCE (as described above) demonstrating declining efficiency and profitability or through poor acquisitions; and
- consistent discrepancies between profits reported by a company and actual cash generated by the company.

The Sub-Investment Manager may employ other selection processes in seeking out equities of those companies that represent growth opportunities (in which long positions will be taken) and those companies whose activities put them at risk of a fall in their equities trading price (in which short positions will be taken).

### *Investment process*

The Sub-Investment Manager will base its investment decisions on in-house qualitative analysis (e.g., meeting a company's management) and external (e.g., channel checking) research, financial modelling, technical analysis, liquidity analysis and verification of the investment process (used for structuring and implementing a potential idea). Technical analysis attempts to forecast price changes through observations of the markets themselves and historical price patterns.

The Sub-Investment Manager considers the careful management of risk to be equally as important an element of a successful investment management programme as investment selection and will use a range of monitoring and analytical techniques including stress testing, scenario analysis, liquidity analysis, and factor decomposition to make risk management more rational and effective. The Fund's portfolio of positions and investments will be continuously monitored with a view to maintaining appropriate levels of risk and volatility. To manage leverage and net exposure of the Fund's investments, macro-economic assessment from time to time may be carried out with particular focus on market factors (such as economic growth, inflation and market indicators), balance sheet management, adhering to risk objectives and employing multiple stress test scenarios.

### *ESG assessment process*

#### **Negative Screening**

The Fund seeks to align 100% of long exposure with the Fund's Negative Exclusion List, specifically controversial weapons, tobacco, thermal coal, unconventional oil and companies breaching UN Global Compact principles. The screening process takes place pre-investment and companies on the Negative Exclusion List are admitted to a restricted trading list on the Sub-Investment Manager's order management system which prohibits investment in the excluded companies.

### **ESG Due Diligence and Positive ESG Screening**

The Fund seeks to invest at least 90% of long exposure in companies rated BBB and above on the MSCI ESG rating scale. The sustainability indicator used to measure attainment of this characteristic is the % of long exposure that is scored AAA, AA, A or BBB on the MSCI ESG rating scale.

### **Short Positions**

The Sub-Investment Manager does not take ESG factors into consideration for the Fund's short positions.

### **Principal adverse impacts**

Certain principal adverse impacts are taken into account in the investment process and monitored on an ongoing basis as disclosed above.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the Fund are:

1. The Negative Exclusion List is applied to 100% of long exposure. The Fund seeks to exclude long positions in certain harmful activities (subject to the thresholds specified above), specifically controversial weapons, tobacco, thermal coal, unconventional oil and companies breaching UN Global Compact principles. The screening process takes place pre-investment and companies on the Negative Exclusion List are admitted to a restricted trading list on the Sub-Investment Manager's order management system which prohibits investment in the excluded companies.
2. The Fund seeks to align at least 90% of long exposure in companies rated BBB and above on the MSCI ESG rating scale. The sustainability indicator used to measure attainment of this characteristic is the percentage of long exposure that is scored AAA, AA, A or BBB on the MSCI ESG rating scale.

The Sub-Investment Manager does not take ESG factors into consideration for the Fund's short positions.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit a minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

In order to assess good governance practices of potential investee companies that are being considered for a long investment, the Sub-Investment Manager reviews MSCI Governance scores for potential investments. MSCI calculates its Governance Scores using the following key metrics: board structure, executive pay, ownership, business ethics, tax transparency, and corporate behaviour. MSCI Governance scores are on a scale of 0-10 where 10 is best.

The Fund will be able to invest, unimpeded, in companies with a score of 5-10, which are considered by the Sub-Investment Manager to follow good governance practices.

Companies scoring below 5 will be added to an exclusion list which is hardcoded into the Sub-Investment Manager's order management system to prevent the Fund from investing.

Individual companies scoring from 2 but below 5 may be removed from the exclusion list and re-included back into the selection pool for potential investment by the Fund where the Sub-

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

Investment Manager's ESG Committee, which is comprised of four permanent members (each serving as a senior representative of their respective department: Investment, Risk, Marketing and Compliance), in consultation with relevant members of the Sub-Investment Manager's investment team, has deemed the MSCI score to be either stale or incorrect based on the Sub-Investment Manager's independent research and qualitative assessment of the relevant company. The ESG Committee's research may include identifying changes in senior management that have led to improved governance, or instances where the Sub-Investment Manager has directly engaged with the senior management team on governance-related issues. The Sub-Investment Manager's ESG committee will meet to discuss the proposed removal of the issuer or security from the exclusion list and the proposed re-inclusion as an eligible asset of the Fund, taking into account each of the key metrics detailed above. Where relevant, the Sub-Investment Manager will engage with MSCI to share their analysis.

Companies that MSCI Governance scores below 2 will not be eligible for review by the Sub-Investment Manager to determine re-inclusion in the eligible asset pool for the long investments of the Fund. In respect of the Fund's short investments, the Sub-Investment Manager may take short positions in companies that score below 2 as the Sub-Investment Manager aims to invest in companies that demonstrate good governance, while shorting companies that do not demonstrate good governance.



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

The Fund aims to invest at least 90% of long exposure in line with the E/S characteristics.

The Sub-Investment Manager does not take ESG factors into consideration for the Fund's short positions.

In addition, 100% of long positions will be invested in line with the Negative Exclusion List outlined above and the binding elements of the investment strategy.

The other investments held by the Fund may include: assets/securities may include: cash and equivalents (e.g. treasuries); foreign exchange; hedges; indices as well as certain securities that may not align with the environmental or social characteristics promoted by the Fund.

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

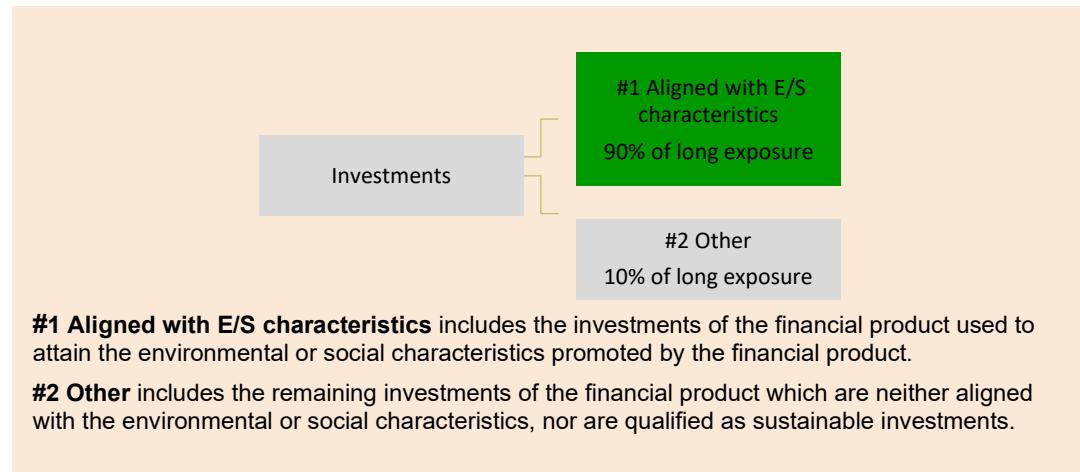
Derivatives are used for operational efficiencies only and are not used to attain the environmental or social characteristics promoted by the Fund.



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

Not applicable. The Fund does not commit to investing a minimum percentage in sustainable investments (whether or not aligned with the EU Taxonomy).

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



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

Yes:

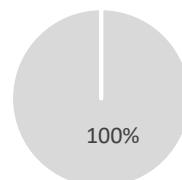
In fossil gas  In nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

#### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (no fossil gas & nuclear)
- Non Taxonomy-aligned



#### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (no fossil gas & nuclear)
- Non Taxonomy-aligned



This graph represents 100% of the total investments.

\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

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

Not applicable. As the Fund does not commit to invest any sustainable investments within the meaning of the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.

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

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

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



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

Not applicable.



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

The "Other" assets/securities may include: cash and equivalents (e.g. treasuries); foreign exchange; hedges; indices as well as certain securities that may not align with the environmental or social characteristics promoted by the Fund. The Sub-Investment Manager does not take ESG factors into consideration for the Fund's short positions. This means that derivatives with a short exposure to a single underlying company or issuer do not go through any ESG screening and the issuer may not comply be the Negative Exclusion List. However, derivatives with long exposure to a single underlying company or issuer are subject to the same binding ESG criteria described above as physical long positions. There are no minimum environmental or social safeguards applicable to the #Other assets.

 **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index is designated as a reference benchmark for the Fund.

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

Not applicable

● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable

● ***How does the designated index differ from a relevant broad market index?***

Not applicable

● ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable



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

**More product-specific information can be found on the website:**

<https://keplerliquidstrategies.com/>