THE CHEYNE FUND (UCITS)

Supplement dated 29 July 2022

to the Prospectus for Cheyne Select UCITS Fund plc

This Supplement contains information relating specifically to **The Cheyne Fund (UCITS)** (the "**Fund**"), a sub-fund of Cheyne Select UCITS Fund plc (the "**Company**"), an open-ended umbrella type investment company, with segregated liability between Funds, authorised by the Central Bank 3 September 2009 as a UCITS pursuant to the UCITS Regulations.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 31 December 2021 (the "Prospectus") which immediately precedes this Supplement and is incorporated herein.

The Directors of the Company whose names appear under the heading "Management and Administration" in the Prospectus 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 in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Fund is actively managed.

The Fund will use financial derivative instruments for investment purposes. While the prudent use of derivatives can be beneficial, they also involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments.

Investors should read and consider the section entitled "Risk Factors" before investing in the Fund.

1. Interpretation

In this Supplement, the following words and phrases have the meanings set forth below, except where the context otherwise requires:

"ASCOT"	means Asset Swap Convertible Option Transaction;
"Business Day"	means any day (except Saturday or Sunday) on which banks in Dublin and London are open for business and/or such other day or days as may be determined by the Directors and notified to Shareholders;
"Contingent Convertible Securities"	mean a form of hybrid debt security that are intended to either convert into equity or have their principal written down upon the occurrence of certain 'triggers' linked to regulatory capital thresholds or where the issuing banking institution's regulatory

authorities question the continued viability of the entity as a going concern;

“Convertible Securities”	mean bonds, debentures, notes or preferred stocks that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A Convertible Security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged;
“Corporate(s)”	means companies of any sector or industry, banks or other corporate issuers of debt across all market capitalisations.
“Credit Default Swap”	means a credit derivative contract which provides the Fund with exposure to the credit risk of an underlying Corporate. In a Credit Default Swap, one party (protection buyer) pays a periodic fee to another party (protection seller) in return for compensation if a default (or similar credit event) occurs by a reference entity (which for the Fund will generally be a Corporate).
"Dealing Day"	means each Business Day and/or such other day or days as may be determined by the Directors and notified to Shareholders in advance, provided there is always one Dealing Day per fortnight.
"Dealing Deadline"	(a) in relation to applications to subscribe for Shares, 4 p.m. Irish time on the Business Day falling at least one (1) Business Days prior to the relevant Dealing Day; and (b) in relation to applications for the redemption of Shares, 4 p.m. Irish time on the Business Day falling at least three (3) Business Days prior to the relevant Dealing Day, and in each case such other day and/or time as the Directors shall from time to time determine, provided always that the Dealing Deadline is prior to the close of business in the market that closes first on the relevant Dealing Day;
“Minimum Holding”	means the minimum number of Shares required to be held by Shareholders having such value as may from time to time be specified by the Directors in relation to each Class and set out in this Supplement;
“Performance Period”	means each Accounting Period.
“Valuation Point”	means the close of business in the relevant market on the relevant Dealing Day (or such other time as the Directors may determine).

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

2. Base Currency

The Base Currency shall be the US Dollar. The Net Asset Value per Share will be published and settlement and dealing will be effected in the relevant currency of the specific Share Class.

3. Investment Objective

The Fund's investment objective is to seek to generate positive risk adjusted total rates of return, irrespective of broader market conditions, with moderate volatility and a focus on downside preservation. There can be no assurance that the Fund will achieve its investment objective.

4. Investment Policy

The Fund seeks to achieve its investment objective principally through long and synthetic short investment in the credit and equity and equity-related securities of Corporates, as further outlined below. Short positions may only be taken through FDIs. Long positions may be held through a combination of the direct purchase of securities and/or FDIs. The Fund's use of FDIs is further described in the section entitled 'Further Detail on the Use of Financial Derivative Instruments' below.

The Fund will invest predominantly in securities of European and US Corporates. However, the Fund retains the ability to invest on a global basis and therefore may invest in other geographical regions, including up to 15% of net assets in emerging markets.

The equity and equity-related securities in which the Fund invests may include common stock, preferred stock and depository receipts for such securities (such as global depository receipts), securities having equities as the underlying instrument (i.e. equity linked notes and Convertible Securities (which may embed a derivative)) and warrants. The Fund may invest actively in warrants or the Fund may gain exposure to warrants passively through corporate actions. It is not anticipated that exposure to warrants will exceed 10% of the Net Asset Value of the Fund.

The Fund may invest in both investment grade securities and lower-rated (commonly referred to as "high-yield") securities which are rated by any nationally recognised statistical rating organisation or, if unrated, determined by the Investment Manager to be of comparable quality. Exposure to unrated issuers is not expected to exceed 20% of the Net Asset Value of the Fund. The specific types of credit (or debt) securities in which the Fund may invest include corporate bonds (which may be fixed and/or floating rate); notes including treasury notes and debentures. The majority of the Fund's issuer exposure will be rated by at least one nationally recognised statistical rating organisation.

For purposes of the Fund's investment objective and policy or where market conditions may require a defensive investment strategy, the Fund may invest in cash or cash equivalents including, but not limited to; short-term government bonds, treasury bills, commercial paper, interest bearing accounts of a bank or broker, certificates of deposit, government securities and other forms of money market instruments such as bankers acceptances or bills of exchange.

The Fund may, in accordance with the UCITS Regulations, also hold ancillary liquid assets (types of which have been listed immediately above) to provide security, collateral or margin in respect of its activities.

The Fund may also invest up to 10% of its Net Asset Value in other collective investment schemes.

With the exception of permitted investments in unlisted instruments and off-exchange FDI, investments will be made on Recognised Exchanges, as listed in Appendix II to the Prospectus.

5. **Investment Strategies**

In general, the Investment Manager will seek to identify securities which are perceived to be over- or under-valued, in order to generate positive returns which are not dependent on broader market conditions. Once investment ideas have been identified, the Investment Manager will establish whether or not the securities are undervalued or overvalued in the context of their assets and/or earnings as established from, inter alia, sell-side research, management meetings and reported accounts. The Fund will also seek to maintain a diversified exposure to various investment sub-strategies as detailed below. The asset allocation to those sub-strategies is determined by the Investment Manager on an ongoing basis but typically reviewed at least monthly. The allocation to each sub-strategy will vary over time reflecting the Investment Manager's view of evolving market conditions and perceived best opportunities. Allocations to the underlying investment strategies are to be determined by way of the Investment Manager's Investment Committee (the "Investment Committee"). The Investment Committee anticipates a maximum sub-strategy allocation of 40% to ensure sufficient portfolio diversification. The asset allocation will vary over time reflecting evolving market conditions and perceived best opportunities, taking into consideration the prevailing value of more directional strategies, opportunities for alpha generation, and shorter-term opportunities presented by broad based market dislocations.

The Investment Manager intends to manage the net exposure of the Fund's Net Asset Value within the anticipated range of 100% short and 500% long of the Fund's Net Asset Value. The anticipated long/short range per sub-strategy is also outlined below.

The sub-strategies are expected to substantially comprise long and short investment positions in the credit and/or equity securities of Corporates and their associated derivatives, and include:

Long/Short Equity Investing: In applying a long/short equity investment sub-strategy, the Fund will seek to take long positions in securities through a combination of the direct purchase and/or through FDIs, which, in the Investment Manager's opinion, are undervalued relative to their fundamental value and take synthetic short positions in securities that are perceived to be over-valued. The Fund will take synthetic short exposure by entering into FDI such as forwards, options, credit default swaps, equity swaps or convertible bond swaps as further outlined in the section entitled 'Further Detail on the Use of Financial Derivative Instruments', whereby the Fund sells the economic exposure to securities that the Investment Manager considers are overvalued or whose value is expected to move in opposite direction of other investments held by the Fund.

Long/short investment opportunities are uncovered by the Investment Manager through detailed fundamental analysis which seeks to identify market misperceptions on the prospects of a Corporate. Such long short equity investments are expected to either have low overall market exposure (a low net long short strategy) or where the market exposure is actively managed over the cycle taking into consideration expected overall market developments (a variable biased long short strategy). A disciplined investment research process is operated by the Investment Manager, which is driven by extensive proprietary analysis (including research and valuation) and meetings with management of Corporates in order to locate opportunities where the assessment of a Corporate and its securities differs from the market perception of the Corporate and the security prices.

The Investment Manager intends to manage the net exposure of the percentage of the Fund's Net Asset Value allocated to this sub-strategy within the anticipated range of -30% short and 30% long of the Fund's Net Asset Value.

Long/Short Credit Investing: In applying a long/short credit investment sub-strategy, the Fund will invest in long or synthetic short exposure to the credit risk of Corporates via credit default swaps (described in the section entitled 'Further Detail on the Use of Financial Derivative Instruments' below) following fundamental credit analysis of Corporates by the Investment Manager on both an absolute and relative basis as described below. The Fund will invest in credit default options to provide downside protection. A credit default option is an option to buy protection (payer option) or sell protection (receiver option) as a credit default swap on a specific reference credit with a specific maturity. The Fund may also utilise credit default swap indices ('**CDX**') to take long or synthetic short exposure. A CDX is an exchange-traded index comprised of credit default swaps and buying or selling the index enables investors to take exposure to or hedge against the credit risk of the certain market.

The Investment Manager's research will seek to identify various quantitative factors such as cash generation, debt profile, growth prospects, profitability, asset coverage and cash flow generation together with qualitative factors such as management, business environment, competition and corporate governance to analyse the credit of Corporates and identify investment opportunities in those securities. The Investment Manager will also take into consideration factors such as the level of credit spreads, market supply and demand imbalances of credits and liquidity. The sub-strategy is expected to use credit default swaps as alternatives to acquiring corporate debt securities directly, where such investment enables a perceived more efficient, less costly, or less risky way of investing in the corporate debt securities identified.

Depending on market conditions and the Investment Manager's views on future outlook, the Fund may, at times, pursue a long bias within this sub-strategy.

The Investment Manager intends to manage the net exposure of the percentage of the Fund's Net Asset Value allocated to this sub-strategy within the anticipated range of 50% short and 400% long of the Fund's Net Asset Value.

Convertible Securities Investing: As part of this the sub-strategy the Fund will invest in a diversified portfolio of convertible bonds, with a focus on Convertible Securities issued by Corporates with sound fundamentals. The Fund will also utilise FDI as part of this sub-strategy, including ASCOTs. It is not anticipated that the Fund's cumulative exposure to ASCOTs and warrants will exceed 10% of the Fund's Net Asset Value. The investment in convertible bond securities will seek to capitalise on the combination of downside default protect and upside potential to achieve returns despite market movements or defaults. Downside protection is offered by the fixed income characteristics of yield and capital repayment as well as hedging, and upside potential is due to the prospect of capital appreciation as the underlying stock prices rise.

The Fund will seek to invest in Convertible Securities exhibiting balanced characteristics (i.e., moderate equity sensitivity, moderate yield to maturity with a low fixed income component), utilising bottom-up fundamental analysis to identify undervalued convertibles with positive asymmetry. A convertible security with positive asymmetry should participate in a higher percentage of the upside potential compared with a lower percentage of the downside potential associated with the underlying equity. Due to the fixed income component, Convertible Securities exhibit lower volatility than their underlying securities. To further reduce the down-side risk of falling stock prices and achieve absolute returns, the Fund may enter into equity swaps on certain stocks underlying the Fund's Convertible Securities. To reduce the down-side risk of defaults, the Fund may enter into credit default swaps on certain issuers of Convertible Securities.

For the avoidance of doubt, the Fund will not invest in Contingent Convertible Securities.

The Investment Manager intends to manage the net exposure of the percentage of the Fund's Net Asset Value allocated to this sub-strategy within the anticipated range of 0% short and 70% long of the Fund's Net Asset Value.

Event Driven Arbitrage Investing: This sub-strategy seeks to capitalise on pricing inefficiencies that occur around corporate events. Such inefficiencies offer arbitrage opportunities, investing on a long and synthetic short basis in closely related securities in order to isolate and capitalise on the pricing inefficiency between those securities with an overall minimised market exposure. The Fund will take synthetic short exposure by entering into FDI such as futures and options on futures, as further outlined in the section entitled 'Further Detail on the Use of Financial Derivative Instruments'. The most frequent event driven arbitrage investment sub-strategy is expected to be merger arbitrage, which invests in the securities of companies that are involved in a takeover, merger or other related transactions. The arbitrage opportunity arises as a result of the difference between the market value of the target company and the value presented by the offeror. The risk arises from the conditions that are imposed by the offeror, which must be satisfied before the transaction is consummated, and external factors including, for example, regulatory approvals. The sub-strategy shall seek to profit from investments in merger arbitrage situations where the risks are substantially different from those implied by the prevailing market prices of the securities of the relevant companies. As part of event driven arbitrage investing the Fund will primarily invest in common stock, preferred stock (and derivatives on these securities), equity options and equity index futures. Other event driven arbitrage investment sub-strategies include:

i. share class arbitrage whereby the Fund may purchase one class of common stock or preferred stock of a company to capture the spread between the market price of that class as against the market price of another class of common stock or preferred stock in the same company; and
ii. spin-off arbitrage whereby the Fund may seek to benefit from pricing discrepancies arising as a result of spin-offs (in which part of a company splits away).

Within and across all the sub-strategies, portfolio construction and risk management techniques are utilised by the Investment Manager to manage market, sector, factor and idiosyncratic risk within the sub-strategies, and to seek to maintain sufficient liquidity within the Fund at all times. Risk management is the Investment Manager's overarching focus in constructing the portfolio of the Fund and in the ongoing management of the Fund. The Investment Manager's independent risk management process also applies tools to facilitate the understanding and management of risks in the Fund.

The sizing of individual positions is primarily a function of the Investment Manager's evaluation of the future rate of change and the application of a risk analysis designed to maximise returns for a minimal level of risk to the Fund's capital. This is supplemented by the application of the Investment Manager's firm-wide risk disciplines monitored by the Investment Manager's risk management team.

Risk is sought to be controlled by diversification, including a rigorous analysis of the balance between the long and synthetic short positions. The Investment Manager may diversify the Fund's investments across different countries, may invest in different industry sectors and will comply with the risk diversification rules specified in Appendix I of the Prospectus.

The Investment Manager intends to manage the net exposure of the percentage of the Fund's Net Asset Value allocated to this sub-strategy within the anticipated range of 0% short and 80% long of the Fund's Net Asset Value.

Integration of Sustainability Risks

The Fund is categorised as an Article 6 product pursuant to the Sustainable Finance Disclosure Regulation ((EU) 2019/2088) ("**SFDR**"). In managing the Fund's portfolio, the Investment Manager takes into account sustainability risks and the potential impact of such risks on the Fund's returns. A sustainability risk is an environmental, social or governance ("**ESG**") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment (sustainability risks are referred to herein as "**ESG risks**").

Given the investment strategy of the Fund, the Investment Manager focuses on potential governance risks, considering in particular board composition (including age, gender, ethnicity and experience), division of management responsibilities, hiring practices and approach to executive remuneration, as well as studying previous behaviours of executive management, treatment of stakeholders and historic approach to sustainability issues.

The Investment Manager generally makes use of ESG data provided by third parties and its own ESG analysis as part of its research process in order to evaluate issuers within its investible universe, both prior to investing and once a position is held. The investible universe is continuously evaluated and maintained, applying current ESG and market data. Prior to acquiring investments on behalf of a Fund, the Investment Manager uses ESG metrics of third party data providers such as Bloomberg, MSCI or CreditSights in order to screen the relevant investment against ESG Risks and to identify whether it is vulnerable to such risk.

The Investment Manager generally considers ESG Risks throughout the course of the investment process and ongoing monitoring of investments for the Fund. ESG Risks are evaluated alongside other risk factors in respect of the Fund and the review of ESG Risks forms part of the broader risk management framework. Even where ESG Risks have been identified, the Fund may still make an investment if it is believed that the ESG Risks can be effectively managed or mitigated and/or the potential returns outweigh the ESG Risks.

Due to the diverse range of assets in which the Fund invests, the types of ESG Risks, the methodology for integrating them within the investment process and the extent to which they are considered by the Investment Manager will vary depending on the particular sub-strategy of the Fund and the investments made.

ESG considerations are utilised differently depending on the relevant sub-strategy as follows:

Long/Short Equity Investing: ESG forms part of the Investment Manager's ongoing company news-flow monitoring and ESG risks also form part of its dialogue with the management of existing, as well as prospective, portfolio companies.

Long/Short Credit Investing: The ESG risk assessment by the Investment Manager's research team is synthesised with other credit considerations to determine a weighting relative to the maximum possible position size (adjusted for liquidity considerations) which the research team deems appropriate, with such weighting being applied to each credit in the Fund's investible universe.

Convertible Securities Investing: the Investment Manager focuses on governance considerations (similar those listed above) and short-term environmental risks in particular, including, but not limited to, evaluating board composition, separation of chairperson and chief executive officer roles, gender composition (especially at board and senior management levels), shareholder structure and control of largest shareholder(s), workplace standards and accidents, energy efficiency, water pollution and waste management, as well as steps taken to mitigate any of the foregoing and potential regulatory changes in these areas.

Event Driven Arbitrage Investing: Extensive analysis is undertaken into ESG risks associated with a particular transaction. The Investment Manager's research team incorporates an ESG risk assessment when seeking to capitalise from a risk arbitrage situation.

To the extent that the Investment Manager concludes that there is an ESG risk associated with an investment which could cause an actual or a potential material negative impact on the value of the Fund's portfolio, the Investment Manager will assess the likelihood of that ESG risk occurring against the potential financial advantage from making the investment. If the potential financial advantage is assessed to outweigh the actual or potential material negative impact which could be caused by the ESG risk, then the Investment Manager will typically still make the investment.

By taking ESG risks into consideration during its investment decision making process, the intention of the Investment Manager is to manage such ESG risks in a way that they do not have a material impact on the performance of the Fund. However, no assurance can be given that the Investment Manager will be able to avoid and/or mitigate the impact of ESG risks on the Fund and losses may be incurred. A description of certain ESG risks which may be particularly relevant to the Fund's investment strategy are set out under the "Risk Factors" section of the Prospectus.

Although the Manager and the Investment Manager take into account ESG risks and other ESG factors as part of the investment process for the Fund, the Manager does not currently consistently evaluate the adverse impacts of investment decisions made on a uniform set of sustainability factors with respect to the Fund for the purposes of the SFDR, given that the regulatory environment in which the Manager is operating is evolving, with guidance from competent authorities still developing regarding how ESG factors and their adverse impacts are defined and evaluated. In light of these circumstances, the Manager, in conjunction with the Investment Manager, keeps under review its approach to adverse sustainability impacts and their consideration as part of the investment process.

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable activities.

Further Detail on the Use of Financial Derivative Instruments

The Investment Manager may use futures, forwards, equity swaps, convertible bond swaps, options and Credit Default Swaps, including both exchange traded and over the counter FDI, to achieve the Fund's investment objective and to hedge risks in the Fund. The Fund may also use futures and forwards to hedge currency and interest rate exposures. The underlying reference assets to such FDI will be the instruments listed in the Investment Policy section above together with interest rates, indices and currencies.

Where the Fund invests in FDI that are based on indices, such indices will be consistent with the investment policies of the Fund and in most instances will not be rebalanced more frequently than monthly. It is not anticipated that such rebalancing will increase Fund costs or impact the Fund's ability to comply with its investment restrictions. Details of any such indices used will be disclosed in the periodic reports of the Fund. Where the weighting of a particular constituent in the index exceeds the UCITS investment restrictions, the Investment Manager will as a priority objective look to remedy the situation taking into account the interests of Shareholders and the Fund.

A description of each such instrument is set out below:

Credit Default Swaps

When using Credit Default Swaps, the Fund will achieve long credit exposure by being the "protection seller" and short credit exposure by being the "protection buyer." Credit Default Swaps may be used by the Fund to take long credit exposure to a Corporate by entering into Credit Default Swaps by selling protection against a default in anticipation of a stable or improving credit position in a particular Corporate. Conversely, the Fund may take short credit exposure to a Corporate by entering into Credit Default Swaps by buying protection against a default in anticipation of a deteriorating credit position or default of a particular Corporate.

The Fund may also enter into credit default swaps on baskets of credits or indices. The Fund expects to use Credit Default Swaps for long exposure to individual Corporates and may also take synthetic short positions on individual Corporates or indices, either as a hedge against a long position or for investment purposes.

The Investment Manager may use Credit Default Swaps as an alternative to acquiring underlying securities, either alone or in conjunction with the securities, when such investment may be accomplished in a more efficient, less costly or less risky way through the use of such Credit Default Swaps. Credit Default Swaps may also be used to maintain or reduce exposure to the market while managing the cash flows from subscriptions and redemptions into and out of the Fund more efficiently than by buying and selling underlying securities.

The Investment Manager may utilise Credit Default Swap options when seeking to reduce risk and protect the Fund from credit spread widening events and elevated market volatility. Such hedging transactions typically involve purchasing Credit Default Swap options which pay out on significant widening events and which are intended to offset losses on the Fund's long CDS portfolio in such circumstances.

Futures

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures may be used (i) to assist in achieving the Fund's interest rate duration profile; (ii) for the purpose of hedging foreign exchange or interest rate risk arising when investments are denominated in a currency other than the Fund's Base Currency; or (iii) for the purpose of share class hedging.

Currency Forwards

In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Foreign currency forwards may be used for the purpose of hedging foreign exchange risk arising when investments are denominated in a currency other than the Fund's Base Currency or to hedge the value of certain classes of Shares in the Fund against changes in the exchange rate between the currency of denomination of the class of Shares and the Base Currency of the Fund.

Options

Options are contracts whereby the holder has the right but not the obligation to either purchase (call option) or sell (put option) to the counterparty (or to the exchange for exchange traded options) an underlying investment for a specified price (the strike price) on a specified date or during a period to expire on a specified date. Such underlying investments may be specific securities, indices or any indebtedness of a Corporate.

Options on futures

An option on future is a contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the option, such as buying a specified quantity of a particular future contract on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. Since the option gives the buyer a right and the seller an obligation, the buyer pays the seller a premium.

Swaps

In a standard swap transaction, two parties agree to exchange returns (or differentials in rates of return) calculated with respect to a notional amount. Swaps in which the Fund may invest include equity and convertible bond swaps.

Equity Swaps: An equity swap contract gives the holder the economic benefits of a notional holding of an underlying security or basket of securities, in exchange for an interest stream representing the financing cost for the notional value of that security or basket of securities. A swap can be a 'long' exposure, where the holder is receiving the economic benefits of the underlying security from the other party or a 'short' exposure where the holder is paying the economic benefits of the underlying security to the other party. The Fund may enter into equity swaps to achieve both long and short exposure. Equity swaps may include equity index swaps.

Convertible Bond Swaps: A convertible bond swap is an asset swap whose underlying is a convertible bond. It is a combination of an asset swap and a call option on a convertible bond. The buyer of the bond sells a call option on the underlying bond to the issuer and enters into a swap under which the option buyer receives the bond coupon and pays a floating rate. The swap terminates when the call expires or is exercised.

ASCOTs

The ASCOT is a transaction that allows convertibles to be managed more effectively from a risk perspective, as fixed income risk is separated from equity risk. The ASCOT investor buys undervalued convertibles in the market and sells on the fixed income component. The resultant equity stub (ASCOT Stub) is retained and carries the right to recall the bonds and convert into the underlying shares. An ASCOT is effectively an American-style over-the-counter call option to repurchase a convertible bond. The attraction of ASCOT transactions are (i) removal of credit risk - ASCOTs remove the credit risk of the issuer and (ii) ASCOTs give the same upside exposure to direct investment in convertible bonds but with a smaller initial outlay.

Warrants

Warrants give the holder the right but not the obligation to buy or sell a specific amount of securities, most commonly an equity or convertible bonds, at a set price in the future. Warrants can be traded over-the-counter or traded on exchanges. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument or to gain exposure to a particular market or financial instrument instead of using a physical security.

Risk Management

The Investment Manager operates a risk management process on behalf of the Fund in relation to its use of FDI which allows it to accurately measure, monitor and manage the various risks associated with FDI and other investments, and which is intended to ensure that the Fund's investments including FDI exposure remains within the limits described below. This risk management process also takes into account any exposure created through FDI embedded in investments held by the Fund.

The risk management process is described in a statement, a copy of which has been filed with the Central Bank, and which will be updated from time to time to include any additional financial derivative instruments which the Investment Manager proposes to employ on behalf of the Fund ("**Risk Management Process**"). Until such time as the risk management statement has been updated, however, the Investment Manager will not use any financial derivative instrument which is not for the time being included in the Risk Management Process.

As per the Risk Management Process, leverage and exposure in the Fund will be primarily controlled through the daily analysis and limitation of the Fund's Value at Risk ("**VaR**"). VaR is an estimate of the maximum daily loss the Fund is likely to suffer on any given day, or over a specified holding period, based on its current holdings, with a given level of confidence. The Absolute VaR of the Fund will not exceed 20% of the Fund's Net Asset Value. The VaR will be calculated to a one-tailed 99% confidence interval and a 20 day holding period and using an effective observation period of risk factors of at least 250 business days. The measurement and monitoring of all exposures relating to the use of FDI will be performed on at least a daily basis.

The Fund's gross leverage, calculated on the basis of the notional values of the derivatives, will generally not exceed 1000% of the Fund's Net Asset Value. In normal market conditions, leverage is expected to range between 300% and 800% of the Fund's Net Asset Value. These leverage figures are calculated as the sum of the notionals of derivatives acquired by the Fund, it is not, however, an indicator of economic leverage within the Fund and may appear high, as it does not take into account the effect of any netting or hedging arrangements that the Fund may adopt. The use of leverage can increase the potential return on investment and may assist the Fund to achieve its investment objectives and policies. However, leverage can also magnify losses incurred by the Fund, particularly during periods of adverse market conditions.

The level of FDI leverage calculated using the commitment approach is expected to range between 250% and 600% of the Fund's Net Asset Value and will generally not exceed 800% of the Fund's Net Asset Value. The level of leverage calculated using the commitment approach is lower than that calculated using the sum of the notional exposure of derivatives being utilised by the Fund because the level calculated using the commitment approach does take into account any netting and hedging arrangements. Disclosure with respect to level of leverage calculated using the commitment approach has been included for reference purposes only and the commitment approach is not utilised as a supplementary leverage calculation methodology within the Fund's risk management policy.

The range in the level of leverage may result from the investments acquired by the Fund and the varying use of FDI that are used to alter the Fund's exposures. The use of leverage can increase the potential return on investment and may assist the Fund achieve its investment objectives and policies.

VaR is a methodology that is used to estimate the risk or probability of losses in a portfolio. It is based on statistical analysis of historical price trends and volatilities and is designed to predict the likely scale of losses that might be expected to occur in a portfolio over a given period of time.

VaR has some limitations which result from the methodology's reliance on historical data and estimated correlations between portfolio holdings, which may not be an accurate predictor of future market conditions, particularly where the Fund experiences abnormal market conditions. An additional limitation of VaR is its focus on market risk as it does not measure other risks that may impact the Net Asset Value of the Fund. For example, VaR does not take into account liquidity risk.

Although the Fund utilises the Absolute VaR methodology there is no guarantee that this methodology captures the Fund's entire risk profile as generated through the Fund's investments, including the use of derivatives. In particular, in abnormal market conditions the VaR methodology may not be a reliable measure of risk and investors may suffer significant financial losses.

In order to protect investors, particularly under abnormal market conditions where the VaR methodology may not be an accurate measure of the Fund's risk profile, the Investment Manager may reduce the leverage in the portfolio by choosing to invest a greater proportion of the Fund's assets in cash or cash equivalents.

Information on FDI used for the Fund will be included in the Company's semi-annual and annual reports and accounts. The Company or the Manager will also provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Fund's behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investments held on behalf of the Fund.

Currency Hedging

The Base Currency of the Fund is the US Dollar, although certain investments may be denominated in currencies other than US Dollars. The Investment Manager may, but is not obliged to, hedge such foreign currency exposure of the Fund to currencies other than the Base Currency of the Fund through the use of certain FDI as listed above in order to reduce exposure to currency fluctuations.

In addition, the Shares issued in a currency other than the Base Currency of the Fund are exposed to possible adverse currency fluctuations between the currency in which such Shares are issued and the Base Currency of the Fund. The Investment Manager seeks to hedge this exposure with the aim of minimising the impact on the Net Asset Value per Share of the non-US Dollar denominated Classes.

Although the Investment Manager intends to seek to hedge such foreign currency exposure, there can be no assurance that the techniques used will be effective.

The mechanism of such hedging and risks and limitations of such currency hedging are disclosed in the Prospectus under the section entitled "*Class Currency Hedging*".

Profile of a Typical Investor and Target Market Identification

The Central Bank requires the Company to disclose in the Prospectus or Supplement the profile of a typical investor for whom that Fund is designed.

The Fund may suit investors looking for a moderately risky alternative investment strategy to complement an existing core portfolio, or investors looking for diversified exposure across credit and equity securities of Corporates and who are prepared to accept moderate levels of volatility.

The investments of the Fund are subject to market fluctuations and other risks inherent in investing in securities

Separately, distributors that are subject to the requirements of MiFID II are required to have in place adequate arrangements to obtain all appropriate information on the products they distribute and their identified target markets. To assist such distributors, information has been or may be provided to such distributors (as relevant) on what is considered to be the potential target market for the relevant Fund, in accordance with the above profile of a typical investor. The Fund may not be appropriate for investors outside the target market; responsibility for compliance with any applicable MiFID II distribution requirements rests with the relevant distributor.

5. Share Classes

Shares will be issued to investors as Shares of a Class in this Fund. The Directors may, whether on the establishment of this Fund or from time to time, with prior notification to, and clearance by the Central Bank, create more than one Class of Shares in this Fund.

The Directors may in their absolute discretion differentiate between Classes of Shares, without limitation, as to currency denomination of a particular Class, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses or the Minimum Initial Subscription or Minimum Holding applicable. The Directors may in their absolute discretion waive the Minimum Initial Subscription or Minimum Holding requirement.

At the date of this Supplement, the following Classes of Shares in the Fund are available for subscription:-

Class of Share	Currency	Minimum Initial Subscription	Manageme nt Fee	Performance Fee	Minimum Holding
Class A1	USD	US$100,000	1.00%	15%	US$50,000
Class A2	EUR	€100,000	1.00%	15%	€50,000
Class A3	GBP	£100,000	1.00%	15%	£50,000
Class A4	CHF	CHF100,000	1.00%	15%	CHF50,000
Class B1	USD	US$100,000	1.50%	20%	US$50,000
Class B2	EUR	€100,000	1.50%	20%	€50,000
Class B3	GBP	£100,000	1.50%	20%	£50,000

Class B4	CHF	CHF100,000	1.50%	20%	CHF50,000
Class X1	USD	$100,000	None	None	US$35,000,000
Class X1	EUR	€100,000	None	None	€35,000,000

Class A Shares will be open for subscription until the Fund has €250 million under management or such earlier or later time as the Directors may determine.

Class X1(€) and Class X1(US$) Shares may only be offered to institutional investors, in certain limited circumstances, at the discretion of the Investment Manager. Class X1(€) and Class X1 (US$) Shares are, inter alia, designed to accommodate an alternative charging structure whereby a fee for the management of the assets attributable to Class X1(€) and Class X1 (US$) Shares of the Fund is levied and collected by the Investment Manager directly from an investor who is a client of the Investment Manager and who has entered into a specific agreement with the Investment Manager. These fees will, therefore, not be payable out of the net assets of the Fund attributable to Class X1(€) and Class X1 (US$) Shares. As a result, the Management Fee and the Performance Fee in the above table is listed as "None." Class X1(€) and Class X1 (US$) Shares will, however, bear their pro-rata share of any other applicable Fund expenses as further described below and in the section of the Prospectus entitled "Fees and Expenses".

The Directors may, in response to an investor request, determine to elect for "UK reporting fund" status for any Class. A list of Classes in respect of which the Directors have elected for "UK reporting fund" status is available from the Investment Manager upon request.

6. Initial Offer

The Classes of Shares are being offered to investors at an initial price as set out below during the initial offer period which will commence on 2 August 2022 and will conclude on the earlier of (i) the first investment by a Shareholder in that Class or (ii) on 2 February 2023.

The initial offer price for Shares in any unlaunched Classes is as follows:

- USD$100 for USD$ denominated Classes
- EUR€100 for EUR€ denominated Classes
- GBP£100 for GBP£ denominated Classes
- CHF100 for CHF denominated Classes.

7. Application for Shares

Applications for Shares may be made to the Administrator (whose details are set out in the Application Form).

Following the relevant initial offer period, applications received by the Administrator prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day, provided that such applications have been received prior to the Valuation Point for the particular Dealing Day.

Initial applications should be made using the Application Form but may, if the Directors so determine, be made by facsimile or other electronic means subject to prompt transmission to the Administrator of the original signed Application Form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate. Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by facsimile or other electronic means without a requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the Directors or their delegate. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

Fractions

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than ·01 of a Share.

Subscription monies, representing less than ·0001 of a Share will not be returned to the investor but will be retained by the Company in order to cover administration costs.

Method and Timing of Payment

Payment in respect of subscriptions for all Share Classes must be received by the Administrator no later than one Business Days after the relevant Dealing Day provided that the Directors reserve the right to defer the issue of Shares until receipt of subscription monies by the Fund.

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank account specified in the Application Form. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

If payment in respect of a subscription has not been received by the relevant time, the Directors or their delegate may cancel the allotment and/or charge the investor interest at the SONIA rate +2% to be reimbursed to the Administrator together with an administration fee of €100, which is payable to the Fund. The Directors may waive such administration fee of €100 in whole or in part. In addition, the Directors have the right to sell all or part of the investor's holding of Shares in the Fund or any other Fund of the Company in order to meet such charges.

Currency of Payment

Subscription monies are payable in the currency of the relevant Share Class. If an application is made in a currency other than the currency of the relevant Share Class a foreign exchange deal will, at the risk and expense of the investor, be placed by the Administrator on behalf of the investor to convert such currency to the currency of the relevant Share Class at the then prevailing exchange rate available to the Administrator. Only the net proceeds (after deduction of the conversion expenses) will be applied towards payment of the subscription monies and neither the Manager, the Investment Manager or Administrator will be responsible for the exchange rate that applies upon such currency conversion. Foreign exchange deals may be aggregated. Settlement must be made in the currency in which the order was placed.

At the discretion of the directors, subscriptions may be accepted on an "in specie" basis in accordance with the requirements of the Company as specified in the section entitled *"In Specie Subscriptions"* in the Prospectus.

Confirmation of Ownership

Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued, however, written confirmation of entry on the register in respect of each purchase of Shares will be sent to Shareholders within 48 hours of the allotment of Shares being made.

8. Redemption of Shares

Requests for the redemption of Shares should be made to the Administrator (whose details are set out in the Application Form) on behalf of the Company by facsimile, written communication or other electronic means and should include such information as may be specified from time to time by the Directors or their delegate.

Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Directors in their absolute discretion determine otherwise provided that such redemption request(s) have been received prior to the Valuation Point for the particular Dealing Day. Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. No redemption payment will be made from an investor holding until the original Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

The minimum value of Shares which a Shareholder may redeem in any one redemption transaction is €2,000 (or its US$/£ equivalent). In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares of a Class having a Net Asset Value less than the relevant Minimum Holding, the Company may, if it thinks fit, redeem the whole of the Shareholder's holding.

It is not the current intention of the Directors to charge a redemption fee. However, the Directors are empowered to charge a redemption fee of up to 3% of the redemption monies and may exercise their discretion in this respect. The Directors may differentiate between Shareholders of the Fund by waiving or reducing the redemption fee chargeable to certain Shareholders. The Directors will give not less than one month's notice to Shareholders of their intention to introduce a redemption fee generally. In the event of a redemption fee being charged, Shareholders should view their investment as medium to long term.

Method of Payment

Redemption payments will be made to the bank account detailed on the Application Form or as subsequently notified in writing to the Administrator (provided any such account is in the name of the Shareholder). Redemption payments will only be made to the account of record of a registered Shareholder.

Currency of Payment

Shareholders will be repaid in the currency of the relevant Share Class. Where settlement is to be made in a currency other than the currency of the relevant Share Class a foreign exchange deal will be placed by the

Administrator on behalf of the Shareholder to convert the currency of the relevant Share Class to such other currency at the then prevailing exchange rate available to the Administrator. Only the net proceeds (after deduction of the conversion expenses) will be applied towards payment of the redemption proceeds.

Timing of Payment

Redemption proceeds in respect of all Shares Classes will typically be paid within 3 Business Days of the Dealing Deadline for the relevant Dealing Day, and in any event within ten Business Days of the Dealing Deadline, provided that all the required documentation has been furnished to and received by the Administrator.

Withdrawal of Redemption Requests

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

Compulsory/Total Redemption

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings “Compulsory Redemption of Shares” and “Total Redemption of Shares”.

9. Single Swinging Price

Shares will be issued and redeemed at a single price (the “Price”) (excluding subscription or redemption charges, if any) which will be the Net Asset Value per Share, which may, in exceptional circumstances at the Directors’ discretion, be adjusted on any Dealing Day in the manner set out below, depending on whether the Directors consider it appropriate and whether or not the Fund is in a Net Subscription Position or in a Net Redemption Position on such Dealing Day, to arrive at the Price. Where there is no dealing on the Fund or Share Class of the Fund on any Dealing Day, the Price will be the unadjusted Net Asset Value per Share rounded to four decimal places. The basis on which the assets of the Fund are valued for the purposes of calculating the Net Asset Value per Share is set out in the Prospectus under the heading “Calculation of Net Asset Value”. This provides that listed investments will be valued based on the closing mid-market price of such investment. However, the actual cost of purchasing or selling assets and investments for the Fund may deviate from the mid-market price used in calculating the Net Asset Value per Share due to dealing charges, taxes and other similar costs (“Duties and Charges”) and the difference between buying and selling prices of the underlying investments (“Spreads”). These costs have an adverse effect on the value of the Fund and are known as “dilution”.

The dilution adjustment, if applied at the discretion of the directors, will involve adding to, when the Fund is in a Net Subscription Position, and deducting from, when the Fund is in a Net Redemption Position, the Net Asset Value per Share such figure as the Directors consider represents an appropriate figure to meet Duties and Charges and Spreads in order to preserve the value of underlying investments for Shareholders. The resultant amount will be the Price rounded to four decimal places. Where a dilution adjustment is made, it will increase the Price when the Fund is in a Net Subscription Position and decrease the Price when the Fund is in a Net Redemption Position. The Price of each Class in the Fund will be calculated separately but any dilution adjustment will in percentage terms affect the Price of each Class in an identical manner.

10. Conversion of Shares

Subject to the Minimum Initial Subscription and Minimum Holding of the relevant Fund or Classes, Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading “Conversion of Shares”.

11. Suspension of Dealing

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading “Suspension of Valuation of Assets”. Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

12. Fees and Expenses

The fees and operating expenses of the Company are set out in detail under the heading "Fees and Expenses" in the Prospectus.

The Management Fee payable by the Fund to the Manager, Investment Manager and/or the Investment Advisor in respect of each Class of Shares in the Fund is set out under Section 5 of this Supplement under the heading “Share Classes”. The total Management Fee payable cumulatively to the Manager, the Investment Manager and/or the Investment Advisor is 1.00% for Class A Shares and 1.50% for Class B Shares which total will be allocated between the Manager, the Investment Manager and/or the Investment Advisor as agreed between these parties from time to time. For the avoidance of doubt, the Investment Advisor will have no investment discretion.

The Manager, the Investment Manager and the Investment Advisor are entitled to be reimbursed by the relevant Fund for all of their out-of-pocket expenses and vouched internal legal costs reasonably incurred on behalf of the Fund.

Performance Fee

Notwithstanding anything to the contrary in the Prospectus, in respect of Class A Shares, a Performance Fee shall be payable equal to 15% of the increase in the Net Asset Value of the relevant Class over the High Water Mark during a Performance Period. The performance fee will be calculated net of costs without deducting the performance fee itself. The initial Performance Period shall commence on the first Business Day after expiry of the initial offer period and shall finish on 31 December, or the last Business Day, in the following calendar year.

In respect of Class B Shares, a Performance Fee shall be payable equal to 20% of the increase in the Net Asset Value of the relevant Class over the High Water Mark during a Performance Period, disregarding any uncrystallised Performance Fee to the extent it is in Shareholders’ best interests. The initial Performance Period shall commence on the first Business Day after expiry of the initial offer period and shall finish on 31 December, or the last Business Day, in the following calendar year.

The Performance Fee shall be calculated and accrued in accordance with the provisions set out in the Prospectus under the heading “*Performance Fee*”.

Please refer to the Schedule to this Supplement for an example of the calculation of the Performance Fee. The tabulation is provided as an illustration for information only. The tabulation does not constitute any warranty as to success and is qualified in its entirety by the express provisions of the Prospectus and this Supplement.

Adjustment Due to Deficit and Premium Subscriptions

(a) <u>Deficit Subscriptions</u>

Where an investor subscribes for Class A Shares and Class B Shares at a time when the Net Asset Value per Share is less than the relevant High Water Mark, then an adjustment is required to reduce inequalities that may otherwise result to the respective investor, the Manager, the Investment Manager or the Investment Advisor (as appropriate) on such basis as agreed between these parties from time to time (an "**Equalisation Debit**").

Where Class A Shares or Class B Shares are subscribed at a time when the Net Asset Value per Share is less than the relevant High Water Mark, no Performance Fee will be accrued in respect of such Shares until the High Water Mark has been recovered. Accordingly, new Shareholders will, in effect, be required to pay an equivalent Performance Fee with respect to any subsequent appreciation in the Net Asset Value per Share until the relevant High Water Mark has been reached. This will be achieved by the Company having the power to redeem a portion of that Shareholder's holding of Class A Shares or Class B Shares for no consideration and to pay an amount equivalent to the relevant Performance Fee to the Investment Manager at the end of the relevant Performance Period. After the High Water Mark has been achieved, the Performance Fee relating to such Shares will be calculated and levied in the same manner as for all other Class A Shares or Class B Shares.

(b) <u>Premium Subscriptions</u>

Where Class A Shares or Class B Shares ("**Premium Shares**") are purchased at a time when the Net Asset Value per Share is greater than the High Water Mark (a "**Premium Subscription**"), a portion of the subscription amount equal to the accrual then in place per Share in respect of the Performance Fee shall be allocated to the prospective investor as an equalisation credit (an "**Equalisation Credit**"). The Equalisation Credit is designed to ensure that all Shareholders of a Class have the same amount of capital at risk per Share.

The Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the Class subsequent to the subscription. In the event of a decline in value below the Net Asset Value per Share at subscription, the Equalisation Credit due to the Shareholder will reduce in line with the Performance Fee accrual for other Shares, namely by an amount equal to the relevant percentage of the amount of the loss on a per Share basis until the Equalisation Credit is exhausted. Subsequent appreciation in the value of the Premium Shares will result in a recapture of any Equalisation Credit lost due to such reductions, but only to the extent of the previously lost Equalisation Credit up to the amount paid at subscription (less any part thereof previously applied).

At the end of the relevant Performance Period, an amount equal to the lower of either the Equalisation Credit paid at the time of the Premium Subscription (less any Equalisation Credit previously applied) or 15 per cent / 20 per cent (as the case may be) of the excess of the asset value per Premium Share over the High Water Mark is applied in the subscription for additional Shares for the Shareholder. If any Premium Share is redeemed before the last day in the Performance Period or if the appointment of the Investment Manager is terminated, the Shareholder will receive additional redemption proceeds equal to any Equalisation Credit then remaining in respect of the redeemed Share.

Portfolio Support Fees

The Investment Manager shall be entitled to receive an annual Portfolio Support Fee out of the assets of the Fund, accrued at each Valuation Point and payable monthly in arrears at a rate of 0.08% per annum of the first $200 million of the Net Asset Value of the Fund, 0.06% per annum of the Net Asset Value of the Fund between $200 million and $400 million; 0.04% per annum of the Net Asset Value of the Fund between $400 million and $650 million; and 0.02% per annum of the Net Asset Value of the Fund in excess of $650 million.

The Portfolio Support Fee covers fees incurred in the performance of various middle and back office functions with respect to the Fund. This includes communicating with and providing instructions to the Depositary, the Administrator, borrowers and other service providers to the Fund with regard to trade capture, confirmation and reconciliation, payment and settlement reconciliation, trade collateral and margin, cash payments, loan accruals, net asset value determination, share class hedging, corporate actions, daily operations and other related matters.

Use of Third Party Research and Other Services

The Investment Manager may use research from brokers or a third party research provider ("third party research"). The costs of third party research may be allocated by the Investment Manager on a fair basis among its clients (or groups of its clients) including the Fund (each such allocation a "research charge"). Any such cost allocations will be based on a written policy and annual research budget set by the Investment Manager and agreed by the Manager and the Directors and an assessment of the potential value of third party research to the Investment Manager and such clients. Research charges may be paid into a separate research payment account controlled by the Investment Manager. The Investment Manager may delegate the administration of such account to a third party and arrange for payments to be credited to it in such manner as the Investment Manager considers appropriate. This may include deducting the research charge directly from the Fund's assets and then transferring it into the research payment account at periodic intervals. The purchase of third party research will be subject to control and oversight by the Investment Manager designed to ensure that the research budget is managed and used in the interests of its clients and will include regularly assessing the quality of the research purchased.

The Fund will separately reimburse the Investment Manager for expenses incurred by the Investment Manager in obtaining market data, corporate access, analysis, pricing and valuation services and/or other similar information and/or services for the Fund, up to a maximum of 0.10 per cent. per annum of the average net asset value of the Fund.

Administrator's Fees

The Administrator shall be entitled to receive out of the assets of the Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears, based on the Net Asset Value of the Fund, of up to a maximum of 0.12%, subject to a minimum annual administration fee of €77,000 (plus VAT, if any, thereon) and an additional fee of €1,150 per month for weekly valuations and an additional fee of €1,750 per month for indicative daily valuations (plus VAT, if any thereon). The minimum fee may be fully or partially waived by the Administrator for such period or periods of time as may be agreed between the Manager, the Company and the Administrator from time to time.

In addition to such base remuneration, the Administrator shall also be entitled to charge the Fund fees relating to any additional services required in relation to audit support, tax assistance or investor rebate services, as may be agreed with the Manager, the Company and which shall be charged at normal commercial rates.

The Administrator is also entitled to be reimbursed by the Fund for all of its out-of-pocket expenses reasonably incurred on behalf of the Fund.

Distribution Fees

Distributors may be appointed to distribute and sell Classes of Shares of the Fund. Any such Distributor will be paid by the Manager, the Investment Advisor or the Investment Manager out of their own fees and not out of the assets of the Fund with respect to the Shares they distribute and sell.

Depositary's Fees

The Depositary shall be entitled to receive out of the assets of the Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears, of up to 0.03% (plus VAT, if any thereon) of the Net Asset Value of the Fund subject to a minimum fee. The minimum fee applicable shall be €15,000 per annum where there is no third party sub-custodian used and €21,000 per annum where a third party sub-custodian is used.

The Depositary shall also be entitled to charge the Fund fees relating to any custody or transactional services, as may be agreed with the Company and which shall be charged at standard commercial rates. In addition to such remuneration, the Depositary is entitled to be repaid for all of its out-of-pocket expenses reasonably incurred on behalf of the Fund, including the fees and expenses of any sub-custodian (which shall be at normal commercial rates) and transaction charges (which shall also be at normal commercial rates) levied by the Depositary and which are payable by the Fund.

Establishment Expenses

The costs of establishing the Fund are not expected to exceed €150,000 and will be amortised over a period of 5 years.

Redemption Fee

A redemption fee not exceeding 3% of the redemption monies may be imposed on the redemption of Shares which shall be retained by the Company for its sole use and benefit or as it may determine. The Directors may differentiate between Shareholders of the Fund by waiving or reducing the redemption fee chargeable to certain Shareholders. The Directors do not currently intend to charge any redemption fee and will give one month's notice to Shareholders of any intention to charge such a fee.

Conversion Fee

A conversion fee not exceeding 5% of the Net Asset Value of Shares in the original Fund may be imposed on the conversion of Shares in any Fund to Shares in another Fund and payable into the assets of the original Fund. The Directors may differentiate between Shareholders of the Fund by waiving or reducing the conversion fee chargeable to certain Shareholders.

13. Dividends and Distributions

It is not the current intention of the Directors to pay dividends. The income and earnings and gains of the Fund will be accumulated and reinvested on behalf of the Shareholders. Any change to this dividend policy shall be set out in an updated Supplement and notified to Shareholders in advance.

14. Risk Factors

Investors are referred to the section headed "Risk Factors" in the Prospectus.

Investment Risk

The Fund may invest directly or indirectly in corporate debt securities and therefore will be subject to credit, liquidity and interest rate risks. There can be no assurance that the corporate debt securities in which the Fund invests will not be subject to credit difficulties or other market conditions leading to the loss of some or all of the sums invested in such securities. It is likely that a major economic event, such as a recession or reduction of liquidity in the market could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. Government debt is generally considered to be less exposed to credit risk and liquidity risk than corporate debt.

Sub-Investment Grade Risk

The Fund may be exposed to below investment grade credit exposures. Below investment grade debt may carry a greater risk of default. In addition, below investment grade debt securities tend to be more volatile than higher rated fixed income securities, so that adverse economic events may have a greater impact on the prices of below investment grade debt securities than on higher rated fixed income securities. Please also see "Liquidity Risk" in the section headed "Risk Factors" in the Prospectus.

Credit Default Swaps

The Fund may enter into Credit Default Swaps. A Credit Default Swap is a type of credit derivative which allows one party (the "protection buyer") to transfer credit risk of a reference entity (the "reference entity") to another party (the "protection seller"). The protection buyer pays a periodic fee to the protection seller in return for protection against the occurrence of a number of events experienced by the reference entity. Credit Default Swaps may be used by the Fund to sell protection against the default of Corporates. The Fund will also have the option to purchase protection under a credit default swap in anticipation of a worsening of that Corporate's credit position. The Fund may also enter into Credit Default Swaps on baskets of credits or indices, provided such indices have been cleared in advance by the Central Bank.

Subordination Risk

The Fund may purchase subordinated debt securities (or take exposure to such securities through Credit Default Swaps) which are subject to certain additional risks. Such investments may be structurally or contractually subordinated to substantial amounts of senior indebtedness issued by the Corporate, all or significant portion of which may be secured, which means senior indebtedness would have to be paid-off in full by an issuer before the subordinated debt would be paid. Moreover, such investments may not be protected by financial covenants or limitations upon additional indebtedness. This means that holders of senior indebtedness may have rights to call an event of default or prevent an issuer from incurring additional debt, but that holders of subordinated indebtedness might not have such rights. Such subordinated debt generally provides higher yield than unsubordinated or senior debt.

Imperfect Hedging

Transactions undertaken by the Fund to hedge or reduce risks, including in particular duration or interest rate risks may not perform as intended and may not fully offset the relevant risk.

Highly Volatile Markets

The prices of the investments in which the Fund may invest can be highly volatile, especially in times of market stress. Price movements of the investments and derivative contracts in which the Fund may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearing houses.

Convertible Securities

As the market price of the underlying common stock declines, Convertible Securities tend to trade increasingly on a yield basis and so may not experience market value declines to the same extent as the underlying common stock. When the market price of the underlying common stock increases, the price of a Convertible Security tends to rise as a reflection of the value of the underlying common stock. To obtain such a higher yield, the Fund may be required to pay for a Convertible Security an amount in excess of the value of the underlying common stock.

Dynamic Risk

The Fund will invest in multiple asset classes and will be subject to risks inherent in those individual asset classes. The overall risk depends on the correlation of returns between each asset class and could be adversely affected by a change in those correlations which could result in higher volatility and/or lower diversification. As the Fund may periodically change its allocation across asset classes, it may incur greater transaction costs than a fund with static allocation strategy.

Risk Factors Not Exhaustive

The investment risks set out in this Supplement do not purport to be exhaustive and potential investors should be aware that an investment in the Fund may be exposed to risks of an exceptional nature from time to time.

SCHEDULE

Worked example in respect of Class A Shares in the Fund

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Mid Year 6	Year 7	Year 8
Starting Net Asset Value per Share ("NAV per share")*	$1,000	$1,085	$1,268	$1,100	$1,250	$1,338	$1,300	$1,300	$1,391
Ending NAV per share (before accrual of any Performance Fee)	$1,100	$1,300	$1,100	$1,250	$1,350	$1,300	$1,370	$1,400	$1,500
High Water Mark ("HWM")	$1,000	$1,085	$1,268	$1,268	$1,268	$1,338	$1,338	$1,338	$1,391
Performance Fee per share**	$15	$32	$0	$0	$12	$0	$5	$9	$16
Ending NAV per share (after accrual of any Performance Fee)	$1,085	$1,268	$1,100	$1,250	$1,338	$1,300	$1,365	$1,391	$1,484
Does ending NAV per share exceed the HWM?	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes
Is a Performance Fee payable?	Yes	Yes	No	No	Yes	No	No	Yes	Yes

Adjustment Due to Deficit Subscriptions

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Mid Year 6	Year 7	Year 8
Subscription Price				$1,100					
Investor HWM				$1,100	$1,250	$1,338		$1,338	$1,391
Ending NAV per Share				$1,250	$1,350	$1,300		$1,400	$1,500
Investor Specific Performance				$150	$100	-$38		$62	$109
Investor Specific Performance Fee per Share				$23	$15	$0		$9	$16

Vs. Class Performance Fee per Share				-$23	-$3	$0		$0	$0
Equalisation Credit				-$23	-$3	$0		$0	$0
Investor Carried Forward HWM				$1,250	$1,338	$1,338		$1,391	$1,484
Adjustment due to Premium Subscriptions									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Mid Year 6	Year 7	Year 8
Subscription Price							$1,365		
Investor HWM							$1,365	$1,365	$1,391
Ending NAV per Share								$1,400	$1,500
Investor Specific Performance								$35	$109
Investor Specific Performance Fee per Share								$5	$16
Vs. Class Performance Fee per Share								$4	$0
Equalisation Credit								$4	$0
Investor Carried Forward HWM								$1,391	$1,484

* Initial Offer Price of $1,000

** Performance fee rate of 15%