

PROSPECTUS

ICE GLOBAL CREDIT FUNDS

Société d'Investissement à Capital Variable
established in Luxembourg

ICE CANYON LLC
(INVESTMENT MANAGER)

CARNE GLOBAL FUND MANAGERS (LUXEMBOURG) S.A.
(MANAGEMENT COMPANY)

September 2017

IMPORTANT INFORMATION

IMPORTANT: IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.

Terms not otherwise defined have the meaning set forth in the Definitions section of this Prospectus.

The Directors, whose names appear in the Directory of this Prospectus, accept responsibility for the information contained in this document. The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects at the date hereof and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. The Directors accept responsibility accordingly.

ICE Global Credit Funds (the “**Company**”) is an investment company organised under the laws of the Grand Duchy of Luxembourg as a *société d’investissement à capital variable*, is governed by Part I of the Law and qualifies as a UCITS.

No person has been authorised by the Company to give any information or make any representations in connection with the offering of Shares other than those contained in this Prospectus or any other document approved by the Company or the Management Company, and, if given or made, such information or representations must not be relied on as having been made by the Company.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Prospectus may only be issued with one or more Supplements (each a “**Supplement**”), each containing information relating to a separate Fund. The creation of new Funds requires the prior approval of the CSSF. If there are different classes of Shares representing a Fund, details relating to the separate classes may be dealt with in the same Supplement or in a separate Supplement for each class. The creation of further classes of Shares will be effected in accordance with the requirements of the CSSF. This Prospectus and the relevant Supplement should be read and construed as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement) and the key investor information document (the “**KIID**”). The latest audited annual report and accounts and the latest unaudited semi-annual report may be obtained from the offices of the Administrator. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

The provisions of the Articles are binding on each of its Shareholders (who are taken to have notice of them).

This Prospectus is based on information, law and practice currently in force in Luxembourg (which may be subject to change) at the date hereof. The Company cannot be bound by an out of date Prospectus when it has issued a new Prospectus, and investors should check with the Administrator that this is the most recently published Prospectus.

Restrictions on Distribution and Sale of Shares

Denmark – The Danish Financial Supervisory Authority has received proper notification of the marketing of the Shares to investors in Denmark in accordance with the Danish Investment Associations Act and the executive orders issued pursuant thereto. This Prospectus does not constitute a prospectus under Danish securities law and consequently is not required to be nor has been filed with or approved by the Danish Financial Supervisory Authority, as this Prospectus either (i) has not been prepared in the context of a public offering of securities in Denmark or the admission of securities to trading on a regulated market within the meaning of the Danish Securities Trading Act or any executive orders issued pursuant thereto, or (ii) has been prepared in the context of a public offering of securities in Denmark or the admission of securities to trading on a regulated market in reliance on one or more of the exemptions from the requirement to prepare and publish a prospectus in the Danish Securities Trading Act or any executive orders issued pursuant thereto. Any resale of the Shares to investors in Denmark will constitute a separate offer of the Shares under Danish securities law, including its prospectus regulation, and accordingly such resale must either (i) not constitute a public offering of securities in Denmark or the admission of securities to trading on a regulated market within the meaning of the Danish Securities Trading Act or any executive orders issued pursuant thereto, or (ii) only be completed in reliance on one or more of the exemptions from the requirement to prepare and publish a prospectus in the Danish Securities Trading Act or any executive orders issued pursuant thereto.

European Union ("EU") - The Company is a UCITS for the purposes of the UCITS Directive and the Board of Directors proposes to market the Shares in accordance with the UCITS Directive in certain member states of the EU and in countries which are not member states of the EU.

Finland - This Prospectus does not constitute an offer to the public in Finland. The Shares cannot be offered or sold in Finland by means of any document to any persons other than "Professional Investors" as defined by the Finnish Mutual Funds Act (*Sijoitusrahastolaki* 29.1.1999/48), as amended. No action has been taken to authorize an offering of the Shares to the public in Finland and the distribution of this Prospectus is not authorized by the Financial Supervision Authority in Finland. This Prospectus is strictly for private use by its holder and may not be passed on to third parties or otherwise publicly distributed. Subscriptions will not be accepted from any persons other than the person to whom this Prospectus has been delivered by the Company or its representative. This Prospectus may not include all the information that is required to be included in a prospectus in connection with an offering to the public.

Germany - Each purchaser of Shares acknowledges that the Company is not and will not be registered for public distribution in Germany. Accordingly, no offer of the Shares may be made to the public in Germany except pursuant to any of the exemptions set out in section 2 paragraph 11 of the German Investment Act including but not limited to if the Shares are distributed exclusively to credit institutions and financial services providers as defined in the German Banking Act, private or public insurance companies, investment companies and their investment managers as well as pension funds and their administrators.

Luxembourg - The Company is registered pursuant to Part I of the Law. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the assets held in the various Funds. Any representations to the contrary are unauthorised and unlawful.

The Company may make application to register and distribute the Shares in jurisdictions outside Luxembourg. In the event that such registrations take place, the Company may appoint or be required to appoint payment agents, representatives, distributors or other agents in the relevant jurisdictions.

The Netherlands - This document is not addressed to or intended for any individual or legal entity in the Netherlands except (a) individuals or legal entities who qualify as qualified investors (as defined by article 2 paragraph 1(e) of the Prospectus Directive (2003/71/EC), as amended or (b) other persons to whom, or in circumstances where, an exemption or exception to the offering of interests in collective investment schemes (*beleggingsinstellingen*) applies pursuant to the Act on Financial Supervision (*Wet op het financieel toezicht*), and the rules and regulations promulgated pursuant thereto, as amended. Distribution of this document does not trigger a licence requirement for the Company in the Netherlands and consequently no supervision will be exercised over the Company by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*).

Sweden - This Prospectus has not been approved by or registered with the Swedish Financial Supervisory Authority (*Finansinspektionen*) pursuant to the Swedish Financial Instruments Trading Act (*lagen (1991:980) om handel med finansiella instrument*). Accordingly, the Shares may only be offered in Sweden in circumstances that will not result in a requirement to prepare a prospectus pursuant to the Swedish Financial Instruments Trading Act.

The Company is not an Investment Fund (*fondföretag*) for the purpose of the Swedish Investment Funds Act (*lag (2004:46) om investeringsfonder*) and has therefore not been, nor will it be, approved or registered by the Swedish Financial Supervisory Authority pursuant to the Swedish Investment Funds Act.

Att investera i finansiella instrument innebär alltid en risk. Instrumenten kan såväl öka som minska i värde och det är inte säkert att du får tillbaka det investerade kapitalet. Historisk avkastning är ingen garanti för framtida avkastning. Du bör ta del av såväl faktablad som informationsbroschyr innan du beslutar dig för att investera i en fond.

Switzerland - The distribution of Shares in Switzerland will be exclusively made to, and directed at, qualified investors (the “**Qualified Investors**,” as defined in the Swiss collective investment schemes act of 23 June 2006, as amended (“**CISA**”). Accordingly, the Company has not been and will not be registered with the Swiss financial market supervisory authority (FINMA).

The Swiss representative and paying agent from March 1, 2015 is Société Générale, Paris, Zurich branch, Talacker 50, P.O. Box 5070, CH-8021 Zurich, Switzerland (the “**Representative**”). The Prospectus, the Articles, the key investor information document, as well as the annual and the semi-annual reports of the Company may be obtained free of charge from the representative.

The Company and/or the Investment Manager, as applicable, may pay retrocessions as remuneration for distribution activity in respect of the Shares in or from Switzerland. This remuneration may be deemed payment for one or more of the following services in particular:

- (a) coordinate of prospective investor meetings;
- (b) sales promotion; and
- (c) organization of road shows and/or fund fairs.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the interests to the investors concerned.

In the case of distribution activity in or from Switzerland, the Investment Manager and/or the Board of Directors, on behalf of the Company, may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Rebates are permitted provided that

- (a) they are paid from fees received by the Investment Manager and therefore do not represent an additional charge on the fund assets;
- (b) they are granted on the basis of objective criteria; and
- (c) all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates, considered together, are as follows:

- the volume subscribed by the investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- the investment behavior shown by the investor (e.g. Expected investment period);
- a request was/is made by the investor during a specific period of rebate offer available to all investors; and
- the investor's willingness to provide support in the launch phase of the Fund.

At the request of an investor, the Investment Manager and/or the Board of Directors, on behalf of the Company, as applicable, must disclose the amounts of such rebates free of charge.

In respect of the interests distributed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the representative.

This document does not constitute an issuance prospectus pursuant to articles 652a or 1156 of the Swiss code of obligations and may not comply with the information standards required thereunder. The Shares will not be listed on the six Swiss exchange, and consequently, the information presented in this document does not necessarily comply with the information standards set out in the relevant listing rules. This document does not constitute investment advice. It may only be used by those persons to whom it has been delivered in connection with the interests and may neither be copied nor directly or indirectly distributed or made available to other persons.

United Kingdom ("UK") – The Company is not a recognised collective investment scheme for the purposes of Section 264 of FSMA. The promotion of the Company and the distribution of this Prospectus in the UK is accordingly restricted by law.

This Prospectus is being issued in the United Kingdom to, and/or is directed at, persons to whom it may lawfully be issued or directed at under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 including persons who are authorised under the Act ("authorised persons"), certain persons having professional experience in matters relating to investments, high net worth companies, high net worth unincorporated associations or partnerships, trustees of high value trusts and persons who qualify as certified sophisticated investors. The Shares are only available to such persons in the United Kingdom and this Prospectus must not be relied or acted upon by any other persons in the United Kingdom.

In order to qualify as a certified sophisticated investor a person must (a) have a certificate in writing or other legible form signed by an authorised person to the effect that he is sufficiently knowledgeable to understand the risks associated with a particular type of investment and (b) have signed, within the last 12 months, a statement in a prescribed form declaring, amongst other things, that he qualifies as a sophisticated investor in relation to such investments.

This Prospectus is exempt from the general restriction in section 21 of the ("FSMA") on the communication of invitations or inducements to engage in investment activity on the grounds that it is issued to and/or directed at only the types of person referred to above.

The content of the Prospectus has not been approved by an authorised person and such approval is, save where this Prospectus is directed at or issued to the types of person referred to above, required by section 21 of FSMA.

Any advice or recommendation which may be given or offered by this Prospectus does not relate to products and services of ICE Canyon LLC, but to those of the Company. The Company does not carry on investment business in the UK, so as to require the conduct of its business to be regulated under the FSMA. Shareholders therefore may not benefit from the protections provided by the UK regulatory system.

Potential investors in the UK should note that the rules made under FSMA for the protection of private customers may not apply, and the Financial Services Compensation Scheme established under Section 213 of FSMA may not be available, in relation to an investment in the Shares.

United States of America ("US") - The Shares have not been and will not be registered under the United States Securities Act of 1933 Act, as amended (the "**1933 Act**") or the securities laws of any of the states of the US. The Shares may not be offered, sold or delivered directly or indirectly in the US or to or for the account or benefit of any US Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. The Shares are being offered outside the US pursuant to the exemption from registration under Regulation S under the 1933 Act and inside the US to US Tax-Exempt Investors in reliance on Regulation D promulgated under the 1933 Act and Section 4(2) thereof.

The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "**1940 Act**") since Shares will only be sold to US Persons who are "qualified purchasers", as defined under Section 2(a)(51) of the 1940 Act and the rules promulgated thereunder. Accordingly, each subscriber for Shares that is a US Tax-Exempt Investor will be required to certify that it is an "accredited investor" and a "qualified purchaser", in each case as defined under the US federal securities laws.

The Articles give powers to the Board of Directors to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Company are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Board of Directors might result in the Company incurring any liability or taxation or suffering any other disadvantage which the Company may not otherwise have incurred or suffered and, in particular, by any US Person as referred to above. The Company may compulsorily redeem all Shares held by any such person.

Generally

The Board of Directors have the power under the Articles to refuse an application for Shares and the acceptance of such application does not confer on investors a right to acquire Shares in respect of any future or subsequent application.

The value of the Shares may fall as well as rise and a Shareholder on transfer or redemption of Shares may not get back the amount he initially invested. Income from the Shares may fluctuate in

money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and basis of, and reliefs from taxation may change. There can be no assurance that the investment objectives of any Fund will be achieved.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, conversion, redemption or disposal of the Shares of the Company.

Further copies of this Prospectus and the latest KIID may be obtained from:

ICE Global Credit Funds
c/o State Street Bank Luxembourg S. C. A.
47-49 Avenue J. F. Kennedy
L-1855 Luxembourg

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

This Prospectus, any Supplements and the KIID may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus, any Supplements and the KIID. To the extent that there is any inconsistency between the English language Prospectus/Supplements/KIID and the Prospectus/Supplements/KIID in another language, the English language Prospectus/Supplements/KIID will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus in a language other than English, the language of the Prospectus/Supplement/KIID on which such action is based shall prevail.

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

All or part of the fees and expenses may be charged to the capital of the Company. This will have the effect of lowering the capital value of your investment.

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund.

Investor's rights

The Company draws the investor's attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in a general shareholders' meeting, if the investor is registered in his own name in the shareholder's register of the Company. In cases where an investor invests in the Company through an intermediary who invests in the Company on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

Complaints concerning the operation or marketing of the Company may be referred by e-mail to ssbquerydesk@statestreet.com, or by telephone to +352 46 40 10 600.

DIRECTORY

ICE GLOBAL CREDIT FUNDS

Registered Office

47-49 Avenue J. F. Kennedy, L-1855 Luxembourg

Website: www.icecanyonucits.com

Directors

Antonio Thomas – Chairman
Nathan B. Sandler
Jonathan M. Kaplan

Management Company

Carne Global Fund Managers (Luxembourg)
S.A.
EBBC Centre, 6B route de Trèves
L-2633 Senningerberg

Directors of Management Company

John Christian Alldis
William Albert Blackwell Jr
Steve Bernat

Conducting Persons

Lydie Bini
Mario Koster
Attilio Femiano

Investment Manager and Principal

Distributor

ICE Canyon LLC
2000 Avenue of the Stars
11th Floor
Los Angeles
CA 90067
United States of America

Depository

State Street Bank Luxembourg S. C. A.
47-49 Avenue J. F. Kennedy
L-1855 Luxembourg

Legal Advisers

In Luxembourg

Allen & Overy, société en commandite simple
33, Avenue John F. Kennedy
L-1855 Luxembourg

Administrator

State Street Bank Luxembourg S. C. A.
47-49 Avenue J. F. Kennedy
L-1855 Luxembourg

In England

Simmons & Simmons
CityPoint
One Ropemaker Street
London EC2Y 9SS
United Kingdom

Auditor of the Company

Deloitte Audit S.à r.l.
560 rue de Neudorf
L-2220 Luxembourg

CONTENTS

DEFINITIONS	2
THE COMPANY AND THE FUNDS	7
DIRECTORS.....	10
MANAGEMENT COMPANY	11
INVESTMENT MANAGER	13
ADMINISTRATOR.....	14
DEPOSITARY	15
DISTRIBUTORS.....	18
SUBSCRIPTIONS	19
REDEMPTIONS	23
EXCHANGING BETWEEN FUNDS OR CLASSES.....	25
DETERMINATION OF THE NET ASSET VALUE OF SHARES	27
DILUTION LEVY	30
FEES AND EXPENSES	31
TAXATION	34
RISK MANAGEMENT PROCESS	40
RISK FACTORS.....	41
CONFLICTS OF INTEREST	64
USE OF DEALING COMMISSIONS	65
CO-MANAGEMENT AND POOLING.....	66
PREVENTION OF LATE TRADING AND MARKET TIMING.....	67
GENERAL INFORMATION.....	68
APPENDIX 1: INVESTMENT RESTRICTIONS AND POWERS	72
APPENDIX 2: PERFORMANCE FEE CALCULATION	83
SUPPLEMENT 1: ICE EM TOTAL RETURN FUND.....	86

DEFINITIONS

“Accumulation Shares”	Shares in respect of which income is accumulated and added to the capital property of a Fund
“Administration Agreement”	the agreement pursuant to which the Administrator is appointed by the Company
“Administrator”	State Street Bank Luxembourg S. C. A.
“Articles”	articles of incorporation of the Company
“Auditor”	Deloitte Audit S.à r.l.
“Board”, “Board of Directors” or “Directors”	the members of the board of directors of the Company for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time
“Business Day”	in relation to a Fund means any full bank business day in Luxembourg, the United States of America and/or such other place or places and such other day or days as the Directors may determine and notify to Shareholders in advance
“Class”	a class of Shares in a particular Fund
“Company”	ICE Global Credit Funds
“CSSF”	the Luxembourg authority, currently the <i>Commission de Surveillance du Secteur Financier</i> , or its successor in charge of the supervision of undertakings for collective investment in the Grand-Duchy of Luxembourg
“Controlling Person”	the natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations
“Custody Agreement”	the custody agreement pursuant to which the Depositary is appointed by the Company
“Dealing Day”	such Business Day or Business Days as shall be specified in the relevant Supplement for that Fund or any such other day or days as the Directors may determine and notify in advance to the Shareholders provided there is at least one every week
“Dealing Request Deadline”	such time in respect of any relevant Dealing Day as shall be specified in the relevant Supplement for that Fund or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Request Deadline is

no later than the point as at which the Net Asset Value is determined for the relevant Dealing Day

"Depository"	State Street Bank Luxembourg S. C. A.
"Distributor"	ICE Canyon LLC
"Distribution Shares"	Shares in respect of which income is distributed periodically to Shareholders
"EPM Techniques"	means efficient portfolio management techniques within the meaning of section 5 of Appendix 1
"EU"	the European Union
"EUSD"	the EU Council Savings Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments, as amended
"FCA"	Financial Conduct Authority or its successor authority in the United Kingdom
"Fund"	a sub-fund of the Company representing the designation by the Directors of a particular class of Shares as a sub-fund, the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and investment policies applicable to such sub-fund and which is established by the Directors from time to time with the prior approval of the CSSF
"Group of Companies"	companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules, as amended
"Ineligible Applicant"	<p>any person to whom a transfer of Shares (legally or beneficially) or by whom a holding of Shares (legally or beneficially) would or, in the opinion of the Directors, might:</p> <ul style="list-style-type: none">(a) be in breach of any law (or regulation by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Shares; or(b) require the Company, the Management Company or the Investment Manager to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Company to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States of America or any other jurisdiction; or(c) cause the Company, its Shareholders, the Management Company or the Investment Manager some legal, regulatory, taxation, pecuniary or material administrative disadvantage which the Company, its Shareholders, the

Management Company or the Investment Manager might not otherwise have incurred or suffered

“Initial Offer Period”	the period set by the Directors in relation to any Fund or Class of Shares as the period during which Shares are initially on offer and as specified in the relevant Supplement
“Initial Offer Price”	the initial price payable for a Share as specified in the relevant Supplement for each Fund
“Investment Management Agreement”	the investment management agreement pursuant to which the Investment Manager is appointed to provide discretionary investment management services to the Company and the Funds
“Investment Manager”	ICE Canyon LLC
“Law”	the Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time
“Luxembourg”	the Grand Duchy of Luxembourg
“Management Company”	Carne Global Fund Managers (Luxembourg) S.A.
“Member State”	a member state of the European Union
“Minimum Holding”	the minimum holding for each class of Shares as specified in the relevant Supplement for each Fund
“Minimum Additional Subscription”	the minimum additional investment for each class of Shares as specified in the relevant Supplement for each Fund
“Minimum Subscription”	the minimum investment for each class of Shares as specified in the relevant Supplement for each Fund
“Money Market Instruments”	instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time, and instruments eligible as money market instruments, as defined by guidelines issued by the CSSF from time to time
“Net Asset Value”	the net asset value of the Company, a Fund or a Class (as the context may require) as calculated in accordance with the Articles
“Net Asset Value per Share”	the Net Asset Value in respect of any Fund or Class divided by the number of Shares of the relevant Fund or Class in issue at the relevant time
“Net Costs”	means any costs relating to the use of any SFT or TRS increasing the running costs of the Company or any Fund which exceed the reduction of costs generated through the use of such SFT or TRS
“Non-Member State”	any state of Europe which is not a Member State, and any state of America, Africa, Asia, Australia and Oceania
“OECD”	the Organisation for Economic Co-operation and Development

“Prospectus”	this Prospectus, as may be amended or supplemented from time to time
“Redemption Price”	the price per Share at which Shares are redeemed or calculated in the manner described in the section entitled “Redemptions” in this Prospectus
“Reference Currency”	the base currency of the Company, the relevant Class or the relevant Fund, as the case may be
“Regulated Market”	a market in the meaning of directive 2004/39/EC of the EC Parliament and Council on markets in financial instruments
“Securities Financing Transaction” or “SFT”	means (i) a repurchase transaction; (ii) securities lending and securities borrowing; (iii) a buy-sell back transaction or sell-buy back transaction; or (iv) a margin lending transaction as defined under the SFTR
“Series”	where the Series Method is used, a new Class of Shares issued at each Dealing Day, as further described in Appendix 2
“Series Method”	a method of calculating the performance fee as set out in Appendix 2
“SFT Agent”	SFT Agent means any person involved in SFTs and/ or TRS as agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the Company's assets or any Fund's assets (which can be the counterparty of the Company or relevant the Fund in an SFT and/or TRS)
“SFTR”	means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012
“Share” or “Shares”	shares of any Class in the Company as the context requires
“Share Class” or “Class of Shares” or “Class”	all of the Shares issued by the Company as a particular class of Shares relating to a single Fund
“Shareholder”	a holder of Shares in the Company
“Straight Line Method”	a method of calculating the performance fee as set out in Appendix 2
“Subscription Price”	the price per Share at which Shares may be issued after the close of the Initial Offer Period as more fully described in the section entitled “Subscriptions” of this Prospectus
“Supplement”	a supplement to this Prospectus specifying certain information in respect of a Fund and/or one or more Classes
“SEC”	Securities and Exchange Commission in the US
“Transferable Securities”	(i) shares and other securities equivalent to shares (“shares”);

- (ii) bonds and other debt instruments ("debt securities"); and
- (iii) any other negotiable securities that carry the right to acquire any such transferable securities by subscription or exchange, to the extent they do not qualify as Techniques and Instruments as described in Appendix 1 of this Prospectus

"TRS"	means a total return swap, i.e., a derivative contract whereby one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty
"UCI(s)"	Undertaking(s) for collective investment
"UCITS"	an undertaking for collective investment in transferable securities established pursuant to the UCITS Directive
"UCITS-CDR"	the Commission Delegated Regulation 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC with regard to obligations of depositaries
"UCITS Directive"	Council Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS, as amended from time to time
"US Tax-Exempt Investor"	a US person within the meaning of the United States Internal Revenue Code of 1986, as amended, that is subject to ERISA or is otherwise exempt from payment of US Federal income tax
"US Person"	means (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organised in the United States or under the law of the United States or any State, (iii) a trust where (a) a US has the authority under the applicable law to render orders or judgments concerning substantially all issues regarding the administration of the trust and (b) one or more US Persons have the authority to control all substantial decisions of the trust or an estate which is subject to US tax on its worldwide income from all sources. In addition, the term US Person includes any individual or entity that would be a US Person under Regulation S of the 1933 Act. The Regulation S definition is set out in full in each application form
"Valuation Day"	the Business Day as of which the Administrator determines the Net Asset Value per Share of each Fund, as specified in the relevant Supplement for that Fund

In this Prospectus the words and expressions set out in the first column above shall have the meanings set opposite them unless the context requires otherwise. All references to "Euro" and "€" are to the unit of the European single currency, all references to "US Dollars", "USD" and "US\$" are to the currency of the United States and all references to "Sterling", "GBP" and "£" are to the currency of the United Kingdom.

THE COMPANY AND THE FUNDS

The Company is an open-ended investment company incorporated under the laws of Luxembourg as a *Société d'Investissement à Capital Variable* ("SICAV") in accordance with the provisions of Part I of the Law. The Company was incorporated for an unlimited period on 13 August 2010 under the name of ICE Global Credit Funds. The Articles were published in the *Mémorial C, Recueil Spécial des Sociétés et Associations* of the Grand Duchy of Luxembourg on 27 August 2010 and the Company is registered with the Luxembourg Trade and Companies' Register under the number B 155039.

The Company has appointed Carne Global Fund Management (Luxembourg) S.A. as its management company.

The Company is an umbrella fund designed to offer investors access to a variety of investment strategies through a range of separate Funds. At the date of this Prospectus, the Company consists of the following Fund:

ICE Global Credit Funds – ICE EM Total Return Fund

At all times the Company's capital will be equal to the Net Asset Value of the Company and will not fall below the minimum capital required by Luxembourg law.

The Directors may establish additional Funds from time to time in respect of which a Supplement or Supplements will be issued with the prior approval of the CSSF.

The assets of each Fund will be segregated from one another and will be invested in accordance with the investment objectives and investment policies applicable to each such Fund and as set out in the relevant Supplement. Pursuant to Article 181 of the Law, each Fund corresponds to a distinct part of the assets and liabilities of the Company, i.e. the assets of a Fund are exclusively available to satisfy the rights of investors in relation to that Fund and the rights of creditors whose claims have arisen in connection with the creation and operation of that Fund.

The liabilities of a particular Fund (in the event of a winding up of the Company or a repurchase of the Shares in the Company or all the Shares of any Fund) shall be binding on the Company but only to the extent of the particular Fund's assets and in the event of a particular Fund's liabilities exceeding its assets, recourse shall not be made against the assets of another Fund to satisfy any such deficit.

The Reference Currency of each Fund is set out in the relevant Supplement.

Shares of a Fund may be listed on the Luxembourg Stock Exchange or on another investment exchange. The Board of Directors will decide whether Shares of a particular Fund are to be listed. The relevant Supplement will specify if the Shares of a particular Fund are listed.

The Funds and their Investment Objectives and Policies

Details of the investment objective, investment policies and certain terms relating to an investment in the Funds will be set out in the relevant Supplement.

Profile of a Typical Investor

The profile of a typical investor will be set out in the relevant Supplement.

The choice of a specific Fund should be determined by the investor's attitude to risk, preference for income or growth, intended investment time horizon and in the context of the investor's overall portfolio. Investors should seek professional advice before making investment decisions.

Classes of Shares

Each Fund may offer more than one Class of Shares. Each Class of Shares may have different features with respect to its criteria for subscription, redemption, minimum holding, fee structure, currency and dividend policy. A separate Net Asset Value per Share will be calculated for each Class. The Classes of Share currently available for each Fund are set out in the relevant Supplement. Further Classes may be created by the Board of Directors in accordance with the requirements of the CSSF.

In addition, for the purposes of calculating the performance fee using the Series Method (see Appendix 2), a new Class of Shares (a "Series") will be available for subscription at each Dealing Day. For the purposes of identifying new Series created on any Dealing Day, such new Series will be assigned an identifier relating to the month and year of purchase and a reference to the Dealing Day in question (e.g. Class A (USD) Jan 11(I) Shares for Class A (USD) Shares subscribed on the first dealing day of January 2011 and Class A (USD) Jan 11(II) Shares for Class A (USD) Shares subscribed on the second dealing day of January 2011).

The limits for minimum subscription for any Fund or Class of Shares may be waived or reduced at the discretion of the Directors.

Investment Restrictions

Investment of the assets of each Fund must comply with the Law. The investment and borrowing restrictions applying to the Company and each Fund are as set out in Appendix 1. The Directors may impose further restrictions in respect of any Fund. With the exception of permitted investments in unlisted securities or in units of open-ended collective investment schemes or in over-the-counter derivative contracts, investments will be made on Regulated Markets. Each Fund may also hold ancillary liquid assets.

Reports and Financial Statements

The Company's accounting period will end on 30 June in each year.

The Company will prepare an annual report and audited annual accounts within four months of the financial period to which they relate i.e. by 31 October of each year. Copies of the unaudited half yearly reports (made up to 31 December in each year) will also be prepared within two months of the end of the half year period to which they relate i.e. by the last day of February of each year.

Copies of the annual audited financial statements and half yearly reports will be circulated to Shareholders and prospective investors upon request.

Distribution Policy

Whether Accumulation or Distribution Shares will be issued in relation to a particular Fund will be described in the relevant Supplement.

The distribution policy applicable to each Class of Distribution Shares in relation to a particular Fund will be described in the relevant Supplement. The Board of Directors reserves the right to introduce a distribution policy that may vary between Funds and different Classes of Shares in issue.

Subject to the relevant Supplement, the part of the year's net income corresponding to Accumulation Shares will not be paid to Shareholders and instead will be capitalised in the relevant Fund for the benefit of the Accumulation Shares.

In any event, no distribution may be made if, as a result thereof, the Net Asset Value of the Company would fall below €1,250,000.

Payments will be made in the Reference Currency of the relevant Class. Dividends unclaimed for five years after their declaration will be forfeited and revert to the relevant Fund.

Publication of Net Asset Value per Share

The Net Asset Value per Share may be obtained free of charge from, and will be available at, the offices of the Administrator during business hours in Luxembourg.

DIRECTORS

The Board of Directors

The Board of Directors is responsible for the overall management and control of the Company in accordance with the Articles. The Board of Directors is further responsible for the implementation of each Fund's investment objective and policies as well as for oversight of the administration and operations of each Fund.

The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the Company, subject to the powers reserved by law to the Shareholders.

Directors of the Company

Antonio Thomas

Antonio Thomas acts as an independent director with more than 28 years' experience in the funds industry for a variety of UCITS and AIFM structures. From February 2014 to September 2016 he was a partner with MPL Luxembourg, responsible for establishing the group's Super Management Company activities. Up to October 2013, Mr. Thomas was the Chairman of RBS Fund Services, which included responsibilities for NatWest Trustee & Depositary, the UK's leading Independent Trustee and RBS (Luxembourg) S.A., one of the largest 3rd party independent management companies in Luxembourg.

Prior to this, Mr. Thomas was located in Dublin, Ireland as the managing director of RBS Fund Services (Ireland) Limited, an Irish domiciled management company, for two and a half years. Before joining the RBS Group, Mr Thomas worked for 14 years in a variety of senior management positions with F&C Asset Management Group, based in the U.K.

Nathan B. Sandler

Nathan B. Sandler is co-Founder and Managing Partner of the Investment Manager. Prior to joining the Investment Manager, Mr. Sandler was Managing Director and Senior Portfolio Manager responsible for Emerging Markets and International Fixed Income at TCW (1994-2006). In his twelve years at TCW, Mr. Sandler built a global investment business and a long-term track record in total return and structured credit investment strategies. Prior to joining TCW, Mr. Sandler specialized in US government bond trading and arbitrage as a founding principal in a leveraged fixed income fund and as a Vice President at Security Pacific Bank. He began his career in Chicago working in institutional futures and options sales and derivatives products. Mr. Sandler holds a B.A. in Economics and Political Science from Drake University.

Jonathan M. Kaplan

Jonathan Kaplan is a Partner and the General Counsel of Canyon Partners, LLC and Canyon Capital Advisors LLC which are affiliates of the Investment Manager. He also sits on the Board of Directors for the Company and funds managed by Canyon Capital Advisors LLC. Mr. Kaplan, together with Canyon's Chief Financial Officer, John Plaga, manages operations for Canyon Partners. Mr. Kaplan has worked with Canyon as external and internal counsel for over 18 years.

Prior to joining Canyon in 2007, Mr. Kaplan was a partner at Sidley Austin LLP, where he practiced from 1997-2007 as a corporate transactional attorney, representing primarily investment advisors, including Canyon. Mr. Kaplan joined Sidley in June 1997 and earned admission to the State Bar of California in December, 1998. Mr. Kaplan is a graduate of University of California, San Diego (B.A., Political Science) and New York University School of Law (J.D.).

MANAGEMENT COMPANY

The Company has appointed Carne Global Fund Managers (Luxembourg) S.A. to serve as its management company within the meaning of the Law. The Management Company is responsible, subject to the overall supervision of the Directors, for the provision of investment management services, administrative services and marketing services to the Company.

Further to the appointment of the Management Company as management company of the Company the following agreements have been entered into with effect as of 15 March 2016: the Investment Management Agreement, the Administration Agreement and the Distribution Agreement.

The Management Company is a *société anonyme* established as a Luxembourg *société de gestion* on 17 September 2009 pursuant to Chapter 15 of the Law. The latest version of the articles of incorporation of the Management Company has been lodged with the Luxembourg Trade and Companies' Register and has been published in the *Mémorial C* on 17 February 2016. The Management Company is registered with the Luxembourg Trade and Companies' Register under number B-148258.

In accordance with and subject to the terms of the Management Company Agreement and under its own supervision and responsibility, the Management Company is authorised to delegate its management and advisory duties and functions. Any such delegation is subject to the prior approval of the Company and, to the extent required by applicable law, any regulatory authorities. The expenses in relation to any such delegation will be paid directly by the Company.

The details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on the website www.carnegroup.com, under the section "Policies and Procedures". A paper copy of the remuneration policy will be made available free of charge upon request.

The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles and the Articles.

The remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the Company which it manages and of the investors in the Company and includes measures to avoid conflicts of interest.

The assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company managed by the Management Company in order to ensure that the assessment process is based on the longer-term performance of the Company and their investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.

The Management Company has implemented a remuneration structure whereby the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration. As any variable remuneration portion is fully discretionary, the Management Company retains full flexibility in the operation of the flexible remuneration component as it has the possibility to award no variable pay. This means that any variable remuneration is paid only if it is sustainable according to the financial situation of the Management Company and the Carne group as a whole, and justified according to the performance of the Management Company and the individual concerned. Where there is subdued or negative performance of the Management Company, the award of any variable remuneration will take into account the current total compensation of the individual. The variable remuneration is

not paid through vehicles or methods that facilitate the avoidance of the requirements of the applicable legislation and regulatory requirements.

Pursuant to the Management Company Services Agreement, the Management Company is entrusted with the day-to-day management of the Company, with the responsibility to perform directly or by way of delegation all operational functions relating to the investment management and the administration of the Company and the marketing and distribution of the Shares.

In agreement with the Company, the Management Company has decided to delegate several of its functions as is further described in this Prospectus.

The Management Company has adopted procedures aiming to control that the execution of the mandates given to the different agents are carried out in accordance with the conditions agreed and in compliance with the rules and regulations in force.

In consideration for its administration services, the Management Company is entitled to receive from the Company fees for each Fund as stipulated in each Fund relevant Supplement.

These fees are payable monthly and are calculated on the average net assets of each Fund for the relevant month unless otherwise stipulated in each Fund relevant Supplement.

INVESTMENT MANAGER

With the consent of the Company, the Management Company has appointed ICE Canyon LLC as investment manager to manage and invest the assets of the Funds pursuant to their respective investment objectives and policies. The Investment Manager was incorporated in Delaware, United States of America on 20 October 2006. The Investment Manager is regulated by the SEC as an investment adviser.

The Investment Manager was appointed pursuant to the Investment Management Agreement. Under the Investment Management Agreement, the Investment Manager has full discretion, subject to the overall review and control of the Management Company and the Company, to manage the assets of the Company on a discretionary basis.

The Investment Management Agreement provides that the Investment Manager shall not be liable for losses of any kind arising from any act or omission in connection with the performance of its duties under the Investment Management Agreement, with the exception of losses arising directly from bad faith, gross negligence or wilful default on the Investment Manager's part in the performance of its obligations and duties under the Investment Management Agreement. Where liability is found to arise by virtue of any act or omission, the losses and/or loss of opportunity arising shall take into account both the positive and negative performance impact of the act or omission so that these are set-off against each other in the quantification of liability.

The Investment Management Agreement also provides that in the event of any failure, interruption or delay in the performance of the Investment Manager's obligations resulting from acts, events or circumstances not reasonably within the control of the Investment Manager, the Investment Manager shall not be liable for any kind of loss or damage thereby incurred or suffered by the Company.

Save as summarised above and to the extent permitted under applicable law, the Investment Manager will not otherwise be liable for any kind of loss incurred or suffered by the Company.

Under the Investment Management Agreement, the Company agrees to indemnify the Investment Manager and its directors, officers and employees against all expenses, losses, damages, demands, charges and claims which may be brought against, suffered or incurred by it or them by reason of the performance or non-performance of its or their duties under the Investment Management Agreement, except insofar as the such loss is due to the non-performance of the duties and obligations of the Investment Manager or its directors, officers or employees or its or their bad faith, gross negligence or wilful default.

The Investment Management Agreement may be terminated by one party giving to the other party not less than three months' written notice. The Investment Management Agreement may also be terminated forthwith by notice in writing by either party (the "notifying party"), if the other party shall commit any breach of its obligations under the Investment Management Agreement and if such breach is capable of being made good, shall fail to make good such breach within 30 days of receipt of written notice from the notifying party requiring it so to do. Subject to the prior written approval of the Board of Directors, the Investment Management Agreement may also be terminated by the Management Company without notice when this is deemed by the Management Company to be in the interests of the Company's shareholders.

The Investment Manager (and/or its directors, employees, related entities and connected persons) may subscribe, directly or indirectly for Shares during and after the relevant Initial Offer Period.

ADMINISTRATOR

State Street Bank Luxembourg S. C. A. has been appointed as the Administrator pursuant to the Administration Agreement. The Administrator will carry out all administrative duties related to the administration of the Company, including the calculation of the Net Asset Value of the Shares and the provision of accounting services to the Company.

State Street Bank Luxembourg S. C. A. is a partnership limited by shares (*Société en Commandite par Actions*) incorporated under the laws of Luxembourg on 19 January 1990 and presently exists for an unlimited period of time. Its registered office is at 49, rue de J. F. Kennedy, L-1855 Luxembourg. On 31 December 2009, its share capital amounted to EUR 65,000,325.

The Administrator is not responsible for any investment decisions of the Company or the effect of such investment decisions on the performance of the Company.

The Administrator has also been appointed as the registrar and transfer agent of the Company. In this function the Administrator will process all subscriptions, redemptions and transfers of Shares and will register these transactions in the share register of the Company.

The relationship between the Management Company, the Company and the Administrator is subject to the terms of the Administration Agreement. The Management Company, subject to the consent of the Company, and the Administrator may terminate the Administration Agreement on 90 calendar days' prior written notice. The Administration Agreement may also be terminated on shorter notice in certain circumstances.

The Administration Agreement contains provisions indemnifying the Administrator, and exempting the Administrator from liability, in certain circumstances.

Subject to the prior written consent of the Board of Directors, the Management Company reserves the right to change the administration arrangements described above by agreement with the Administrator and/or in its discretion to appoint an alternative administrator without prior notice to Shareholders. Shareholders will be notified in due course of any appointment of an alternative administrator.

The Company has also appointed the Administrator as paying agent.

DEPOSITARY

The Company has appointed State Street Bank Luxembourg S. C. A. as the depositary of all of the Company's assets, including its cash and securities, which will be held either directly or through other financial institutions such as correspondent banks, subsidiaries or affiliates of the Depositary.

Depositary's functions

The Depositary has been entrusted with the following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Articles;
- ensuring that the value of the Shares is calculated in accordance with applicable law and the Articles;
- carrying out the instructions of the Company, unless they conflict with applicable law and the Articles;
- ensuring that in transactions involving the assets of each Fund, any consideration is remitted within the usual time limits;
- ensuring that the income of each Fund is applied in accordance with applicable law and the Articles;
- monitoring of each Fund's cash and cash flows; and
- safe-keeping of each Fund's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

Depositary's Liability

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation, the Depositary shall return financial instruments of identical type or the corresponding amount to the Fund without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the Company, provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary will be liable to each Fund for all other losses suffered by such Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

Delegation

The Depositary has full power to delegate the whole or any part of its safe-keeping functions, but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Company or at the following internet site:

<http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html>.

Conflicts of Interest

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Funds; and
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Funds either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Funds;
- (iv) may provide the same or similar services to other clients including competitors of the Funds; and
- (v) may be granted creditors' rights by the Funds which it may exercise.

The Funds may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the respective accounts of the Funds. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of such Fund(s). The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the applicable

Fund(s). The affiliate shall enter into such transactions on the terms and conditions agreed with the Funds.

Where cash belonging to the Funds is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Investment Manager and the Management Company may also be a client or counterparty of the Depositary or its affiliates.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

- (1) conflicts from sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;
- (2) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- (3) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and
- (4) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties, the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Funds and their respective Shareholders.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the depositary issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

DISTRIBUTORS

The Management Company may appoint distributors to promote Shares of the Funds subject to applicable selling restrictions.

Under the terms of their appointment, certain distributors may have the power to appoint sub-distributors and sales agents, subject to the consent of the Management Company. The Investment Manager has been appointed as global distributor (the “Distributor”) and one or more of its affiliates may be appointed as distributor, sub-distributor or sales agent in respect of the Company. The Distribution Agreement contains provisions indemnifying the Distributor, and exempting the Distributor from liability, in certain circumstances. The Distributor may, with the prior approval of the Management Company, appoint one or more distributors, sub-distributors or sales agents in respect of the Company or specific Funds.

Any such distributors (and/or its directors, employees, related entities and connected persons and their respective directors and employees) may subscribe, directly or indirectly, for Shares during and after the relevant Initial Offer Period.

SUBSCRIPTIONS

Initial Offer

Shares in the Company may be subscribed for during the relevant Initial Offer Period at the Initial Offer Price and will be issued for the first time on the first Dealing Day after expiry of the relevant Initial Offer Period. The Directors may extend or shorten the Initial Offer Period at their discretion.

Cleared funds must be received prior to the end of the Initial Offer Period.

Subsequent Subscriptions

Following the close of the relevant Initial Offer Period, Shares will be available for subscription at the Subscription Price on each Dealing Day on a forward pricing basis (see below under "Procedure").

Where the performance fee in respect of the relevant Class of Shares is calculated via the Straight Line Method, the Subscription Price will be equal to the Net Asset Value per Share as on the relevant Valuation Day.

Where the performance fee in respect of the relevant Class of Shares is calculated via the Series Method, a new Series of Shares of each Class will be issued on each Subscription Day on which Shares of that Class are subscribed for. The Subscription Price for each new Series will be the Subscription Price set out in the Supplement for the relevant Fund.

The Company may also charge a preliminary charge on such a subscription for Shares as set out in "Fees and Expenses". Shareholders may also be required to pay a dilution levy in addition to the Subscription Price as set out in the section of the Prospectus headed "Dilution Levy".

The Directors are authorised from time to time to resolve to close a Fund or any Class of Shares to new subscriptions on such basis and on such terms as the Directors may in their absolute discretion determine.

Procedure

Applicants for Shares during the relevant Initial Offer Period should complete and sign an application form and send it to the Administrator by mail (or, subject to the following, by facsimile) so as to be received by the Administrator no later than the end of the relevant Initial Offer Period. Cleared funds in the relevant currency in respect of the subscription monies (including any preliminary charge or dilution levy) must be received by the Administrator by the same time. If the relevant application form and/or subscription monies is/are not received by these times, the application will be held over until the first Dealing Day after the close of the Initial Offer Period and Shares will then be issued at the relevant Subscription Price on that Dealing Day.

Thereafter, applicants for Shares, and Shareholders wishing to apply for additional Shares, must send their completed and signed application form by mail (or, subject to the following, by facsimile) to the Administrator. Applications accepted prior to the Dealing Request Deadline will be processed on the following Dealing Day. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day and cleared funds in respect of subscriptions monies (including any preliminary charge or dilution levy) must be received by no later than 4.00 pm (Luxembourg time) four (4) Business Days after the Dealing Day upon which Shares were issued.

If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Directors may (and in the event of non-clearance of funds, shall) cancel the allotment and/or charge the investor interest at the 7 day London Interbank Offer Rate as fixed by the British Banking

Association (LIBOR) + 1 per cent., which will be paid into the Company together with an administration fee of £100, which is payable to the Company. The Directors may waive either such charge in whole or in part. In addition, the Company has the right to sell all or part of the investor's holding of Shares in the Company in order to meet such charges.

Any applications or cleared funds received after the Dealing Request Deadline for a particular Dealing Day will be processed on the following Dealing Day.

Initial applications may be made by facsimile subject to the prompt receipt by the Administrator of the original signed application form and such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required. Thereafter, Shareholders wishing to apply for additional Shares may apply for Shares by facsimile and these applications may be processed without a requirement to submit original documentation. Amendments to a Shareholder's registration details and payment instructions will only be effected on receipt of original documentation.

Fractions of Shares to two decimal places will be issued if necessary. Interest on subscription monies will accrue to the Company.

The Company reserves the right to reject any application in whole or part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of the applicant.

The Company may agree to the issue of Shares in exchange for assets other than cash but will only do so where, in the absolute discretion of the Board of Directors, it is determined that the Company's acquisition of such assets in exchange for Shares complies with the investment policies and restrictions laid down in the relevant Supplement to this Prospectus for each Fund, has a value equal to the relevant Subscription Price of the Shares (including any preliminary charge or distribution levy) and is not likely to result in any material prejudice to the interests of Shareholders. Such contribution in kind to any Fund will be valued independently in a special report from the Company's auditor, established at the expense of the investor. Transaction charges will be chargeable to the investor in respect of such contribution in kind.

Minimum Investment

The Minimum Holding, the Minimum Subscription and the Minimum Additional Subscription (if any) for each Class in respect of each Fund are set out in the relevant Supplement.

Ineligible Applicants

The application form requires each prospective applicant for Shares to represent and warrant to the Company that, among other things, it is not an Ineligible Applicant.

In particular, the Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise incur or suffer, or would result in the Company being required to register under any applicable US securities laws.

Shares may generally not be issued or transferred to any US Person, except that the Directors may authorise the issue or transfer of Shares to or for the account of a US Person provided that:

- (a) such US Person is a US Tax-Exempt Investor which certifies that it is an "accredited investor" and a "qualified purchaser", in each case as defined under applicable US federal securities laws;

- (b) such issue or transfer does not result in a violation of the 1933 Act or the securities laws of any of the states of the United States;
- (c) such issue or transfer will not require the Fund to register under the 1940 Act, as amended or to file a prospectus with the United States Commodity Futures Trading Commission or the United States National Futures Association pursuant to regulations under the US Commodity Exchange Act, as amended ("CEA");
- (d) such issue or transfer will not cause any assets of the Fund to be "plan assets" for the purposes of Part 4 of Title 1 of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"); and
- (e) such issue or transfer will not result in any adverse regulatory or tax consequences to the Fund or its Shareholders as a whole.

Each applicant for, and transferee of, Shares who is a US Person will be required to provide such representations, warranties or documentation as may be required by the Directors to ensure that these requirements are met prior to the issue or the registration of any transfer of Shares. If the transferee is not already a Shareholder, it will be required to complete the appropriate application form and such other supporting documents.

Form of Shares

All the Shares will be registered Shares and will only be issued in bookstock form, meaning that a Shareholder's entitlement will be evidenced by an entry in the Company's register of Shareholders, as maintained by the Administrator, and not by a share certificate.

Suspension

The Directors may declare a suspension of the issue of Shares in certain circumstances as described under the section entitled "Suspension of Valuation of Assets" of this Prospectus. No Shares will be issued during any such period of suspension.

Anti-Money Laundering

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the identity of an applicant for Shares and where applicable the beneficial owner, on a risk sensitive basis, as well as the monitoring of the relationship on an ongoing basis. Amendments to a Shareholder's details and payment instructions will only be effected on receipt of original documentation.

Except for applicants applying through companies who are regulated professionals of the financial sector, bound in their country by rules on the prevention of money laundering equivalent to those applicable in Luxembourg, (i) the Administrator must verify the identity of the applicant and (ii) for that purpose any applicant applying in its own name or applying through companies established in non-equivalent countries, is obliged to submit to the Administrator in Luxembourg all necessary information, which the Administrator may reasonably require to perform such verification. In the case of an applicant acting on behalf of a third party, the Administrator must also verify the identity of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the Administrator prior to the occurrence of any change in the identity of any such beneficial owner.

In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto or may refuse to settle a redemption request until proper information has been provided. Investors should note specifically that where redemption proceeds are requested to be remitted to an account which is not in the name of the investor, the Administrator shall settle such

redemption requests in exceptional circumstances only and reserves the right to request such information as may be reasonably necessary in order to verify the identity of the investor and the owner of the account to which the redemption proceeds have been requested to be paid. The redemption proceeds will not be paid to a third party account unless exceptional circumstances exist and the investor and/or owner of the account provides such information.

Each applicant for Shares will be required to make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("OFAC") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

Data Protection

The Company may collect information from a Shareholder or prospective Shareholder from time to time in order to develop and process the business relationship between the Shareholder or prospective Shareholder and the Fund, and for other related activities. If a Shareholder or prospective Shareholder fails to provide such information in a form which is satisfactory to the Company, the Company may restrict or prevent the ownership of Shares in the Fund and the Fund, the Depositary and/or the Administrator (as the case may be) shall be held harmless and indemnified against any loss arising as a result of the restriction or prevention of the ownership of Shares.

By completing and returning an application form, Shareholders consent to the use of personal data by the Company. The Company may disclose personal data to its agents, service providers or if required to do so by force of law or regulatory authority. In particular, such personal data may be disclosed to the LTA which in turn may, acting as data controller, disclose it to foreign tax authorities. Shareholders will upon written request be given access to their own personal data provided to the Company. Shareholders may request in writing the rectification of, and the Fund will upon written request rectify, personal data. All personal data shall not be held by the Company for longer than necessary with regard to the purpose of the data processing.

The Company may need to disclose personal data to entities located in jurisdictions outside the EU, which may not have developed an adequate level of data protection legislation. In case of a transfer of data outside the EU, the Company will contractually ensure that the personal data relating to investors is protected in a manner which is equivalent to the protection offered pursuant to the Luxembourg data protection law.

The personal data is not intended to be used for third party marketing purposes.

REDEMPTIONS

Shareholders may apply for redemption of all or any of their Shares on any Dealing Day specified for the relevant Class of Shares in the relevant Supplement for the Fund in question. Shareholders should send a completed redemption request in the form available from the Administrator to be received by the Administrator no later than the Dealing Request Deadline for the Dealing Day in question.

Procedure

Redemption requests may be submitted to the Administrator by fax, provided that the original subscription application form has been received and all the documentation required by the Company (including any documents in connection with anti-money laundering procedures) and the anti-money-laundering procedures have been completed.

A redemption request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion).

Redemption Price

The Redemption Price per Share will be equal to the Net Asset Value per Share on the relevant Valuation Day calculated in accordance with the policy set out below in the section entitled "Determination of the Net Asset Value of Shares." Where the Series Method is used in relation to a Class of Shares the Redemption Price will be equal to the Net Asset Value per Share of the relevant Series. In the event of a partial redemption, Shares will be redeemed on a "first-in-first-out" basis unless the redeeming Shareholder advises the Administrator otherwise in writing. The Company may charge a redemption charge as set out in the Supplement for the Fund in question. Shareholders may also be required to pay a dilution levy as set out in the section of this Prospectus entitled "Dilution Levy." Both a redemption charge and a dilution levy would have the result of reducing the redemption proceeds.

Settlement

Payment of redemption proceeds will be made as soon as practicable after the relevant Dealing Day and in any event within four (4) Business Days of the relevant Dealing Day. Payment will be made in the currency of denomination of the Shares being redeemed by direct transfer in accordance with instructions given by the redeeming Shareholder to the Administrator and at the Shareholder's risk and expense. Payments made on receipt of faxed instructions will only be processed where payment is made to the account of record as provided on (a) the original, duly signed, initial application form or (b) the original, duly signed bank mandate change request.

The Company shall have the right, if the Board of Directors so determines, to satisfy payment of the Redemption Price (less any redemption charge or dilution levy), to any Shareholder who agrees, in specie by allocating to such Shareholder investments from the portfolio of assets set up in connection with such Fund equal in value (calculated in the manner described in the Articles) as of the Valuation Day, when the Net Asset Value per Share is calculated, to the value of the Shares to be redeemed (less any redemption charge). The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other holders of Shares and the valuation used shall be confirmed by a special report of the auditor of the Company. The costs of any such transfers shall be borne by the transferee.

Suspension

The Directors may declare a suspension of the redemption of Shares in certain circumstances as described in the section entitled “Determination of the Net Asset Value of Shares - Suspension of Valuation of Assets” in this Prospectus. No Shares will be redeemed during any such period of suspension.

Compulsory Redemptions

The Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Directors might result in the Company, the Management Company or the Investment Manager incurring any liability or taxation or suffering any other disadvantage which the Company, the Management Company or the Investment Manager may not otherwise have incurred or suffered (including, but not limited to, Shareholders who become Ineligible Applicants or US Persons who are not able to meet the conditions set out in the section entitled “Subscriptions – Ineligible Applicants”). Furthermore, the Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time in exceptional circumstances where they determine that such a compulsory redemption is in the interest of investors. Subject to the relevant Supplement, if the Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding, the Company reserves the right to require compulsory redemption of all Shares of the relevant Class held by a Shareholder or alternatively to effect a compulsory exchange of all Shares of the relevant Class held by a Shareholder for Shares of another Class in the same Fund which have the same Reference Currency but a lower Minimum Holding. Where the Net Asset Value of the Shares held by a Shareholder is less than the Minimum Holding and the Company decides to exercise its right to compulsorily redeem for this reason, the Company will notify the Shareholder in writing and allow such Shareholder 30 calendar days to purchase additional Shares to meet the minimum requirement.

Deferred Redemptions

The Directors may (but are not obliged to) defer redemptions at a particular Dealing Day to the next Dealing Day where the requested redemptions exceed 10% of a Fund's Net Asset Value. The Directors will ensure the consistent treatment of all Shareholders who have sought to redeem Shares at any Dealing Day at which redemptions are deferred. The Directors will pro-rate all such redemption requests to the stated level (i.e. 10% of the Fund's Net Asset Value) and will defer the remainder until the next Dealing Day. The Directors will also ensure that all deals relating to an earlier Dealing Day are completed before those relating to a later Dealing Day are considered.

The Directors currently expect not to exercise such power to defer redemptions except to the extent that they consider that existing Shareholders may otherwise be prejudiced or that such exercise is necessary to comply with applicable law or regulation.

Anti-Money Laundering

Investors should note that the Directors may refuse to settle a redemption request if it is not accompanied by such additional information as they, or the Administrator on their behalf, may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for anti-money laundering verification purposes as described under “Subscriptions”.

EXCHANGING BETWEEN FUNDS OR CLASSES

Except when issues and redemptions of Shares have been suspended in the circumstances described in the section entitled “Determination of the Net Asset Value of Shares - Suspension of Valuation of Assets” in this Prospectus, holders of Shares may request an exchange of some or all of their Shares in one Class or Fund (“the **Original Class**”) for Shares in another Class or Fund (the “**New Class**”). Such exchanges can only take place, if following the exchange, the Shareholder’s holding in the New Class will satisfy the criteria and applicable minimum holding requirements of that Class or Fund.

Procedure

Shareholders should send a completed exchange request in the form available from the Administrator to be received by the Administrator prior to the earlier of the Dealing Request Deadline for redemptions in the Original Class and the Dealing Request Deadline for subscriptions in the New Class. Any applications received after such time will be dealt with on the next Dealing Day.

The Directors may at their absolute discretion reject any request for the exchange of Shares in whole or in part.

Fractions of Shares to two decimal places may be issued by the Company on exchange where the value of Shares exchanged from the Original Class is not sufficient to purchase an integral number of Shares in the New Class and any balances representing entitlements of less than a fraction of a Share to two decimal places will be retained by the Company in order to discharge administration costs.

The Articles authorise the Directors to charge an exchange fee. The Directors shall only charge an exchange fee if a higher preliminary charge is applicable to the Shares of the Fund or the Class being acquired. In such case the exchange fee shall not exceed the difference between the preliminary charges applicable to the relevant Funds or Classes.

An exchange request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion) or in the event of a suspension of calculation of the Net Asset Value of the Company in respect of which the exchange requests are made.

An exchange of Shares of one Fund or Class for Shares of another Fund or Class will be treated as a redemption of Shares and a simultaneous purchase of Shares. An exchanging Shareholder may, therefore, realise a taxable gain or loss in connection with the conversion under the laws of the country of the shareholder’s citizenship, residence or domicile. No redemption charge will be levied on a redemption of Shares for the purposes of any exchange.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

$$S = \frac{(R \times NAV \times ER)}{SP}$$

where

S is the number of Shares of the New Class to be allotted.

R is the number of Shares in the Original Class to be redeemed.

NAV is the Net Asset Value per Share of the Original Class as at the relevant Dealing Day.

ER is the currency exchange factor (if any) as calculated by the Administrator as representing the effective rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Funds or Classes where the base currencies are different or, where the base currencies are the same, $ER = 1$.

SP is the Net Asset Value per Share of the New Class as at the relevant Dealing Day.

All terms and notices regarding the redemption of Shares shall equally apply to the exchange of Shares and, in particular, in respect of an exchange of Shares of one Fund for Shares of another Fund a dilution levy may be applied to "NAV" or "SP" above and the accrued Performance Fee would crystallise. For the avoidance of doubt, no redemption charge may apply to "NAV" above.

DETERMINATION OF THE NET ASSET VALUE OF SHARES

Net Asset Value

The Net Asset Value of each Fund will be calculated by the Administrator as at each Valuation Day in accordance with the Articles.

The Net Asset Value of a Fund shall be determined as at the Valuation Day by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund.

The Net Asset Value attributable to a Class and, where relevant, each Series of a particular Class shall be determined as at the Valuation Day by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class or Series as at the Valuation Day by reference to the number of Shares in issue in each Fund, Class or Series on the relevant Valuation Day subject to adjustment to take account of assets and/or liabilities attributable to the Fund, Class or Series.

In the event that the Investment Manager hedges the foreign currency exposure of any Class of Shares denominated in a currency other than the Reference Currency of the relevant Fund, the costs and any benefit of such hedging will be allocated solely to the relevant Class of Shares to which the hedging relates. The Net Asset Value of a Fund will be expressed in the Reference Currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case.

The Net Asset Value per Share shall be calculated as at the Valuation Day by dividing the Net Asset Value of the relevant Fund or attributable to a Class or Series by the total number of Shares in issue or deemed to be in issue in the Fund, Class or Series at the relevant Valuation Day and rounding the resulting total to 2 decimal places or such number of decimal places as the Directors may determine.

Valuation of Assets

In determining the value of the assets of the Company:

- (A) the value of any cash on hand or in deposits, bills, demand notes and accounts receivables, prepaid expenses, dividends and interests matured but not yet received shall be valued at the par-value of the assets except however if it appears that such value is unlikely to be received. In such a case, subject to the approval of the Board of Directors, the value shall be determined by deducting a certain amount to reflect the true value of these assets;
- (B) the value of assets which are listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally the principal market for such assets;
- (C) the value of assets dealt in on any other Regulated Market is based on the last available price;
- (D) in the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith by the Board of Directors;

- (E) the market value of forward or options contracts not traded on exchanges or on other Regulated Markets shall mean their fair value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The market value of futures or options contracts traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures or options contracts are traded by the Fund. Provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable. Interest rate swaps will be valued at their market value established by reference to the applicable interest rate curve;
- (F) the value of Money Market Instruments not listed or dealt in on any stock exchange or any other Regulated Market and with remaining maturity of less than twelve (12) months and of more than 90 days is deemed to be the market value thereof, increased by any interest accrued thereon. Money Market Instruments with a remaining maturity of ninety (90) days or less will be valued by the amortized cost method, which approximates market value;
- (G) units or shares of open-ended UCI will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and reasonable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value;
- (H) all other securities and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors.

The value of all assets and liabilities not expressed in the Reference Currency of a Class or Fund will be converted into the Reference Currency of such Class or Fund at the rate of exchange determined at the relevant Valuation Day in good faith by or under procedures established by the Board of Directors.

The Board of Directors may at their discretion permit any other method of valuation to be used if they consider that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good practice.

In the absence of gross negligence, fraud or wilful default, every decision taken by the Directors or any committee of the Directors or any duly authorised person on behalf of the Company in calculating the Net Asset Value of a Class or the Net Asset Value per Share shall be final and binding on the Company and on present, past or future Shareholders.

The Directors have delegated the Administrator the day to day responsibility for the calculation of the Net Asset Value and Net Asset Value per Share.

Publication of Net Asset Value per Share

The Net Asset Value per Share may be obtained free of charge from, and will be available at, the offices of the Administrator during business hours in Luxembourg.

Suspension of Valuation of Assets

The Directors may at any time and from time to time temporarily suspend the determination of the Net Asset Value of the Company, a Fund or a Class and the issue, exchange and redemption of Shares in any Class:

- (A) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Regulated Markets on which the Company's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted;
- (B) during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation by the Company of investments of the Fund or Class is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the Company;
- (C) during the whole or part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the Company's investments of the relevant Fund or Class;
- (D) during the whole or any part of any period when for any reason the value of any of the Company's investments cannot be reasonably, promptly or accurately ascertained;
- (E) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of the Company or the Fund being unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (F) following a possible decision to liquidate or dissolve the Company or one or several Classes or Funds;
- (G) if any other reason makes it impossible or impracticable to determine the value of a portion of the investments of the Company or any Fund; or
- (H) if, in exceptional circumstances, the Directors determine that suspension of the determination of Net Asset Value is in the interest of Shareholders (or Shareholders in that Fund or Class as appropriate).

Any suspension of valuation of the Net Asset Value of the Company, a Fund or a Class and the issue, exchange and redemption of Shares in any Class shall be notified to Shareholders having made an application for subscription, redemption or conversion of Shares for which the calculation of the Net Asset Value has been suspended.

Such suspension as to any Class or Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Class or Fund, if the assets within such other Class or Fund are not affected to the same extent by the same circumstances.

DILUTION LEVY

In certain circumstances, the value of the property of a Fund may be reduced as a result of charges incurred in dealings in the Fund's investments and of any spread between the buying and selling prices of these investments. In order to offset this effect, known as "dilution", and the consequent potential adverse effect on the existing or remaining Shareholders, the Board of Directors has the power to charge a "dilution levy" when Shares are bought or sold. If charged, the dilution levy will be shown in addition to (and not part of) the Subscription Price or Redemption Price of the Shares, as the case may be, in the relevant documentation. If charged, the dilution levy would be paid to the Company and would become part of the property of the relevant Fund thus protecting the value of the remaining Shareholders' interests. It is not, however, possible to predict accurately whether dilution will occur at any future point in time.

Any dilution levy charged must be fair to all Shareholders and potential Shareholders. In particular, the dilution levy may be charged in the following circumstances:

- (a) on a Fund experiencing large levels of net purchases (i.e. purchases less redemptions) relative to its size;
- (b) on a Fund experiencing large levels of net redemptions (i.e. redemptions less purchases) relative to its size;
- (c) in any other case where the Board of Directors is of the opinion that the interests of existing/continuing Shareholders and potential Shareholders require the imposition of a dilution levy.

In order to reduce inconsistency in the application of any dilution levy, the Board of Directors may take account of the trend of the Fund in question to expand or to contract; and the transactions in Shares on a particular Valuation Day.

Details of the dilution levy for each Fund are set out in the relevant Supplement.

FEES AND EXPENSES

Any fees or expenses payable by a Shareholder or out of the assets of the Company are set out in this section.

Preliminary Charge

The Company is permitted to make a preliminary charge on the subscription of Shares by an investor. The current percentage rates of charge are shown in the relevant Supplement for each Fund. The charge is calculated prior to the addition of any dilution levy, as set out in the relevant Supplement. Any preliminary charge will be retained by the Distributor, in the first instance, who may pay any distributor, sub-distributor or paying agent out of the proceeds of such preliminary charge, with the balance to be vested in the relevant Fund.

Redemption Charge

The Company is permitted to make a redemption charge on the redemption of Shares by an investor on the terms and at the percentage rates shown in the relevant Supplement for each Fund. The redemption charge is calculated prior to the adjustment to account for dilution, as set out in the relevant Supplement. Any redemption charge will be retained by the Distributor, in the first instance, who may pay any distributor, sub-distributor or paying agent out of the proceeds of such redemption charge, with the balance to be vested in the relevant Fund.

On redemption of Shares, the relevant redemption charge rate is charged on the Net Asset Value per Share on the relevant Dealing Day calculated in the relevant Reference Currency of the Class of the redeemed Shares.

No redemption charge will be levied on the redemption of Shares derived from reinvestment of dividends or in the event of an exchange or conversion of Shares. No redemption charge will be levied on a Performance Fee Redemption (see Appendix 2 for further details).

The redemption charge is levied by reference to the "Relevant Holding Period", which is an aggregate of the periods during which (a) the redeemed Shares, and (b) the Shares from which they were derived (if any) as a result of conversion or exchange, were held in any Fund.

In cases where redeemed Shares are only part of a larger holding of Shares in the same Class, any Shares acquired by dividend reinvestment will be redeemed first; and where the holding consists of Shares of the same Class acquired a different times, it will be assumed that those acquired first are redeemed first (thus resulting in the lowest redemption charge rate possible).

The redemption charge may be waived or reduced by the relevant distributor at its discretion or for Shareholders who, after purchasing Shares, become Ineligible Applicants or US Persons and are subject to a compulsory redemption of the Shares as a result (other than as a result of their shareholding falling below any Minimum Holding). See the section entitled "Redemptions – Compulsory Redemptions" for details on compulsory redemptions.

Management Company Fee

The Management Company will receive a management company fee for the provision of its services. The management company fee, which is expressed as a percentage of the Net Asset Value, is specified in the relevant Supplement.

Investment Management Fee

Unless otherwise stated in the relevant Supplement, in respect of each Class, the Investment Manager will be entitled to receive an Investment Management Fee equal to 1/24 of the annual rate set out in the relevant Supplement of the Net Asset Value of the Shares of the relevant Class as at each Valuation Day (before deduction of the relevant fees, expenses, borrowings and interest together with value added tax, if any on such Investment Management Fee and before deduction for any accrued Performance Fees).

Unless otherwise stated in the relevant Supplement, the Investment Management Fee is calculated, accrued and payable on each Valuation Day in arrears.

The Investment Manager may from time to time and in its sole discretion and out of its own resources decide to rebate to some or all Shareholders (including the directors), their agents or to intermediaries, part or all of the Investment Management Fee.

Performance Fee

The Investment Manager may also be entitled to receive a Performance Fee from the Company, the details of which are set out in the relevant Supplement for each Fund.

Unless otherwise stated in the relevant Supplement, the Performance Fee will be calculated in accordance with Appendix 2.

Depository's Fees

The Company shall pay to the Depository out of the assets of the Company an annual fee, accrued and payable at each Valuation Day in arrears the details of which are set out in the relevant Supplement for each Fund.

Paying Agents' Fees

Fees and expenses of any paying agent(s) appointed by the Company, which will be at normal commercial rates, will be borne by the Company.

Administrator's Fees

The Company shall pay to the Administrator out of the assets of the Company an annual fee, accrued and payable at each Valuation Day in arrears the details of which are set out in the relevant Supplement for each Fund.

Directors' Fees

The Company shall pay to Mr. Thomas out of the assets of the Company an annual fee of €25,000 for acting as Director. Mr. Sandler and Mr. Kaplan shall not receive a fee for acting as Director.

Operating Expenses and Fees

The Company bears its own operating and other expenses. Where applicable, these expenses include (but are not limited to) (a) all investment expenses, (b) all fees and expenses of transactional and trade-related services including, for the avoidance of doubt and without limitation, the costs incurred in arranging and participating in a stocklending programme, (c) all administrative expenses, (d) all of the charges and expenses of legal and professional advisers, accountants and auditors, (e) all brokers' commissions, all fees for investment research and/or trade ideas, all borrowing charges on short positions taken through derivative instruments and any issue or transfer taxes or stamp duties chargeable in connection with securities transactions, (f) all taxes and corporate fees payable to governments or agencies, (g) all interest on borrowings (h) all

communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (i) the fees and expenses of the Directors (in accordance with the Articles), including the reasonable travel expenses of the Directors and all of the costs of insurance for the benefit of the Directors (if any), (j) all litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (k) the fees of the CSSF, (l) the cost of termination of the Company or any Fund, (m) the fees and expenses of any regulator, paying agent, representative, distributor, sub-distributor or correspondent bank appointed in connection with the registration of the Company (or any Fund) or the marketing of Shares or the application for and maintenance of particular tax treatment for the Shares in any jurisdiction, and (n) all other organisational and operating expenses.

In addition, the Investment Manager shall also be entitled to be repaid all of its disbursements out of the assets of the Company, including legal fees, couriers' fees and telecommunication costs and expenses which shall be at normal commercial rates together with VAT, if any, thereon.

Any such operating and other expenses may be deferred and amortised by the Company, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of the Company. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by all Shares in proportion to the Net Asset Value of the Company or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Class shall be borne solely by the relevant Class.

Allocation of Assets, Charges and Expenses

All fees, duties, charges and expenses are charged to the relevant Fund in which they were incurred. Where appropriate the charges and expenses will be divided pro-rata between the Funds.

Costs of Establishment

The total costs and expenses of establishing the Company, including the Funds, are estimated to be approximately EUR 159,000 and will be payable and borne by the Company. These costs and expenses may, at the discretion of the Directors, be amortised on a straight-line basis over a period of up to 5 years from the date on which the Company commences business. The Directors may, in their absolute discretion, shorten the period over which such costs and expenses are amortised. These establishment expenses are being charged as between the various Funds established by the Company within the amortisation period on such terms and in such manner as the Directors deem fair and equitable and provided that each Fund bears its own direct establishment costs and costs of listing its Shares on any stock exchange. It is expected that such accounting treatment will not be material to the financial statements of the Company. If the effect of the accounting treatment becomes material in the future and there is a requirement to write off any unamortised balance of establishment expenses in the financial statement, the Directors will reconsider this policy.

TAXATION

General

The following summary is based on the law and practice applicable in the Grand Duchy of Luxembourg as at the date of this Prospectus and is subject to changes in law (or interpretation) later introduced, whether or not on a retroactive basis.

It is expected that Shareholders will be resident for tax purposes in different countries. Consequently, no attempt is made in this Prospectus to summarise the taxation consequences for each investor subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with the Shareholder's personal circumstances. Shareholders should be aware that the residence concept used under the respective headings applies for Luxembourg tax assessment purposes only. Any reference in this section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Shareholders should also note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*). Shareholders may further be subject to net wealth tax (*impôt sur la fortune*), as well as other duties, levies or taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, the solidarity surcharge and a temporary tax (*impôt d'équilibrage budgétaire*). Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply in addition.

The information given below does not constitute legal or tax advice and prospective investors should consult their own professional advisers on the possible tax consequences of buying, selling, exchanging, holding or redeeming Shares under the laws of the jurisdictions in which they may be subject to tax. Investors are also advised to inform themselves as to any exchange control regulations applicable in their country of residence.

Generally the tax consequences of acquiring, holding, exchanging, redeeming or disposing of Shares in the Company will depend on the relevant laws of the jurisdiction to which the Shareholder is subject. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed gains of the Company. These consequences will vary with the law and practice of the Shareholder's country of residence, domicile or incorporation and with his personal circumstances. The Directors, the Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of Shareholders.

Luxembourg Taxation

The following summary is based on the law and practice currently applicable in Luxembourg and is subject to changes therein.

Taxation of the Company in Luxembourg

Under current law, the Company is not liable to any Luxembourg income or net wealth tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax.

The Company is, however, liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate Net Asset Value of the Funds at the end of the relevant calendar quarter.

A reduced tax rate of 0.01% per annum of the net assets will be applicable to:

- (a) undertakings whose exclusive object is the collective investment in Money Market Instruments and the placing of deposits with credit institutions;
- (b) undertakings whose exclusive object is the collective investment in deposits with credit institutions; and
- (c) individual compartments of UCIs with multiple compartments referred to in the Law, as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

An exemption from subscription tax applies in the following cases:

- (a) for the value of the assets represented by shares or units held in other UCIs to the extent such shares or units have already been subject to the subscription tax provided by the amended law of 13 February 2007 on specialised investment funds or the UCI Law;
- (b) for UCIs, as well as individual sub-funds of UCIs with multiple sub-funds:
 - (i) the securities of which are reserved for institutional investors; and
 - (ii) the exclusive object of which is the collective investment in Money Market Instruments and the placing of deposits with credit institutions; and
 - (iii) the weighted residual portfolio maturity of which does not exceed 90 days; and
 - (iv) that have obtained the highest possible rating from a recognised rating agency;
- (c) for UCIs, the securities of which are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, set up on one or several employers' initiative for the benefit of their employees and (ii) companies of one or several employers investing the funds they hold, in order to provide their employees with retirement benefits; or
- (d) UCIs as well as individual sub-funds of umbrella UCIs with multiple sub-funds whose main objective is the investment in microfinance institutions.
- (e) for UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public and (ii) whose exclusive object is to replicate the performance of one or more indices.

The effective rate applicable to the various Classes of Shares is disclosed in the relevant Supplement of each Fund.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares against cash by the Company. The Company is liable to a fixed registration duty of EUR 75 on the registration of its incorporation or of any amendment to its Articles.

No Luxembourg tax is payable on the realised or unrealised capital appreciation of the assets of the Fund.

Dividends, capital gains and interest received by the Company on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin. In addition, the Company may be liable to certain taxes in countries where the Company carries out its investment activities.

Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be determined on a case-by-case basis.

If this position changes in the future and the application of a lower rate results in a repayment to the Company the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.

Value Added tax

In Luxembourg, regulated investment funds such as SICAVs have the status of taxable persons for value added tax (“**VAT**”) purposes. Accordingly, the Company is considered in Luxembourg as a taxable person for VAT purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg. As a result of such VAT registration, the Company will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Company to its Shareholders, to the extent such payments are linked to their subscription to the Shares and do not constitute the consideration received for taxable services supplied.

Taxation of Shareholders in Luxembourg

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg, by reason only of the holding of the Shares, or the execution, performance, delivery and/or enforcement of its right and obligations under the Shares.

Non-residents Shareholders

Shareholders, who are non-residents of Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are not liable to any Luxembourg income tax on income received and capital gains realised upon the sale, disposal or redemption of the Shares.

Non-resident corporate shareholders having a permanent establishment or a permanent representative in Luxembourg, to which or whom the Shares are attributable, must include any income received, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg, to which or whom the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Residents Individuals Shareholders

Any dividends received and other payments derived from the Shares received by resident individuals, who act in the course of the management of either their private wealth or their professional / business activity, are subject to income tax at the progressive ordinary rates.

A gain realised upon disposal of Shares by Luxembourg resident individual Shareholders, acting in the course of the management of their private wealth, is not subject to income tax, unless said capital gain qualifies either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the Shares are disposed of less than six months after the acquisition thereof, or if their disposal

precedes their acquisition. A shareholding is considered as substantial shareholding in limited cases, in particular if (i) the Shareholder has held, either alone or together with his spouse and/or his minor children, either directly or indirectly, at any time within the five (5) years preceding the realisation of the gain, more than ten percent (10%) of the share capital of the Company or (ii) the taxpayer acquired free of charge, within the five (5) years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realised on a substantial participation more than six (6) months after the acquisition thereof are subject to income tax according to the half-global rate method, (i.e., the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the Shares.

Capital gains realised on the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

(d) Resident Corporates Shareholders

Luxembourg resident corporate (*sociétés de capitaux*) Shareholders must include any income received, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable income for Luxembourg income tax assessment purposes.

(e) Resident Corporate Shareholders benefiting from a special tax regime

Luxembourg resident Shareholders which benefit from a special tax regime (such as (i) UCI subject to the Law (ii) specialised investment funds subject to the amended law of 13 February 2007, (iii) family wealth management companies governed by the amended law of 11 May 2007) are tax exempt entities in Luxembourg, and profits derived from the Shares are thus not subject to any Luxembourg income tax in their hands.

Common Reporting Standard

The Company may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the “**Standard**”) and its Common Reporting Standard (the “**CRS**”) as set out in Luxembourg 18 December 2015 implementing the Common Reporting Standard (the “**CRS Law**”).

Under the terms of the CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Company documentation, the Company will be required to annually report to the Luxembourg tax authority (the “**LTA**”) personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain investors as per the CRS Law (the “**Reportable Persons**”) and (ii) Controlling Persons of certain non-financial entities (“**NFEs**”) which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the “**Information**”), will include personal data related to the Reportable Persons.

The Company’s ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Company with the Information, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the Company will process the Information for the purposes as set out in the CRS Law. The investors undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Company.

The investors are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the purposes set out in the CRS Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the LTA.

Similarly, the investors undertake to inform the Company within thirty (30) days of receipt of these statements should any included personal data be not accurate. The investors further undertake to immediately inform the Company of, and provide the Company with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any investor that fails to comply with the Company's Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such investor's failure to provide the Information or subject to disclosure of the Information by the Company to the LTA.

Net wealth tax

A resident Shareholder, as well as a non-resident Shareholder, who has a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, is subject to Luxembourg net wealth tax on such Shares, except if the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) an UCI subject to the Law, (iii) a securitization company governed by the amended law of 22 March 2004 on securitization, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a specialised investment fund governed by the amended law of 13 February 2007, or (vi) a family wealth management company governed by the amended law of 11 May 2007.

Other taxes

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his death, the Shares are included in his taxable basis for inheritance tax purposes. On the contrary, no estate or inheritance tax is levied on the transfer of the Shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his death.

Luxembourg gift tax may be levied on a gift or donation of the Shares if embodied in a Luxembourg notarial deed or registered in Luxembourg.

In order to avoid any overlap between the Directive 2014/48/EU and the Directive 2014/107/EU, the Council of the European Union proposed to repeal the EU Savings Directive with effect from 1 January 2016. Economic operators and the Member States where those are established would nevertheless have to continue applying the EUSD until their obligations have been fulfilled.

FATCA

As part of the process of implementing FATCA, Luxembourg has entered into a Model I intergovernmental agreement ("IGA") implemented by the Luxembourg law dated 24 July 2015, which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by U.S. Specified Persons (within the meaning of the IGA), if any, to the competent authorities.

Being established in Luxembourg and subject to the supervision of the CSSF in accordance with the Law, the Company will be treated as a Foreign Financial Institution for FATCA purposes.

This status includes the obligation for the Company to regularly assess the status of its Shareholders. To this end, the Company will need to obtain and verify information on all of its Shareholders. Upon request of the Company, each Shareholder shall agree to provide certain

information, including, in case of a Non-Financial Foreign Entity (“**NFFE**”), the direct or indirect owners above a certain threshold of ownership of such NFFE, along with the required supporting documentation. Similarly, each Shareholder shall agree to actively provide to the Company within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

FATCA and the IGA may result in the obligation for the Company to disclose the name, address and taxpayer identification number (if available) of the Shareholder as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities (*Administration des contributions directes*) under the terms of the applicable IGA

Such information will be onward reported by the Luxembourg tax authorities to the U.S. Internal Revenue Service

Additionally, the Company is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Company are to be processed in accordance with the Luxembourg law dated 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended by the Luxembourg law of 27 July 2007 relating to the protection of persons towards the treatment of personal data.

Although the Company will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as result of the FATCA regime, the value of the Shares held by the Shareholder may suffer material losses. A failure for the Company to obtain such information from each Shareholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of U.S. source income and on proceeds from the sale of property or other assets that could give rise to U.S. source interest and dividends.

Any Shareholder that fails to comply with the Company’s documentation requests may be charged with any taxes imposed on the Company attributable to such Shareholder’s failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime.

Shareholders should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

RISK MANAGEMENT PROCESS

Unless otherwise stated in the relevant Supplement, each Fund shall employ a Value-at-Risk model in determining its global exposure to financial derivative instruments and will ensure that such global exposure does not exceed the 20% threshold as set out in the CSSF circular 11/512 of 30 May 2011, as may be amended or restated from time to time.

Each Fund may invest, according to its investment objectives and in compliance with the investment restrictions set out in Appendix 1 of this Prospectus, in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down therein.

When a Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Appendix 1 of this Prospectus.

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this section.

RISK FACTORS

The risks described herein should not be considered to be an exhaustive list of the risk which potential investors should consider before investing in a Fund. Different risks may apply to different Funds. Details of Fund specific risks in relation to a particular Fund which are additional to those described in this section will be disclosed in the relevant Fund Supplement. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares.

Prospective investors should consider, among others, the following factors before subscribing for Shares:

General Risks

Investors should be aware that there are risks inherent in the holding of securities:

- (A) There is no assurance that any appreciation in the value of investments will occur, or that the investment objectives of any Fund will be achieved. Past performance is no guide to the future. The value of Shares, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full.
- (B) The tax treatment of the Funds may change and such changes cannot be foreseen.
- (C) Where regular investments are made with the intention of achieving a specific capital sum in the future; this will normally be subject to maintaining a specified level of investment.
- (D) Any investment should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment.

Amortisation of Organisational Costs

The Company's financial statements will be prepared in accordance with Luxembourg generally accepted accounting principles ("Luxembourg GAAP"). Luxembourg GAAP restricts the amortisation of organisational costs. Notwithstanding this, the Directors are proposing to amortise the costs and expenses of establishing the Company and the financial statements may be qualified in this regard.

Business Risk

There can be no assurance that the Company will achieve its investment objective in respect of any of the Funds. The investment results of the Fund are reliant upon the success of the Investment Manager.

Lack of Operating History

The Company is a recently formed entity and has no operating history upon which prospective investors can evaluate the likely performance of the Company. The past investment performance of the Investment Manager or any of its affiliates, or entities with which it has been associated, may not be construed as an indication of the future results of an investment in the Company. The Funds' investment policies should be evaluated on the basis that there can be no assurance that the assessment of the investment of the short-term or long-term prospects of investments will prove accurate or that the Funds will achieve their investment objective.

Depository – Segregation, Sub-Custodians and Insolvency

Where the Depository delegates the safe custody of the Company's assets held by it pursuant to the Depository Agreement to a sub-custodian, as a result of the settlement, legal and regulatory requirements in the relevant jurisdiction and the relevant practices for the separate identification of the Company's securities, the Company's securities may be registered or recorded in the name of the Depository or the relevant sub-custodian. Such assets may therefore not be segregated and hence may not be as well protected as if they were registered or recorded in the name of the Company.

Where securities are held with a sub-custodian of the Depository, such securities may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Company may have to share that shortfall on a pro-rata basis. There may be circumstances where the Depository is relieved from liability for the acts or defaults of its appointed sub-custodians.

The Company is at risk of the Depository or a sub-custodian entering into an insolvency procedure. During such a procedure (which may last many years) the use by the Company of assets held by or on behalf of the Depository or the relevant sub-custodian, as the case may be, may be restricted and accordingly (a) the ability of the Investment Manager to fulfil the investment objective of each Fund may be severely constrained, (b) the Funds may be required to suspend the calculation of the Net Asset Value and as a result subscriptions for and redemptions of Shares, and/or (c) the Net Asset Value may be otherwise affected. During such a procedure, the Company is likely to be an unsecured creditor in relation to certain assets and accordingly the Company may be unable to recover such assets from the insolvent estate of the Depository or the relevant sub-custodian, as the case may be, in full, or at all.

Depository Liability

In the event of loss suffered by the Company as a result of the Depository's actions or omissions, the Company would generally, in order to bring a successful claim against the Depository, have to demonstrate that it has suffered a loss as a result of Depository's failure to use such reasonable care as may be expected of a leading global Depository in performing its obligations under the Depository Agreement. The Company may also have to demonstrate that it has suffered a loss as a result of the Depository's negligence, bad faith, fraud or wilful default.

Market Disruptions; Governmental Intervention; Dodd-Frank Wall Street Reform and Consumer Protection Act

The global financial markets have in the past few years gone through pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition — as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action — these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

The Funds may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Company from its banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Funds. Market disruptions may from time to time cause dramatic losses for the Funds, and such events

can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

In response to the financial crises of 2008-2009, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") was enacted in July 2010. Dodd-Frank seeks to regulate markets, market participants and financial instruments that previously have been unregulated and substantially alters the regulation of many other markets, market participants and financial instruments. Because many provisions of Dodd-Frank require rulemaking by the applicable regulators before becoming fully effective and Dodd-Frank mandates multiple agency reports and studies (which could result in additional legislative or regulatory action), it is difficult to predict the ultimate impact of Dodd-Frank on the Funds, the Investment Manager, and the markets in which they trade and invest. Dodd-Frank could result in certain investment strategies in which the Fund engages or may have otherwise engaged becoming non-viable or non-economic to implement. Dodd-Frank and regulations adopted pursuant to Dodd-Frank could have a material adverse impact on the profit potential of the Funds.

Taxation Risk

Where the Company invests in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Company will not be able to recover such withheld tax and so any such change would have an adverse effect on the Net Asset Value of the Shares. In the event that in the future such securities cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to the Company.

The attention of potential investors is drawn to the taxation risks associated with investing in any Fund. Please see the heading "Taxation" above.

FATCA Related Risk

The Company may be subject to regulations imposed by foreign regulators, in particular, the United States Hiring Incentives to Restore Employment Act (Hire Act) which was enacted into U.S. law in March 2010. It includes provisions generally known as FATCA. FATCA provisions generally impose a reporting to the U.S. Internal Revenue Services of non-U.S. financial institutions that do not comply with FATCA and U.S. persons' (within the meaning of FATCA) direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

Under the terms of FATCA, the Company will be treated as a Foreign Financial Institution. As such, the Company may require all Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Despite anything else herein contained, the Company shall have the right to:

- withhold any taxes or similar charges that it is legally required to withhold, whether by applicable laws and regulations, in respect of any shareholding in the Company;
- require any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Company in its discretion in order to comply with applicable laws and regulations and/or to promptly determine the amount of withholding to be retained;

- divulge any such personal information to any tax authority, as may be required by applicable laws or regulations or requested by such authority; and
- delay payments of any dividend or redemption proceeds to an Shareholder until the Company holds sufficient information to enable it to comply with applicable laws and regulations or determine the correct amount to be withheld.

Regulatory Risk

The regulatory environment is evolving and changes therein may adversely affect the ability of the Company to pursue its investment strategies. In particular, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or regulatory authorities which may adversely affect the value of the investments held by the Company. The effect of any future regulatory or tax change on the Company is impossible to predict. The regulatory environment within which the Company operates may be different to the regulatory requirements of the investors' home countries.

US Tax-Exempt Investors

Certain prospective investors may be subject to US federal and state laws, rules and regulations which may regulate their participation in the Company, or their engaging directly or indirectly through an investment in a Fund, in investment strategies of the types which the Funds may utilise from time to time. While the Company believes that the Funds' investment programs are otherwise generally appropriate from a tax perspective for the US Tax-Exempt Investors for which an investment in the Funds would be suitable, each type of such investor may be subject to different laws, rules and regulations and should consult with their own advisers as to the advisability and tax consequences of an investment in the Fund. Investment in the Fund by tax-exempt entities subject to ERISA and other tax-exempt investors requires special consideration. Trustees or administrators of such investors are urged to review carefully the matters discussed in this Prospectus and the relevant application form.

Hedging Risk

The Investment Manager may, if set out in the relevant sections of the relevant Supplement, enter into certain transactions using futures, forwards or other exchange-traded or over-the-counter instruments or by the purchasing of securities ("Hedging transactions") to hedge the Fund's exposure to foreign exchange risk where Classes of Shares are denominated in a currency other than the Reference Currency of the relevant Fund and/or certain other exposures including the risk of the value of a Class of Shares, or any increase thereto, being reduced by inflation in the underlying currency of the relevant Class.

Hedging transactions, while potentially reducing the risk of currency and inflation exposure which a Class of Shares may otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty, as described under "Derivatives Risks" below. There is no guarantee that a Hedging Transaction will fully protect a Class of Shares against foreign exchange and/or inflation risks.

Please refer to the heading "Risk Profile of the Fund" in the relevant sections in the relevant Supplement for further risks associated with hedging transactions.

Price Fluctuations

It should be remembered that the value of Shares and the income (if any) derived from them can go down as well as up.

Transaction Costs

The investment policies of the Funds may involve a high level of trading and turnover of the investments of the Funds which may generate substantial transaction costs which will be borne by each Fund separately.

Investments in Restricted Securities

The Funds may be prevented from buying or selling certain publicly traded securities if the Investment Manager or the Company acquires material, non-public information with respect to such securities. In addition, if such information is acquired with respect to a publicly traded security that the Funds already hold, such security will be placed on a "restricted securities list" maintained by the Investment Manager and will not be traded until the material, non-public information becomes public or is no longer material. Accordingly, the Funds may be disadvantaged due to their inability to participate in investments that would otherwise be suitable for the Funds or to liquidate existing investments during favourable market conditions.

Due Diligence May Not Reveal All Relevant Facts

Before a Fund makes an investment, the Investment Manager will arrange for such due diligence to be conducted that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment of the Fund. The objective of the due diligence process will be to identify attractive investment opportunities based on the facts and circumstances surrounding an investment. When considering the due diligence, the Investment Manager will be expected to evaluate a number of important business, financial, tax, accounting, and legal issues in determining whether or not a Fund should proceed with an investment. External consultants, legal advisers, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence, the Investment Manager and the Company will be required to rely on the resources available to it, including information provided by the target of the investment and, in some cases, third party investigations. The due diligence process may at times be subjective with respect to newly organised companies or other entities for which only limited information is available. Typically, potential investors in emerging markets have access to less reliable or less detailed fiscal and other information than investors in more developed markets. Accordingly, there can be no assurance that the due diligence process carried out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. There can also be no assurance that such an investigation will result in an investment being successful. If a potential investee company is publicly quoted, due diligence may be limited to information in the public domain for the reason that access may not be granted to the potential investee company's records. Any warranties provided by the selling shareholders or indemnity cover given may be limited or unavailable because the investment is a primary investment, because of market practice or because the potential investee company is publicly quoted. As a result, a Fund's due diligence into a potential investee company may be the only comfort it receives before committing to a transaction and there is therefore the risk that, following the consummation of a transaction or the making of an investment, liabilities or other unforeseen matters of an adverse nature may come to light which had not been revealed by the due diligence carried out in respect of such transaction or investment. Were this to happen in relation to any of the investments made by the Fund, it could have an adverse effect on the investment in question, the Fund's net asset value, its financial condition and/or results.

Risk of Litigation

In the ordinary course of its business, the Company may be subject to litigation from time to time. The outcome of litigation, which may materially adversely affect the value of a Fund, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Investment Manager's time and

attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Structural Risks

Key Person Risk

Unless otherwise stated in the relevant Supplement, the investment performance of each Fund is substantially dependent on Nathan B. Sandler. In the event of the death, incapacity, departure, insolvency or withdrawal of Mr. Sandler, the performance of each Fund may be adversely affected.

Charges to Capital

Where all or part of the fees and/or charges in respect of any Class or Fund are charged against capital rather than income, this will enhance income returns but may constrain future capital growth.

Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of exchanging Shares) may be suspended (see “Suspension of Valuation of Assets”).

Segregation of Liabilities between Funds

As a matter of Luxembourg law, the assets of each Fund will not be available to meet the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on behalf of or be subject to claims in other jurisdictions which may not necessarily recognise such legal segregation and, in such circumstances, the assets of one Fund may be exposed to the liabilities of another.

Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 % of the total number of Shares in issue in respect of a single Fund, redemption requests may be reduced rateably and pro rata and the redemption of Shares may be carried forward to the next following Dealing Day. In the event of a large number of redemptions, this power to defer redemptions could be exercised on a number of successive Dealing Days and materially restrict a Shareholder’s ability to redeem his Shares (as described in more detail in the section entitled “Redemptions – Deferred Redemptions”).

Effect of Substantial Redemptions

Substantial redemptions by Shareholders within a short period of time could require a Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the assets of the Fund and/or disrupting the Investment Manager’s investment strategy. Reduction in the size of a Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in a Fund’s ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Net Asset Value Considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Fund’s investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption, if the Net Asset Value per Share at the time of such redemption is less than the Price paid by such Shareholder or if there remain any unamortised costs and expenses of establishing the Company. In addition, where there is any conflict between Luxembourg generally accepted accounting principles and the valuation principles set out in the

Articles and this document in relation to the calculation of Net Asset Value, the latter principles shall take precedence.

In calculating a Fund's Net Asset Value, the Administrator may consult the Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds, the Investment Manager will endeavour to resolve any such conflict of interest fairly and in the interest of investors.

Profit Sharing

In addition to receiving an Investment Management Fee, the Investment Manager may also receive a Performance Fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a Performance Fee may be paid on unrealised gains, which may subsequently never be realised. The Performance Fee may create an incentive for the Investment Manager to make investments for a Fund, which are riskier than would be the case in the absence of a fee based on the performance of a Fund.

Redemption Risks

Payment of redemption proceeds may be delayed if the Directors declare a temporary suspension of the determination of the Net Asset Value of the Company or a Fund in any of the exceptional circumstances as described under the section entitled "Determination of the Net Asset Value of Shares – Suspension of Valuation of Assets."

Cybersecurity Risk

The Funds, the Investment Manager and their third-party service providers are subject to risks associated with "cybersecurity" breaches. "Cybersecurity" is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from authorized access or manipulation by other computer users and the efforts to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Cybersecurity breaches may be the result of intentional actions (such as an attempt by a third party to fraudulently induce employees, customers, third-party service providers or other users of systems to disclose sensitive information in order to gain access to the Investment Manager's data or that of its investors), or unintentional events. Cyber-attacks may cause losses to the Funds by interfering with the processing of transactions, affecting the Funds' ability to calculate net asset value or impeding or sabotaging trading or otherwise affecting the information systems upon which the Investment Manager and the Funds rely. A successful penetration or circumvention of the security protocols of the Investment Manager's systems or the systems of the Investment Manager's service providers could also result in the loss or theft of an Investor's data or funds, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Any such breach could expose the Funds to financial loss (including those associated with the forensic analysis of the origin and scope of the breach and costs of increased and upgraded IT systems and/or cybersecurity countermeasures), the disruption of its business, liability to investors or third parties, regulatory intervention, unauthorized use of proprietary information, litigation, the dissemination of confidential and proprietary information or reputational damage. In addition, any such breach could potentially lead to substantial redemptions from the Funds. Losses could also arise from cyber-attacks affecting issuers of securities in which the Funds invest.

While the Investment Manager has established systems designed to mitigate the risks of cyber-attacks, there are inherent limitations in such systems, including the possibility that certain risks have not been identified. Furthermore, the Investment Manager does not control the business

continuity plans and systems put in place by its third-party service providers or any other third parties whose operations may affect the Funds. As a result, the Funds could be negatively impacted by cyber-attacks against any of its, or any of its third-party service providers', information systems.

Other Activities of the Investment Manager

The Investment Manager and its members, officers, employees and affiliates, including those involved in the investment management of the Funds may be engaged in businesses in addition to the investment management of the Funds. The Investment Manager may have proprietary interests in, and manage and advise, other accounts or funds which may have investment objectives similar or dissimilar to those of the Funds and/or which may engage in transactions in the same types of securities and instruments as the Funds. The Funds' performance may differ significantly from the results achieved by the Investment Manager for other accounts managed or advised by the Investment Manager. When making an investment where conflicts of interest arise, the Investment Manager will endeavour to act in a fair and equitable manner as between the Company and its other clients. Personnel of the Investment Manager are not required to devote all or any specified portion of their time to managing the affairs of the Company, but will devote to the Company so much of their time as the Investment Manager deems necessary or appropriate. Investment activities by the Investment Manager on behalf of other clients may give rise to additional conflicts of interest and demands on their time and resources. The Investment Manager may from time to time act as directors, investment managers, administrators or prime brokers in relation to or otherwise be involved with other companies established by parties other than the Company. In such event, should a conflict of interest arise, the Investment Manager will endeavour to ensure that it is resolved fairly.

Limited Obligations and Liability of the Investment Manager

The Investment Management Agreement provides that to the maximum extent permitted by applicable law, the Company will indemnify and hold the Investment Manager (which shall include for this purpose each of the Investment Manager's directors, officers and employees, each an "Indemnified Person") harmless from and against, and shall reimburse the Indemnified Person for, any and all direct expenses, losses, damages, liabilities, demands, charges and claims of any kind whatsoever (including without limitation any reasonable legal expenses, and costs and expenses relating to investigating or defending any demands, charges and claims) arising from or relating to the services provided thereunder ("Losses"); except to the extent that such Loss is due to the non-performance of its or their duties and obligations and bad faith, gross negligence or wilful default in the performance of its or their duties and obligations thereunder.

Investment Risks

Concentration of Investments

A Fund may at certain times hold relatively few investments. Such a Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Investments of a Fund

The Funds may invest in a broad array of financial instruments. These may include the financial instruments of foreign entities, both public and private. In addition to the risks associated with investments of this kind in general, such investments may also involve the risks associated with currency fluctuations and various political factors, as described below. The Funds may also hold cash and invest in treasury securities and other cash equivalents when attractive opportunities for capital appreciation appear to be limited.

Credit Spreads

A Fund may make investments that expose it to corporate credit spreads and movements in such spreads will thus impact on the Net Asset Value per Share of each Class.

Debt Securities

The Funds may invest in fixed income securities which may be unrated by a recognised credit-rating agency or below investment grade and which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Funds may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Funds may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Funds will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

Investment in Emerging Markets

The Funds will invest in emerging market debt securities, foreign exchange instruments and equities which may lead to additional risks being encountered when compared with investments in developed markets.

Investment in emerging market securities involves a greater degree of risk than an investment in securities of issuers based in developed countries. Among other things, emerging market securities investments may carry the risks of less publicly available information, more volatile markets, less strict securities market regulation, less favourable tax provisions, and a greater likelihood of severe inflation, unstable or not freely convertible currency, war and expropriation of personal property as opposed to investments in securities of issuers based in developed countries. In addition, the investment opportunities of the Funds in certain emerging markets may be restricted by legal limits on foreign investment in local securities.

Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighbouring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to sell emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the actual circumstances being reported.

Some emerging markets securities may be subject to brokerage or stock transfer taxes levied by governments, which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale. The issuers of some of these securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in developed countries and therefore potentially carry greater risk. In addition, settlement of trades in some emerging markets is much slower and subject to a greater risk of failure than in markets in developed countries. Further, Depositaries are not able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Company will not be recognised as the owner of securities held on its behalf by a sub-Depositary.

With respect to any emerging market country, there is the possibility of nationalisation, expropriation or confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Company, political changes, government regulation, social instability or diplomatic developments (including war) which could affect adversely the economies of such countries or the value of the Funds' investments in those countries. Further, the economies of emerging countries generally are heavily dependent upon international trade and, accordingly, have been, and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of certain of these countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Investments in Undervalued Securities

The identification of investment opportunities in undervalued securities is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Funds' investments may not adequately compensate for the business and financial risks assumed.

The Funds will make certain investments in securities which the Investment Manager believes to be undervalued. However, there are no assurances that the securities purchased will in fact be undervalued. In addition, the Funds may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the relevant Fund's capital would be committed to the securities purchased, thus possibly preventing such Fund from investing in other opportunities. In addition, the Funds may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Currency Exposure

Certain of the assets of Funds may be invested in securities and other investments which are denominated in currencies other than in the Reference Currency of the Fund. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates and the Funds may be subject to foreign exchange risks. In addition, prospective investors whose assets and liabilities are predominately in other currencies should take into account the potential risk of loss arising from fluctuations in value between the Reference Currency and other currencies.

Currency Hedging

The Net Asset Value per Share of each Class will be calculated in the currency of that Class.

The investments of a Fund will generally be hedged into the Reference Currency of the Fund. Currency hedging will be made through the use of various techniques including entering into forward currency contracts, currency options and futures. The relevant currency hedging is intended to reduce a Shareholder's exposure to the respective currencies in which a Fund's investments are denominated. In this regard, it is anticipated that currency risks will be hedged to a large extent although there is no guarantee that such hedging will be effective. Where the currency exposure of the Fund is not fully hedged or where the hedging transactions are not completely effective, the value of the assets of the Fund may be affected favourably or unfavourably by fluctuations in currency rates. From time to time the Investment Manager may not fully hedge the currency exposure, if it considers this to be in the interest of the Shareholders. Any costs incurred relating to the above mentioned hedging will be borne by the Fund.

In addition, the foreign exchange exposure of the Shares denominated in currencies other than the Reference Currency of a Fund may be hedged in order to minimise, so far as reasonably practicable, the impact of fluctuations in the exchange rates between the Reference Currency of the Fund and such other currency. (Please refer to the relevant Supplement for further information in relation to a specific Fund). Again, there can be no guarantee that any hedging transactions that are put in place will be effective. The costs and any benefit such transactions will be allocated solely to the relevant Share Class.

U.S. and European Markets

Both the U.S. and European distressed debt markets were recently in a disrupted and unstable condition, and this type of volatility episode could easily recur. The dramatic deficits incurred by the

U.S. federal government and European governments may add further instability to these markets. In particular, global markets have experienced upheaval and above-average volatility due to developments in Europe that have raised doubts about the solvency of certain European banks and the ability of certain European countries to meet their sovereign debt obligations. The fallout from such developments could have a significant impact on the stability and credit ratings of various European countries and financial institutions with exposure to European sovereign debt, and even the continued viability of the European Union and the Euro currency. There can be no assurance that the Investment Manager will accurately predict or adequately prepare for the impact of such developments, and therefore they may have a materially negative effect on the Funds' investments, particularly those made in European entities or denominated in the Euro currency.

Furthermore, the credit markets in the U.S. and Europe may be affected in a generally correlated manner by government intervention, and there are indications that such intervention is both significantly more likely and also significantly likely to be more intrusive now than in prior years. Consequently, a focus on distressed investments in the U.S. and European credit markets may involve an increasingly high degree of risk.

European Union Political Risk

The immediate aftermath of the recent decision of United Kingdom voters to exit the European Union was characterized by pronounced price declines globally across a broad range of risk assets, as well as massive swings in currencies. To the extent that additional European Union member countries contemplate exiting or choose to exit the European Union, these disorderly and volatile market conditions could resurface. Additionally, should the actual implementation of "Brexit" deviate from market expectations, there could be a significant negative market reaction.

Interest Rate Fluctuations

The prices of portfolio investments tend to be sensitive to interest rate fluctuations, and unexpected fluctuations in interest rates could cause the corresponding prices of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs to the Funds of borrowed securities and leveraged investments.

Event Driven Investing

Event driven investing requires the investor to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's financial instruments. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by a company may not be valued as highly by the market as the Investment Manager had anticipated, resulting in losses. In addition, a company may announce a plan of restructuring which promises to enhance value, but fail to implement it, which can result in losses to investors. In liquidations and other forms of corporate reorganisation, the risk exists that the reorganisation

either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Company of the security in respect of which such distribution was made. The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a federal or state regulatory agency; (iii) efforts by the target company to pursue a “defensive” strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable federal or state securities laws; and (vii) inability to obtain adequate financing. Because of the inherently speculative nature of event driven investing, the results of the Company's operations may be expected to fluctuate from period to period. Accordingly, Shareholders should understand that the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

Special Situations and Distressed Securities

The Funds may purchase securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these instruments ordinarily remain unpaid unless and until such companies reorganise and/or emerge from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies or sovereign issuers experiencing significant business and financial distress is unusually high.

There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. The completion of debt and/or equity exchange offers, restructurings, reorganisations, mergers, takeover offers and other transactions can be prevented or delayed, or the terms changed, by a variety of factors. If a proposed transaction appears likely not to be completed or in fact is not completed or is delayed, the market price of the investments purchased by a Fund may decline sharply and result in losses which could have a material adverse effect on the performance of such Fund and returns to Shareholders. Moreover, the administrative costs in connection with a bankruptcy or restructuring proceeding are frequently high and will be paid out of the debtor's assets prior to any return to creditors (other than out of assets or proceeds thereof, which may be subject to valid and enforceable liens and other security interests) and equity holders. In addition, certain claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may reduce any entitlement of the Fund. In any reorganisation or liquidation proceeding relating to a company or sovereign issuance in which a Fund invests, such Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. Under such circumstances, the returns generated from such investments may not compensate investors adequately for the risks assumed, which could have a material adverse effect on the performance of the relevant Fund and returns to Shareholders. Additionally, it is frequently difficult to obtain accurate information as to the condition of such entities. Such investments also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and offer prices of such securities may be greater than those prevailing in other securities markets. It may take a number of years for the market price of such securities to reflect their intrinsic value. Securities issued by distressed companies or sovereign issuers may have a limited trading market, resulting in limited liquidity. As a result, the Fund may have difficulties in valuing or liquidating positions, which could have a material adverse effect on the Fund's performance and returns to Shareholders.

Troubled company and other asset-based investments require active monitoring and may, at times, require participation in business strategy or reorganisation proceedings by the Investment Manager. To the extent that the Investment Manager becomes involved in such proceedings, the relevant Fund may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, involvement by the Investment Manager in an issuer's reorganisation proceedings could result in the imposition of restrictions limiting the Fund's ability to liquidate its position in the issuer.

The Funds will invest in debt, including, without limitation, "higher yielding" (and, therefore, higher risk) debt securities, when the Investment Manager believes that debt securities offer opportunities for capital appreciation. In most cases, such debt will be rated below "investment grade" or will be unrated and face ongoing uncertainties and exposure to adverse business, financial, or economic conditions and the issuer's failure to make timely interest and principal payments. The market values of certain of these debt securities may reflect individual corporate developments. It is likely that a major economic recession could have a materially adverse impact on the value of such securities. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of these debt securities.

Structured Finance Securities

The Funds may invest in structured finance securities. Structured finance securities include, but are not limited to, asset-backed securities, asset-backed commercial paper and portfolio credit-linked notes.

Asset-backed securities are securities that are backed by financial cash flows from a group of debt securities (current or future) or by other underlying assets that may or may not be fixed. Such assets may include, but are not limited to, mortgages on residential or commercial property, leases, credit card debts as well as personal or business loans. Asset-backed securities may be structured in various ways, either as a "true sale" in which the underlying assets are transferred within an ad hoc structure that then issues the asset backed securities or synthetically, in which the risk linked to underlying assets is transferred via derivative instruments to an ad hoc structure that issues the asset-backed securities.

Portfolio credit-linked notes are securities in which payment of the nominal amount and the interest is directly or indirectly linked to one or several managed or unmanaged portfolios of reference entities and/or assets ("reference credit"). Until a threshold credit event occurs in relation to a reference credit (such as bankruptcy or payment default), a loss will be calculated (corresponding, for example, to the difference between the nominal value of an asset and its recovery value).

Asset-backed securities and portfolio credit-linked notes are usually issued in different tranches. Any losses occurring in regard to underlying assets or, depending on the case, calculated in relation to reference credits, are first assigned to the most junior tranches until the nominal amount of the securities is brought to zero, then it is assigned to the nominal amount of the next most junior tranche remaining and so on.

Consequently, in the scenario that (a) for asset-backed securities, the underlying assets do not produce the expected financial flows and/or (b) for portfolio credit linked notes, one of the credit events defined occurs with regard to one or several underlying assets or reference credits, there may be an effect on the value of the related securities (that may be nil) and any amount paid on such securities (which may be nil). This may in turn affect the Net Asset Value per Share of the Fund in question. Moreover, the value of the structured finance securities and thus the Net Asset Value per Share of a Fund may, from time to time, be negatively affected by macro-economic factors, including for example unfavourable changes in the economic sector of the underlying assets or the reference credits (including the industrial, service, and real estate sectors), economic recession in the respective countries or global recession, as well as events linked to the inherent

nature of the assets (thus, a loan to finance a project is exposed to risks related to the type of project).

The extent of such negative effects is thus linked to the geographic and sectoral concentrations of the underlying assets, and the type of underlying assets or reference credits. The degree to which a particular asset-backed security or a portfolio credit-linked note is affected by such events will depend on its issue tranche; the most junior tranches, even ones rated “investment grade”, may consequently be exposed to substantial risks.

Investments in structured finance securities may be more exposed to a greater liquidity risk than investing in government or corporate bonds. When a liquid market for these structured finance securities does not exist, such securities may only be traded for an amount lower than their nominal amount and not at the market value, which may subsequently affect the Net Asset Value per Share of the Fund in question.

Collateralised Debt Obligations

The Funds may invest in collateralised debt obligations (“CDOs”). CDOs are a type of asset-backed security with cash flows linked to the performance of an underlying pool of debt instruments. The underlying pool of collateral backing a CDO may consist of one or more types of debt instrument including without limitation, bonds, bank loans, senior and subordinated debt, investment grade and high-yield debt, issued by government as well as corporate entities. The underlying asset pool backing CDOs traded by the Funds may be acquired outright by buying the relevant debt instruments, or acquired synthetically by selling credit protection under a credit default swap or similar derivative instrument. The Funds may trade in CDOs backed by a pool of debt instruments and derivatives on debt instruments and may also trade in a wide range of other CDO products. In addition to the risks associated with debt securities, asset backed securities and derivatives, due to the leveraged nature of CDOs such investments may be subject to more acute credit, liquidity and interest rate risks than the underlying component debt instruments and/or derivative instruments.

Market Liquidity and Leverage

A Fund may be adversely affected by a decrease in market liquidity for the instruments in which it invests which may impair the relevant Fund’s ability to adjust its positions. The size of a Fund’s positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, deleveraging as a consequence of a decision by counterparties with which a Fund enters into repurchase/reverse repurchase agreements or derivative transactions, to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect a Fund’s portfolio.

A Fund may invest in unlisted emerging market securities and may be exposed to emerging market currencies, which may involve a high degree of business and financial risk that could result in substantial losses. Because of the relative absence of any trading market for these investments, it may take longer to liquidate, or it may not be possible to liquidate, these positions than would be the case for listed securities. Although these securities may be resold in privately negotiated transactions, the prices realised on these sales could be less than those originally paid by the relevant Fund. Further, companies whose securities are not listed will generally not be subject to public disclosure and other investor protection requirements applicable to listed securities.

Clearing House Protections

On many exchanges, the performance of a transaction by a broker (or a third party with whom it is dealing on the Company’s behalf) is “guaranteed” by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover the Company and may not protect the Company if a broker or another party defaults on its obligations to the Company.

Volatility

The investments in which the Funds may invest, principally debt securities, will be subject to their own fluctuations in value as a result of, amongst other things, market, interest rate and currency movements. Futures prices are highly volatile. Such prices are influenced by, amongst other things: government trade, fiscal, monetary and exchange control programmes and policies; national and international political and economic events; and changes in interest rates. In addition, governments from time to time intervene, directly and by regulation, in the foreign exchange markets with the specific intention of influencing exchange rates. The effect of such intervention is often heightened by a group of governments acting in concert. A Fund may be exposed to adverse changes in its Net Asset Value as a result of these factors.

Prepayment Risk

The frequency at which prepayments (including voluntary prepayments by the obligors and liquidations due to default and foreclosures) occur on loans and other debt underlying certain of the Funds' investments will be affected by a variety of factors including, but not limited to, the prevailing level of interest rates as well as economic, demographic, tax, social, legal and other factors. In general, "premium" financial instruments (i.e., financial instruments whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments, and "discount" financial instruments (i.e., financial instruments whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments. Since the Funds' investments may include discount financial instruments when interest rates are high, and may include premium financial instruments when interest rates are low, such investments may be adversely affected by prepayments in any interest rate environment.

Corporate Debt Obligations and High-Yield Securities

The Funds may invest in corporate debt obligations and high yield securities. The market value of debt securities generally tends to decline as interest rates increase and, conversely, increase as interest rates decline. Debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations (i.e., credit risk).

"High-yield" bonds and securities, which are rated in the lower rating categories by the various credit rating agencies, are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be speculative. They are also generally considered to be subject to greater risk than securities with higher ratings because the yields and prices of such securities tend to fluctuate more than those for higher-rated instruments and the market for lower-rated securities is less liquid and less active.

Leverage of Portfolio Companies

Because the Funds' investments may include securities of companies with leveraged capital structures, such investments will be subject to increased exposure to adverse economic factors such as an increase in interest rates, a downturn in the economy or further deterioration in the economic conditions of such company or its industry. Similarly, the Funds may invest in entities that are unable to generate sufficient cash flow to meet principal and interest payments on their indebtedness. Accordingly, the value of the Funds' investments in such an entity could be significantly reduced or even eliminated due to further credit deterioration.

Availability of Suitable Investments

While the Investment Manager believes that there are currently available attractive investments of the type in which the Funds may invest, there can be no assurance that such investments will continue to be available for the Funds' investment activities, or that available investments will meet the Funds' investment criteria. The Funds will compete with other potential investors to acquire

interests in its targeted investments. Certain of the Funds' competitors may have greater financial and other resources and may have better access to suitable investment opportunities. Whether or not suitable investment opportunities are available to the Funds, the Funds will bear the fees and expenses described herein.

Adherence to ESG Criteria

In determining appropriate investments for the Funds, the Investment Manager intends to integrate environmental, social and governance ("ESG") factors into its investment analysis and decision making process using the framework provided by the Equator Principles and the Principles for Responsible Investment. The Equator Principles are a set of internationally recognized, voluntary project finance guidelines that establish social and environmental standards in the banking industry. The Principles for Responsible Investment are an initiative of the United Nations Secretary-General and provide a list of possible actions for incorporating ESG issues into mainstream investment decision making and ownership practices. The Funds' adherence to ESG criteria may affect the Funds' ability to take advantage of certain investment opportunities that, in the determination of the Investment Manager, do not meet such criteria.

Hedging Transactions

The Funds may utilise a variety of financial instruments, such as derivatives, options, interest rate swaps, caps and floors, futures, and forward contracts, both for investment purposes and for efficient portfolio management (including hedging). Hedging involves special risks, including the possible default by the other party to the transaction, illiquidity, and to the extent the Investment Manager's assessment of certain market movements is incorrect, the risk that the use of hedging could result in losses greater than if hedging had not been used. There can be no guarantee of a correlation between price movements in the hedging vehicle and in the portfolio securities being hedged. A lack of correlation could result in a loss on both the hedged securities and the hedging vehicle. In addition, a decision as to whether, when and how to use options, futures or swaps involves the exercise of skill and judgment which are different from those needed to select portfolio securities, and even a well-conceived hedging transaction may be unsuccessful to some degree because of market behaviour, currency fluctuations or interest rate trends. If the Investment Manager is incorrect in its forecasts regarding market values, currency fluctuations, interest rate trends or other relevant factors, a Fund may be in a worse position than if the Fund had not engaged in hedging through options, futures or swap transactions. Nonetheless, with respect to certain investment positions, a Fund may not be sufficiently hedged against market fluctuations, in which case an investment position could result in a loss greater than if the Fund had been sufficiently hedged with respect to such position. Moreover, it should be noted that the Funds' portfolio will always be exposed to certain risks that cannot be fully hedged, such as credit risk (relating both to particular securities and counterparties).

Derivatives Risks

Derivatives

The Funds may utilise both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options, convertible securities, warrants and contracts for differences, as part of their investment policies. These instruments can be highly volatile and expose investors to a high risk of loss. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral recovery.

Derivatives may be subject to legal risks including the uncertainty in the applicability of laws, or the interpretation or enforceability of contracts or an action by a court or regulatory body that could invalidate a derivative contract entered into by the Company.

The prices of financial derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded financial derivative instruments may also be subject to changes in price due to supply and demand factors.

Particular Risks of OTC Derivatives

Unlike exchange-traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC derivatives, are generally established through negotiation with the other party to the instrument. While this type of arrangement allows a Fund greater flexibility to tailor the instrument to its needs, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if OTC derivatives are deemed not to be legally enforceable or are not documented correctly.

Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral recovery.

There also may be a legal or documentation risk that the parties to the OTC derivatives may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for the Company to enforce its contractual rights may lead the Company to decide not to pursue its claims under the OTC derivatives. The Company thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, that those payments may be delayed or made only after the Company has incurred the costs of litigation.

Counterparty Risk

The Funds will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons.

Some of the markets in which a Fund may effect transactions are “over-the-counter” (or “interdealer”) markets. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as are members of “exchange-based” markets. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with such “over-the-counter” transactions. This exposes the relevant Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the relevant Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the relevant Fund has concentrated its transactions with a small group of counterparties. Moreover, although the Funds shall only transact with eligible counterparties, the Investment Manager has no formal credit function which evaluates the creditworthiness of the relevant Fund’s counterparties. The ability of a Fund to transact business with any one or number of counterparties, the lack of any separate evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds.

Forward Foreign Exchange Contracts

A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are generally effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. Documentation of transactions generally consists of an exchange of telex or facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. The Funds are subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel the Funds to cover their commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses.

Swap Agreements

The Company from time to time enters into various swap agreements ("Swaps") as part of the Funds' respective investment programs. A Swap is an individually negotiated, non-standardized agreement between two parties to exchange cash flows (and sometimes principal amounts) measured by different interest rates, commodity prices, exchange rates, indices or prices, with payments generally calculated by reference to a principal ("notional") amount or quantity. Swaps and similar derivative contracts are not currently traded on exchanges; rather, banks and dealers act as principals in these markets. As a result, the relevant Funds are subject to the risk of the inability or refusal to perform with respect to such contracts on the part of the counterparties with which the Funds trade. Swaps may be subject to various other types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, Swaps can involve considerable economic leverage and may, in some cases, involve significant risk of loss. Depending on their structure, Swaps may increase or decrease exposure to the corporate credit market, equity securities, long-term or short-term interest rates, foreign currency values, corporate borrowing rates or other factors. Swaps can take many different forms and are known by a variety of names. The Company is not limited to any particular form of Swap if its use is consistent with the Prospectus and the relevant Fund's investment objectives and policies, and the Investment Manager anticipates that the Funds will invest in interest rate swaps, credit default swaps, TRS, variance swaps and other types of Swaps.

Depending on how they are used, Swaps may increase or decrease the overall volatility of a portfolio. The most significant factor in the performance of Swaps is the change in the specific interest rate, currency, equity index or other factors that determine the amounts of payments due to and from a Fund. If a Swap calls for payments by the relevant Fund, such Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of a Swap with such counterparty can be expected to decline, potentially resulting in losses by the relevant Fund. Moreover, a Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty.

Credit Default Swap Agreements

The Funds may invest in credit default swaps. The typical credit default swap contract requires the seller to pay to the buyer, in the event that a particular reference entity experiences specified credit events, the difference between the notional amount of the contract and the value of a portfolio of securities issued by the reference entity that the buyer delivers to the seller. In return, the buyer

agrees to make periodic payments equal to a fixed percentage of the notional amount of the contract. The Funds may also sell credit default swaps on a basket of reference entities as part of a synthetic collateralized debt obligation transaction.

As a buyer of credit default swaps, a Fund will be subject to certain risks in addition to those described elsewhere herein. In circumstances in which a Fund does not own the debt securities that are deliverable under a credit default swap, such Fund will be exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavorable prices, as would be the case in a so-called "short squeeze." While the credit default swap market auction protocols reduce this risk, it is still possible that an auction will not be organized or will not be successful. In certain instances of issuer defaults or restructurings (for those credit default swaps for which restructuring is specified as a credit event), it has been unclear under the standard industry documentation for credit default swaps whether or not a "credit event" triggering the seller's payment obligation had occurred. The creation of the ISDA Credit Derivatives Determination Committee (the "Determination Committee") is intended to reduce this uncertainty and create uniformity across the market, although it is possible that the Determination Committee will not be able to reach a resolution or do so on a timely basis. In either of these cases, the Fund would not be able to realize the full value of the credit default swap upon a default by the reference entity.

As a seller of credit default swaps, a Fund will incur leveraged exposure to the credit of the reference entity and become subject to many of the same risks it would incur if it were holding debt securities issued by the reference entity. However, such Fund will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity's debt obligations. In addition, the credit default swap buyer will have broad discretion to select which of the reference entity's debt obligations to deliver to the relevant Fund following a credit event and will likely choose the obligations with the lowest market value in order to maximize the payment obligations of such Fund.

Counterparty risk is always present in credit default swaps. The market for credit default swaps on distressed securities is not liquid (compared to the market for credit default swaps on investment grade corporate reference entities). In the event that current interest rate spreads over LIBOR (or over the applicable United States Treasury Benchmark) widen or the prevailing credit premiums on credit default swaps increase, the amount of a termination or assignment payment upon a termination or assignment of a transaction due from a Fund to the credit default swap counterparty could increase by a substantial amount.

In addition, the proper tax treatment of credit default swaps and other derivatives may not be clear. The tax environment for derivatives is evolving and changes in the taxation of derivatives may adversely affect the value of derivatives held by the Funds.

Given the recent sharp increases in volume of credit derivatives trading in the market, settlement of such contracts may also be delayed beyond the time frame originally anticipated by counterparties. Such delays may adversely impact a Fund's ability to otherwise productively deploy any capital that is committed with respect to such contracts.

Certain governmental entities have indicated that they intend to regulate the market in credit default swaps. It is difficult to predict the impact of any such regulation on the Funds, but it may be adverse (including making the Funds ineligible to be a "seller" of credit default swaps).

Total Return Swaps

Synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication, because such methods do not involve physically holding the securities. Synthetic replication may also cost less than physical replication. Synthetic replication, however, involves counterparty risk. As noted above, if a Fund engages in

OTC derivatives, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full. Where the relevant Fund enters into TRSs on a net basis, the two payment streams are netted out, with the relevant Fund receiving or paying, as the case may be, only the net amount of the two payments. Total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to TRSs is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the relevant Fund's risk of loss consists of the net amount of total return payments that the Fund is contractually entitled to receive.

Securities Financing Transactions

The Funds may enter into repurchase agreements and reverse repurchase agreements as a buyer or as a seller subject to the conditions and limits set out in sections 2.20 and 5 of Appendix 1. If the other party to a repurchase agreement or reverse repurchase agreement should default, the relevant Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the relevant Fund in connection with the repurchase agreement or reverse repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or reverse repurchase agreement or its failure otherwise to perform its obligations on the repurchase date, the relevant Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement or reverse repurchase agreement.

The Funds may enter into securities lending transactions subject to the conditions and limits set out in sections 2.20 and 5 of Appendix 1. If the other party to a securities lending transaction should default, the relevant Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the relevant Fund in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the relevant Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

The risks arising from the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will be monitored, as appropriate, and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will generally not have a material impact on the relevant Fund's performance, the use of such techniques may have a significant effect, either negative or positive, on the relevant Fund's NAV (as defined herein).

In respect of margin lending transactions, the Funds cannot extend credit and may only receive credit subject to the restrictions in the UCITS Directive and this Prospectus.

Convertible Securities, Rights and Warrants

The Funds may invest in hybrid securities that may be exchanged for, converted into or exercised to acquire a predetermined number of shares of an issuer's common stock at the option of the holder during a specified time period (such as convertible preferred stocks, convertible debentures, stock purchase rights, and warrants). Convertible securities generally pay interest or dividends and provide for participation in the appreciation of the underlying common stock but at a lower level of risk because the yield is higher and the security is senior to common stock. Convertible debt securities purchased by the Funds that are acquired for their equity characteristics are not subject to minimum rating requirements.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The credit standing of the issuer and other factors may also affect the investment value of a convertible security. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security is increasingly influenced by its conversion value.

Convertible securities may also include warrants, often publicly traded, that give a holder the right to purchase at any time during a specified period a predetermined number of shares of common stock at a fixed price but that do not pay a fixed dividend. Their value depends primarily on the relationship of the exercise price to the current and anticipated price of the underlying securities.

Futures Trading

The Funds may trade futures contracts, including stock index futures. Futures prices are highly volatile, with price movements being influenced by a multitude of factors such as changing supply and demand relationships, government trade, fiscal, monetary and exchange control programs and policies, national and international political and economic events and speculative frenzy and the emotions of the marketplace. In addition, governments from time to time intervene in certain markets, particularly currency and interest-rate markets.

The low margin deposits normally required in futures trading permit an extremely high degree of leverage; margin requirements for futures trading being in some cases as little as 2% of the face value of the contracts traded. Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the investor.

There can be no assurance that a liquid market will exist at a time when the Funds seek to close out an option position, future or Swap. Most United States commodity exchanges limit fluctuations in futures contract prices during a single day by regulations referred to as “daily limits.” During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a futures contract has increased or decreased to the limit point, positions can be neither taken nor liquidated. Futures prices have occasionally moved to the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent a Fund from promptly liquidating unfavorable positions and subject such Fund to substantial losses. In addition, certain of these instruments are relatively new and are without a significant trading history. As a result, there is no assurance that an active secondary market will develop or continue to exist. Lack of a liquid market for any reason may prevent a Fund from liquidating an unfavorable position and such Fund would remain obligated to meet margin requirements until the position is closed.

The CFTC and the United States commodities exchanges impose limits referred to as “speculative position limits” on the maximum net long or net short speculative positions that any person may hold or control in any particular futures or options contracts traded on United States commodities exchanges. For example, the CFTC currently imposes speculative position limits on a number of agricultural commodities (e.g., corn, oats, wheat, soybeans and cotton) and United States commodities exchanges currently impose speculative position limits on many other commodities. Dodd-Frank significantly expands the CFTC’s authority to impose position limits with respect to futures contracts and options on futures contracts, swaps that are economically equivalent to futures or options on futures, and swaps that are traded on a regulated exchange and certain swaps that perform a significant price discovery function. In response to this expansion of its authority, in 2012, the CFTC proposed a series of new speculative position limits with respect to futures and options on futures on so-called “exempt commodities” (which includes most energy and metals contracts) and with respect to agricultural commodities. Those proposed speculative position limits were vacated by a United States District Court, but the CFTC has again proposed a new set of

speculative position rules which are not yet finalized (or effective). If the CFTC is successful in this second attempt, the size or duration of positions available to the Funds may be severely limited. All accounts owned or managed by the Investment Manager are likely to be combined for speculative position limit purposes. A Fund could be required to liquidate positions it holds in order to comply with such limits, or may not be able to fully implement trading instructions generated by its trading models, in order to comply with such limits. Any such liquidation or limited implementation could result in substantial costs to such Fund.

Options Trading

When purchasing or selling an option, the risks associated with the transaction will vary depending on the type of option (i.e., put or call). When purchasing an option, it is necessary to calculate the extent to which the value of the underlying security must increase (in the case of a call) or decrease (in the case of a put) in order for a Fund's position to become profitable, taking into account the premium and all transaction costs. The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin. If the purchased option expires worthless, the relevant Fund will suffer a total loss of the amount invested in the option that will consist of the option premium plus transaction costs.

Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option, and, upon such exercise, the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest, depending on the terms of the option. If the option is on a future, upon exercise by the purchaser of the option, the seller will acquire a position in a future with associated liabilities for margin. If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited. In the case of an option on a future, certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

Synthetic Short Selling

Typically, UCITS, such as the Company, invest on a "long only" basis. This means that their net asset value will rise (or fall) in value based on the market value of the assets they hold. A "short" sale involves the sale of a security that the seller does not own in the hope of purchasing the same security (or a security exchangeable for such security) at a later date at a lower price. To make a delivery to the buyer, the seller must borrow the security and is obligated to return the security (or a security exchangeable for such security) to the lender, which is accomplished by a later purchase of said security. Although the Company is not permitted to enter into short sales under the UCITS regulations, a Fund may, by employing certain derivative techniques (such as contracts for difference) designed to produce the same economic effect as a short sale (a "synthetic short"), establish both "long" and "short" positions in individual stocks and markets. As a result, as well as holding assets that may rise or fall with markets, a Fund may also hold positions that will rise as the market value falls, and fall as the market value rises. Taking synthetic short positions involves trading on margin and accordingly can involve greater risk than investments based on a long position. Investors should also consider the risk factors under "Derivatives" and "Particular Risks of OTC Derivatives" above.

Due to 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. The levels of restriction vary across different jurisdictions and are subject to change in the short to medium term. These restrictions 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. Accordingly, the Investment Manager may not be in a position to fully express its negative views in relation to certain securities, companies or sectors and the ability of the Investment Manager to fulfil the investment objective of a Fund may be constrained.

Currency Options Trading

The Funds may acquire and sell currency options, the value of which depend largely upon the likelihood of favourable price movements in the underlying currency in relation to the exercise (or strike) price during the life of the option. Many of the risks applicable to trading the underlying currencies are also applicable to over-the-counter options trading. In addition, there are a number of other risks associated with the trading of options including the risk that the purchaser of an option may at worst lose his entire investment (the premium he pays).

Fund Specific Risks

Please review the particular Fund Supplement for specific risks associated with each particular Fund.

CONFLICTS OF INTEREST

The Directors, the Management Company, the Investment Manager, the Depositary and the Administrator and/or their respective affiliates or any person connected with them (together the “Relevant Parties”) may from time to time act as directors, investment manager, manager, distributor, trustee, Depositary, registrar, broker, administrator, investment adviser or dealer in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of the Funds or which may invest in the Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Funds. The Board of Directors and each of the Relevant Parties will, at all times, have regard in such event to its obligations to the Funds and will endeavour to ensure that such conflicts are resolved fairly. In addition, subject to applicable law, any Relevant Party may deal, as principal or agent, with the Funds, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm’s length basis. Any Relevant Party may deal with the Company as principal or as agent, provided that it complies with applicable law and regulation and the provisions of the Investment Management Agreement, the Management Company Agreement, the Administration Agreement or the Custody Agreement, to the extent applicable.

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

In calculating a Fund’s Net Asset Value, the Administrator may consult with the Investment Manager with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the Net Asset Value of a Fund and the entitlement of the Investment Manager to a management fee and/or performance fee which is calculated on the basis of the Net Asset Value of the Fund.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund.

The Directors will seek to ensure that any conflict of interest of which they are aware is resolved fairly.

USE OF DEALING COMMISSIONS

The Investment Manager does not intend to agree to incur higher commissions or spreads for securities transactions effected through brokerage firms that provide it with research or other products or services. However, the Investment Management Agreement authorises the use of “soft dollars” to the extent permitted by applicable law. (The term “soft dollars” refers to the receipt by an investment manager of products and services provided by brokers without any cash payment by the investment manager, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment manager.) The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment). Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services, discussion with research personnel, and invitations to attend conferences or meetings with management or industry consultants. The Investment Manager is not required to weigh any of these factors equally. Information so received in addition to and not in lieu of services required to be performed by the Investment Manager and the Investment Manager’s fee is not reduced as a consequence of the receipt of such supplemental research information. Research services provided by broker-dealers used by the company may be used by the Investment Manager or its affiliates in connection with its investment services for other accounts and, likewise, research services provided by broker-dealers used for transactions of other accounts may be utilised by the Investment Manager in performing its services for the Company. Since commission rates in the United States are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable. Section 28(e) of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), provides a “safe harbour” to investment managers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to investment managers in the performance of investment decision-making responsibilities. The Investment Manager intends to limit its use of “soft dollars” to those services which would be within the safe harbour afforded by Section 28(e) of the Exchange Act.

The Company’s soft dollar arrangements are subject to the following conditions: (i) the Investment Manager will act at all times in the best interest of the Company when entering into soft commission arrangements; (ii) the services provided will be in direct relationship to the activities of the Investment Manager for the Company; (iii) brokerage commissions on portfolio transactions for the Company will be directed by the Investment Manager to broker-dealers that are entities and not to individuals; (iv) the Investment Manager will provide periodic reports to the Directors with respect to soft commission arrangements including the nature of the services it receives; and (v) soft commission agreements will be listed in such periodic reports.

CO-MANAGEMENT AND POOLING

To ensure effective management of the Company, the Board of Directors may decide to manage all or part of the assets of one or more Funds with those of other Funds in the Company (so-called "pooling") or, where applicable, to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more Funds with the assets of other Luxembourg investment funds or of one or more funds of other Luxembourg investment funds (hereinafter referred to as the "Party(ies) to the co-managed assets") for which the Company's Depositary is the appointed Depositary bank. These assets will be managed in accordance with the respective investment policies of the Parties to the co-managed assets, each of which is pursuing identical or comparable objectives. Parties to the co-managed assets will only participate in co-managed assets which are in accordance with the stipulations of their respective Prospectuses and investment restrictions.

Each Party to the co-managed assets will participate in the co-managed assets in proportion to the assets it has contributed to the co-management. Assets will be allocated to each Party to the co-managed assets in proportion to its contribution to the co-managed assets. Each Party's rights to the co-managed assets apply to each line of investment in the said co-managed assets. The aforementioned co-managed assets will be formed by the transfer of cash or, where applicable, other assets from each of the Parties participating in the co-managed assets. Thereafter, the Board of Directors may regularly make subsequent transfers to the co-managed assets. The assets can also be transferred back to a Party to the co-managed assets for an amount not exceeding the participation of the said Party to the co-managed assets. Dividends, interest and other distributions deriving from income generated by the co-managed assets will accrue to each Party to the co-managed assets in proportion to its respective investment. Such income may be kept by the Party to the co-managed assets or reinvested in the co-managed assets. All charges and expenses incurred in respect of the co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to the co-managed assets in proportion to its respective entitlement to the co-managed assets.

In the case of an infringement of the investment restrictions affecting a Fund of the Company, when such a Fund takes part in co-management and even if the Investment Manager has complied with the investment restrictions applicable to the co-managed assets in question, the Investment Manager shall reduce the investment in question in proportion to the participation of the Fund concerned in the co-managed assets or, where applicable, reduce its participation in the co-managed assets to a level that respects the investment restrictions of the Fund.

When the Company is liquidated or when the Board of Directors of the Company decide to withdraw the participation of the Company or a Fund of the Company from co-managed assets, the co-managed assets will be allocated to the Parties to the co-managed assets in proportion to their respective participation in the co-managed assets.

The investor must be aware of the fact that such co-managed assets are employed solely to ensure effective management in as much as all Parties to the co-managed assets have the same Depositary bank. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the portion of assets and liabilities attributable to each Fund of the Company will be constantly identifiable.

PREVENTION OF LATE TRADING AND MARKET TIMING

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order for shares in a fund after the time limit fixed for accepting orders on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day.

The Company considers that the practice of late trading is not acceptable as it violates the provisions of this Prospectus which provide that an order received after the Dealing Request Deadline is dealt with at a Subscription or Redemption Price based on the Net Asset Value calculated on the next applicable Dealing Day. As a result, subscriptions, conversions and redemptions of Shares shall be dealt with at an unknown Net Asset Value. The Dealing Request Deadline is set out in the Supplements for each Fund.

Market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the undertaking for collective investment.

The Company considers that the practice of market timing is not acceptable as it may affect the Company's performance through an increase of the costs and/or entail a dilution of the profit. As a result, the Company reserves the right to refuse any application for subscription or conversion of Shares which might or appears to be related to market timing practices and to take any appropriate measures in order to protect investors against such practice.

GENERAL INFORMATION

Shareholder meetings and reports to Shareholders

Notice of any general meeting of Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Fund) shall be mailed to each Shareholder at least eight (8) days prior to the meeting and/or shall be published to the extent and in the manner required by Luxembourg law as shall be determined by the Board of Directors.

If the Articles are amended, such amendments shall be filed with the Luxembourg Trade and Companies' Register and published in the *Recueil des Sociétés et Associations* (**RESA**).

Detailed audited reports of the Company on its activities and on the management of its assets are published annually; such reports shall include, *inter alia*, the combined accounts relating to all the Funds, a detailed description of the assets of each Fund and a report from the Auditor.

The semi-annual unaudited reports of the Company on its activities are also published including, *inter alia*, a description of the investments underlying the portfolio of each Fund and the number of Shares issued and redeemed since the last publication.

The Company's financial statements will be prepared in accordance with Luxembourg generally accepted accounting principles ("**Luxembourg GAAP**").

The aforementioned documents will be at the disposal of the Shareholders within four (4) months for the annual reports and two (2) months for the semi-annual reports of the date thereof at the registered office of the Company. Upon request, these reports will be sent free of charge to any Shareholder and copies may be obtained free of charge by any person at the registered office of the Company.

The accounting year of the Company commences on 1 July of each year and terminates on 30 June of each following year. The Company will publish an annual report as per 30 June and a semi-annual report drawn up as per 31 December.

The annual general meeting takes place in Luxembourg City at a place specified in the notice of meeting each year on the third Wednesday of the month of October at 11:00 a.m. . If such day is a legal or a bank holiday in Luxembourg, the annual general meeting shall be held on the next following Business Day.

The Shareholders of any Class or Fund may hold, at any time, general meetings to decide on any matters that relate exclusively to such Class or Fund.

The combined accounts of the Company are maintained in USD being the Reference Currency of the Company. The financial statements relating to the separate Funds shall also be expressed in the Reference Currency of the relevant Fund.

Dissolution and Liquidation of the Company

The Company may be dissolved at any time by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Whenever the share capital falls below two-thirds of the minimum capital indicated in the Articles, the question of the dissolution of the Company shall be referred to a general meeting of Shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares represented at the meeting.

The question of the dissolution of the Company shall also be referred to a general meeting of Shareholders whenever the share capital falls below one quarter of the minimum capital set by the Articles; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by Shareholders holding one quarter of the Shares represented at the meeting.

The meeting must be convened so that it is held within a period of forty (40) days from the date that the net assets have fallen below two-thirds or one quarter of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, duly approved by the CSSF and appointed by the general meeting of Shareholders that shall determine their powers and their compensation.

The net proceeds of liquidation of each Fund shall be distributed by the liquidators to the holders of Shares of each Class of the relevant Fund in proportion to their holding of such Class.

Should the Company be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the Law. Such Law specifies the steps to be taken to enable Shareholders to participate in the distribution of the liquidation proceeds and provides for a deposit in escrow at the "*Caisse de Consignation*" at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

Termination and Amalgamation of Funds

In the event that for any reason the value of the total net assets in any Class or Fund has not reached or has decreased to an amount determined by the Board of Directors to be the minimum level for such Class or Fund to be operated in an economically efficient manner, or in case of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation, the Board of Directors may decide to redeem all the Shares of the relevant Class or Fund at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. The Company shall serve a written notice to the holders of the relevant Class or Fund prior to the effective date for the compulsory redemption. This notice will indicate the reasons and the procedure for the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Class or the Fund concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the date effective for the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the general meeting of Shareholders of any Class within any Fund may, upon a proposal from the Board of Directors, redeem all the Shares of the relevant Class within the relevant Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Depositary for the period required by Luxembourg law; after such period, the assets will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

Under the same circumstances as provided by the first paragraph of this section, the Board of Directors may decide to allocate the assets of any Fund or Class to those of another existing Fund or Class within the Company or to another undertaking for collective investment organised under the provisions of Part I of the Law or to another sub-fund within such other undertaking for collective investment and to redesignate the Shares of the Class or of the Fund concerned as Shares of the new fund or Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published in the same manner as described in the first paragraph of this section one (1) month before the effectiveness thereof (and, in addition, the publication will contain information in relation to the new fund or Class), in order to enable Shareholders to request redemption or conversion of their Shares, free of charge, during such period.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, a contribution of the assets and of the liabilities attributable to any Fund to another Fund within the Company may be decided upon by a general meeting of the Shareholders of the Fund concerned for which there shall be no quorum requirements and which will decide upon such an amalgamation by resolution taken by simple majority of those present or represented and voting.

If the amalgamation is to be implemented with a Luxembourg undertaking for collective investment of the contractual type ("*fonds commun de placement*"), Shareholders who have not voted in favour of such amalgamation will be considered as having requested the redemption of their Shares, except if they have given written instructions to the contrary to the Company. The assets which may not or are unable to be distributed to such Shareholders for whatever reason will be deposited with the Depositary for the period required by Luxembourg law; after such period, the assets will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

Directors' Interests

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Company and the Shares are set out below:

- (A) Mr. Sandler is an employee of the Investment Manager. Mr. Kaplan is an employee of Canyon Partners, LLC, an affiliate of the Investment Manager.
- (B) The Directors or companies of which they are officers or employees may subscribe for Shares in the Company. Their applications for Shares will rank *pari passu* with all other applications.

Indemnity

The Articles provide that every Director, agent, auditor, or officer of the Company and his personal representatives shall be indemnified and secured harmless out of the assets of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him in or about the conduct of the Company business or affairs or in the execution or discharge of his duties, powers, authorities or discretions, including actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the Company in any court whether in Luxembourg or elsewhere. No such person shall be liable: (i) for the acts, receipts, neglects, defaults or omissions of any other such person; or (ii) by reason of his having joined in any receipt for money not received by him personally; or (iii) for any loss on account of defect of title to any property of the Company; or (iv) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or (v) for any loss incurred through any bank, broker or other agent; or (vi) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of his office or in relation thereto, unless the same shall happen through his own gross negligence or wilful misconduct against the Company.

General

Copies of the following documents may be obtained free of charge during usual business hours on any full bank business day in Luxembourg at the registered office of the Company:

- (A) the Articles and any amendments thereto;
- (B) the latest Prospectus;
- (C) the latest KIID;
- (D) the Fund Management Company Agreement between the Company and the Management Company;
- (E) the Custody Agreement between the Company and the Depositary;
- (F) the Investment Management Agreement between the Company, the Management Company and the Investment Manager;
- (G) the Administration Agreement between the Company, the Management Company and the Administrator;
- (H) the Distribution Agreement between the Company, the Management Company and the Distributor;
- (I) the latest reports and accounts referred to under the heading "Shareholder meetings and reports to Shareholders".

The agreements referred to above may be amended by mutual consent between the parties thereto.

APPENDIX 1: INVESTMENT RESTRICTIONS AND POWERS

The Board of Directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each Fund, the Reference Currency of a Fund and the course of conduct of the management and business affairs of the Company.

Except to the extent that more restrictive rules are provided for in connection with a specific Fund under the relevant Supplement, the investment policy shall comply with the rules and restrictions laid down hereafter:

1. Permitted Investments

The Funds shall only invest in:

- 1.1 Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
- 1.2 Transferable Securities and Money Market Instruments dealt in on another market in a Member State that is regulated, operates regularly and is recognised and open to the public;
- 1.3 Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Non-Member State or dealt in on another market in an Non-Member State which is regulated, operates regularly and is recognised and open to the public;
- 1.4 recently issued Transferable Securities and Money Market Instruments, provided that:
 - (A) the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, stock exchange or on another regulated market as described under 1.1 to 1.3 above; and
 - (B) such admission is secured within one year of issue;
- 1.5 units of UCITS and/or other UCIs within the meaning of the first and second indent of Article 1(2) of Directive 2009/65/EC relating to undertakings for collective investment in transferable securities, whether situated in a Member State of the EU or in a Non-Member State, provided that:
 - (A) such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
 - (B) the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the above-mentioned Directive 2009/65/EC;
 - (C) the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and
 - (D) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

- 1.6 deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a Non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- 1.7 financial derivative instruments, in particular options and futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or other market referred to in 1.1 to 1.3 above, and/or financial derivative instruments dealt in over-the-counter ("over-the-counter derivatives"), provided that:
- (A) the underlying consists of instruments covered by this section 1, financial indices, interest rates, foreign exchange rates or currencies, in which the Funds may invest according to their investment objectives;
- the counterparties to over-the-counter derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF,
- the over-the-counter derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;
- exposure to the underlying assets does not exceed the investment restrictions set out in 2.12 below; and
- (B) Under no circumstances shall these operations cause the Fund to diverge from its investment objectives;
- 1.8 Money Market Instruments other than those dealt in on a Regulated Market, and which fall within the definition given in the Definitions section of this Prospectus, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- (A) issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more member states of the EU belong;
 - (B) issued by an undertaking any securities of which are dealt in on Regulated Markets referred to in 1.1, 1.2 or 1.3 above;
 - (C) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
 - (D) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line;

1.9 Each Fund may however:

- (A) Invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under 1.1 to 1.5 and 1.8 above;
- (B) Hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Board of Directors considers this to be in the best interest of the shareholders;
- (C) Borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction; and
- (D) Acquire foreign currency by means of a back-to-back loan.

2. Investment Restrictions

- 2.1 For the purpose of calculating the restrictions described in 2.3 to 2.7 and 2.10 below, companies which are included in the same Group of Companies are regarded as a single issuer.
- 2.2 To the extent an issuer is a legal entity with multiple funds where the assets of a fund are exclusively reserved to the investors in such fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that fund, each fund is to be considered as a separate issuer for the purpose of the application of the risk diversification rules.

Transferable Securities and Money Market Instruments

- 2.3 No Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
 - (A) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of such issuer; or
 - (B) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and over-the-counter derivative transactions made with financial institutions subject to prudential supervision.
- 2.4 A Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same issuer.
- 2.5 The limit of 10% set forth above under 2.3(A) above is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Non-Member State or by a public international body of which one or more Member State(s) are member(s).
- 2.6 The limit of 10% set forth above under 2.3(A) above is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to

the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Fund.

- 2.7 The securities specified above under 2.5 and 2.6 above are not to be included for purposes of computing the ceiling of 40% set forth above under 2.3(B) above.
- 2.8 **Notwithstanding the ceilings set forth above, each Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, by its local authorities, by any other eligible Non-Member State or by a public international body of which one or more Member State(s) of the EU are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any or such issue do not account for more than 30% of the net assets of such Fund.**
- 2.9 Without prejudice to the limits set forth hereunder under 2.18 and 2.19 below, the limits set forth in 2.3 above are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, on the following basis:
- (A) the composition of the index is sufficiently diversified;
 - (B) the index represents an adequate benchmark for the market to which it refers; and
 - (C) it is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain Transferable Securities or Money Market Instruments are highly dominant, provided that any investment up to this 35% limit is only permitted for a single issuer.

Bank Deposits

- 2.10 A Fund may not invest more than 20% of its net assets in deposits made with the same body.

Derivative Instruments

- 2.11 The risk exposure to a counterparty in an over-the-counter derivative transaction may not exceed 10% of the Fund's net assets when the counterparty is a credit institution referred to in 2.8 above or 5% of its net assets in other cases.
- 2.12 Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set out in this section. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined with the limits set out above.
- 2.13 When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of 1.7 above as well as with the risk exposure and information requirements laid down in the present Prospectus.

Units of Open-Ended Funds

- 2.14 Save as otherwise disclosed in the relevant Supplement, no Fund may invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs.
- 2.15 When a Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Fund's investment in the units of such other UCITS and/or UCIs.

Combined limits

- 2.16 Notwithstanding the individual limits laid down in 2.3, 2.10 and 2.11 above, a Fund may not combine:
- (i) investments in Transferable Securities or Money Market Instruments issued by;
 - (ii) deposits made with; and/or
 - (iii) exposures arising from over-the-counter derivative transactions undertaken with a single body in excess of 20% of its net assets.
- 2.17 The limits set out in 2.3, 2.5, 2.6, 2.10, 2.11 and 2.16 above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with 2.3, 2.5, 2.6, 2.10, 2.11 and 2.16 above may not exceed a total of 35% of the net assets of each Fund.
- 2.18 The Company may not acquire such amount of shares carrying voting rights which would enable the Company to exercise legal or management control or to exercise a significant influence over the management of the issuer.
- 2.19 The Company may not acquire (i) more than 10% of the outstanding non-voting shares of any one issuer; (ii) more than 10% of the outstanding debt securities of any one issuer; (iii) more than 10% of the Money Market Instruments of any one issuer; or (iv) more than 25% of the outstanding shares or units of any one undertaking for collective investment.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The limits set forth above under 2.18 and 2.19 do not apply in respect of:

- (A) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU or by its local authorities;
- (B) Transferable Securities and Money Market Instruments issued or guaranteed by any Non-Member State;
- (C) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) of the EU are member(s);
- (D) Shares in the capital of a company which is incorporated under or organised pursuant to the laws of a state which is not a Member State of the EU provided that (i) such company invests its assets principally in securities issued by issuers having

their registered office in that state, (ii) pursuant to the laws of that State a participation by the relevant Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that state, and (iii) such company observes in its investments policy the restrictions set forth under 2.3, 2.7, 2.10, 2.11 and 2.14 to 2.19; or

- (E) Shares held by one or more Funds in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

Use of SFT and TRS

2.20 The Funds may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. Any use of SFTs for investment purposes will be in line with the risk profile and risk divarication rules applicable to the relevant Fund. SFTs include the following transactions:

- (A) "securities lending" or "securities borrowing" means a transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred;
- (B) "buy-sell back transaction" or "sell-buy back transaction" means a transaction by which a counterparty buys or sells securities, or guaranteed rights relating to title to securities, agreeing, respectively, to sell or to buy back securities or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy- sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse- repurchase agreement within the meaning of item (iii) below;
- (C) "repurchase transaction" means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them; and
- (D) "margin lending transaction" means a transaction in which a counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities.

2.21 The Funds may further enter into Swaps relating to any financial instruments or indices, including TRSs. TRS involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRSs or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets.

3. Global Exposure

Unless otherwise disclosed in the relevant Supplement, each Fund shall employ a Value-at-Risk model in determining its global exposure to financial derivative instruments and will ensure that such global exposure does not exceed the 20% threshold as set out in the CSSF Circular 11/512 of 30 May 2011, as may be amended or restated from time to time.

4. Additional investment restrictions

- 4.1 No Fund may acquire commodities or precious metals or certificates representative thereof, provided that transactions in foreign currencies, financial instruments, indices or Transferable Securities as well as futures and forward contracts, options and swaps thereon are not considered to be transactions in commodities for the purposes of this restriction.
- 4.2 No Fund may invest in real estate or any option, right or interest therein provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- 4.3 A Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Fund from investing in non fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned in 1.5, 1.7 and 1.8 above and shall not prevent the lending of securities in accordance with applicable laws and regulations (as described further in 'Securities Lending and Borrowing' below).
- 4.4 The Company may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed in 1.5, 1.7 and 1.8 above.
- 4.5 The ceilings set forth above may be disregarded by each Fund when exercising subscription rights attaching to securities in such Fund's portfolio.
- 4.6 If such ceilings are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, such Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its shareholders.

The Board of Directors has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the Company are offered or sold.

5. Techniques and Instruments

5.1 General

The Company may employ techniques and instruments relating to Transferable Securities and Money Market Instruments provided that such techniques and instruments are used for the purposes of efficient portfolio management and investment purposes within the meaning of, and under the conditions set out in, applicable laws, regulations and circulars issued by the CSSF from time to time. In particular, those techniques and instruments should not result in a change of the declared investment objective of the relevant Fund or add substantial supplementary risks in comparison to the stated risk profile of the relevant Fund.

The risk exposure to a counterparty generated through EPM Techniques and OTC financial derivatives must be combined when calculating counterparty risk limits.

All revenues arising from EPM Techniques, net of direct and indirect operational costs and fees, will be returned to the Company. In particular, fees and cost may be paid to agents of the Company and other intermediaries providing services in connection with EPM Techniques as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Company through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary or Investment Manager – will be available in the annual report of the Company.

5.2 Securities Lending and Borrowing

The Company may more specifically enter into securities lending transactions provided that in addition to the abovementioned conditions they comply with the following rules:

- (A) The borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
- (B) The Company may only lend securities to a borrower either directly or through a standardised system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and specialized in this type of transactions; and
- (C) The Company may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

The Company must ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the Company's assets in accordance with its investment policy.

The risk exposure to the counterparty arising from securities lending transactions and OTC financial derivative instruments should be combined when calculating the counterparty risk limits foreseen under section 2.11 of this Appendix 1.

The securities lending agent on behalf of the Fund will ensure that its counterparty delivers collateral either in the form of cash, or in the form of securities compliant with the applicable Luxembourg regulations, as described below.

Borrowing transactions may not exceed 50% of the global valuation of the securities portfolio of the Company. The Company may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; (c) to avoid a failed settlement when the Depositary fails to make delivery; and (d) as a technique to meet its obligation to deliver the securities being the object of a repurchase agreement when the counterparty to such agreement exercises its right to repurchase these securities, to the extent such securities have been previously sold by the Company.

The securities borrowed by the Company may not be disposed of during the time they are held by the Company, unless they are covered by sufficient financial instruments that enable the Company to reconstitute the borrowed securities at the close of the transaction.

5.3 Reverse repurchase and repurchase agreement transactions

The Company may enter into repurchase agreements that consist of forward transactions at the maturity of which the Company (seller) has the obligation to repurchase the assets sold and the counterparty (buyer) the obligation to return the assets purchased under the transactions. The Company may further enter into reverse repurchase agreements that consist of forward transactions at the maturity of which the counterparty (seller) has the obligation to repurchase the asset sold and the Company (buyer) the obligation to return the assets purchased under the transactions. The Company may also enter into transactions that consist of the purchase/sale of securities with a clause reserving for the counterparty/Company the right to repurchase the securities from the Company/counterparty at a price and term specified by the parties in their contractual arrangements.

The Company's involvement in such transactions is, however, subject to the additional following rules:

- (i) The counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law; and
- (ii) The Company may only enter into reverse repurchase agreement and/or repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

5.4 Collateral Management

General

In the context of OTC financial derivatives transactions and EPM Techniques, the Company may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Company in such case. All assets received by the Company in the context of EPM Techniques (securities lending, repurchase or reverse repurchase agreements) shall be considered as collateral for the purposes of this section.

Eligible collateral

Collateral received by the Company may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- (a) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (b) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (c) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (d) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Fund's net asset value to any single issuer on an aggregate basis,

taking into account all collateral received. By way of derogation, this limit may be exceeded and up to 100% of the collateral received by a Fund may consist in Transferable Securities and Money Market Instruments issued or guaranteed by one or several Member States, their local authorities, members States of the OECD, a third country, or a public international bodies to which one or more Member States belong, provided that such securities or instruments are part of a basket of collateral comprised of securities and instruments of at least six different issues and that securities or instruments from any one issue do not account for more than 30% of the Net Asset Value of a Fund.

- (e) Where there is a title transfer, collateral received should be held by the Depositary. For other types of collateral arrangement, collateral can be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.
- (f) It should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

Subject to the abovementioned conditions, collateral received by the Company may consist of:

- (a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (b) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
- (c) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (d) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;
- (e) Bonds issued or guaranteed by first class issuers offering adequate liquidity; and
- (f) Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

Level of collateral

Where provided in the ISDA agreement entered into in the context of an OTC derivative contract, the counterparties with which a Fund enters into such contract provide and/or receive collateral to/from the Fund. This collateral aims to cover 100% of the value of the OTC derivative exposure to the counterparty at all times. However, the Company may require a lower amount of collateral for OTC financial derivative transactions by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Securities lending

The Fund may engage into securities lending transactions as further detailed in Supplement 1.

Collateral shall not be required if the securities lending is made through Clearstream Banking or EUROCLEAR or through any other organization assuring to the lender a reimbursement of the value of the securities lent, by way of a guarantee or otherwise.

Repurchase / reverse repurchase agreements

The Fund may engage into repurchase or reverse repurchase transactions as further detailed in Supplement 1.

Haircut policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Company under normal and exceptional liquidity conditions. Currently, the Fund only accepts collateral having the form of cash denominated in United States Dollars, which corresponds to the Reference Currency of the Fund. In consideration of market movements, additional collateral could be requested by the Fund.

Reinvestment of collateral

Non-cash collateral received by the Company may not be sold, re-invested or pledged.

Cash collateral received by the Company can only be:

- (a) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (b) invested in high-quality government bonds;
- (c) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis; and/or
- (d) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

A Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the relevant Fund to the counterparty at the conclusion of the transaction. The relevant Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

APPENDIX 2: PERFORMANCE FEE CALCULATION

This Appendix is subject to the relevant Supplement.

The Investment Manager may be entitled to receive a Performance Fee payable out of a Fund's assets. If payable, the Performance Fee will be calculated using one of two methods – the Straight Line Method or the Series Method. The Supplement for each Fund will disclose (i) which Share Classes may be charged a Performance Fee and (ii) the method of calculation.

The Performance Fee will be calculated in respect of each twelve month period ending on 30 June in each year (a "Calculation Period"). The first Calculation Period will be the period specified in the relevant Supplement. The Performance Fee will be calculated and accrued as an expense of the relevant Class at each Valuation Day and will be payable to the Investment Manager in arrears within 14 days of the end of each Calculation Period after calculation of the Performance Fee by the Administrator.

The Performance Fee is based on the Net Asset Value per Share as at the end of each Calculation Period. The Net Asset Value per Share will include net realised and net unrealised gains and losses (both capital and income) and as a result, performance fees may be paid on unrealised gains, which may subsequently never be realised.

Straight Line Method

For each Calculation Period, the Performance Fee payable in respect of each Class using the Straight Line Method will be equal to such percentage of any "New Net Appreciation" as is set out in the Supplement for the relevant Fund.

The New Net Appreciation shall equal the amount, if any, by which the Net Asset Value of the relevant Class (prior to any deduction for accrued Performance Fee payable in respect of the period) as of the end of the relevant Calculation Period exceeds the "High Water Mark" (defined below).

The High Water Mark in this context is the greater of:-

- (a) the Net Asset Value of the relevant Class as of the most recent 30 June at which a Performance Fee was paid in respect of such relevant Class (after the deduction for the Performance Fee then paid);
- and
- (b) if no Performance Fee has ever been paid, then the initial capital of the relevant Class immediately following the close of the Initial Offer Period

The High Water Mark set out about in paragraphs (a) and (b) shall be increased when additional subscriptions are made to the relevant Class, by an amount equal to such Subscriptions and shall be reduced proportionately whenever redemptions are made from the relevant Class by being multiplied by the fraction, the numerator of which is the Net Asset Value of the relevant Class immediately after, and the denominator of which is the Net Asset Value of the relevant Class immediately prior to, any such redemption (the Net Asset Value of the relevant Class in each case to be calculated prior to deduction for any accrued Performance Fee)

For the avoidance of doubt, a Performance Fee is only payable where the Net Asset Value of the relevant Class exceeds the High Water Mark.

Series Method

Where the Performance Fee is charged using the Series Method, the Performance Fee is calculated by the Administrator by using a series accounting system whereby a new series of Shares within a Share Class (a "Series") is issued at a fixed price on each Dealing Day. This method ensures that each Share of any Class is charged a Performance Fee or is treated as having a loss carryover (to be set against future appreciation in the value of that Share) which equates precisely with that Share's performance. This method of calculation ensures that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Series have the same amount of capital per Share at risk in the Fund in question, and (iii) all Shares of the same Series have the same Net Asset Value per Share.

For each Calculation Period, the Performance Fee will be equal to such percentage of any "New Net Appreciation per Share" as is set out in the Supplement for the relevant Fund.

The New Net Appreciation per Share shall equal the amount by which the Net Asset Value per Share of each Series (prior to reduction for accrued Performance Fee) as at the end of the relevant Calculation Period exceeds the "High Watermark".

The High Watermark for a Series is, for any Calculation Period,

- (a) the Net Asset Value per Share of a Series as at the end of the most recent Calculation Period in respect of which a Performance Fee was paid; or,
- (b) during the first Calculation Period,
 - (i) for the initial Series, the Initial Offer Price, or (if different),
 - (ii) for subsequent Series, the Subscription Price for such Series,

(after reduction for the Performance Fee then paid and for any dividends paid out to the Shareholders of the relevant Class in relation to the Calculation Period then ending).

Except in the circumstances described below, at the end of each Calculation Period, each Series within a Class of Shares (other than the initial Series) will (after payment of any accrued Investment Management Fee and Performance Fee) be converted into the initial Series (by way of an exchange of the relevant Series for the issue of Shares in the initial Series). Such exchange will be effected automatically on the basis of the respective prevailing Net Asset Value per Share of the initial Series and of the Series to be exchanged using the procedure for switching described under "Exchanging between Funds or Classes". However, no exchange will occur with respect to a Series if at the end of the Calculation Period of the Fund the Net Asset Value of such Series is below the High Watermark of that Series. In addition, if the Net Asset Value of the initial Series is below the High Watermark of the initial Series, no conversion will occur with respect to any Series within such Class.

It should be noted that as the Net Asset Value per Share may differ between different Series within the same Class, separate performance fee calculations will be carried out for separate Series within the same Fund and within the same Class which may therefore become subject to different amounts of performance fee.

Crystallisation of Performance Fee

If a redemption is made from the relevant Class as of a date other than 30 June, a Performance Fee (if accrued as of the date of such Redemption) shall be crystallised in respect of the Shares being redeemed and paid to the Investment Manager 14 days after the Dealing Day (or upon

termination of the Investment Management Agreement, if earlier). Furthermore, for the purposes of the calculation of the Performance Fee, a transfer of Shares will, unless determined otherwise by the Directors, be treated as if there was a redemption of such Shares by the transferor and a subscription (at the most recent Price) for such Shares by the transferee on the date of the transfer. However, a transfer will not be treated as a redemption and subscription where the relevant transfer of Shares will not result in a change in the beneficial ownership of the Shares. Crystallised Performance Fees shall remain in the relevant Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Investment Manager, and shall not be used or made available to satisfy Redemptions or pay any fees and expenses of the relevant Class.

In the case of a partial redemption, whether during or at the end of a Calculation Period, Shares will be treated as redeemed on a first in, first out basis for the purposes of calculating the Performance Fee.

The Investment Manager may from time to time and in its sole discretion and out of its own resources decide to rebate to some or all Shareholders (or their agents including the directors), or to intermediaries, part or all of the Performance Fee.

If the appointment of the Investment Manager is terminated during a Calculation Period the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

SUPPLEMENT 1: ICE EM TOTAL RETURN FUND

The information contained in this part of this Prospectus in relation to ICE EM Total Return Fund should be read in conjunction with the full text of this Prospectus.

Name of Fund

ICE Global Credit Funds – ICE EM Total Return Fund

Investment Objective

The investment objective of the Fund is to generate attractive risk-adjusted total returns in the form of income and the potential for capital appreciation from a wide range of targeted credit opportunities in emerging markets, or in opportunities with strong linkages to the emerging markets.

There can be no assurance that the Fund will achieve its investment objective.

Investment Policy

The Fund will primarily invest in liquid emerging markets credit opportunities, including: sovereign debt securities, local currency debt securities, investment grade and sub investment grade corporate debt securities, distressed debt securities and other structured finance securities.

Other structured finance securities may include asset backed securities, collateralised debt obligations, collateralised loan obligations and portfolio credit linked notes. The Fund will not invest more than 20% of its Net Asset Value in such structured finance securities.

The Investment Manager will seek to implement a targeted investment strategy emphasizing strong underlying investment fundamentals, attractive risk-adjusted valuations, and a globally-balanced, multi-sector diversification. The investment universe of the Fund will seek to encompass all sectors of the emerging markets and the global credit markets with strong linkages to the emerging markets.

The Fund's targeted investment opportunities will include: core value credit, event-driven credit opportunities, special situations, and hedging and short positions.

An event-driven strategy involves the Fund taking positions in credit securities the value or return of which the Investment Manager believes has been or will be affected by certain internal or external events (including, but not limited to, distressed debt, mergers or takeovers and political or economic events).

The Fund will utilize a bottom-up, research-driven, value-seeking investment process using stress-testing as the cornerstone to decision-making and asset allocation. The Fund's investment strategy will be to target companies operating in high growth markets and strategic industry sectors.

The Fund will be long-biased but will use a long/short investment framework. Long positions will be taken to generate high income, enhanced income, and capital appreciation from accretion of deep price discounts, spread tightening, or equity enhancements. Synthetic short positions will be taken to protect the Net Asset Value of the Fund against potential downside outcomes - generating capital appreciation from spread widening and higher relative default risks or to hedge against broader credit market weakness.

The Fund may also, on an ancillary basis, invest in deposits and money market instruments such as treasury bills. Where the Fund invests on an ancillary basis in fixed and/or floating debt securities, these will primarily be, but are not limited to, government and government guaranteed securities and will be mostly in such instruments which are considered investment grade by Standard & Poor's or an equivalent rating by any of the other principal rating agencies.

The Fund can take long positions, using the financial instruments, including derivatives, set out above. Short positions may only be achieved through the use of derivatives. The Investment Manager will amend the long and short exposure to reflect its degree of confidence about the direction of the markets. The risks attached to the use of derivatives by the Fund are set out in the main body of the Prospectus.

Any market risk, including any leverage employed as a result of effecting synthetic short positions, will be done in conjunction with strict risk/reward criteria to provide returns with quantifiable and tolerable risk, and will be compliant with the Law. Such market risk will be monitored using absolute VaR to ensure that the VaR of the Fund may not exceed 20% of the Net Asset Value of the Fund, based on a 20 day holding period and a 99% confidence interval. The Investment Manager anticipates using leverage in the Fund, meaning that the Fund will have gross exposure greater than its Net Asset Value. Any leverage utilised by the Fund (whether through temporary borrowing or through use of derivatives) will not exceed 150% of the Net Asset Value.

The Fund may gain direct exposure to global emerging markets as well as via investments in ADRs and GDRs, which are listed or traded on Regulated Markets.

The Fund may invest up to 10% of the Net Asset Value in securities which are either unlisted or not traded on a Regulated Market or a market which is regulated, operates regularly and is recognised and open to the public.

The Fund will not invest more than 10% of its net assets in aggregate in the units of other UCITS or other collective investment schemes.

The Fund may invest in derivatives for hedging purposes and for efficient portfolio management. The Fund may also use derivatives to achieve its investment objective. Derivative instruments utilised by the Fund may include, but are not limited to, futures, options, convertible securities, warrants, TRS and OTC derivatives (including credit default swaps – see below for further details). Short positions will be entered into by way of derivatives. The credit risk of exchange traded derivatives will be restricted to the clearing broker and the relevant exchange. While downside risk is limited to the premium in the case of a bought option, it is possible that some derivatives positions may increase the risk of loss pertaining to assets contained in the Fund.

If the Fund engages in TRS, the TRS will be entered into with first class financial institutions acting as swap counterparties selected at the choice and discretion of the Fund.

The maximum portion of assets that may on average be subject to SFT and TRS will not exceed 20% of the Fund's net assets.

The Fund may, at the discretion of the Investment Manager, hold credit default swaps referenced to bonds or loans. See under Risk Factors for further details of credit default swaps. The Fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. Provided it is in its exclusive interest, the Fund may also sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap purchase transactions without holding the underlying assets provided always that the restrictions set out Appendix 1 are complied with. Where the credit default swap is referenced to a loan, the swap will be settled in cash rather than through delivery of the loan. The entering into such transactions is in particular in the Fund's exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the cash bond markets.

The Fund will only enter into credit default swap transactions with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the International Swap and Derivatives Association.

The Investment Manager will actively vary asset and country allocations over time to reflect market conditions and opportunities. In exceptional market conditions, the Fund may temporarily hold up to 100% of its assets in money market instruments.

The US dollar is the Reference Currency of the Fund but assets may be denominated in other currencies.

All of the above investments will be made in accordance with the limits set out in the Prospectus.

Profile of Typical Investor:

The Fund is an investment vehicle for institutional clients seeking attractive risk adjusted returns in the form of income and the potential for capital appreciation, with a moderate to high risk profile.

Valuation Day

The Business Day preceding a Dealing Day.

Dealing Day

Weekly, as at every Wednesday, and if such day is not a Business Day, the Business Day immediately following such day.

Dealing Request Deadline

For Subscriptions

4.00 pm (Luxembourg time) on the second (2nd) Business Day immediately preceding the relevant Dealing Day.

For Redemptions

4.00 pm (Luxembourg time) on the sixth (6th) Business Day immediately preceding the relevant Dealing Day.

Price Publication

The Net Asset Value per Share of each Class will be updated following each calculation of Net Asset Value and will be available from the Administrator.

Reference Currency of the Fund

US Dollar.

Duration

The Fund is established for an unlimited duration.

Share Classes and types of Shares

If not stated to be Distribution Shares, a Class will be Accumulation Shares.

All Share Classes denominated in currencies other than US Dollar will be hedged against the US Dollar, the Reference Currency of the Fund, as set out in the section "Currency Hedging" below.

If not otherwise stated, a Class will be open to all types of investors.

	Class A (USD) Shares	Class A (Euro) Shares	Class A (GBP) Shares
Currency	US Dollar	Euro	Sterling
Initial Offer Price	US\$100	€100	£100
Subscription Price for each Series	US\$100	€100	£100
Minimum Subscription*	US\$1,000,000	€1,000,000	£1,000,000
Minimum Holding	US\$1,000,000	€1,000,000	£1,000,000
Minimum Additional Subscription	US\$10,000	€10,000	£10,000
Investor profile	Institutional		
Risk Management and Expected Level of Leverage	<p>In accordance with the Law and the applicable regulations, in particular CSSF Circular 11/512, the Fund uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.</p> <p>As part of this risk-management process, the global exposure of the Fund is measured and controlled by the absolute Value-at-Risk ("VaR") approach.</p> <p>The methodology applied for the leverage calculation is the sum of notionals, in accordance with the CSSF Circular 11/512. The expected level of leverage of the portfolio is in the range of 0% - 100%. The level of leverage could sometimes be higher than 100% due to changes in the reference market conditions and the investment strategy.</p>		
Annual Rate of Investment Management Fee (%)	1.00	1.00	1.00
Rate of Performance Fee (%)	N/A	N/A	N/A
Performance fee calculation method	N/A		

*(Investors should refer to the section of the Prospectus headed "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country)

The Directors may reduce or waive the Minimum Subscription, the Minimum Additional Subscription and the Minimum Holding at their discretion.

If a request for a partial redemption of Shares is received which would, as a result of such partial redemption, result in the Net Asset Value of the relevant Class of Shares retained by the Shareholder being less than the relevant Minimum Holding, the Shareholder's holding of Shares of the relevant Class will, at the discretion of the Directors, be either compulsorily redeemed or be exchanged for a different Class of Shares.

Listing

The Shares will not be listed on any investment exchange.

Other Fees and Expenses

Preliminary Charge

It is not the Directors' current intention that any preliminary charge be imposed.

Redemption Charge

A redemption charge will be deducted from redemption proceeds and paid on redemption of all Share Classes unless the Shares are held for more than three years. For shorter periods, the table below sets out the maximum rate of the redemption charge that will apply, which is a percentage of the Price of the Shares redeemed:

<u>Redemption Holding Period</u>	<u>Redemption Charge</u>
Up to 1 year	2%
Over 1 year and up to 2 years	1.33%
Over 2 years and up to 3 years	0.66%
Over 3 years	0%

Further information on the redemption charge is contained in the section entitled "Fees and Expenses – Redemption Charge" of the Prospectus.

Dilution Levy

The Board of Directors has discretion to apply a dilution levy in the case of large levels of net subscriptions or large levels of net redemptions on any Valuation Day. In compliance with the principle of equal treatment of Shareholders, the rate of the dilution levy (if any) applied on any Valuation Day will be the same for all Shareholders subscribing or redeeming (as the case may be) Shares on the relevant Valuation Day.

The amount of the dilution levy will be up to 2% of the amount subscribed or redeemed, as the case may be, by the relevant Shareholder.

Management Company Fees

The Management Company shall be paid a fee of up to 0.03% per annum, calculated on the basis of the Net Asset Value of the assets attributable to the relevant Fund on the last Valuation Day of each month, and paid out monthly on such Valuation Day. The fee payable is subject to a minimum monthly fee of EUR 2,000. The Management Company may also receive additional fees in respect

of ancillary services. Such additional fees will be agreed in writing between the Management Company and the Company.

Administration and Custody Fees

The fees payable to the Depositary and Administrator out of the Fund's assets will not exceed 0.15% per annum, calculated on each Valuation Day on the basis of the Net Asset Value of the assets attributable to the relevant Class of Shares and paid out on the relevant Valuation Day.

Details on other fees and expenses to be incurred by the Company are detailed in the main body Prospectus under the heading entitled "Fees and Expenses".

Local Tax ("Taxe d'Abonnement")

Class A Shares – 0.01% per annum of the Fund's Net Asset Value payable quarterly

Risk Profile of the Fund

The Fund invests primarily in a portfolio of debt securities.

As the Fund may regularly invest in financial derivative instruments, it could be exposed to even higher levels of risks typically associated with such investments. In addition, the Fund invests in emerging markets, which may be subject to additional political and economic risks, while stocks can be negatively impacted by low liquidity, poor transparency and greater financial risks.

The Fund seeks to limit its volatility through diversification across a large number of countries, industry sectors and companies; as well as through the use of various hedging strategies.

Currency Hedging

The Reference Currency of the Fund is the US dollar.

The Net Asset Value per Share of each Class will be calculated in the currency of that Class.

The investments of the Fund will generally be hedged into the Reference Currency of the Fund. Currency hedging will be made through the use of various techniques including entering into forward currency contracts, currency options and futures. The relevant currency hedging is intended to reduce a Shareholder's exposure to the respective currencies in which the Fund's investments are denominated. In this regard, it is anticipated that currency risks will be hedged to a large extent although there is no guarantee that such hedging will be effective. Where the currency exposure of the Fund is not fully hedged or where the hedging transactions are not completely effective, the value of the assets of the Fund may be affected favourably or unfavourably by fluctuations in currency rates. From time to time the Investment Manager may not fully hedge the currency exposure, if it considers this to be in the interest of the Shareholders. Any costs incurred relating to the above mentioned hedging will be borne by the Fund.

In addition, the foreign exchange exposure of the Shares denominated in currencies other than US dollar is generally hedged in order to minimise, so far as reasonably practicable, the impact of fluctuations in the exchange rates between US dollar (being Reference Currency of the Fund) and such other currency. Again, there can be no guarantee that any hedging transactions that are put in place will be effective. The costs and any benefit such transactions will be allocated solely to the relevant Share Class.

With the exception of the costs or gains which relate to specific Share Class currency hedging, all Share Classes will participate in all other assets and liabilities of the Fund on a pro rata basis.