The Directors of the Company whose names appear in the section of this Prospectus entitled "Directory" accept responsibility for the information contained in this Prospectus and each relevant Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

ALGEBRIS UCITS FUNDS PLC

(an investment company with variable capital incorporated with limited liability in Ireland with registered number 509801 and established as an umbrella fund with segregated liability between funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended)

PROSPECTUS

Dated 1 December, 2022

IMPORTANT INFORMATION

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE COMPANY AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE QUESTIONS OR CONCERNS ABOUT THE CONTENTS OF THIS PROSPECTUS AND THE RELEVANT SUPPLEMENTS OR THE SUITABILITY OF AN INVESTMENT IN THE COMPANY FOR YOUR PARTICULAR CIRCUMSTANCES YOU SHOULD CONSULT YOUR STOCK BROKER OR OTHER FINANCIAL ADVISER.

Certain terms used in this Prospectus are defined in the section of this Prospectus entitled "Definitions".

Central Bank Authorisation

The Company has been authorised by the Central Bank as a UCITS within the meaning of the Regulations. ***The authorisation of this scheme is not an endorsement or guarantee of the scheme by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus and the Supplements. The authorisation of this scheme by the Central Bank does not constitute a warranty as to the performance of the scheme and the Central Bank shall not be liable for the performance or default of the scheme.***

Investment Risks

It should be appreciated that the value of the Shares and the income from them may fall as well as rise and, accordingly, an investor may not get back the full amount invested. A dilution adjustment may also be payable on net subscriptions for and net redemptions of Shares. The difference at any one time between the subscription and redemption price of Shares means that the investment should be viewed as medium to long term. *Details of certain investment risks for an investor are set out in the section of this Prospectus entitled "Risk Factors".* ***An investment in the Funds should not constitute a substantial proportion of the investor's investment portfolio and may not be appropriate for all investors. As distributions may be made out of the capital of certain Funds, there is a greater risk that capital will be eroded and 'income' will be achieved by foregoing the potential for future capital growth of your investment and the value of future returns may also be diminished. This cycle may continue until all capital is depleted.***

Selling Restrictions

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

Applicants will be required to certify whether they are Irish Residents.

United States

There will be no public offering of Shares in the United States. The Shares will not be available to U.S. Persons, unless they are, among other things, "accredited investors" (as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "Securities Act")) and "qualified purchasers" (as defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended (the "Investment Company Act")).

The Shares have not been and will not be registered under the Securities Act or the securities laws of any of the states of the United States, nor is such registration contemplated. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any U.S. Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state laws. Any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law, absent an applicable exemption from registration.

There is no public market for the Shares in the United States and no such market is expected to develop in the future. The Shares offered hereby are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Articles of Association, the Securities Act and applicable state securities law pursuant to registration or exemption therefrom. The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the Securities Act and inside the United States in reliance on Regulation D promulgated under the Securities Act and Section 4(2) thereof.

The Company has not been and will not be registered under the Investment Company Act pursuant to the provisions of Section 3(c)(7) of the Investment Company Act. Under Section 3(c)(7), a privately offered fund is excepted from the definition of "investment company" if U.S. Person security holders consist exclusively of "qualified purchasers" and the Shares are only offered in the U.S. on a private placement basis.

The Funds may trade commodity interest contracts (including swaps) as an incidental component of its strategies. However, the Investment Manager is currently exempt from registration with the U.S. Commodity Futures Trading Commission ("CFTC") as a 'commodity pool operator' with respect to the Funds pursuant to CFTC Rule 4.13(a)(3) because: (i) purchasers of Shares are limited to non-U.S. persons as defined under CFTC Rules or "accredited investors", as defined under U.S. Securities and Exchange Commission Rules; (ii) Shares in the Funds are exempt from registration under the Securities Act and are offered and sold without marketing to the public in the United States; (iii) the Shares are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets; and (iv) for each Fund at all times either (a) the aggregate initial margin and premiums required to establish commodity interest positions will not exceed five per cent of the liquidation value of the Fund's portfolio; or (b) the aggregate net notional value of commodity interest positions will not exceed one hundred per cent of the liquidation value of the Fund's portfolio. Therefore, unlike a registered commodity pool operator, the Investment Manager is not required to deliver a disclosure document or a certified annual report to shareholders in the form required by the CFTC. However the Company, on behalf of the Fund, will deliver this prospectus as well as the periodic and annual reports described herein to all shareholders.

The Investment Manager reserves the right to register as a commodity pool operator and/or a commodity trading adviser in the future so that the Investment Manager may in the future act as a commodity pool operator to new Funds, or continue to act as a commodity pool operator to existing Funds that do not meet the criteria for the exemption under CFTC Rule 4.13(a)(3).

The Shares have not been filed with or approved or disapproved by any regulatory authority of the United States or any state thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

Notwithstanding anything to the contrary contained herein, a prospective investor (and each employee, representative or other agent of a prospective investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions described in this Prospectus and all materials of any kind that are provided to the prospective investor relating to such tax treatment and tax structure (as such terms are defined in Treasury Regulation Section 1.6011-4), it being understood that "tax treatment" and "tax structure" do not include the name or the identifying information of (i) the Company or a Fund; or (ii) the parties to a transaction. This authorisation of tax disclosure is retroactively effective to the commencement of discussions with prospective investors.

You are hereby informed that (a) the information contained in this Prospectus is not intended or written to be used, and cannot be used, by an investor for the purpose of avoiding penalties that the U.S. Internal Revenue Service may attempt to impose on such investor, (b) the information was written to support the promotion or marketing of the transactions or marketing of the transactions or matters addressed by the written information and (c) investors should seek advice based on their particular circumstances from an independent tax advisor.

Australia

The Company is not a registered managed investment scheme, nor is it required to be registered as a managed investment scheme, and this Prospectus is not a product disclosure document or prospectus lodged or required to be lodged with the Australian Securities and Investments Commission. This Prospectus is intended for use only by 'wholesale clients' as defined in the Corporations Act 2001 (Cth). Shares will only be offered in Australia to persons to whom such securities may be offered without a prospectus or a product disclosure statement under Part 6D.2 or Part 7.9 of the Corporations Act 2001 (Cth). Shares in the Company subscribed for by investors in Australia must not be offered for resale in Australia for 12 months from allotment except in circumstances where neither a prospectus nor a product disclosure statement is needed under the Corporations Act 2001 (Cth) in connection with the offer or except as otherwise permitted herein. Prospective investors in Australia should confer with their professional advisors if in any doubt about their position.

This Prospectus contains general information only, does not contain any personal advice and does not take into account any prospective investors' objectives, financial situation or needs. The Company is not authorised to provide any financial product advice in relation to the Shares and recommends that investors read this Prospectus before deciding whether to acquire Shares as no cooling off rights apply in relation to that decision.

Japan

The Shares may not be offered for a public offering in Japan unless a securities registration statement pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (including any amendments or successor laws, the "FIEA") has been filed with the Director of the Kanto Local Finance Bureau of the Ministry of Finance of Japan.

No securities registration statement for a public offering has been filed or will be filed with respect to the solicitation for the purchase of the Shares in Japan as the Shares of the Company will be offered in Japan as an "expanded small number private placement" (kakudai shouninzu shibo) under Article 2, Paragraph 3, Items 2(a) and 2(c) of the FIEA.

The Company on behalf of the relevant Fund has filed a notification with the Commissioner of the Financial Services Agency of Japan pursuant to the Act concerning Investment Trusts and Investment

Corporations of Japan in connection with the private placement of the Shares in Japan. A report with respect to the placement and redemption of the Shares may be filed by the Company on behalf of the relevant Fund with the Ministry of Finance of Japan as required in accordance with the terms and conditions of the Foreign Exchange and Foreign Trade Act of Japan.

Notwithstanding any language in this Memorandum to the contrary, the Shares offered hereby have not been approved or disapproved by any regulatory authority of Japan.

For the purposes of the laws of Japan, each Shareholder in the Company shall be required to represent in the Subscription Agreement that it fully acknowledges, understands and agrees with the relevant transfer restrictions applicable to the Shares pursuant to the FIEA.

In addition to any other applicable transfer restrictions as set forth in this Memorandum, if the Shareholder is a "qualified institutional investor" as defined under Article 2, Paragraph 3, Item 1 of the FIEA and Article 10 of the Cabinet Office Ordinance on Definitions under Article 2 of the FIEA (tekikaku kikan toushika, "Qualified Institutional Investor") at the time that it subscribed for or acquired Shares in the Company, such Shareholder shall be required to agree in the Subscription Agreement not to directly or indirectly, sell, exchange, assign, mortgage, hypothecate, pledge or otherwise transfer its Shares (or any interest therein), in whole or in part, to any party other than to another Qualified Institutional Investor. Any transferees of the Shareholder will be required to agree to comply with the foregoing transfer restrictions.

Hong Kong

Warning: The contents of this Prospectus and the relevant Supplement have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Prospectus and the relevant Supplement, you should obtain independent professional advice.

The Shares may not be offered or sold by means of any document in Hong Kong other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of theLaws of Hong Kong) and any rules made under the Securities and Futures Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. Further, no person may issue, or have in its possession for the purposes of issue, any advertisement, invitation or document, whether in Hong Kong or elsewhere, relating to the Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under the Securities and Futures Ordinance.

The offer of the Shares is personal to the person to whom this Prospectus and the relevant Supplement have been delivered, and a subscription for Shares will only be accepted from such person (or a company which such person shall have certified to be its controlled subsidiary) for such minimum amount of Shares as described in this Prospectus and the relevant Supplement. This Prospectus together with the relevant Supplement and the information contained in them may not be used other than by the person to whom they are addressed and may not be reproduced in any form or transmitted to any person in Hong Kong.

Belgium

This Prospectus is not, will not, and has not been submitted for approval by, and no advertising or other offering materials have been filed with, the Financial Services and Market Authority ("FSMA") in Belgium. This document therefore does not constitute a public offering in Belgium.

Accordingly, any person who is in possession of this Prospectus understands and agrees that no action whatsoever has been taken that would, or is intended to permit, or otherwise result in a public offering in Belgium. Neither this document nor any other advertising or offering materials may be distributed or made available, directly or indirectly, to the public in Belgium and may not be used to solicit, provide advice or information to, or otherwise provoke requests from, the public in Belgium in relation to the offering of any financial instrument described herein.

Pursuant to Article 5 paragraph 1 of the Law of August 3, 2012 regarding certain forms of collective investment undertakings ("the Law") (as read together with article 3 paragraph 13), as amended, this Prospectus and the information contained therein can exclusively be provided to private investors acting for their own account contributing minimum 250,000 euro or to professional or institutional investors defined in Article 2 and listed in the annex N to the Royal Decree dated December 19, 2017 implementing MIFID II.

Singapore

This Prospectus has not been registered and will not be registered as a prospectus with the Monetary Authority of Singapore (the "MAS"), and the Company is not authorised or recognised by the MAS. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered and sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the retail public or any member of the retail public in Singapore unless permitted under any applicable exemption. Moreover, this Prospectus is not a prospectus as defined in the Securities and Futures Act (Cap. 289) of Singapore (the "SFA"). Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. Investors should consider carefully whether the investment is suitable in light of their own personal circumstances.

The Shares may not be sold directly or indirectly to the retail public or any member of the retail public in Singapore, other than (i) to an institutional investor (as defined in section 4A of the SFA and the Securities and Futures (Classes of Investors) Regulations 2018) under Section 304 of the SFA, (ii) to a relevant person (as defined in Section 305(5) of the SFA and the Securities and Futures (Classes of Investors) Regulations 2018) pursuant to section 305(1), or any person pursuant to section 305(2), and in accordance with the conditions specified in Section 305, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Where shares are subscribed or purchased under Section 305 of the SFA by a relevant person which is:

- *(a)* *A corporation (which is not an accredited investor (as defined in section 4A of the SFA and the Securities and Futures (Classes of Investors) Regulations 2018 the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or*
- *(b)* *A trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,*

Securities (as defined in the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the shares pursuant to an offer made under section 305 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in section 275(1a) or section 305A(3)(i)(b) of the SFA;
(2) where no consideration is or will be given for the transfer;
(3) where the transfer is by operation of law;
(4) as specified in section 305A(5) of the SFA; or
(5) as specified in regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

Dubai International Financial Centre

This Prospectus relates to the Company which is an investment company with variable capital established as an umbrella fund with segregated liability between funds, domiciled in Ireland and established in accordance with the UCITS Regulations and is regulated by the Central Bank.

This Prospectus relates to the Company which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying the Prospectus or other documents in connection with the Company. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it. The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

This prospectus is intended only for professional clients and must not be delivered to or relied upon by a retail client.

United Arab Emirates

This Prospectus constitutes a Foreign Mutual Fund Promotion in the UAE in accordance with the UAE Securities and Commodities Authority ("SCA")'s Board of Directors' Chairman Decision No. (9/R.M) of 2016 and the Company has been registered to that effect with the SCA. The SCA assumes no liability for the accuracy of the information set out in this Prospectus, nor for the failure of any persons engaged in the Company in performing their duties and responsibilities. Unless the provisions of the SCA Board of Directors' Chairman Decision No. 9/R.M. of 2016 concerning the Regulations of Mutual Funds do not apply, this Prospectus may only be distributed to persons by Standard Chartered Bank as local promoter licensed in the UAE. By receiving this Prospectus, the person or entity to whom it has been issued understands, acknowledges and agrees that the Shares have not been and will not be offered, sold or publicly promoted or advertised in the Dubai International Financial Centre other than in compliance with laws applicable in the Dubai International Financial Centre.

People's Republic of China

The Shares may not be offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly, in the People's Republic of China (the "PRC", excluding Hong Kong, Macau and Taiwan) in contravention of any applicable laws.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Shares in the PRC.

The Company does not represent that this Prospectus may be lawfully distributed, or that any Shares may be lawfully offered to the public in the PRC, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Company which would permit a public offering of any Shares or distribution of this documents in the PRC. Accordingly, the Shares are not being offered or sold within the PRC by means of this Prospectus or any other document. Neither this Prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

Taiwan

The offer of the Shares has not been and will not be approved by or registered with the Financial Supervisory Commission of Taiwan, the Republic of China ("Taiwan"), and may not be offered or sold within Taiwan through a public offering that requires registration or approval from the Financial Supervisory Commission of Taiwan, except to (i) to Taiwan resident investors outside Taiwan for purchase by such investors outside Taiwan; (ii) to the offshore banking units (as defined in the R.O.C. Statute for Offshore Banking Operations) of Taiwan banks, the offshore securities units (as defined in R.O.C. Statute for Offshore Banking Operations) of Taiwan securities firms or the offshore insurance units (as defined in the R.O.C. Statute for Offshore Banking Operations) of Taiwan insurance companies purchasing the shares either for their proprietary account or for the accounts of their non-Taiwan clients; and/or (iii) to investors in Taiwan through licensed financial institutions to the extent permitted under relevant Taiwan laws and regulations, but may not otherwise be offered, sold or resold in Taiwan. Purchasers/subscribers may be restricted or prohibited from re-selling the shares.

Brunei

This Prospectus has not been delivered to, licensed or permitted by Authoriti Monetari Brunei Darussalam (the "Authority") nor has it been registered with the Registrar of Companies. This document is for informational purposes only and does not constitute an invitation or offer to the public. As such, it must not be distributed or redistributed to and may not be relied upon or used by any person in Brunei other than the person to whom it is directly communicated per their request and to a specific and selected class of investors only who are either an accredited investor, an expert investor or an institutional investor as defined under Section 20 of the Brunei Securities Markets Order, 2013. This Prospectus relates to a foreign collective investment scheme which is not subject to any form of domestic regulation by the Authority. The Authority is not responsible for reviewing or verifying any prospectus or other documents in connection with this collective investment scheme. The Authority has not approved this prospectus or any other associated documents nor taken any steps to verify the information set out in this prospectus, and is not responsible for it. The units to which this Prospectus relates may be illiquid or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the units. If you do not understand the contents of this document you should consult a licensed financial adviser.

Indonesia

The Shares may not be offered or sold, directly or indirectly in Indonesia or to any Indonesian citizen or corporation (wherever located) or any Indonesian resident in a manner which constitutes a public offering under Indonesian laws and regulations."

India

The Company has not offered or sold and will not offer or sell in India, by means of any document, any Shares in circumstances which would constitute an offering to the public in India within the meaning of the 2013 Companies Act; and the Company represents and agrees that any document by means of which it offers the Shares will not be generally distributed or circulated to the general public in India.

This Prospectus is strictly personal to the recipient and neither this Prospectus nor the relevant Supplement is calculated to result, directly or indirectly, in the Shares becoming available for subscription or purchase by persons who constitute the general public in India. No general solicitation or offering to persons in India is made hereby and this Prospectus has not been made available to the public in India.

The Shares have not been approved by the SEBI, Reserve Bank of India or any other regulatory authority of India, nor have the foregoing authorities approved this Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Prospectus. This Prospectus has not been and will not be registered as a prospectus or a statement in lieu of prospectus with the Registrar of Companies in India.

Philippines

The Shares being offered or sold have not been registered with the Securities and Exchange Commission of the Philippines under the Securities Regulation Code. Any future offer or sale thereof is subject to registration requirements under the code unless such offer or sale qualifies as an exempt transaction.

The Shares are being sold to the investor on the understanding that it is a "Qualified Buyer" as defined under 10.1(1) of the Code, and consequently this transaction is exempt from registration requirements.

By a purchase of the Shares, the investor will be deemed to acknowledge that the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase, such Shares was made outside the Philippines.

Malaysia

The Shares may not be offered or sold, directly or indirectly in Malaysia or to any Malaysian citizen or corporation (wherever located) or any Malaysian resident in a manner which constitutes a public offering under Malaysian laws and regulations.

South Korea

This Prospectus is not, and under no circumstances is, to be construed as, a public offering of securities in South Korea. Neither the Funds nor the Investment Manager are making any representation with respect to the eligibility of any recipients of this Prospectus to acquire the Shares therein under the laws of South Korea, including but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Shares have not been registered with the Financial Services Commission of South Korea under the Financial Investment Services and Capital Markets Act (the "FSCMA") for a public offering, and none of the Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in South Korea or to any resident of South Korea except pursuant to applicable laws and regulations of South Korea. The Shares may only be sold in South Korea through a local financial investment company registered with the Financial Services Commission and on a private placement basis to certain qualified professional investors as defined in the FSCMA.

Thailand

This Fund has not been approved by the Securities and Exchange Commission of Thailand for distribution to investors in Thailand.

Vietnam

The contents of this Prospectus do not constitute an offer to invest in the Funds whether by way of sale *or subscription. This Prospectus contains information of the Company that may be sensitive, proprietary or otherwise protected from disclosure and is intended only for informational purposes. The Prospectus should not be disclosed, disseminated or redistributed and may not be used for any commercial purposes.*

New Zealand

This Prospectus and the information contained in or accompanying this Prospectus are not, and are under no circumstances to be construed as, an offer of financial products for issue requiring disclosure to an investor under Part 3 of the Financial Markets Conduct Act 2013 (N.Z.) (the "Financial Markets Conduct Act (N.Z.)"). This Prospectus and the information contained in or accompanying this Prospectus have not been registered, filed with or approved by any New Zealand regulatory authority or under or in accordance with the Financial Markets Conduct Act (N.Z.). This Prospectus and the information contained in or accompanying this Prospectus are not a disclosure document under New Zealand law and do not contain all the information that a disclosure document is required to contain under New Zealand law. Any offer or sale of any Shares described in these materials in New Zealand will be made only to "wholesale investors" within the meaning of Clause 3(2) of Schedule 1 of the Financial Markets Conduct Act (N.Z.) such as: (a) to a person who is an "investment business" within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act (N.Z.); or (b) to a person who meets the investment activity criteria specified in clause 38 of Schedule 1 of the Financial Markets Conduct Act (N.Z.); or (c) to a person who is "large" within the meaning of clause 39 of Schedule 1 of the Financial Markets Conduct Act (N.Z.); or (d) to a person who is a "government agency" within the meaning of clause 40 of Schedule 1 of the Financial Markets Conduct Act (N.Z.); (e) to a person who is an "eligible investor" within the meaning of clause 41 of Schedule 1 of the Financial Markets Conduct Act (N.Z); or (f) in other circumstances where there is no contravention of the Financial Markets Conduct Act (N.Z.) (or any statutory modification or re-enactment of, or statutory substitution for, the Financial Markets Conduct Act (N.Z.)).

In subscribing for Shares each investor represents and agrees that it is not acquiring those Shares with a view to dealing with them (or any of them) other than where an exclusion under Part 1 of Schedule 1 of the Financial Markets Conduct Act (N.Z.) applies to such dealing as set out above and, accordingly: (a) it has not offered or sold, and will not offer or sell, directly or indirectly, any Shares to the general public in New Zeland; and (b) it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of Shares, in each case to the general public in New Zealand within 12 months after the issue of Shares to that investor other than to persons who meet the criteria set out in (a) to (d) above.

Argentina

The Shares are not and will not be marketed in Argentina by means of a public offering, as such term is defined under Section 2 of Law Nº 26,831, as amended. No application has been or will be made with the Argentine Comisión Nacional de Valores, the Argentine securities governmental authority, to offer the Shares in Argentina.

Brazil

The Shares may not be offered or sold to the public in Brazil. Accordingly, the securities have not been and will not be registered with the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários, the "CVM"), nor have been submitted to the foregoing agency for approval. Documents relating to the securities, as well as the information contained therein, may not be supplied to the public in Brazil, as the offering of securities is not a public offering of securities in Brazil, nor used in connection with any offer for subscription or sale of securities to the public in Brazil. A seller of the securities may be asked by the purchaser to comply with procedural requirements to evidence previous title to the securities and may be subject to Brazilian tax on capital gains which may be withheld from the sale price. Persons wishing to offer or acquire the securities within Brazil should *consult with their own counsel as to the applicability of these registration requirements or any exemption therefrom.*

Cayman Islands

The Company and Shares are not regulated in the Cayman Islands and the Investment Manager is not licensed or otherwise authorised to carry on business, including securities investment business, in or from the Cayman Islands.

Chile

For residents of the Republic of Chile:
Neither the Company nor the Shares have been registered with the Chilean Commission for the Financial Market (Comision Para el Mercado Financiero ("CMF"). Therefore, the Shares may not be sold, offered or distributed in the Republic of Chile nor may any subsequent resale of the shares be carried out in the Republic of Chile except (1) in circumstances which do not constitute a public offer of securities in the Republic of Chile as defined in the Chilean Securities Market Act (Ley 18,045 de Mercado de Valores) or (2) complying with all legal and regulatory requirements in relation thereto.

Neither this Prospectus nor any other marketing or offering material in relation to the Company have been registered with the CMF and therefore they are not intended for public offer of the Shares in the Republic of Chile.

Colombia

The Shares have not been, and will not be, registered with the Colombian National Registry of Securities and Issuers (Registro Nacional de Valores y Emisores) or traded on the Colombian Stock Exchange (Bolsa de Valores de Colombia). Unless so registered, the securities may not be publicly offered in Colombia or traded on the Colombian Stock Exchange.

This Prospectus and relevant Supplement is for the sole and exclusive use of the addressee and it shall not be interpreted as being addressed to any third party in Colombia or for the use of any third party in Colombia, including any shareholders, managers or employees of the addressee.

Mexico

The Shares have not and will not be registered in the National Registry of Securities maintained by the National Banking and Securities Commission, and therefore may not be offered or sold publicly in Mexico. The Shares may be offered or sold to qualified and institutional investors in Mexico, pursuant to the private placement exemption set forth under Article 8 of the Securities Market Law as part of a private offer.

Panama

The Shares have not been registered with the Superintendency of the Securities Markets of the Republic of Panama under Decree Law N°1 of July 8, 1999 as amended (the "Panamanian Securities Law") and may not be publicly offered or sold within Panama, except in certain limited transactions exempt from the registration requirements of the Panamanian Securities Law. These securities are not subject to regulation or supervision by the Superintendency of the Securities Markets of the Republic of Panama.

Peru

The Shares have not been and will not be registered with the Peruvian Superintendence of the Stock Market for public offering and may only be offered and sold in a manner that does not constitute a public offering as defined by any applicable Peruvian Capital Markets Law

Uruguay

The Shares have not, and will not be, registered with the Superintendence of Financial Services of the Central Bank of Uruguay and are offered to the investor solely on a private placement basis in accordance with the Securities Market Act and Restatement on Rules of the Securities Market of the Central Bank of Uruguay. The Funds were not established under the system provided by the Uruguayan Law 16, 774 of September 27, 1996.

Venezuela

The Shares have not been and will not be registered under the Venezuelan Ley de Mercado de Valores and may only be offered and sold in a manner that does not constitute a public offering thereunder.

Marketing Rules

Shares are offered only on the basis of the information contained in the current Prospectus and the relevant Supplements and, as appropriate, the latest audited annual financial statements and any subsequent half-yearly reports. However, investors should note that the audited financial statements contained in the annual report are presented to the Shareholders as a body at the date of the audited financial statements and the auditors do not accept liability to any other party in respect of such financial statements.

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

This Prospectus and the relevant Supplement may be translated into other languages provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland. Translations shall contain only the same information as is herein contained and the translations shall have the same meaning as in this Prospectus and the relevant Supplement.

This Prospectus and the relevant Supplement should be read in their entirety before making an application for Shares.

DIRECTORY

ALGEBRIS UCITS FUNDS PLC

Directors

Mr. Carl O'Sullivan
Mr. Alexander Lasagna
Mr. Desmond Quigley

Depositary

BNP Paribas Securities
Services Dublin Branch
Trinity Point
10-11 Leinster Street
South Dublin 2
Ireland

Registered Office

33 Sir John Rogerson's Quay
Dublin 2
Ireland

Manager

Algebris Investments (Ireland) Limited
76 Sir John Rogerson's Quay
Dublin 2
Ireland

Investment Manager, Distributor and Promoter

Algebris (UK) Limited
4th Floor
No 1 St. James's Market
London SW1Y 4AH
England

Administrator, Registrar and Transfer Agent

BNP Paribas Fund Administration
Services (Ireland) Limited
Trinity Point
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South Dublin 2
Ireland

Chartered Accountants and Registered Auditors

KPMG
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Company Secretary

Tudor Trust Limited
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Dublin 2
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Legal Advisers in Ireland

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
Ireland

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ALGEBRIS UCITS FUNDS PLC

DEFINITIONS

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

"Administrator"	means BNP Paribas Fund Administration Services (Ireland) Limited HSBC Securities Services (Ireland) DAC;
"Administration Agreement"	means the administration agreement made between the Company, the Manager and the Administrator dated 31 May, 2021 as may be amended, supplemented, modified or restated from time to time;
"Articles of Association"	means the articles of association of the Company;
"Base Currency"	means the base currency of each Fund as specified in the Supplement for the relevant Fund;
"Benchmarks Regulation"	means Regulation (EU) 2016/1011 as may be amended, consolidated or substituted from time to time;
"Benefit Plan Investors"	means as defined in the section of this Prospectus entitled "Taxation", in the sub-section entitled "Plan Asset Defined";
"Business Day"	means, in relation to any Fund, such day or days as is or are specified as such in the Supplement for the relevant Fund;
"Central Bank"	means the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the Company;
"Central Bank UCITS Regulations"	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as may be amended, supplemented or replaced from time to time and any related guidance issued by the Central Bank from time to time;

"CFTC"	means as defined in the section of this Prospectus entitled "Selling Restrictions", in the sub-section entitled "United States";
"CHF"	means Swiss Francs, the lawful currency of Switzerland;
"Class"	means a class of Shares, each representing an interest in a Fund;
"Code"	means the U.S. Internal Revenue Code of 1986, as amended;
"Class Currency"	means in respect of any Class of Shares the currency in which the Shares are issued as specified in Schedule 1 to the relevant Supplement;
"Company"	means Algebris UCITS Funds plc, an investment company with variable capital, incorporated in Ireland pursuant to the Companies Act, 2014 and the Regulations;
"Dealing Day"	means, in relation to any Fund such day or days as is or are specified as such in the Supplement for the relevant Fund;
"Depositary"	means BNP Paribas Securities Services Dublin Branch;
"Depositary Agreement"	means the depositary agreement made between the Company, the Manager and the Depositary dated 31 May, 2021 as may be amended, supplemented, modified or restated from time to time;
"Directors"	means the directors of the Company for the time being and any duly contributed committee thereof;
"EEA"	means the European Economic Area;
"Eligible Non-UCITS"	means any of the following open-ended collective investment schemes: (a) schemes established in Guernsey and authorised as Class A Schemes; (b) schemes established in Jersey as Recognised Funds; (c) schemes established in the Isle of Man as Authorised Schemes; (d) non-UCITS schemes authorised in the EU, the EEA, the U.S., Jersey, Guernsey or the Isle of Man and which comply, in all material respects, with the provisions of the Central Bank UCITS Regulations issued by the Central Bank; and (e) such other schemes as may be permitted by the Central Bank from time to time;
"EMIR"	Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties and trade repositories as may be amended, supplemented or consolidated from time to time;

"ERISA"	means the U.S. Employee Retirement Income Security Act of 1974, as amended;
"ESMA"	means the European Securities and Markets Authority;
"€" or "Euro" or "EUR"	means the Euro the lawful currency of certain countries forming part of the EU;
"EU"	means the European Union;
"FCA"	means the UK Financial Conduct Authority;
"Fund" or "Funds"	means a separate portfolio of assets which is invested in accordance with the investment objective and policies as set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such fund shall be applied and charged and "Funds" means all or some of the Funds as the context requires or any other funds as may be established by the Company from time to time with the prior approval of the Central Bank;
"GBP" or "£"	means pounds Sterling, the lawful currency of the United Kingdom;
"GDPR"	means Regulation (EU) 2016/679 of the European Parliament and of the Council;
"IFRS"	means International Financial Reporting Standards;
"Initial Offer Period"	the period set out by the Directors in relation to any Fund or Class of Shares as the period during which Shares were initially on offer and as specified in the Supplement for the relevant Fund, or such other date as the Directors may determine and notify to the Central Bank;
"Initial Offer Price"	means the price at which a Class of Shares is first offered and as specified in the Supplement for the relevant Fund;
"Investment Company Act"	U.S. Investment Company Act of 1940, as amended;
"Investment Manager"	means Algebris (UK) Limited or its successors;
"Investment Management Agreement"	means the amended and restated investment management agreement made between the Company, the Manager and the Investment Manager and as may be further amended, supplemented, modified and restated from time to time pursuant to which the Investment Manager has been appointed as Investment Manager to certain Funds;
"Investment Team"	means as defined in the section of this Prospectus entitled "Risk Factors", in the sub-section entitled "There is Limited Operating History for the Company";

"Investor Money Regulations"	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Investment Firms) Regulations, 2017 as may be amended, consolidated or substituted from time to time;
"Management Agreement"	means the management agreement made between the Company and the Manager dated 31 December, 2020 as may be amended, supplemented, modified or restated from time to time in accordance with the requirements of the Central Bank;
"Manager"	means Algebris Investments (Ireland) Limited or its successors;
"MiFID II"	Directive 2014/65/ EU and the European Union (Markets in Financial Instruments) Regulations, 2017, as may be amended or replaced from time to time;
"Net Asset Value"	means the value of the net assets of the Company or of a Fund or a Class, as appropriate, calculated as described herein, as of each Valuation Day;
"Net Asset Value per Share"	means the Net Asset Value divided by the number of Shares of the Company or a Fund or a Class in issue;
"Permitted U.S. Investor"	means as defined in the section of this Prospectus entitled "Investor Restrictions";
"Register"	means the register of Shareholders;
"Regulated Market"	means any stock exchange or market which is set out in Schedule I;
"Regulations"	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations, 2016 (S.I. No. 143 of 2016) and as may be further amended, consolidated or substituted from time to time and any rules from time to time adopted by the Central Bank pursuant thereto;
"Securities Act"	U.S. Securities Act of 1933, as amended;
"Settlement Time (for Redemptions)"	means in relation to any Fund such time as is specified as such in the Supplement for the relevant Fund;
"Settlement Time (for Subscriptions)"	means in relation to any Fund such time as is specified as such in the Supplement for the relevant Fund;
"SFTR"	Regulation EU 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012;

"Share" or "Shares" means a share or shares in the Company representing an interest in a Fund;

"Shareholder" means a holder of Shares;

"Specified US Person" means (i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding 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 of a decedent that is a citizen or resident of the United States; **excluding** (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) of the Code or an individual retirement plan as defined in section 7701(a)(37) of the Code; (6) any bank as defined in section 581 of the Code; (7) any real estate investment trust as defined in section 856 of the Code; (8) any regulated investment company as defined in section 851 of the Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the Code; (10) any trust that is exempt from tax under section 664(c) of the Code or that is described in section 4947(a)(1) of the Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; (12) a broker as defined in section 6045(c) of the Code; or (13) any tax exempt trust under a section 403(b) plan or section 457(g) plan. This definition shall be interpreted in accordance with the Code;

"Subscriber Shares" means the shares of no par value in issue and designated as subscriber shares;

"Supplement" means any supplemental prospectus issued by the Company in respect of a Fund from time to time in accordance with the requirement of the Central Bank;

"Trade Cut-Off Time for Redemptions" means in relation to any Fund any such day or days as is or are specified as such in the Supplement for the relevant Fund;

"Trade Cut-Off Time for

Subscriptions" means, in relation to any Fund, such day or days as is or are specified as such in the Supplement for the relevant Fund;

"Subscriptions/Redemptions Account" means a singular cash account designated in a particular currency opened in the name of the Company on behalf of a Fund into which (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Dealing Day; and (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors; and (iii) dividend payments owing to Shareholders are deposited and held until paid to such Shareholders;

"UCITS" means an undertaking for collective investment in transferable securities established pursuant to the Regulations or, in the case of UCITS established in an EU member state other than Ireland, the UCITS Directive or the relevant national legislation implementing the UCITS Directive;

"UCITS Directive" means the Directive 2009/65/EC of the Council and the European Parliament of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as amended by Directive 2014/91/EU of 23 July, 2014 as may be further amended, consolidated or substituted from time to time;

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

"U.S.$", USD or "U.S. Dollar" means the lawful currency of the U.S.;

"U.S. Person" means a person or entity described in one or more of the following:

(1) with respect to any person, any individual or entity that would be a "U.S. person" under Regulation S of the Securities Act;

(2) with respect to individuals, any U.S. citizen or "resident alien" within the meaning of U.S. income tax laws as in effect from time to time; or

(3) with respect to persons other than individuals: (i) a corporation or partnership created or organised in the United States or under the laws of the United States or any state; (ii) a trust where
(a) a U.S. court is able to exercise primary supervision over the administration of the trust and (b) one or more U.S. persons have the authority to control all substantial decisions of the trust; and (iii) an estate which is subject to U.S. tax on its

worldwide income from all sources;

“Valuation Day”	means, in relation to any Fund such day or days as is or are specified as such in the Supplement for the relevant Fund; and
“Valuation Point”	means, in relation to any Fund such time as is specified as such in the Supplement for the relevant Fund.

INTRODUCTION

The Company is an umbrella fund with segregated liability between Funds established as an investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Regulations. It was incorporated on 17 February 2012 under registration number 509801 and was authorised by the Central Bank as a UCITS on 9 August 2012. Its sole object, as set out in Clause 2 of the Company's Memorandum of Association, is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 68 of the Regulations of capital raised from the public and which operates on the basis of risk spreading.

The Company is organised in the form of an umbrella fund with segregated liability between Funds. The Articles of Association provide that the Company may offer separate classes of Shares, each representing interests in a Fund comprising a distinct portfolio of investments. The Company has obtained the approval of the Central Bank for the establishment of the Algebris Financial Credit Fund, the Algebris Financial Income Fund, the Algebris Financial Equity Fund, the Algebris Allocation Fund, the Algebris Core Italy Fund, the Algebris Global Credit Opportunities Fund, the Algebris Quant Arbitrage Fund (which such Fund is no longer available for subscription), the Algebris IG Financial Credit Fund, and the Algebris Sustainable World Fund. With the prior approval of the Central Bank the Company from time to time may create an additional Fund or Funds, the investment policies and objectives for which shall be outlined in a Supplement, together with details of the Initial Offer Period, the Initial Offer Price for each Share and such other relevant information in relation to the additional Fund or Funds as the Directors may deem appropriate, or the Central Bank requires, to be included. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus.

The creation of additional Classes of Shares representing interests in a Fund may be effected in accordance with the requirements of the Central Bank. Additional Classes of Shares may be established which may be subject to higher, lower or no fees. Information in relation to the fees applicable to other Classes of Shares is available on request. On the introduction of any new Class of Shares, the Company will prepare and issue a new or updated Supplement setting out the relevant details of each such new Class of Shares. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each Class of Shares) and will be invested in accordance with the investment objective and policies applicable to such Fund. Particulars relating to individual Funds and the Classes of Shares available therein are set out in the relevant Supplement. Any amendments to the Prospectus and any Supplements must be notified to and cleared in advance by the Central Bank.

Subject to and in accordance with the requirements of the Central Bank, the Directors may in their absolute discretion, close some or all of the Share Classes in a Fund to subscriptions from existing and/or new Shareholders. Subject to and in accordance with the requirements of the Central Bank, the Directors may in their absolute discretion, subsequently re-open some or all of the Share Classes in a Fund to further subscriptions from existing and/or new Shareholders at their discretion and the process for closing and potentially, re-opening the Share Classes may be repeated thereafter as the Directors may determine from time to time.

Shareholders may ascertain the closed or open status of the Share Classes and if those Share Classes are open to existing and/or new Shareholders by contacting the Administrator. Closing the Share Classes to new subscriptions from existing and/or new Shareholders will not affect the redemption rights of Shareholders.

INVESTMENT OBJECTIVE AND POLICIES OF THE FUNDS

General

Each Fund operates to achieve its investment objective, as set out in the relevant Supplement, while spreading investment risks through investment in transferable securities and liquid financial assets, including without limitation financial derivative instruments, in accordance with the Regulations. The transferable securities and liquid financial assets in which each Fund may invest generally must be quoted or traded on a Regulated Market except that up to 10 per cent of the Net Asset Value of a Fund may be invested in other securities which are not traded on a Regulated Market.

Where its investment policy so provides, each Fund may, subject to the limits set out in Schedule II and any limitation or restriction set out in the relevant Supplement, be invested in collective investment schemes which are UCITS or Eligible Non-UCITS. Such investment in collective investment schemes includes investing in other Funds (i.e., other sub-funds of the Company). However, a Fund may not invest in another Fund which itself holds shares in other Funds. Where a Fund invests in another Fund, the investing Fund may not charge an annual management, investment management, distribution or performance fee in respect of the portion of its assets invested in the other Fund.

New Issues

Subject as set forth in the relevant Supplement, a Fund from time to time may invest in a "new issue", as defined in US Financial Industry Regulatory Authority, Inc. ("**FINRA**") Rule 5130, as amended, supplemented and interpreted from time to time ("**FINRA Rule 5130**"). FINRA Rule 5130 generally prohibits a FINRA member from selling a new issue to any account (e.g., a private investment fund, such as a Fund) in which a "restricted person", as defined in FINRA Rule 5130 (a "Rule 5130 Restricted Person"), has a beneficial interest, subject to certain exemptions.

In addition, Section (b) of FINRA Rule 5131, as amended, supplemented and interpreted from time to time ("**FINRA Rule 5131**" and together with FINRA Rule 5130, the "**New Issues Rules**"), bans the practice of "spinning", which occurs when a broker-dealer allocates a new issue to an executive officer or director of a company, who then returns the favour by using the broker-dealer for its company's investment banking needs. FINRA Rule 5131 bans spinning by generally prohibiting a FINRA member from allocating shares of a new issue to any account in which an executive officer or director of a "public company" (as defined in FINRA Rule 5131) or a "covered non-public company" (as defined in FINRA Rule 5131), or a person materially supported by such an executive officer or director (each, a "Rule 5131 Restricted Person"), has a beneficial interest if such Rule 5131 Restricted Person's company has or expects to have an investment banking relationship with the FINRA member, again subject to certain exemptions.

Notwithstanding the foregoing, a FINRA member will be permitted to sell a new issue to any account in which a Rule 5130 Restricted Person and/or a Rule 5131 Restricted Person has a beneficial interest if such account is an investment company organised under the laws of a jurisdiction outside of the United States that is (i) authorised for sale to the public by a non-US regulatory authority (such as a Fund); and (ii) no person owning more than 5% of the shares of such investment company is a Rule 5130 Restricted Person (the "Investment Company Exemption").

Each investor will be asked to complete a questionnaire in order to determine the extent to which the relevant Fund may participate in new issues. The Company may exercise its right to compulsorily redeem all or any portion of a Shareholder's Shares in a Fund that is a Rule 5130 Restricted Person and/or Rule 5131 Restricted Person to ensure compliance with the Investment Company Exemption set forth above.

The above shall in no way limit the authority of a Fund, the Manager or the Investment Manager to rely on exemptions under the New Issues Rules other than the Investment Company Exemption from time to time, as each may deem appropriate for a Fund or the Company as a whole, in light of, among other things, existing interpretations of, and amendments to, the New Issues Rules and practical considerations, including administrative burdens and principles of fairness and equity.

CURRENCY TRANSACTIONS

The investments of the Funds may be acquired in a wide range of currencies. Where a Class of a Fund is designated as "hedged" in the relevant Supplement, the Company shall use currency hedging techniques. Currency hedging shall be undertaken to reduce a Fund's exposure to the fluctuations of the currencies in which the Fund's assets may be denominated against the Base Currency of the relevant Fund. The relevant Fund shall hedge the currency exposure arising from investing in assets denominated in a currency other than the Base Currency. A Fund may comprise Classes denominated in a currency other than the Base Currency. In such case the Manager or the Investment Manager shall seek to hedge the currency exposure risk between the Base Currency of the relevant Fund and the currency of denomination of the Classes of the relevant Fund denominated in currencies other than the Base Currency.

Where specified in the relevant Supplement, the Company may also enter into derivative transactions in respect of such hedged Classes in order to hedge against exchange rate fluctuation risks between the designated currency of the Class and the currencies in which the relevant Fund's assets may be denominated.

Although not intended, over-hedged or under-hedged positions may arise due to factors outside of the control of the Manager or the Investment Manager as the case may be. Over-hedged positions will not be permitted to exceed 105 per cent of the Net Asset Value of the Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be kept under review to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels outlined above and are not carried forward from month to month. This review will also incorporate a procedure to ensure that positions materially in excess of 100 per cent of the Net Asset Value of the Class will not be carried forward from month to month. Class currency transactions will be clearly attributable to a specific Class (therefore the relevant Fund shall not combine or offset currency exposures of different Classes and currency exposures of assets of the relevant Fund may not be allocated to separate Classes).

The costs and gains or losses associated with any hedging transactions for hedged currency Classes will accrue solely to the hedged currency Class to which they relate. Whilst these hedging strategies are designed to reduce the losses to a Shareholder's investment if the currency of that Class or the currencies of assets which are denominated in currencies other than the Base Currency fall against that of the Base Currency, the use of Class hedging strategies may substantially limit holders of Shares in the relevant Class from benefiting if the currency of that Class falls against that of the Base Currency.

SHARE CLASSES

A list of the Classes of Shares available in respect of each Fund and the characteristics of each such Class are set out in a schedule to each Supplement.

BORROWING

A Fund may not borrow money, except as follows:

(a) a Fund may acquire foreign currency by means of a "back to back" loan; and

(b) a Fund may borrow up to 10 per cent of its Net Asset Value, provided that such borrowing is on a temporary basis.

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

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

ADHERENCE TO INVESTMENT OBJECTIVES AND POLICIES

Any change in investment objective, as disclosed in the relevant Supplement, and any material change in the investment policies, as disclosed in the relevant Supplement, of the Funds will be subject to the approval in writing of all Shareholders or on the basis of a majority of votes cast at a general meeting of Shareholders and shall be notified to the Central Bank. In the event of a change in investment objectives and/or material change to the investment policies, a reasonable notification period will be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change. In accordance with the requirements of the Central Bank, material changes to the content of the Prospectus and/ or the Supplements shall be notified to Shareholders in the next occurring periodic report.

INVESTMENT TECHNIQUES AND INSTRUMENTS

FINANCIAL DERIVATIVE INSTRUMENTS

The Central Bank requires that all UCITS funds that use financial derivative instruments employ a risk management process to enable them to accurately manage, measure and monitor the various risks associated with financial derivative instruments. This is documented in the Manager's risk management process relating to the relevant Fund which must be submitted to, and cleared in advance by, the Central Bank prior to the relevant Fund using financial derivative instruments. Any update of this document must be reviewed by the Central Bank. Any financial derivative instruments not included in the risk management process will not be used until such time as a revised risk management process has been provided to the Central Bank. In the case of the Company, the Manager is responsible for the implementation of the systems and controls set out in the risk management process. It is also responsible for monitoring and controlling the compliance and quantitative limits detailed in the risk management process as well as ensuring that the procedures that apply in the event of regulatory breaches (including escalation of issues to the board of directors, where necessary) are followed.

The Company may employ investment techniques and instruments in accordance with the relevant Fund's investment policy for investment purposes, for efficient portfolio management purposes and for hedging purposes, subject to the conditions and within the limits from time to time laid down by the Central Bank. These techniques and instruments may be exchange-traded or over-the-counter derivatives and may include futures (such as currency future contracts), options, options on futures, forward settled transactions, structured notes, credit default swaps and other swaps (including contracts for differences). Further information on techniques and instruments is set out in the Supplement for the relevant Fund.

The Company, as beneficial owner and on behalf of each Fund, may charge certain assets of a Fund in order to secure the obligations of the Fund to an over the counter ("**OTC**") counterparty and, as part of the security arrangements with such OTC counterparty, may also pass margin to such OTC counterparty. Such security arrangements will comply in full with the Regulations.

A list of the Regulated Markets on which the financial derivative instruments may be quoted or traded is set out in Schedule I.

A description of the current conditions and limits laid down by the Central Bank in relation to financial derivative instruments is set out in Schedules II and III.

SECURITIES FINANCING TRANSACTIONS

Where specified in the relevant Supplement, a Fund may enter into securities financing transactions which include repurchase agreements, reverse repurchase agreement and/or securities lending agreements for efficient portfolio management purposes in accordance with the limits and conditions set down in the Central Bank UCITS Regulations and the SFTR.

A repurchase agreement is an agreement pursuant to which one party sells securities to another party subject to a commitment to repurchase the securities at a specified price on a specified future date. A reverse repurchase agreement is an agreement whereby one party purchases securities from another party subject to a commitment to re-sell the relevant securities to the other party at a specified price on a specified future date. A securities lending agreement is one where one party transfers securities to another party subject to a commitment from that party that they will return equivalent securities on a specified future date or when requested to do so by the party transferring the securities.

Where a Fund enters into a repurchase agreement under which it sells securities to the counterparty, it will incur a financing cost from engaging in this transaction which will be paid to the relevant counterparty. Cash collateral received by a Fund under a repurchase agreement is typically reinvested in order to generate a return greater than the financing costs incurred by the Fund. In such circumstances, the Fund will be exposed to market risk and to the risk of failure or default of the issuer of the relevant security in which the cash collateral has been invested. Furthermore, the Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore it is exposed to market risk in the event that it repurchases such securities from the counterparty at the pre-determined price which is higher than the value of the securities.

There is no global exposure generated by a Fund as a result of entering into reverse repurchase arrangements, nor do any such arrangements result in any incremental market risk unless the additional income which is generated through finance charges imposed by the Fund on the counterparty is reinvested, in which case the Fund will assume market risk in respect of such investments.

Finance charges received by a Fund under a stock-lending agreement may be reinvested in order to generate additional income. Similarly cash collateral received by a Fund may also be reinvested in order to generate additional income. In both circumstances, the Fund will be exposed to market risk in respect of any such investments.

The use of the techniques described above may expose a Fund to the risks disclosed under the heading "*Risk Factors"-"Risks associated with Securities Financing Transactions*".

Total Return Swaps

Where specified in the relevant Supplement, a Fund may enter into total return swaps as defined in the SFTR for investment purposes in order to generate income or profits in accordance with the investment objective and policies of the relevant Fund, in order to reduce expenses or hedge against risks faced by the Fund.

A total return swap is a derivative contract under which 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. The reference obligation of a total return swap may be any security or other investment in which the relevant Fund is permitted to invest in accordance with its investment objective and policies. The use of total return swaps may expose a Fund to the risks disclosed under the heading "*Risk Factors"-"Risks associated with Securities Financing Transactions*".

Revenues generated from Securities Financing Transactions and Total Return Swaps

Information on the revenues generated under such transactions shall be set out in the Supplement for the relevant Fund.

Eligible Counterparties

Any counterparty to a total return swap or other OTC derivative contract shall fall within one of the categories listed at paragraph 2 of Schedule III to this Prospectus.

Any counterparty to an OTC derivative contract or a securities financing transaction shall be subject to an appropriate internal assessment carried out by the Manager or its delegate, which shall include amongst other considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty and legal status of the counterparty.

Save where the relevant counterparty to the relevant securities financing transaction or OTC derivative contract is a credit institution which falls within any of the categories set down in Regulation 7 of the Central Bank UCITS Regulations, where such counterparty falls within one of the categories listed at paragraph 3 of Schedule III to Prospectus this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay.

Collateral Management

Types of collateral which may be received by a Fund

Where necessary, a Fund may receive both cash and non-cash collateral from a counterparty to a securities financing transaction or an OTC derivative transaction in order to reduce its counterparty risk exposure.

The non-cash collateral received by a Fund may comprise of such assets as are set out in the Supplement for the relevant Fund and which meet the specific criteria outlined below. The level of collateral required to be posted by a counterparty may vary by counterparty and where the exchange of collateral relates to initial or variation margin in respect of non-centrally cleared OTC derivatives which fall within the scope of EMIR, the level of collateral will be determined taking into account the requirements of EMIR. In all other cases, collateral will be required from a counterparty where regulatory exposure limits to that counterparty would otherwise be breached.

There are no restrictions on the maturity of the collateral received by a Fund.

Collateral received from a counterparty shall satisfy the criteria set out in paragraph 22 of Schedule III to this Prospectus.

The haircut applied to collateral posted by a counterparty will be negotiated on a counterparty by counterparty basis and will vary depending on the class of asset received by a Fund, taking into account the factors disclosed in paragraph 29 of Schedule III to this Prospectus and, where applicable taking into account the requirements of EMIR.

Valuation of collateral

Collateral that is received by a Fund will be valued in accordance with paragraph 22(ii) of Schedule III to this Prospectus. In the case of non-centrally cleared OTC derivative contracts, the non-cash collateral received by a Fund will be valued at mark to market given the required liquid nature of the collateral.

Safe-keeping of collateral received by a Fund

Collateral received by a Fund shall be held in accordance with Paragraph 24 of Schedule III to this Prospectus.

Re-use of collateral by a Fund

Re-use of collateral received by a Fund may be effected only in accordance with Paragraphs 25 – 27 of Schedule III to this Prospectus. Further information on the collateral management policy applicable to a Fund shall be set out in the relevant Supplement.

Posting of collateral by a Fund

Collateral provided by a Fund to a counterparty shall be agreed with the relevant counterparty and may comprise of cash or any types of assets held by the relevant Fund in accordance with its investment objective and policies and shall, where applicable, comply with the requirements of EMIR. Collateral may be transferred by a Fund to a counterparty on a title transfer basis where the assets are passed outside of the custody network and are no longer held by the Depositary or its sub-custodian. In such circumstances, subject to the requirements of SFTR, the counterparty to the transaction may use those assets in its absolute discretion. Where collateral is posted by a Fund to a counterparty under a security collateral arrangement where title to the relevant securities remains with the Fund, such collateral must be safe-kept by the Depositary or its sub-custodian. Any re-use of such assets by the counterparty must be effected in accordance with SFTR and where relevant, the UCITS Regulations. Risks associated with re-use of collateral are set down in "*Risk Factors: Risks Associated with Collateral Management*".

INVESTMENT RESTRICTIONS

A Fund's investments will be limited to investments permitted by the Regulations, as set out in Schedule II and any limitation or restriction set out in any Supplement. If the Regulations are altered during the life of the Company, the investment restrictions may be changed to take account of any such alterations but any such changes shall be in accordance with the Central Bank's requirements and Shareholders will be advised of such changes in an updated Prospectus or a Supplement and in the next succeeding annual or half-yearly report of the Company. In the event that any alterations to the Regulations necessitate a material change in the investment policy of a Fund, such a change to the investment policy may only be made on the basis of a majority of votes cast at a general meeting or with the prior written approval of all Shareholders and a reasonable notification period shall be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

The investment restrictions, as well as the policies of a Fund as to ratings of portfolio investments, will apply only at the time of purchase of the investments. If these limits are exceeded for reasons beyond the control of a Fund, that Fund shall adopt as a priority objective for its sales transactions the remedying of that situation taking account of the interests of the relevant Fund and its Shareholders.

INVESTMENT IN FINANCIAL INDICES

Use of financial indices for investment purposes

Where a Fund intends to gain exposure to one or more financial indices for investment purposes, this intention shall be stated in the relevant Supplement as well as sufficient disclosure to allow a prospective investor to understand the market that the index is representing, why the index is being used as part of the investment strategy of the Fund, whether the investment will be made directly, through investment in the constituents of the index, or indirectly, through an FDI and where additional information on the index may be obtained. Such financial indices may or may not comprise of Eligible Assets and will be rebalanced/ adjusted on a periodic basis in accordance with the requirements of the Central Bank for example on a quarterly, semi-annual or annual basis. The costs associated with gaining exposure to any such index will be impacted by the frequency with which the relevant index is rebalanced. When the weighting of any particular component exceeds the permitted investment restrictions set down in the Regulations, the Manager or the Investment Manager as the case may be will, as a priority objective, look to remedy the situation taking into account the interests of Shareholders of the relevant Fund.

It should be noted that where a financial index comprised of Eligible Assets does not comply with the risk diversification rules set down in Regulation 71 of the Regulations, investment in such an index by the Company on behalf of a Fund through the use of a derivative is not considered a derivative on a financial index but is regarded as a derivative on the combination of assets comprised in the index. A Fund may only gain exposure to such a financial index where on a "look through" basis, the Fund is in a position to comply with the risk spreading rules set down in the Regulations taking into account both direct and indirect exposure of the Fund to the constituents of the relevant index.

It may not be possible to comprehensively list the actual financial indices to which exposure may be taken by a Fund for investment purposes as they may change from time to time. A list of the indices to which a Fund takes exposure will be set out in the annual financial statements of the relevant Fund. Details of any financial indices (including their name, classification, rebalancing frequency and the markets that they represent) used by any Fund will be provided to Shareholders of that Fund by the Manager or the Investment Manager on request.

Use of financial indices for efficient portfolio management

Where a Fund intends to use a financial index for efficient portfolio management purposes only, this shall be disclosed in the relevant Supplement.

APPLICATION OF THE BENCHMARKS REGULATION

A Fund's use of a benchmark may bring that Fund within the scope of the Benchmarks Regulation. In such circumstances, the Manager shall put in place appropriate contingency arrangements setting out the actions which will be taken in the event that a benchmark which is used by a Fund which is subject to the Benchmarks Regulation materially changes or ceases to be provided. A copy of the Manager's policy on cessation or material change to a benchmark shall be made available upon request from the Manager.

SECURITISATION REGULATION

Where disclosed in its investment policy, a Fund may invest in securitisations. Under Regulation (EU) 2017/2402 (the "**Securitisation Regulation**"), the Manager must comply with certain due diligence and ongoing monitoring requirements relating to investment in securitisations. The Securitisation Regulation requires parties involved in an EU securitisation to make certain information on the securitisation available to investors which should allow the Manager to conduct the necessary due diligence and ongoing monitoring required under the Securitisation Regulation. However in the case of a non-EU securitisation, such information may not be readily available. This may result in the Manager not being able to gain exposure to such securitisation, thus restricting the investment universe for the Manager. This in turn may have a negative impact on the performance of the relevant Fund.

Under the Securitisation Regulation, the Manager is obliged to conduct due diligence on both the parties to a securitisation and the securitisation itself. Where the Manager engages professional advisors in connection with the completion of such due diligence, this may result in additional costs being borne by the relevant Fund.

SHAREHOLDERS RIGHTS DIRECTIVE

To the extent relevant with respect to the investment policy of a Fund, the Manager shall comply with any obligations imposed on it pursuant to the European Union (Shareholders' Rights) Regulations 2020 ("**SRD II**") and shall provide to the Company all relevant information and documentation reasonably required by it to demonstrate compliance with SRD II.

INFORMATION ON RISK MANAGEMENT

The Company shall provide supplementary information to a Shareholder on request relating to the risk management methods employed, including any quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

DIVIDEND POLICY

The Directors are permitted to declare distributions in respect of any Fund and any Class of Shares. Distributions may not be payable for all Funds or all Classes of Shares. The current distribution policy for each Fund is set out in the relevant Fund Supplement. For all Classes of Shares that are not distributing Share Classes, the Fund's income and capital gains will be reinvested in accordance with the investment objectives and investment policies of the Fund. Any change to a Fund's distribution policy will be disclosed in an updated prospectus or Supplement and notified in advance to Shareholders.

Where a distribution is to be paid to a Shareholder, the Company shall be entitled to deduct from the distribution such amount as may be necessary to discharge the Fund's liability to tax in respect of such distribution and shall arrange to discharge the amount of tax due. Dividends will be paid in cash by telegraphic transfer to the account of the Shareholder specified in the subscription agreement or, in the case of joint holders, to the name of the first Shareholder appearing on the register within one month of their declaration. In the event that a dividend is declared, the amount available for distribution in respect of any Class of Shares is set out in the relevant Fund Supplement. Distributions may also be made out of capital as set out in the relevant Supplement for each Fund. Any dividend which is unclaimed six years from the date it became payable shall be forfeited and become the property of the Fund concerned. In the event that the amount payable to a Shareholder as a dividend is exceeded by the cost of dispatching, transmitting, effecting or otherwise making such payments to the Shareholder, the Company shall be entitled to retain such dividends for the benefit of the relevant Shareholder until such time as the amount payable to the Shareholder is not exceeded by the cost of dispatching, transmitting, effecting or otherwise making such payments to the Shareholder.

Pending payment to the relevant Shareholder, dividends shall be paid into a Subscriptions/Redemptions Account and shall remain an asset of the relevant Fund. The Shareholder will therefore be an unsecured creditor of the relevant Fund with respect to the distribution amount held in the Subscriptions/Redemptions Account until such distribution amount is paid to the Shareholder.

Further information relating to the operation of the Subscriptions/Redemptions Account is set out in the section entitled "SUBSCRIPTIONS/ REDEMPTIONS ACCOUNT" and your attention is also drawn to the section of the Prospectus entitled "***Risk Factors"–"Operation of Subscriptions/Redemptions***".

SUBSCRIPTIONS/ REDEMPTIONS ACCOUNT

The Company operates a separate Subscriptions/Redemptions Account for each Fund. All subscription monies received from investors in advance of the issue of Shares, all redemption monies due to investors who have redeemed Shares and all dividend monies owing to Shareholders are held in the Subscriptions/Redemptions Account until paid to the relevant Fund or relevant investor as the case may be. All monies held in the Subscriptions/Redemptions Account will be treated as an asset of the relevant Fund upon receipt and will not benefit from the application of any investor money protection rules such as the Investor Money Regulations (i.e. such monies will not be held on trust as investor monies for the relevant investor). In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the relevant Fund. In the event of the insolvency of that Fund, there is no guarantee that the Fund will have sufficient funds to pay unsecured creditors in full and in such circumstances, investors will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investors may not recover all monies originally paid into any such Subscriptions/Redemptions Account.

It should be noted however that the Depositary is obliged to monitor the Subscriptions/Redemptions Account in performing its cash monitoring obligations prescribed under UCITS V.

Your attention is drawn to the section of the Prospectus entitled "***Risk Factors"–"Operation of Subscriptions/Redemptions Account***".

RISK FACTORS

Investors should understand that all investments involve risks. The following are some of the risks of investing in a Fund but does not purport to be an exhaustive list of such risks. Additional risks may be detailed in the Supplement for the relevant Fund.

General Risks

There is Limited Operating History for the Company

The Company has limited operating history. While the investment professionals at the Manager and the Investment Manager (together, the "Investment Team") have substantial experience investing in the types of opportunities the Company and each Fund will pursue, there can be no assurance that the Company or each Fund will generate performance results equivalent to the results generated by the Investment Team in the past (or avoid losses). Market conditions and trading approaches are continually changing, and the fact that the Investment Team may have achieved certain positive performance in the past may be largely irrelevant to each Fund's prospects for profitability. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. NO ASSURANCE CAN BE MADE THAT PROFITS WILL BE ACHIEVED OR THAT SUBSTANTIAL LOSSES WILL NOT BE INCURRED.

Investment Risk/Potential Loss of Investment

The price of the Shares may fall as well as rise. There can be no assurance that a Fund will achieve its investment objective or that a Shareholder will recover the full amount invested in the Fund. Restrictions on investments in certain jurisdictions may limit the liquidity of a Fund's investments. The capital return and income of a Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income. The Directors consider that an investment in a Fund should be viewed by an investor as a medium to long-term investment.

There is a risk that an investment in the Company will be lost entirely or in part. The Company is not a complete investment programme and should represent only a portion of an investor's portfolio management strategy.

Reliance on Management

Investment decisions will be made for a Fund by the Investment Manager or in the case of Algebris Core Italy Fund, the Manager. The success of a Fund will depend on the ability of the Manager or the Investment Manager as the case may be to identify suitable investments and to dispose of such investments at a profit. There can also be no assurance that all of the investment personnel of the Manager or Investment Manager as the case may be will continue to be associated with the Manager or

Investment Manager for any length of time. The loss of the services of one or more employees or members of the Manager or Investment Manager involved in investment decision making could have an adverse impact on a Fund's ability to realise its investment objective.

Devotion of Time

The Manager, the Investment Manager, their affiliates and their personnel manage accounts and funds in addition to the Funds and may in the future manage additional accounts and funds and while carrying out its duties to the Funds, may also devote substantial time and resources to other funds and accounts.

Increasing the Assets Managed by the Manager and the Investment Manager May Adversely Affect Performance

There appears to be a tendency for the rates of return achieved by advisors to degrade as assets under management increase. Although the Directors may, in their sole discretion, close one or more Classes of Shares to additional subscriptions, or return capital to existing Shareholders, there is no limit on the total amount of subscriptions that may be accepted on behalf of the Funds. In addition, neither the Manager (subject to compliance with the requirements of the Central Bank) nor the Investment Manager are precluded from managing other vehicles or accounts with similar or different strategies.

General Risk of Emerging 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 currency, war and expropriation of personal property than investments in securities of issuers based in developed countries. In addition, the investment opportunities 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.

The issuers of emerging market securities may be subject to less stringent regulations than would be the case for issuers in developed countries and therefore potentially carry greater risk. Custodial expenses for a portfolio of emerging markets securities generally are higher than for a portfolio of securities of issuers based in developed countries.

Legal Risk and Political Risk

Many of the laws that govern private and foreign investment, equity securities transactions and other contractual relationships in certain countries, particularly in developing countries, are new and largely untested. As a result, a Fund may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain countries in which assets of a Fund are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on a Fund and its operations. In addition, the income and gains of a Fund may be subject to withholding or other taxes imposed by foreign governments for which shareholders may not receive a full foreign tax credit. Furthermore, it may be difficult to obtain and enforce a judgment in a court outside of Ireland.

Regulatory controls and corporate governance of companies in some developing countries may confer little protection on minority shareholders. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty to shareholders by officers and directors is also limited when compared to such concepts in Western markets. In certain instances management of companies in some developing countries may take significant actions without the consent of shareholders and anti- dilution protection also may be limited.

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, military conflict and civil unrest, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements.

Global Economic and Market Conditions

A Fund may invest in currencies and securities traded in various markets throughout the world, including in emerging, frontier or developing markets, some of which are highly controlled by governmental authorities. Such investments require consideration of certain risks typically not associated with investing in currencies or securities of developed markets. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavourable currency exchange rate fluctuations, imposition of exchange control regulation by governments, withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalisation of their industries, political difficulties, including expropriation of assets, confiscatory taxation and social, economic or political instability in foreign nations. These factors may affect the level and volatility of securities prices and the liquidity of a Fund’s investments. Unexpected volatility or illiquidity could impair a Fund’s profitability or result in losses.

The economies of countries differ in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies 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. The economies of certain 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.

Brexit

With effect from 31 January, 2020 the United Kingdom (the “UK”) is no longer part of the European Union (the “EU”). The exit of the UK could cause an extended period of uncertainty and market volatility, not just in the UK but throughout the European Union, the European Economic Area and globally. The Company and the Manager are each authorised and regulated by the Central Bank and subject to the provisions of applicable European directives and regulations. However, the Investment Manager is an investment manager authorised and regulated by the FCA and following the expiry of the transitional period, will no longer be subject to the provisions of the European directives and regulations (e.g. MiFID II and EMIR) which had previously been incorporated into UK law or had direct effect in the UK. The longer term impact of the decision to leave the EU on the UK regulatory framework will depend, in part, on the relationship that the UK will seek to establish with the EU in the future. In particular, it is uncertain whether and how UK laws that previously incorporated EU directives may be modified in the future and whether UK firms (such as the Investment Manager) will continue to have the benefit of certain rights to conduct cross-border business within the EU. It is not possible to ascertain the precise impact the UK's departure from the EU may have on the Company, the Manager or the Investment Manager from an economic, financial or regulatory perspective but any such impact could have material consequences for the Investment Manager, the Manager and/or the Company.

Certain Securities Markets

Stock markets in certain countries may have a relatively low volume of trading. Securities of companies in such markets may also be less liquid and more volatile than securities of comparable companies elsewhere. There may be low levels of government regulation of stock exchanges, brokers and listed companies in certain countries. In addition, settlement of trades in some markets is slow and subject to failure.

Some commodity exchanges are "principals' markets" in which performance is the responsibility only of the individual member with whom the trader has entered into a commodity contract and not of an exchange or clearing corporation. In such a case, a Fund is subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts. In addition, the trading of futures and forward contracts on certain commodity exchanges may be subject to price fluctuation limits.

Valuation Policies

The valuation policies employed with respect to the Company may not be in accordance with IFRS and such divergence may, in certain circumstances, result in a qualification of the Company's annual audited financial statements. In such circumstances, the Company may decide to make IFRS conforming changes for financial reporting purposes, but use the valuation policies detailed herein for the purposes of calculating the Company's Net Asset Value. There will be a divergence in the Company's fiscal year-end Net Asset Value and in the Net Asset Value reported in the Company's financial statements in any year where IFRS conforming changes are made only to the Company's financial statements for financial reporting purposes.

Availability of Investment Strategies

The success of the Company's investment activities will depend on the Manager's or the Investment Manager's (as the case may be) ability to identify investment opportunities as well as to assess the import of news and events that may affect the financial markets. The identification and exploitation of the investment strategies to be pursued by the Company involves a high degree of uncertainty. No assurance can be given that the Manager or Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the Company's assets or to exploit discrepancies in the securities and derivatives markets.

Potential Inability to Trade or Report Due to Systems Failure

The strategies employed with respect to a Fund will be dependent to a significant degree on the proper functioning of the internal and external computer systems of the Manager and the Investment Manager. Accordingly, systems failures, whether due to third-party failures upon which such systems are dependent or the failure of the Manager's and Investment Manager's hardware or software, could disrupt trading or make trading impossible until such failure is remedied. Any such failure, and consequential inability to trade (even for a short time), could, in certain market conditions, cause the Funds to experience significant trading losses or to miss opportunities for profitable trading. Any such failures also could cause a temporary delay in reports to Shareholders.

Cyber Security Risk

The Company and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software coding) for the purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Company, the Manager, the Investment Manager, Administrator or Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with calculation of a Fund's Net Asset Value; impediments to trading for a Fund's portfolio; the inability of Shareholders to transact business relating to the Company; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Fund invests, counterparties with which the Company engages on behalf of a Fund in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

Operational Risks

The strategies employed on behalf of the Funds are highly dependent on information systems and technology. Any failure or deterioration of these systems or technology due to human error, data transmission failures or other causes could materially disrupt the Funds' operations.

A disaster or a disruption in the infrastructure that supports the Manager's and the Investment Manager's business, including a disruption involving electronic communications or other services used by it or third parties with whom it conducts business, or directly affecting one of its offices or facilities, may have a materially adverse effect on its ability to continue to operate the business without interruption. Although the Manager, the Investment Manager and their affiliates have back-up facilities for their information systems as well as technology and business continuity programs in place, there can be no assurance that these will be sufficient to mitigate the harm that may result from such a disaster or infrastructure disruption.

The Manager and the Investment Manager may rely on third-party service providers for certain aspects of its business. Any interruption or deterioration in the performance of such other third parties could impair the quality of the Funds' operations and negatively impact the investment strategies employed by the Manager and/or the Investment Manager on their behalf.

Risk of Litigation

In the ordinary course of business, the Funds may be subject to litigation from time to time. Any litigation may consume substantial amounts of the Manager's and/or 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. No legal or arbitration proceedings are pending or, to the best of the Company's knowledge, threatened against the Company.

Additional Government or Market Regulation

There have recently been certain well publicised incidents of regulators unexpectedly announcing regulatory changes or interpretations that prohibited strategies that had been implemented in a variety of formats for many years. For instance, in September 2008 the various regulatory bodies imposed temporary bans on short-selling in a variety of stocks, and adopted permanent regulations that had the effect in certain cases of making short-selling more difficult or costly. These actions were generally regarded as disrupting market fundamentals and causing unexpected and volatile increases in the stock prices of a variety of issuers, as short sellers closed out their positions by buying securities. Market disruptions like those experienced in the credit-driven equity market collapse in 2008 as well as the dramatic increase in the capital allocated to asset management strategies during recent years have led to increased governmental as well as self-regulatory scrutiny of the hedge fund industry in general.

In addition, certain legislation proposing greater regulation of the industry is currently being actively considered by the governments around the world. The public reaction to the credit-driven equity market collapse may increase the likelihood that increased regulation of the private fund industry is mandated in the near future.

Limited U.S. Regulatory Oversight

The Company is not registered as an "investment company" under the Investment Company Act or any comparable U.S. regulatory requirements, and does not intend to do so. Accordingly, the provisions of such regulations are not applicable to an investment in the Company.

The Investment Manager and the Manager have claimed an exemption from registration with the CFTC as a "commodity pool operator" with respect to the Funds under CFTC Rule 4.13(a)(3), based, among other things, on the private offering of the Shares, the qualifications of the Funds' Shareholders and the Funds' limited use of commodity interests. CFTC Rule 4.13(a)(3) limits the amount of commodity interest trading in which a Fund is permitted to engage. Accordingly, a Fund may have to limit its commodity interest trading more than would otherwise be advisable in order to claim the exemption under CFTC Rule 4.13(a)(3). Additionally, as a result of claiming the exemption, the Investment Manager and the Manager are not required to comply with the disclosure, reporting and recordkeeping requirements generally applicable to registered commodity pool operators, including delivery to investors of a disclosure document and a certified annual report designed to meet CFTC requirements.

Reliance on the Integrity of Financial and Economic Reporting

The Manager and/or the Investment Manager may rely on the financial, economic and government policy data made available by companies, governmental agencies, rating agencies, exchanges, professional services firms, central banks and issuers in which the Funds will invest. Data on specific companies and projects, unemployment rates, consumer confidence measures, the determination of base interest-rates, debt issuance calendars and numerous other factors can have a material effect on the investment positions the Manager or Investment Manager takes on behalf of the Funds. However, neither the Manager nor the Investment Manager generally has the ability independently to verify such financial, economic and/or economic policy information. The Manager and the Investment Manager are dependent upon the integrity of both the individuals and the processes by which such data is generated. The Funds could incur material losses as a result of the misconduct or incompetence of such individuals and/or a failure of or substantial inaccuracy in the generation of such information. Corporate mismanagement, fraud and accounting irregularities relating to the Funds' positions may result in material losses. Equity prices are particularly vulnerable to corporate mismanagement.

Holding Period of Investment Positions

Neither the Manager nor the Investment Manager will typically know the maximum - or, often, even the expected (as opposed to optimal) - duration of any particular position at the time of initiation (except in the case of certain options or derivatives positions which have pre-established expiration dates). The length of time for which a position is maintained varies significantly, based on the trading model's results of the appropriate point at which to liquidate a position so as to augment gains or reduce losses.

Substantial Redemptions

If there are substantial redemptions within a limited period of time, it may be difficult for a Fund to provide sufficient funds to meet such redemption requests without liquidating positions prematurely at an inappropriate time or on unfavourable terms.

Potential Mandatory Redemption

The Company may require a Shareholder to redeem all or a portion of its Shares from a Fund under certain circumstances as discussed in the section of this Prospectus entitled “Administration of the Company”, in the sub-section entitled “Mandatory Redemption of Shares”. A mandatory redemption could result in adverse tax and/or economic consequences to that Shareholder.

In Specie Redemptions

The Company expects to distribute cash to a redeeming Shareholder; however, a redeeming Shareholder may, in the circumstances outlined in the section of this Prospectus entitled “Administration of the Company”, in the sub-section entitled “Redemption Price”, receive securities owned by the relevant Fund in lieu of cash. Investments so distributed may not be readily marketable or saleable and may have to be held by such Shareholder for an indefinite period of time. The risk of loss and delay in liquidating these securities will be borne by the Shareholder, with the result that such Shareholder may receive less cash than it would have received on the date of redemption.

Performance Fee Risk

The performance fee may provide an incentive for the Manager and/or the Investment Manager as the case may be to make investments for a Fund which are more risky than would be the case in the absence of a fee based solely on the performance of the Fund. The performance fee will be calculated with regard to net unrealised gains and losses, as well as net realised gains. Therefore, a performance fee may be paid on unrealised gains which may subsequently never be realised.

Financial Services Industry

The investment programmes of the Funds predominantly focus on investing in the securities of issuers engaged in the financial services industry. Accordingly, the value of a Fund’s investments and its investment performance will be affected by risk factors particular to the financial services industry, as well as general market and economic conditions affecting the securities markets generally. Financial services companies are subject to extensive government regulation. This regulation may limit both the amount and types of loans and other financial commitments a financial services company can make, and the interest rates and fees it can charge. These limitations may have a significant impact on the profitability of a financial services company since profitability is attributable, at least in part, to the issuer’s ability to make financial commitments such as loans. Profitability of a financial services company is largely dependent on the availability and cost of the company’s funds, and can fluctuate significantly when interest rates change. The financial difficulties of borrowers can negatively impact the industry to the extent that borrowers may not be able to repay loans made by financial services companies.

Active Investment Management

Unless disclosed otherwise in the relevant Supplement, a Fund’s investments shall be actively managed without reference to any benchmark by the Manager and/or Investment Manager as the case may be, based on the expertise of individual fund managers, who will have full discretion (subject to the Fund’s investment restrictions, investment policies and strategies) to invest the Fund’s assets in investments that the fund manager considers will enable the Fund to achieve its investment objective. There is no guarantee that a Fund’s investment objective will be achieved based on the investments selected.

Market Risks in General

The strategies pursued by each of the Funds are subject to some dimension of market risk, including, but not limited to, directional price movements, deviations from historical pricing relationships, changes in the regulatory environment, changes in market volatility, “flights to quality” and “credit squeezes”. Accordingly, the Funds may be subject to sudden and dramatic losses as a result of such market events.

The particular or general types of market conditions in which the Funds may incur losses or experience unexpected performance volatility cannot be predicted, and the Funds may materially under perform other investment funds with substantially similar investment objectives and approaches.

Umbrella Structure of the Company and Cross-Liability Risk

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

Management Risk and Potential Conflicts of Interest

The Manager and the Investment Manager have other investment management clients with similar investment objectives to those of a Fund. However, the investment decisions for a Fund are made based on that Fund's objectives and guidelines and in this respect independently from those for other accounts managed by the Manager or the Investment Manager as the case may be. The Manager and the Investment Manager each has and expects that it will continue to have other clients and other accounts with investment objectives similar to those of a Fund.

The appointment of the Manager is made by the Company and continues unless and until the Management Agreement is terminated by either party. The appointment of the Investment Manager is made by the Manager and continues unless and until the agreement is terminated by a party to the Investment Management Agreement. Shareholders generally do not have any right to appoint, select, vote for or remove either the Manager or the Investment Manager or other service providers to a Fund or to participate otherwise in the investment and management decisions with respect to the relevant Fund and, therefore, will depend on the ability of the Directors with respect to these matters.

The Manager or the Investment Manager as the case may be, on behalf of the Funds, may make investments in different parts of the capital structure of the same company across the different Funds. For example, a Fund may invest in debt securities issued by a company in which another Fund has an equity interest. In this and other cases, there may be an apparent or actual conflict between the interests of different Funds. The Manager and the Investment Manager have policies and procedures in place to mitigate this and other potential conflicts of interest (or the appearance thereof).

Trading Errors Risk

Due to coding or programming errors in software, hardware, and modes of transmission, as well as erroneous or inaccurate pricing information provided by third parties ("**Technical Errors**"), trades may be placed or executed in error. Trades may also be incorrectly executed due to keystroke, typographic or inadvertent drafting errors, or other human error at the time of execution of a trade ("**Execution Errors**"). Many exchanges have adopted "obvious error" rules that prevent the entry and execution of trades more than a specified amount away from the current best bid and offer on the exchange. However, such rules may not be in place on the exchanges where the Manager or the Investment Manager as the case may be trades on behalf of the Funds, and may not be enforced even if in effect. Moreover, such rules would likely not prevent the entry and execution of a trade entered close to the market price but for the wrong amount.

Model Risk

Certain of the strategies employed on behalf of a Fund are highly dependent on quantitatively based pricing theories and valuation models, which the Manager or the Investment Manager as the case may be uses to evaluate investment opportunities. These models generally seek to forecast future price changes based upon a limited number of factors and inputs. The forecasts generated by these models may differ substantially from actual future price realisations, resulting in major losses. There can be no assurance that the models used on behalf of the Funds will be effective. Moreover, there can be no assurance that either the Manager or the Investment Manager will be able to continue to develop, maintain and update the models so as to effectively implement the Funds' strategy.

The models used with respect to the Funds depend upon inputs from various sources, including fundamental research by third-party service providers, and in the event such inputs are not accurate, unexpected losses may be incurred.

GDPR

The GDPR has direct effect in all Member States from 25 May, 2018 and replaces current EU data privacy laws. Under the GDPR, data controllers are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the GDPR relating to data processing and must provide data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include more enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the GDPR, data subjects are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances.

The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the Company. Further, there is a risk that the measures will not be implemented correctly by the Company or its service providers. If there are breaches of these measures by the Company or any of its service providers, the Company or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the Company suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

Operation of Subscriptions/Redemptions Account

The Company has established a Subscriptions/Redemptions Account through which all subscriptions, redemptions or dividends payable to or from a Fund will be channelled and managed.

Investors should note that in the event that subscription monies received and held in a Subscriptions/Redemptions Account are lost prior to the issue of Shares to the relevant investor as of the relevant Dealing Day, the Company on behalf of the relevant Fund may be obliged to make good any losses suffered by the investor (in its capacity as a general creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund.

Furthermore, in the event that redemption or dividend monies held in a Subscriptions/Redemptions Account are lost prior to payment to the relevant investor/Shareholder, the Company on behalf of the Fund may be obliged to make good any losses suffered by the investor/Shareholder (in its capacity as a general creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders in the Fund.

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

Taxation Risks

A Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the Fund is incorporated, established or resident for tax purposes. A Fund may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the Fund or the counterparty to a transaction involving that Fund is incorporated, established or resident for tax purposes. Where a Fund invests in securities or enters into transactions that are not subject to withholding, capital gains, transaction or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Company/that Fund may not be able to recover such tax and so any change could have an adverse effect on the Net Asset Value of the Shares.

Where the Company and/or Fund chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by the Company (whether in accordance with current or future accounting standards), this would have an adverse effect on the Net Asset Value of the Shares. This could cause benefits or detriments to certain Shareholders, depending on the timing of their entry to and exit from a Fund.

Any change in the taxation legislation in Ireland, or elsewhere, could affect (i) the Company or any Fund's ability to achieve its investment objective, (ii) the value of the Company or any Fund's investments or (iii) the ability to pay returns to Shareholders or alter such returns. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein based on current tax law and practice. Prospective investors and Shareholders should note that the statements on taxation which are set out herein and, as applicable, in any Supplement, are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus and each Supplement. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

If, as a result of the status of a Shareholder, the Company or a Fund becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon if an event giving rise to a tax liability occurs, the Company or the Fund shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as have a value sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Shareholder shall indemnify and keep the Company or the Fund indemnified against any loss arising to the Company or the Fund by reason of the Company or the Fund becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

Shareholders and prospective investors' attention is drawn to the taxation risks associated with investing in any Fund. Please refer to the section headed "Taxation".

Foreign Account Tax Compliance Act

The foreign account tax compliance provisions ("FATCA") of the Hiring Incentives to Restore Employment Act 2010 which apply to certain payments are essentially designed to require reporting of Specified US Person's direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service, with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, both US investors and non-US investors are likely to be required to provide information regarding themselves and their investors. In this regard the Irish and US Governments signed an intergovernmental agreement ("Irish IGA") with respect to the implementation of FATCA (see section entitled "*Compliance with US reporting and withholding requirements*" for further detail) on 21 December 2012.

Under the Irish IGA (and the relevant Irish regulations and legislation implementing same), foreign financial institutions (such as the Company) should generally not be required to apply 30% withholding tax. To the extent the Company however suffers US withholding tax on its investments as a result of FATCA, or is not in a position to comply with any requirement of FATCA, the Administrator acting on behalf of the Company may take any action in relation to a Shareholder's investment in the Company to redress such non-compliance and/or ensure that such withholding is economically borne by the relevant Shareholder whose failure to provide the necessary information or to become a participating foreign financial institution or other action or inaction gave rise to the withholding or non-compliance, including compulsory redemption of some or all of such Shareholder's holding of shares in the Company.

Shareholders and prospective investors should consult their own tax advisor with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in the Company.

The Company May Compulsorily Redeem the Shares of any Shareholder that Fails to Co-operate with the Company's Efforts to Comply with FATCA.

The Company's ability to comply with the FATCA will depend on each Shareholder providing the Company with information that the Company requests concerning the direct and indirect owners of such Shareholder. If a Shareholder fails to provide the Company with any information requested, the Company may exercise its right to redeem such Shareholder's Shares compulsorily and/or create a separate Class or series of Shares for which such Shareholder's Shares are compulsorily exchanged after deduction of an amount equal to any withholding attributable to such Shareholder's failure to provide the requested information from the compulsory redemption proceeds which are applied towards the issue of Shares of the new class or series of Shares.

Common Reporting Standard

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard ("CRS") to address the issue of offshore tax evasion on a global basis. The CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in 2017. Ireland has legislated to implement the CRS. As a result, the Company will be required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Shareholders may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of their Shares in the relevant Fund.

Shareholders and prospective investors should consult their own tax advisor with regard to with respect to their own certification requirements associated with an investment in the Company.

Other Risks of Mandatory Redemption

If it shall come to the notice of the Directors or if the Directors shall have reason to believe that any Shares are owned directly or beneficially by any person or persons in breach of restrictions imposed by the Directors or any declarations or information is outstanding (including inter alia any declarations or information required pursuant to anti-money laundering or counter terrorist financing requirements), the Directors shall be entitled (subject to appropriate authority under the Articles of Association) to give notice (in such form as the Directors deem appropriate) of their intention to mandatorily redeem that person's Shares. The Directors may (subject to appropriate authority under the Articles of Association) charge any such Shareholder, any legal, accounting or administration costs associated with such mandatory redemption. In the event of a mandatory redemption, the redemption price will be determined as of the Valuation Point in respect of the relevant Dealing Day specified by the Directors in their notice to the Shareholder. The proceeds of a compulsory redemption shall be paid in accordance with the mandatory redemption provisions outlined below under the heading "Mandatory Redemption of Shares".

Excessive Trading Risk

Prospective investors' attention is drawn to the risks associated with excessive trading. Please see the sub-section of this Prospectus entitled "Excessive Trading", in the section entitled "Administration of the Company" for more information.

Classes of Shares are not Separate Legal Entities

As among the Shareholders, although each of the Funds maintain only one portfolio of assets, the appreciation and depreciation attributable to a Class in any Fund will be allocated only to such Class. Expenses attributable solely to a particular Class will be allocated solely to that Class. However, a creditor of a Fund will generally not be bound to satisfy its claims from a particular Class. Rather, such creditor generally may seek to satisfy its claims from the assets of the relevant Fund as a whole. Further, if the losses attributable to a Class (i.e. from hedging) exceed its value, then such losses could negatively impact the value of other Classes.

Impact of Distributions

Please note that the past distributions of each distributing Class of Shares are not necessarily a guide to future distributions which may be made in relation to each Class. It should be remembered that dividend distributions are not guaranteed, that the Funds do not pay interest and that the price of Shares in the Funds and any income earned on the Shares may go down as well as up. It should also be remembered that any dividend distribution lowers the value of the Shares in the Funds by the amount of the distribution. In the case of some Classes of Shares, a distribution may be made of accrued revenue (such as accrued interest payments and dividend payments) which may subsequently never be received. Accordingly, there is a risk that where Shareholders redeem following a distribution, the capital of the remaining Shareholders will be eroded. Distributions may also be paid out of capital in other circumstances, at the discretion of the Directors. **Where dividends will be paid out of the capital of the relevant Fund, investors may not receive back the full amount invested.** Future earnings and investment performance can be affected by many factors, including changes in exchange rates, not necessarily within the control of the Company, its Directors or any other person. No guarantees as to future performance of, or future return from, the Company or any Fund can be given by the Company itself, or by any Director, by the Manager, the Investment Manager, or any of their affiliates, directors, officers or employees.

Net Asset Value Considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of a 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 subscription price paid by such Shareholder.

Business and Regulatory Risks of Investment Funds

Legal, tax and regulatory changes could occur that may adversely affect the Company. The regulatory environment for investment funds is evolving and changes in the regulation of investment funds may adversely affect the value of investments held by the Company and the ability of the Company to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Company could be substantial and adverse.

Market Disruptions

The Funds may incur material 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 Funds from banks, dealers and other counterparties is likely to be restricted in disrupted markets. Market disruptions caused by unexpected occurrences including political, military and terrorist events, global pandemics or health epidemics, 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.

A financial exchange may from time to time suspend or limit trading. Such a suspension could render it impossible for the Funds to liquidate its positions and thereby expose it to losses. There is also no assurance that "over-the-counter" markets will remain liquid enough for the Funds to close out positions.

The Current Markets are Subject to Market Disruptions; Governmental Intervention

The global financial markets are currently undergoing a period of unprecedented disruption which has led to extensive 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, these interventions have sometimes been difficult to anticipate and fluid in scope and application. The resulting confusion and uncertainty has in itself been materially detrimental to the functioning of the markets and investment strategies.

The prohibitions on the short-selling of certain stocks and other emergency short-selling measures which were temporarily imposed following the bankruptcy of Lehman Brothers in September 2008 had a significant adverse impact on certain strategies.

It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the financial markets and/or the effect of such restrictions on the strategies employed on behalf of the Funds. However, it is possible that further developments in these markets, governmental intervention and/or increased regulation could be materially detrimental to the Funds.

Inflation

The enormous amounts of financial assistance which governments and central banks have made available in an effort to resolve the prevailing "financial crisis" could eventually lead to material levels of inflation, particularly in the less developed nations. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economics and securities markets of numerous economies. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on the Funds' returns.

Currency of Denomination of Share Classes

A Fund may offer Shares denominated in the Base Currency and in currencies other than the Base Currency of a Fund and/or the designated currencies in which a Fund's assets or denominated. Due amongst other things to differences in exchange rate, the Initial Offer Price of one Class will not necessarily be economically equivalent to the initial offering price of another Class. Accordingly, investors investing the same economic amounts in different currency Classes, may receive different numbers of Shares and thus, on a poll, their voting rights will not necessarily reflect their economic interest in a Fund.

Changes in the exchange rate between the Base Currency and such designated currency or changes in the exchange rate between the designated currencies in which the relevant Fund's assets are denominated and the designated currency of a Class may lead to a depreciation of the value of such Shares as expressed in the designated currency.

Shareholders should note that generally there is no segregation of assets and liabilities between Class in a Fund and therefore a counterparty to a derivative outlay entered into in respect of a hedged Class may have recourse to the assets of the relevant Fund attributable to other Classes of that Fund where there is insufficient assets attributable to the hedged Class to discharge its liabilities. While the Company has taken steps to ensure that the risk of contagion between Classes is mitigated in order to ensure that the additional risk introduced to the Fund through the use of a derivative overlay is only borne by the Shareholders in the relevant Class, this risk cannot be fully eliminated.

Concentration of Investments

Although it will be the policy of the Funds to diversify their investment portfolios, a Fund is not required to do so except as provided herein and may at certain times hold relatively few investments. 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 by default of the issuer.

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 insofar as the clearing house takes on a role as central counterparty. However, this "guarantee" is unlikely to cover the Company for all losses because the Company still takes a credit risk against its clearing broker and will be exposed to losses in the event of the clearing broker's default.

Financial Derivative Instrument Risks

Derivatives

As specified in the relevant Supplement, a Fund may make use of various derivative instruments, such as convertible securities, options, futures, forwards and interest rate, credit default, total return and equity swaps and contracts for differences. The use of derivative instruments involves a variety of material risks, including the extremely high degree of leverage sometimes embedded in such instruments. The derivatives markets are frequently characterised by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realise gains or to limit losses. The pricing relationships between derivatives and the instruments underlying such derivatives may not correlate with historical patterns, resulting in unexpected losses.

Use of derivatives and other techniques such as short sales for hedging purposes involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the securities hedged; (ii) imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the underlying portfolio; and (iii) possible impediments to effective portfolio management or the ability to meet short term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in the value of such position may be limited.

Position (market) risk

There is also a possibility that ongoing financial derivative instruments will be terminated unexpectedly as a result of events outside the control of the Manager or the Investment Manager as the case may be, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the Manager's and Investment Manager's policy to net a Fund's exposures against its counterparties.

Liquidity risk

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

Settlement risk

A Fund is also subject to the risk of the failure of any of the exchanges on which these instruments are traded or of their clearing houses.

Correlation risk

Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Company's use of derivative techniques may not always be an effective means of achieving a Fund's investment objective and may cause losses. An adverse price movement in a derivative position may require cash payments of variation margin by the Company that might in turn require, if there is insufficient cash available in the portfolio, the sale of a Fund's investments under disadvantageous conditions.

Legal risk

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

Leverage

Subject to applicable regulatory constraints and any investment restrictions contained in this Prospectus or a Supplement, a Fund may use leverage in making investments. The Fund may obtain leverage by, among other methods, purchasing or entering into derivative instruments that are inherently leveraged, such as options, futures, forward contracts and swaps (including contracts for differences). The use of leverage increases risk and results in material interest expense. The Fund's use of leverage and derivative instruments results in certain additional risks. Leveraged investments, by their nature, increase the potential loss to investors resulting from any depreciation in the value of such investments. Consequently, a relatively small price movement in the security underlying a leveraged instrument may result in substantial losses. Furthermore, the use of leverage exposes a Fund to the risk of counterparties foreclosing on the collateral used to margin leveraged positions, resulting in materially increased losses on such positions. Access to leverage and financing could be impaired by many factors, including market forces or regulatory changes, and there can be no assurance that the Fund will be able to secure or maintain adequate leverage or financing.

Synthetic Short Selling

A Fund is not permitted to enter into physical short sales. The Fund may however take short positions through derivatives (such as without limitation swaps (including contracts for differences), exchange-traded and OTC options and exchange-traded and OTC futures and forward contracts) in respect of equities or other underlying assets in furtherance of the Fund’s investment objective and in accordance with the Regulations. In general, short selling involves selling assets the seller does not own in anticipation of a decline in their market value and borrowing the same assets for delivery to the purchaser, with an obligation to replace the borrowed assets at a later date. Short selling allows the investor to profit from a decline in market price of an asset to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of an unlimited loss, in that the price of the underlying asset could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the assets necessary to cover the short position will be available for purchase. Purchasing assets to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

In taking short positions through derivatives, a Fund will be exposed to the same market risks, and is seeking the same financial reward, as if it were entering into physical short sales. Taking short positions through derivatives involves trading on margin and accordingly can involve greater risk than investments based on a long position.

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 assets 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, neither the Manager nor the Investment Manager may be in a position to fully express its negative views in relation to certain assets, companies or sectors and the ability of the Manager or the Investment Manager as the case may be to fulfil the investment objective of a Fund may be constrained.

Risks Associated with Securities Financing Transactions

General

Entering into repurchase agreements, reverse repurchase agreements and stocklending agreements create several risks for the Company and its investors. The relevant Fund is exposed to the risk that a counterparty to a securities financing transaction may default on its obligation to return assets equivalent to the ones provided to it by the relevant Fund. It is also subject to liquidity risk if it is unable to liquidate collateral provided to it to cover a counterparty default. Such transactions may also carry legal risk in that the use of standard contracts to effect securities financing transactions may expose a Fund to legal risks such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation. Such transactions may also involve operational risks in that the use of securities financing transactions and management of collateral are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Risks may also arise with respect to any counterparty's right of re- use of any collateral as outlined below under “*Risks Associated with Collateral Management*”.

Securities Lending

Where disclosed in the relevant Supplement although not a principal investment strategy, a Fund may lend its portfolio securities to broker-dealers and banks in order to generate additional income for the Fund. In the event of bankruptcy or other default of a borrower of portfolio securities, the Fund could experience both delays in liquidating the loan collateral or recovering the loaned securities and losses including (a) possible decline in the value of the collateral or in the value of the securities loaned during the period which the Fund seeks to enforce its rights thereto; (b) possible sub-normal levels of income and lack of access to income during this period; and (c) expenses of enforcing its rights. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to a certain level to ensure that the exposure to a given counterparty does not breach any risk-spreading rules imposed under the UCITS Regulations. However, there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a Fund may invest cash collateral received under a securities lending arrangement in accordance with the requirements set down in the Central Bank UCITS Regulations, a Fund will be exposed to the risk associated with such investments, such as failure or default of the issuer or the relevant security. While it has no internal credit function, the Manager or the Investment Manager will monitor the creditworthiness of the firms to which a Fund lends securities in an effort to reduce these risks.

Repurchase Agreements

Under a repurchase agreement, the relevant Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore is exposed to market risk in the event that it must repurchase such securities from the counterparty at the pre-determined price which is higher than the value of the securities. If it chooses to reinvest the cash collateral received under the repurchase agreement, it is also subject to market risk arising in respect of such investment.

Reverse Repurchase Agreements

Where disclosed in the relevant Supplement, a Fund may enter into reverse repurchase agreement. If the seller of securities to the Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

Risks Associated with Swaps including Total Return Swaps

Where specified in the relevant Supplement, a Fund may enter into swap agreements including total return swaps as defined in SFTR i.e. a derivative whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty (including contracts for differences). Swap agreements are individually negotiated and can be structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease a Fund's exposure to long-term or short-term interest rates, currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. A Fund is not limited to any particular form of swap agreement if consistent with the relevant Fund's investment objective and approach. Swap contracts may expose a Fund to substantial risk of loss.

Equity swap contracts typically involve the exchange of one party's obligation to pay the loss, if any, with respect to a notional amount of a particular equity index (e.g., the S&P 500 Index) plus amounts computed in the same manner as interest on such notional amount at a designated rate (e.g., the London Inter-Bank Offered Rate) in exchange for the other party's obligation to pay the gain, if any, with respect to the notional amount of such index.

Swap agreements tend to shift a Fund's investment exposure from one type of investment to another. For example, if a Fund agrees to exchange payments in Euros for payments in U.S. Dollars, the swap agreement would tend to decrease the Fund's exposure to Euro interest rates and increase its exposure to non-Euro currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of a Fund's portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from a Fund. If a swap agreement calls for payments by a Fund, the relevant Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by a Fund.

Contracts for differences are swap arrangements in which a Fund may agree with a counterparty that its return (or loss) will be based on the performance of individual securities or the relative performance of two different groups or "baskets" of securities. For one of the baskets, return is based on theoretical long positions in the securities comprising that basket (with an aggregate face value equal to the notional amount of the contract for differences) and for the other basket, return is based on theoretical short positions in the securities comprising the basket. A Fund may also use long and short positions to achieve the same exposure(s) as contracts for differences where payment obligations of the two legs of the contract are netted and thus based on changes in the relative value of the baskets of securities rather than on the aggregate change in the value of the two legs. However, it is possible that the short basket will outperform the long basket, resulting in a loss to the Fund, even in circumstances when the securities in both the long and short baskets appreciate in value.

A Fund may enter into swaps and contracts for differences for hedging, risk management and investment leverage. When using swaps for hedging, the Fund may enter into a swap on either an asset- based or liability-based basis, depending on whether it is hedging its assets or its liabilities. For risk management or leverage purposes the Fund may also enter into a contract for differences in which the notional amount of the theoretical long position is greater than the notional amount of the theoretical short position.

A Fund may only close out a swap or a contract for differences with its particular counterparty. Furthermore, a Fund may only transfer a position with the consent of that counterparty. If there is a default by the counterparty to a swap contract, a Fund will be limited to contractual remedies pursuant to the agreement related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the Company on behalf of the Fund will succeed in pursuing contractual remedies. Because the contract for each OTC derivatives transaction is individually negotiated with a specific counterparty, a Fund is subject to the risk that a counterparty may interpret contractual terms (e.g., the definition of default) differently than the Fund. The cost and unpredictability of the legal proceedings required for the Fund to enforce its contractual rights may lead it to decide not to pursue its claims against the counterparty. A Fund thus assumes the risk that it may be delayed in or prevented from exercising its rights with respect to the investments in its portfolio and obtaining payments the Manager or the Investment Manager as the case may be believes are owed to it pursuant to the relevant contract and therefore may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights.

The counterparties to swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of a fund. The creditworthiness of a counterparty may be adversely affected by larger-than-average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital.

Furthermore, in addition to being subject to the credit risk of the counterparty to the swap, the Fund is also subject to the credit risk of the issuer of the reference obligation. Costs incurred in relation to entering into a swap, differences in currency values and costs associated with hedged/unhedged share classes may result in the value of the index/reference value of the underlying of the swap differing from the Net Asset Value per Share of the relevant Fund.

Risks Associated with Collateral Management

Where a Fund enters into an OTC derivative contract or a securities financing transaction, it may be required to pass collateral to the relevant counterparty or broker. Collateral that a Fund posts to a counterparty or a broker that is not held by the counterparty as sub-custodian or segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such assets. Therefore in the event of the insolvency of a counterparty or a broker, the Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty or broker. In addition, notwithstanding that a Fund may only accept non-cash collateral which is highly liquid, the Fund is subject to the risk that it will be unable to liquidate collateral provided to it to cover a counterparty default. The Fund is also subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Where cash collateral received by a Fund is re-invested in accordance with the conditions imposed by the Central Bank, a Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

Where collateral is posted to a counterparty or broker by way of a title transfer collateral arrangement, the Company on behalf of a Fund will only have an unsecured contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty, the Fund shall rank as an unsecured creditor and may not receive equivalent assets or recover the full value of the assets. Investors should assume that the insolvency of any counterparty would result in a loss to the relevant Fund, which could be material. In addition, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the Company or its delegates will not have any visibility or control.

Because the passing of collateral is effected through the use of standard contracts, a Fund may be exposed to legal risks such as the contact may not accurately reflect the intentions of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

Valuation Risk

The Manager may consult the Investment Manager with respect to the valuation of unlisted investments or securities that are listed, traded or dealt in on a regulated market but for which prices are not available or are unrepresentative. There is an inherent conflict of interest between the involvement of the Manager or the Investment Manager in determining the valuation of a Fund's investments and the Manager's and the Investment Manager's other responsibilities, particularly in view of the fact that a Performance Fee may be paid to the Manager or Investment Manager with respect to a Fund.

Institutional and Counterparty Risk

Institutions, such as brokerage firms, banks and broker dealers, generally have custody of the Funds' portfolio assets and may hold such assets in "street name". Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of the Funds. The Funds attempt to limit their investment transactions to well capitalised and established banks and brokerage firms in an effort to mitigate such risks; however, recent events have demonstrated that even established institutions may be susceptible to such risks.

Notwithstanding the foregoing, markets in which a Fund may effect transactions (e.g., swaps (including contracts for differences), and in particular, total return swaps) may include "over-the-counter" or "interdealer" markets, and may also include unregulated private markets. The participants in such markets are typically not subject to the same level of credit evaluation and regulatory oversight as are members of the exchange-based markets. This exposes the Funds 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 Funds to suffer a loss. Such counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or in instances where the Manager or the Investment Manager as the case may be has concentrated its transactions with a single or small group of counterparties.

Where the Funds deliver collateral to their trading counterparties under the terms of an International Swaps and Derivatives Association (ISDA) master agreement and other trading master agreements, either by posting initial margin or on a daily mark-to-market basis, circumstances may arise where a counterparty may be over-collateralised and/or the Funds may from time to time have uncollateralized mark-to-market exposure to a counterparty in relation to its rights to receive securities and cash. In both circumstances, the Funds will be exposed to the creditworthiness of any such counterparty and, in the event of the insolvency of a trading counterparty, the Funds will rank as an unsecured creditor in relation to amounts equivalent to any such over-collateralisation and any uncollateralized exposure to such trading counterparty. In such circumstances it is likely that the Funds will not be able to recover any debt in full, or at all.

In addition, there also is the risk that major institutional investors in the Funds may be compelled to withdraw all or a portion of their investments or that the Funds' counterparties or brokers will be required to restrict the amount of credit previously granted to the Funds due to their own financial difficulties, resulting in forced liquidation of substantial portions of the Funds' portfolios.

The recent events surrounding the bankruptcies or similar proceedings with respect to various parties have demonstrated the risk that assets which a trader such as the Funds believed were custodied under statutory and regulatory protections could be subject to various risks.

The banks or brokerage firms selected to act as the Company's custodians may become insolvent, causing the Funds to lose all or a portion of the funds or securities held by those custodians.

Subject to the investment restrictions contained herein, a Fund is not restricted from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty. While neither the Manager nor the Investment Manager has an internal credit function, they do evaluate the creditworthiness of a Fund's counterparties. The ability of a Fund to transact business with any one or number of counterparties, the lack of any meaningful or independent 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 Trading

Forward contracts are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forwards trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by a Fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Manager or the Investment Manager would otherwise recommend, to the possible detriment of a Fund. Market illiquidity or disruption could result in major losses to a Fund.

Currency Considerations

The Funds' assets will often be invested in securities denominated in currencies other than the Base Currency and any income or capital received by the Funds will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of the Funds' portfolios and the unrealised appreciation or depreciation of investments. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

Furthermore, the Funds may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Funds at one rate, while offering a lesser rate of exchange should the Funds desire immediately to resell that currency to the dealer. The Funds will conduct their currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell non-U.S. Dollar currencies. It is anticipated that most of the Funds' currency exchange transactions will occur at the time securities are purchased and will be executed through the local broker or custodian acting for the Funds. In respect of an unhedged Share Class which is denominated in a currency other than the Base Currency of the relevant Fund, currency conversion costs on subscription, redemption, switching and distribution will be borne by that Class and will take place at prevailing exchange rates. The value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency.

To the extent the Funds enter into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if the Funds fail to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. Therefore, a default by the forward contract counterparty may result in a loss to the Funds of the value of unrealised profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate.

There can be no guarantee that instruments suitable for hedging currency shifts will be available at the time the Manager or the Investment Manager wishes to use them or will be able to be liquidated when the Manager or the Investment Manager wishes to do so. In addition, the Manager or the Investment Manager as the case may be may choose not to enter into hedging transactions with respect to some or all of its positions that are exposed to currency exchange risk.

Hedging Transactions

A Fund may utilise a variety of financial instruments, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the relevant Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Fund's unrealised gains in the value of the Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio; (v) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets; (vi) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; or (vii) for any other reason that the Manager or the Investment Manager as the case may be deems appropriate.

The success of a Fund's hedging strategy will depend, in part, upon the correct assessment of the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Fund's hedging strategy will also be subject to the Manager's or the Investment Manager's (as the case may be) ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While a Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for a Fund than if it had not engaged in such hedging transactions. For a variety of reasons, a perfect correlation between the hedging instruments utilised and the portfolio holdings being hedged may not be sought. Such an imperfect correlation may prevent a Fund from achieving the intended hedge or expose the relevant Fund to risk of loss. A particular risk may not be hedged against because it may be determined that the probability of the risk occurring not to be sufficiently high as to justify the cost of the hedge, or because the occurrence of the risk is not foreseen. The successful utilisation of hedging and risk management transactions requires skills complementary to those needed in the selection of a Fund's portfolio holdings.

Highly Volatile Instruments

The prices of derivative instruments, including options, are highly volatile. Price movements of forward contracts and other derivative contracts in which a Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. A Fund also is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearing houses.

Highly Volatile Markets

The prices of financial instruments in which a Fund may invest can be highly volatile. Price movements of forward and other derivative contracts in which a Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. A Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearinghouses.

Options

A Fund may buy or sell (write) both call options and put options, and when it writes options, it must do so on a "covered" basis in accordance with the cover requirements of the Central Bank UCITS Regulations and the Regulations as more particularly described in Schedule III hereto (the "**Cover Requirements**"). A call option is "covered" when the writer owns securities of the same class and amount as those to which the call option applies or where it is otherwise covered in accordance with the Cover Requirements. A put option is covered when the writer has an open short position in securities of the relevant class and amount. A Fund's option transactions may be part of a hedging strategy (i.e., offsetting the risk involved in another investment position) or a form of leverage, in which a Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

When a Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of the Fund's investment in the option (including commissions). A Fund could mitigate those losses by buying puts on the securities as to which it holds call options, or by taking a long position (e.g., by buying the securities or buying calls on them) in securities underlying put options.

Writing covered call options may limit a Fund's gain on portfolio investments if the option is exercised because the Fund will have to sell the security or other underlying investment below the current market price. When a Fund sells (writes) a covered option, a Fund would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the relevant Fund might suffer as a result of owning the security.

The risk management process for the relevant Fund shall provide for the ongoing monitoring of such "covered" transactions and the implementation of appropriate risk and collateral management controls to ensure that they are adequately covered at all times in accordance with the Cover Requirements.

Combination Transactions

Each Fund may engage in spreads or other combination options transactions involving the purchase and sale of related exchange-traded or OTC options and futures contracts. These transactions involve the risk that executing simultaneously two or more buy or sell orders at the desired prices may be difficult or impossible, the possibility that a loss could be incurred on both sides of a multiple options transaction, and the possibility of significantly increased risk exposure resulting from the hedge against loss inherent in most spread positions being lost as a result of the assignment of an exercise to the short leg of a spread while the long leg remains outstanding. In addition, the transaction costs of combination options transactions can be especially significant due to separate costs being incurred on each component of the combination.

Futures Trading

Each Fund may utilise futures contracts and options thereon. Futures prices are highly volatile, with price movements being influenced by a multitude of factors such as supply and demand relationships, government trade, fiscal, monetary and exchange control policies, political and economic events and emotions in the marketplace. Futures markets are subject to comprehensive statutes, regulations and margin requirements. Futures trading is also highly leveraged. Further, futures trading may be illiquid as a result of daily limits on movements of prices. Finally, a Fund’s futures trading could be adversely affected by speculative position limits.

Futures contracts may be sold on condition that a Fund owns securities of the same class and amount as those to which the futures contract applies or where it is otherwise covered in accordance with the Cover Requirements and further provided that the risk management process for the relevant Fund provides for the ongoing monitoring of such transactions and the implementation of appropriate risk and collateral management controls to ensure that they are adequately covered at all times.

Convertible Securities Risk

A Fund may also purchase securities convertible into equity securities. Many convertible securities have a fixed income component and therefore tend to increase in market value when interest rates decline and to decrease in value when interest rates rise. The price of a convertible security is also influenced by the market value of the underlying common stock and tends to increase as the market value of the underlying stock rises, whereas it tends to decrease as the market value of the underlying stock declines. Therefore, investments in convertible instruments tend to bear the same risks as direct investments in the underlying securities.

Warrants and Rights

Risks associated with the use of warrants and rights are generally similar to risks associated with the use of options. Unlike most options, however, warrants and rights are issued in specific amounts, and warrants generally have longer terms than options. Warrants and rights are not likely to be as liquid as exchange-traded options backed by a recognised clearing agency. In addition, the terms of warrants or rights may limit a Fund’s ability to exercise the warrants or rights at such time, or in such quantities, as the Fund would otherwise wish.

Spread Trading Risk

A portion of each Fund’s trading operations may involve spreads between two or more positions. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. Such positions do, however, entail a substantial risk that the price differential could change unfavourably, causing a loss to the spread position. In addition, changes in the shape of the yield or credit curve can cause significant changes in the profitability of hedging or spreading operations. In the event of an inversion of the yield or credit curve, the reversal of the interest or credit differential between investments of different maturities can make previously profitable hedging techniques unprofitable.

Securities Lending Risk

These investment risks cannot be completely eliminated. The Manager or the Investment Manager as the case may be aims to reduce these risks with careful analysis of research from many sources and by talking to the people who run companies and are responsible for changes that may have an impact on the investments of the Fund. The Manager or the Investment Manager as the case may be uses research and analysis to form views on these matters as best it can and then re-balances the investment mix of the Fund in order to reduce any negative impact on the Fund. Neither the Manager nor the Investment Manager can predict all investment risks, but will attempt to reduce the impact of the risks as much as possible through diversification.

European Market Infrastructure Regulation

Each Fund may enter into OTC derivative contracts. Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 ("**EMIR**") established certain requirements for OTC derivatives contracts including mandatory clearing obligations, bilateral risk-management requirements and reporting requirements. Investors should be aware that certain provisions of EMIR impose obligations on the Funds and the Manager in relation to its transaction of OTC derivative contracts.

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

(a) *clearing obligation*: certain standardised OTC derivative transactions are subject to mandatory clearing through a central counterparty (a "CCP"). Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared;

(b) *risk mitigation techniques*: for those of its OTC derivatives which are not subject to central clearing, the Funds are required to put in place risk mitigation requirements, which include the collateralisation of all OTC derivatives. These risk mitigation requirements may increase the cost of the Funds pursuing its investment strategy (or hedging risks arising from its investment strategy); and

(c) each of the Fund's OTC derivative transactions must be reported to a trade repository or the European Securities and Markets Authority. This reporting obligation may increase the costs to the Funds of utilising OTC derivatives.

Measurement of Market Risk and Leverage using VaR

Certain Funds will seek to limit the market risk and leverage created through the use of derivatives by using a sophisticated risk measurement technique known as "value-at-risk".

VaR is a statistical methodology that seeks to predict, using historical data, the likely maximum loss that a Fund could suffer, calculated to a specific (e.g., 99 per cent.) confidence level. Therefore, where the market risk and leverage created through the use of derivatives generates a VaR number in excess of the limit applicable to the relevant Fund, the Fund is required to take steps to reduce the market risk and leverage so that the Fund is in compliance with that limit. A Fund may use an "absolute" VaR model where the measurement of VaR is relative to the Net Asset Value of the Fund or the Fund may use a relative VaR model where the measurement of VaR is relative to a derivatives free comparable benchmark or equivalent portfolio. A VaR model has certain inherent limitations and it cannot be relied upon to predict or guarantee that the size or frequency of losses incurred by a Fund will be limited to any extent. As the VaR model relies on historical market data as one of its key inputs, if current market conditions differ from those during the historical observation period, the effectiveness of the VaR model in predicting the VaR of a Fund may be materially impaired. The effectiveness of the VaR model could be impaired in a similar fashion if other assumptions or components comprised in the VaR model prove to be inadequate or incorrect. Because of these limitations Shareholders may suffer serious financial consequences in abnormal market conditions or conditions that otherwise differ from those during the historical observation period.

Investment Specific Risks

Bank Deposits

Shares in a Fund are not bank deposits and are not insured or guaranteed by any government agency or other guarantee scheme which protects the holders of bank deposits. The value of a holding in a Fund would be expected to fluctuate more than a bank deposit.

Investments in Unlisted Securities

A Fund may invest in unlisted securities. Due to the 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 publicly traded 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 Fund. Further, companies whose securities are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

Investment in Other Collective Investment Schemes

Each Fund may invest in one or more collective investment schemes including schemes managed by the Manager, the Investment Manager or its affiliates. A Fund may invest in shares of both open- and closed-ended collective investment schemes (including money market funds and exchange-traded funds ("**ETFs**")). Investing in another collective investment scheme exposes a Fund to all the risks of that collective investment scheme.

ETFs typically hold a portfolio of common stocks that is intended to track the price and dividend performance of a particular index. ETFs may be purchased from the ETF issuing the securities or in the secondary market. The market price for ETF shares may be higher or lower than the ETF's net asset value. The sale and redemption prices of ETF shares purchased from the issuer are based on the issuer's net asset value.

As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other collective investment scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations.

A Fund may invest in closed-ended collective investment schemes that are classified under the Regulations as transferable securities, some of which may hold derivatives such as futures, forwards, options, swaps or other instruments.

Investments in Undervalued Securities

A Fund may seek to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognised or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from a Fund's investments may not adequately compensate for the business and financial risks assumed. In addition, a Fund may be required to hold such securities for a substantial period of time before realising their anticipated value. During this period, a portion of a Fund's capital would be committed to the securities purchased, thus possibly preventing the relevant Fund from investing in other opportunities. In addition a Fund may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Fixed Income Securities

A Fund may invest in bonds or other fixed income securities, including, without limitation, commercial paper and "higher yielding" (including non-investment grade) (and, therefore, higher risk) debt securities. A Fund will therefore be subject to credit, liquidity and interest rate risks. Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer's assets. The lower rating of debt obligations in the higher-yielding sector reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness. 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 non-investment grade or higher yielding securities is often inefficient and illiquid, making it difficult to calculate discounting spreads for valuing financial instruments. It is likely that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Equity Investments

The Funds' equity investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which the Funds may invest (and relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialise). Equity prices are directly affected by issuer specific events, as well as general market conditions. In addition, in many countries investing in common stocks is subject to heightened regulatory and self regulatory scrutiny as compared to investing in debt or other financial instruments.

Investment in Small Capitalisation and Mid-Capitalisation Securities

The pursuit of the Funds' investment strategy may result in a portion of the Funds' assets being invested in securities of small and mid-cap issuers. While in the opinion of the Manager and the Investment Manager the securities of a small and mid-cap issuer may offer the potential for greater capital appreciation than investments in securities of large cap issuers, securities of small and mid-cap issuers may also present greater risks. For example, some small and mid-cap issuers often have limited product lines, markets or financial resources. They may be subject to high volatility in revenues, expenses and earnings. They may be dependent for management on one or a few key persons, and can be more susceptible to losses and risks of bankruptcy. Their securities may be thinly traded (and therefore have to be sold at a discount from current market prices or sold in small lots over an extended period of time), may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger cap issuers. In addition, small and mid-cap issuers may not be well known to the investment public and may have only limited institutional ownership. The market prices of securities of small and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumours than are the market prices of large cap issuers. Transaction costs in securities of small and mid-cap issuers may be higher than in those of large cap issuers.

Contingent Convertible Instruments

Contingent convertible instruments ("**CoCo-Bonds**") are primarily issued by financial institutions as an economically and regulatory efficient means of raising capital. They are a form of contingent hybrid securities, usually subordinated, that feature loss absorbing characteristics and under certain circumstances can convert into equity.

CoCo-Bond features have been designed to meet specific regulatory requirements imposed on financial institutions to fulfil a higher equity capital ratio (ratio of a bank's core equity capital to its total risk-weighted assets) in their own funds and to include loss absorbency features on a going-concern basis before the point of non-viability within their capital structure. Financial institutions may issue debt securities like CoCo-Bonds instead of new shares because with the issuance of CoCo-Bonds, financial institutions are able to raise their common equity ratio either via mandatory conversion into equity such as shares or via mandatory write down of the principal of the CoCo-Bonds if certain events occur. While CoCo-Bonds are primarily issued by financial institutions, they may be issued by different types of firms.

Certain CoCo-Bonds have "mandatory conversion" features, which means that the CoCo-Bond consists of debt securities or preferred stocks that convert automatically into equity. Mandatory conversion securities may limit the potential for capital appreciation and, in some instances, are subject to complete loss of invested capital. If the trigger event occurs, each CoCo-Bond will be converted into common shares. The holders of CoCo-Bonds do not have a conversion right, instead conversion will only occur on the occurrence of the trigger event. In addition, certain CoCo-Bonds are issued with "write down" features. This means that the principal amount of the CoCo-Bond will be written down after a specific trigger event. If a trigger event, depending on the terms and conditions of the CoCo-Bond, occurs and is continuing, then the principal amount of all of the relevant CoCo-Bonds is automatically and at least temporarily reduced to a specific percentage (e.g. 25 per cent) of the original principal amount or permanently written down in full. Thus, the amount of the repayment claim will be reduced accordingly. The conversion of a CoCo-Bond to equity or the write down of the principal amount of the CoCo-Bond may be triggered by specified events that might be independent from the particular need of an issuer. These trigger events may be based on a mechanical rule (e.g. the issuer's "Core Tier 1 Ratio" is less than a specific percentage ratio) or a regulatory supervisor's discretion (e.g. the relevant regulatory authority deems the banking institution to be non-viable).

While certain CoCo-Bonds are issued with a stated maturity and fixed coupons, others are issued as perpetual instruments, which may be callable at pre-determined levels only with the approval of the relevant competent authority or at the option of the issuer in its sole and absolute discretion. It therefore cannot be assumed that the perpetual CoCo-Bonds will be called on a call date. Such CoCo-Bonds are a form of permanent capital and the investor may not receive return of principal if expected on call date or indeed at any date. CoCo-Bonds may also be issued with fully discretionary coupons and these coupons can be cancelled by either national regulators or the issuer, even though dividends continue to be paid to its shareholders. The cancellation of such coupons may not amount to an event of default; any payments so cancelled will not accumulate and are instead written off.

CoCo-Bonds will, in the majority of circumstances, be issued in the form of subordinated debt instruments in order to provide the appropriate regulatory capital treatment prior to a conversion. Accordingly, in the event of liquidation, dissolution or winding-up of an issuer prior to a conversion having occurred, the rights and claims of the holders of the CoCo-Bonds, such as a Fund, against the issuer in respect of or arising under the terms of the CoCo-Bonds shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer. In addition, if the CoCo-Bonds are converted into the issuer's underlying equity securities following a conversion event, each holder will be subordinated due to their conversion from being the holder of a debt instrument to being the holder of an equity instrument. Upon such an event, the securities generally rank pari passu or junior to the issuer's other equity securities, depending on the issuer's capital structure, except in circumstances where they embed clauses contemplating permanent write down of capital based on predetermined market triggers.

Market Value will fluctuate based on unpredictable factors: the value of CoCo-Bonds is unpredictable and will be influenced by many factors including, without limitation (i) the creditworthiness of the issuer and/or fluctuations in such issuer's applicable capital ratios which may impact on the ability of the issuer to return principal or pay coupons; (ii) supply and demand for the CoCo-Bonds; (iii) general market conditions and available liquidity and (iv) economic, financial and political events that affect the issuer, its particular market or the financial markets in general.

Preference Shares

Preferred shares are securities that have preference over common stock in the receipt of dividends or in any residual assets after payment to creditors should the issuer be dissolved, or both. Preference shares have a blend of the characteristics of a bond and common stock. They may offer the higher yield of a bond and have priority over common stock, but they do not have the seniority of a bond and, unlike common stock, participation in the issuer's growth may be limited. Furthermore, claims of the (preferred) shareholders are "junior" to all forms of the company's debt. Although the dividend on a preference share may be set at a fixed annual rate, in some circumstances it may be changed or omitted by the issuer. Holders of preference shares usually have no right to vote for corporate directors or on any other matters in general meeting.

Equity-Linked Instruments

Equity-linked instruments like convertible or exchangeable bonds are also "hybrid" securities. Convertible bonds are bonds which allow the holder to convert its bonds into shares in the issuing company or cash of equal value, at an agreed-upon price. Exchangeable bonds are bonds, which allow exchanging the bond for the stock of a company other than the issuer. Like a bond, an equity-linked instrument typically pays a fixed rate of interest and principal is repayable at a given date in the future. However, any investor can exchange the convertible security for a specific number of shares of the issuing company's common stock. Accordingly, the value of the convertible security increases (or decreases) with the price of the underlying common stock. The option to convert the purchased securities into shares allows realising additional returns if the market price of the equity securities exceeds the conversion price. Equity-linked securities typically pay an income yield that is higher than the dividend yield of the issuer's common stock, but lower than the yield of the issuer's debt securities. In addition, at the time a convertible security is issued the conversion price exceeds the market value of the underlying equity securities. Thus, convertible securities may provide lower returns than non-convertible fixed-income securities or equity securities depending on changes in the price of the underlying equity securities. However, convertible securities permit the holder to realize some of the potential appreciation of the underlying equity securities with less risk of losing its initial investment. There are also equity-linked securities which may have fixed, variable or zero interest payments prior to maturity; they may be convertible (at the option of the holder or on a mandatory basis) into cash or a combination of cash and equity securities; and they may be structured to limit the potential for capital appreciation.

Interest-Rate Exposure

The Funds will be exposed to interest rate risk in several dimensions. Many of the Funds' investments are subject to fluctuations in value if interest rates change. In the case of many credit instruments that may be acquired by the Funds, there is the further concern - as the issuers of such instruments are often in precarious financial condition - that the likelihood of default on the instruments increases as interest rates rise.

Rating of Investment Risk

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

Below Investment Grade Debt Securities Risk

Some Funds may invest in securities which are below investment grade. Investments in securities which are below investment grade are considered to have a higher risk exposure than securities which are investment grade with respect to payment of interest and the return of principal. Investors should therefore assess the risks associated with an investment in such a Fund. Low rated debt securities generally offer a higher current yield than higher grade issues. However, low rated debt securities involve higher risks and are more sensitive to adverse changes in general economic conditions and in the industries in which the issuers are engaged, as well as to changes in the financial condition of the issuers and changes in interest rates. Additionally, the market for lower rated debt securities generally is less active than that for higher quality securities and a Fund's ability to liquidate its holdings in response to changes in the economy or the financial markets may be further limited by such factors as adverse publicity and investor perceptions. The value of lower-rated or unrated corporate bonds and notes is also affected by investors' perceptions. When economic conditions appear to be deteriorating, lower rated or unrated corporate bonds and notes may decline in market value due to investors' heightened concerns and perceptions over credit quality. There is no certainty in the credit worthiness of issuers of debt securities. Unstable market conditions may lead to increased instances of default among issuers. This in turn may affect the Net Asset Value of the relevant Fund.

Risks of investing in REIT Securities and Real Estate Securities

The Fund may invest in securities issued by entities which qualify as REITs and in securities of non-REIT issuers which are primarily engaged in real estate activities, such as real estate development and management. As a result, some of the Fund's investments will be subject to the risks incidental to investment in REITs and companies engaged in real estate activities generally, including: (i) potential environmental liabilities, the risk of uninsured losses, the perceptions of prospective tenants of the safety, convenience and attractiveness of the properties, the ability of the owner to provide adequate management, maintenance and insurance, the expenses of periodically renovating, repairing and re-letting spaces, and increasing operating costs (including mortgage payments, real estate taxes, insurance, maintenance costs and utilities) which may not be passed through to tenants; (ii) risks of owning properties through joint ventures or partnerships which may render a REIT or a company engaged in real estate activities unable to exercise sole decision-making authority and subject the REIT or other company to the risk that a joint venturer or partner will act in a manner contrary to its best interests; (iii) general real estate investment considerations, such as the effect of local economic and other conditions on property cash flows and values, the need to re-let space upon the expiration of current leases, dependence on major tenants and the possibility of tenant defaults, the ability of a property to generate revenue sufficient to meet debt service payments and other operating expenses, periodic excessive real estate development, and the illiquidity of real estate investments, all of which may affect the REIT's or other company's ability to make expected distributions to its stockholders; (iv) possible increases in interest rates, which may lead prospective purchasers of real estate equity securities, as well as other classes of equities, to demand higher annual yields, and which would adversely affect the market price of such securities; (v) borrowing risks; (vi) relative illiquidity of real estate investments which will tend to limit the ability of a REIT or non-REIT issuer to vary its holdings promptly in response to changes in local economic or other conditions; and (vii) risks associated with the management by REITs of properties owned by third parties, including the risk that management contracts (which are typically cancellable without notice) will be terminated by the entity controlling the property or in connection with the sale of such property, that contracts may not be renewed upon expiration or may not be renewed on terms consistent with current terms, and that the rental revenues upon which management fees are based will decline as a result of general real estate market conditions or specific market factors.

Investments in REITs are also subject to special risks, including, without limitation: (i) restrictions on ownership which may deter possible acquisitions of, or changes in control of, a REIT; (ii) many REITs have small-to-medium sized market capitalisation which may be more volatile than prices of large-capitalisation securities and an investment in such securities may be less liquid; and (iii) tax risks, including risk of changes in the tax laws that may cause a REIT to fail to qualify as a REIT or cause REITs, generally, to be subject to corporate taxation, and limitations on a REIT's ability to sell properties at a time when it is otherwise economically advantageous to do so, thereby adversely affecting returns to its stockholders.

Emerging Markets Risks

The Fund may invest in securities of issuers in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscation, taxation, nationalisation, and social, political and economic instability; (ii) the smaller markets for securities of emerging markets issuers and lower volumes of trading, resulting in lack of liquidity and in greater price volatility; (iii) certain national policies which may restrict the investment opportunities available in respect of the Fund, including restrictions on investing in issuers or industries deemed sensitive to relevant national interests and on the realisation or repatriation of foreign investment; (iv) currency instability and hyper-inflation; and (v) the absence of developed legal structures governing private or foreign investment and private property.

The accounting, auditing and financial reporting standards of countries in which the Fund may invest are likely to be less extensive than those applicable to Irish, United Kingdom, or United States companies, particularly in emerging markets.

Certain markets in Central and Eastern Europe present specific risks in relation to the settlement and safekeeping of securities. These risks result from the fact that physical securities may not exist in certain countries (such as Russia); as a consequence, the ownership of securities is evidenced only on the issuer's register of shareholders. Each issuer is responsible for the appointment of its own registrar. In the case of Russia, this results in a broad geographic distribution of several thousand registrars across Russia. Russia's Federal Commission for Securities and Capital Markets (the "Commission") has defined the responsibilities for registrar activities, including what constitutes evidence of ownership and transfer procedures. However, difficulties in enforcing the Commission's regulations mean that the potential for loss or error still remains and there is no guarantee that the registrars will act according to the applicable laws and regulations. When registration occurs, the registrar produces an extract of the register of shareholders as at that particular point in time. Ownership of shares is evidenced by the records of the registrar, but not by the possession of an extract of the register of shareholders. The extract is only evidence that registration hastaken place. It is not negotiable and has no intrinsic value. In addition, a registrar will typically not accept an extract as evidence of ownership of shares and is not obligated to notify the Depositary, or its local agents in Russia, if or when it amends the register of shareholders. As a consequence of this Russian securities are not on physical deposit with the Depositary or its local agents in Russia. Therefore, neither the Depositary nor its local agents in Russia can be considered as performing a physical safekeeping or custody function in the traditional sense. The registrars are neither agents of, nor responsible to, the Depositary or its local agents in Russia. Effective 1 April, 2013, the holding of many Russian securities by investors, such as the Fund, is not evidenced by a direct entry on the issuer's register of shareholders. Instead, the ownership of, and settlement of transactions in, those Russian securities has been moved to a central securities depository, the National Settlement Depository ("**NSD**"). The Depositary or its local agent in Russia is a participant on the NSD. The NSD in turn is reflected as the nominee holder of the securities on the register of the relevant issuer. Therefore, while this is intended to provide a centralised and regulated system for recording of the ownership of, and settlement of transactions in, Russian securities, it does not eliminate all of the risks associated with the registrar system outlined above. Investments in securities listed or traded in Russia will only be made in equity and/or fixed income securities that are listed or traded on level 1 or level 2 of the Moscow Exchange MICEX-RTS. In the event of losses due to the liquidation, bankruptcy, negligence or wilful default of any registrar the Fund may have to pursue its rights directly against the issuer and/or its appointed registrar. The aforesaid risks in relation to safekeeping of securities in Russia may exist, in a similar manner, in other Central and Eastern European countries in which the Fund may invest.

Principal Adverse Impact on Sustainability Factors

The Manager is supportive of the policy aims underlying Article 4 of the SFDR to improve transparency to clients, investors and the financial market, as to how financial market participants integrate consideration of the principal adverse impacts of their investment decisions on sustainability factors.

However, having taken into account the size, nature and scale of its activities, and as the primary objective of each Fund is to seek to achieve capital appreciation and to generate yield and modest capital appreciation with a focus on managing downside risks, the Manager considers it would be disproportionate to consider principal adverse impacts of investment decisions on sustainability factors at this time. In addition, the Manager considers there is insufficient, readily available and reliable data from investee companies and market data providers to enable it to take principal adverse impacts of investment decisions on sustainability factors into account.

The Manager and its delegates therefore do not currently consider adverse impacts of investment decisions on sustainability factors.

The Manager intends to keep its decision not to consider principal adverse impacts on sustainability factors under regular review and will formally re-evaluate the decision at least annually.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of all of the risks involved in an investment in a Fund. Prospective investors should read this Prospectus and the relevant Supplement in full and consult with their own advisers before deciding to invest in a Fund. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

FEES AND EXPENSES

Each Fund shall pay all of its expenses and its due proportion of any expenses allocated to it which may include costs of (i) establishing and maintaining the Company and any subsidiary company, trust or collective investment scheme approved by the Central Bank and registering the Funds and the Shares with any governmental or regulatory authority or with any regulated market; (ii) management, administration, paying agency, trustee, custodial and related services; (iii) preparation, printing and posting of prospectuses, sales literature, reports to Shareholders, the Central Bank and governmental agencies; (iv) taxes; (v) commissions and brokerage fees; (vi) trading platforms and trade file preparation and transmission; (vii) auditing, tax and legal fees; (vii) applying for and maintaining a particular tax treatment for Shares in any jurisdiction, and reporting to Shareholders in respect thereof; (ix) insurance premiums; (x) litigation, indemnification and extraordinary expenses not incurred in the ordinary course of business; and (xi) other operating expenses.

All costs and losses arising in relation to currency hedging transactions will be borne by the relevant Class of Shares of the relevant Fund and all gains arising in connection with currency hedging transactions will be attributable to the relevant Class of Shares of the relevant Fund.

The Directors shall be entitled to be paid a fee from the assets of the Company by way of remuneration for their services at a rate to be determined from time to time by the Directors, provided that the aggregate amount of Directors' remuneration in any one year shall not exceed €75,000 plus VAT or such other maximum amount as may be determined by the Directors, notified to Shareholders in advance, and disclosed in the Prospectus or the Company's annual report. Mr Lasagna shall not receive a Director's fee. The Directors will be entitled to be reimbursed by the Company for all reasonable disbursements and out-of-pocket expenses incurred by them.

The cost of establishing the Company, obtaining authorisation from any authority (including, but not limited to, the Central Bank), filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of legal counsel and other professionals involved in the establishment and initial offering of the Company and each of the Funds, were borne by the Company and amortised over the first five years of the Company's operation (from 2012) and charged to each of the Funds in existence over that period, on such terms and in such manner as determined by the Directors in their discretion. Details relating to the establishment expenses in respect of Funds to be established will be disclosed in the Supplement for the relevant Fund.

Initial Sales Charge

Details of the initial sales charge, if any, payable in respect of subscriptions will be set out in the relevant Supplement.

Redemption Charge

Details of the redemption charge, if any, payable on redemptions will be set out in the relevant Supplement.

The following fees will be borne by the Company:

Fees Payable to the Manager and Investment Manager

Pursuant to the Management Agreement, the Manager shall be entitled to receive out of the assets of the Funds, a fee for its services, in respect of such Fund or Funds or in respect of each Class of any such Fund .

Pursuant to the Investment Management Agreement, the Investment Manager shall be entitled to receive out of the assets of one or more Funds an investment management fee in respect of such Fund or Funds or in respect of each Class of any such Fund.

The fees payable to the Manager and the Investment Manager (together hereinafter referred to as the "Management Fee") shall be disclosed in the relevant Supplement.

The Management Fee shall be (i) calculated and accrued daily; and (ii) be calculated by reference to the Net Asset Value of the relevant Shares before the deduction of that days' Management Fee and any accrued Performance Fee. The Management Fee is normally payable in arrears within 14 days' of the end of the relevant month end. The fee payable to the Manager shall be subject to the imposition of value added tax ("VAT") if required.

The Management Fee shall be (i) calculated and accrued daily; and (ii) is calculated by reference to the Net Asset Value of the relevant Shares before the deduction of that days' Management Fee and any accrued Performance Fee. The Management Fee is normally payable in arrears within 14 days' of the end of the relevant month end.

In addition, the Manager and the Investment Manager shall each be entitled to be reimbursed their reasonably vouched out-of-pocket expenses. Each Fund shall bear its pro-rata share of such out-of-pocket expenses.

Performance Fee

The Manager and/or Investment Manager may also be entitled to receive out of the assets of one or more Funds a performance fee as set out in the relevant Supplement.

Fee Increases

The maximum fees payable to the Manager or Investment Manager (where the fees of the Investment Manager are discharged directly from the assets of the relevant Fund) or the maximum Redemption Charge as disclosed in the relevant Supplement shall not be increased beyond the maximum fees stated in the relevant Supplement without requisite approval of Shareholders and advance notice of the intention to implement such increase.

Shareholders must also be notified in advance of the intention of the Company to increase the fees payable to the Manager or the Investment Manager within the maximum fee disclosed in the relevant Supplement.

Management Fee Rebates

The Manager or Investment Manager may decide, in its entire discretion, to reimburse a Fund, any Shareholder, intermediary, distributor or other person or otherwise provide any of them with a rebate or commission out of all or part of any fees paid to it by the Company in respect of a Class of Shares (including for the avoidance of doubt any Performance Fee earned by the Manager or the Investment Manager). Unless otherwise required in accordance with the applicable laws and regulations of any jurisdiction, the selection of one or more persons with whom such private agreement may be made and the terms of such agreement is a matter solely between the Manager or the Investment Manager and such other person, provided always that a condition of any such agreement is that a Fund shall not incur any additional obligation or liability whatsoever.

Depositary's Fee

The Depositary shall be entitled to receive out of the assets of each Fund a fee in respect of such Fund or in respect of each Class of any such Fund as set out in the relevant Supplement.

Administrator's Fee

The Administrator shall be entitled to receive out of the assets of each Fund a fee in respect of such Fund or in respect of each Class of any such Fund as set out in the relevant Supplement.

Payments for Research

The Manager and/or the Investment Manager may utilise investment research services offered by independent service providers in executing the investment policies of the Funds in respect of which it is discharging discretionary investment management functions. These research services may include published research notes or reports, other material or services suggesting or recommending an investment strategy or trade ideas (including in the form of software tools, programs or other technology), macroeconomic analysis, and access to research analysts or industry experts (including expert networks). Each of the Manager and the Investment Manager considers that access to research services and materials is integral to its ability to execute the investment policies of the Funds and that such services and materials will inform, and add value to, the Manager's and/or the Investment Manager's investment decisions made on behalf of the Funds in respect of which it is discharging discretionary investment management functions. It is proposed that such research fees will be paid by the Manager and/or Investment Manager as appropriate.

To the extent that costs relating to the payment for such research services are to be charged to the assets of the relevant Fund in the future, the Manager and/or the Investment Manager in conjunction with the Manager, as the case may be, will open and maintain one or more research payment accounts (the "RPAs"). To the extent any RPAs may be opened in the future, such RPAS will be operated in accordance with the conditions set down in MiFID II. Any such RPAs will be funded by a specific research charge to the relevant Fund based on a research budget set by the Manager and/or the Investment Manager in conjunction with the Manager, as the case may be, and agreed in writing advance with such research budget being regularly assessed. In the event that the Manager and/or the Investment Manager does intend to charge such costs to the Funds in respect of which it is discharging discretionary investment management functions and open RPAs in the future, it will adopt internal arrangements ("Research Policy"), including a methodology for the remuneration policy of the Manager.

Remuneration Policy of the Manager

In accordance with its obligations pursuant to Directive 2014/91/EU of the European Parliament and of the Council ("the UCITS V Directive"), the Manager is required to have remuneration policies and practices for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on the risk profiles of the Manager or the Company ("identified staff"), that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles, rules or memorandum and articles of association of the Company nor impair the Manager's duty to act in the best interests of the Shareholders.

The Manager has designed and implemented a remuneration policy which is consistent with and promotes sound and effective risk management by having a business model which by its nature does not promote excessive risk taking that is inconsistent with the risk profile of the Company or the Articles of Association of the Company nor impair the Manager's duty to act in the best interests of the Shareholders. The Manager's remuneration policy is consistent with the business strategy, objectives, values and interests of the Company and the Shareholders of the Company and includes measures to avoid conflicts of interest.

In line with the provisions of the Regulations, the Manager will apply its remuneration policy and practices in a manner that is proportionate to its size, its internal organisation and the nature, scope and complexity of its activities.

Where the Manager delegates investment management functions in respect of the Company or any Fund, its remuneration policy requires that it will in accordance with the requirements of the ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive (ESMA/2016/575) (the "ESMA Remuneration Guidelines") ensure that:

a. the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Remuneration Guidelines; or

b. appropriate contractual arrangements are put in place to ensure that there is no circumvention of the remuneration rules set out in the ESMA Remuneration Guidelines.

Details of the Manager's 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, where such a committee exists, are available at http://www.algebris.com/ and a paper copy of such remuneration policy is available to investors free of charge upon request.

ADMINISTRATION OF THE COMPANY

Determination of Net Asset Value

The Administrator shall determine the Net Asset Value of the Company, the Net Asset Value of a Fund, the Net Asset Value of each Class of each Fund, the Net Asset Value per Share of each Fund and the Net Asset Value per Share of each Class as the case may be, as at the Valuation Point on or with respect to each Dealing Day and in accordance with the Articles of Association.

The Net Asset Value per Share of a Fund shall be calculated by dividing the assets of the relevant Fund, less its liabilities, by the number of Shares in issue in that Fund at the relevant Valuation Point. Any liabilities of the Company which are not attributable to any Fund shall be allocated pro rata amongst all the Funds.

The Net Asset Value of each Class shall be determined by establishing the number of Shares in issue in the Class, by allocating relevant expenses and fees to the Class and making appropriate adjustments to take account of distributions paid out of the Funds, if applicable, and apportioning the Net Asset Value of the Funds accordingly. The Net Asset Value per Share of a Class shall be calculated by dividing the Net Asset Value of the Class by the number of Shares in issue in that Class, adjusted to at least two decimal places. Fund expenses or fees or charges not attributable to a particular Class may be allocated amongst the Classes based on their respective Net Asset Value or on any other reasonable basis determined by the Directors having taken into account the nature of the fees and charges. Expenses and fees relating specifically to a Class will be charged to that Class.

The value of the assets of a Fund shall be determined as follows:

1. In determining the value of the assets of a Fund, each investment listed, traded or dealt in on a regulated market for which market quotations are readily available shall be valued at the closing mid-market price, provided that the value of the investment listed, traded or dealt in on a regulated market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange may be valued, taking into account the level of premium or discount as at the date of valuation of the investment and the Depositary must ensure that the adoption of such procedure is justifiable in the context of establishing the probable realisation value of the security. If the investment is normally listed, traded or dealt in on or under the rules of more than one regulated market, the relevant regulated market shall be that which constitutes the main market for the investment. If prices for an investment listed, traded or dealt in on the relevant regulated market are not available at the relevant time or are unrepresentative or in the event that any investments are not listed or traded on any exchange or regulated market, such investment shall be valued at such value as shall be certified with care and good faith as the probable realisation value of the investment by the Manger or a competent professional person appointed by the Manager and approved for such purpose by the Depositary which may be the Investment Manager. None of the Manager, the Investment Manager, nor the Administrator shall be under any liability if a price reasonably believed by them to be the closing mid-market price for the time being may be found not to be such.

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

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

4. Exchange-traded derivative instruments shall be valued at the relevant settlement price on the applicable exchange, provided that if the settlement price of an exchange-traded derivative instrument is not available, the value of such instrument shall be the probable realisation value estimated with care and in good faith by a competent person appointed by the Manager and approved for the purpose by the Depositary. The counterparty to derivative instruments not traded on an exchange must be prepared to value the contract and to close out the transaction at the request of the Company at fair value. The Manager may choose to value over the counter derivatives using either the counterparty valuation or an alternative valuation, such as a valuation calculated by the Manager or by an independent pricing vendor. The Manager must value over the counter derivatives on a daily basis. Where the Manager values over the counter derivatives using an alternative valuation the Manager must follow international best practice and will adhere to the principles on the valuation of over the counter instruments established by bodies such as IOSCO and AIMA. The alternative valuation is that provided by a competent person appointed by the Manager and approved for the purpose by the Depositary. The alternative valuation will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the

Manager values over the counter derivatives using the counterparty valuation the valuation must be approved or verified by a party who is approved for the purpose by the Depositary and who is independent of the counterparty. The independent verification must be carried out at least weekly. Forward foreign exchange contracts shall be valued by reference to freely available market quotations.

5. Money market instruments in a non-money market fund may be valued on an amortised basis in accordance with the Central Bank's requirements.

6. The Manager may adjust the Net Asset Value per Share where such an adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant. The Manager shall document clearly the rationale for adjusting the Net Asset Value.

7. In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out above or if such valuation is not representative of an asset's fair market value, a competent person appointed by the Manager and approved for the purpose by the Depositary is entitled to use such other generally recognised valuation method in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary.

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

The Administrator shall be entitled, without verification or further enquiry to rely on pricing information in relation to specified investments held by a Fund which is provided by price sources set out in the Manager's pricing policy agreed by the Manager with the Administrator, this Prospectus or, in the absence of any such price sources, any price sources on which the Administrator may choose to rely (provided that, in such a case, the Administrator exercises reasonable care in its choice of sources upon which to rely). Without prejudice to the generality of the foregoing, the Administrator shall not be liable for any loss suffered by any person as a result of the Administrator not valuing or pricing any such asset or liability of a Fund (save as provided in the administration agreement).

The Administrator will use reasonable endeavours to independently verify the price of any such assets or liabilities of a Fund using its network of automated pricing services, brokers, market makers, intermediaries or other third parties. In the absence of readily available independent pricing sources, the Administrator may rely solely upon any valuation or pricing information (including, without limitation, fair value pricing information) about any such assets or liabilities of a Fund (including, without limitation, private equity investments) which is provided to it by: (i) the Manager; (ii) the Investment Manager; and/or (iii) any valuer, third party valuation agent, intermediary or other third party which in each such case is appointed or authorised by the Manager to provide valuations or pricing information of a Fund's assets or liabilities to the Administrator.

Dilution Adjustment

The actual cost of purchasing or selling the underlying investments in a Fund may be higher or lower than the closing mid-market price used in calculating the Net Asset Value per Share. Where a Fund buys or sells underlying investments in response to a request for the issue or redemption of Shares in that Fund it will generally incur costs made up of dealing costs (which may include taxes) and any spread between the buying and selling prices of the underlying investments, which may not be reflected in the subscription price or redemption price paid by or to the Shareholder. The effect of the dealing costs and the dealing spread may have an adverse effect on the value of a Fund. To prevent this effect, known as 'dilution', the Company may charge a dilution adjustment of a percentage specified in the relevant Supplement of the Net Asset Value per Share when there are net inflows into a Fund or net outflows from a Fund, so that the price of a Share in a Fund is above or below that which would have resulted from a closing mid-market valuation. It is not, however, possible to predict accurately whether dilution will occur on any particular Dealing Day, however it is expected that the Company will make a dilution adjustment on most Dealing Days. Consequently, the charging of a dilution adjustment may either reduce the repurchase price or increase the subscription price of the Shares in a Fund. Where a dilution adjustment is made, it will increase the Net Asset Value per Share where a Fund receives net subscriptions and will reduce the Net Asset Value per Share where a Fund receives net redemptions.

A dilution adjustment will only be imposed in a manner that is, so far as practicable, fair to all Shareholders in a Fund.

The policy is designed to minimise the impact of dilution on any Fund.

In particular, a dilution adjustment will be applied in the following circumstances:

(i) on a Fund experiencing net subscriptions (i.e. subscriptions greater than repurchases); or

(ii) on a Fund experiencing net repurchases (i.e. repurchases greater than subscriptions).

The Directors reserve the right not to apply a dilution adjustment on a particular Dealing Day. The dilution adjustment for each Fund will be calculated by reference to estimated costs of dealing in the underlying investments of that Fund, including any dealing spreads, commissions and transfer taxes. These costs can vary over time and as a result the amount of dilution adjustment will also vary over time. The price of each Class of Share in a Fund will be calculated separately but any dilution adjustment will affect the price of Shares of each Class in a Fund in an identical manner.

The level of dilution adjustments will be calculated by the Company or its duly authorised delegate and applied by the Administrator in the circumstances set out above and details of the dilution adjustments applied to subscriptions and/or redemptions can be obtained by a Shareholder on request from the Administrator.

No dilution adjustment will be payable on the subscription of any Shares during the Initial Offer Period.

Application for Shares

With the exception of Permitted U.S. Investors, applicants should confirm that the Shares are not being acquired either directly or indirectly by or on behalf of any U.S. Person or on behalf of any person in any other jurisdiction that would be restricted or prohibited from acquiring Shares. Applicants should also confirm that they will not sell, transfer, or otherwise dispose of any such Shares, directly or indirectly, to or for the account of any U.S. Person or in the U.S. or to or for the account of any person in such jurisdiction to whom it is unlawful to make such an offer or solicitation. Please see the sub-section in this Prospectus entitled “United States”, in the section entitled “Selling Restrictions” for further information.

Before subscribing for Shares applicants will be required to complete a declaration (included in the subscription agreement) as to the applicant’s tax residency or status in the form prescribed by the Revenue Commissioners of Ireland. The Administrator reserves the right to request further details or evidence of identity from an applicant for Shares. Investors must provide such declarations as are reasonably required by the Company, including, without limitation, declarations as to matters of Irish and U.S. taxation. In this regard, investors should take into account the considerations set out in the section entitled “Taxation”.

The Company reserves the right to reject in whole or in part any application for Shares. Where an application for Shares is rejected, the subscription monies, subject to applicable law, shall normally be returned to the applicant within seven days of the date of such application without interest. The Company reserves the right from time to time to close a Fund to new subscriptions, either for a specified period or until it otherwise determines. During any such period Shares will not be available for subscription.

Subscription agreements may be obtained from the Administrator. Shares may be issued on any Dealing Day to eligible investors who have forwarded the completed and signed subscription agreement and provided satisfactory proof of identification to the Administrator, so that the subscription agreement shall be received by the Administrator no later than the Trade Cut-Off Time for Subscriptions. The Directors may in their absolute discretion accept subscription agreements received after the Trade Cut-Off Time for Subscriptions in exceptional circumstances, provided that no subscription agreements shall be accepted in respect of the relevant Dealing Day after the Valuation Point. Subscription agreements received by the Administrator after this time will be carried over to the next Dealing Day.

Investors should transmit funds in the relevant Class Currency representing the subscription monies by wire instructions to the relevant accounts set out in the subscription agreement so that the monies are received in the Company's account by the Administrator by the relevant Settlement Time (for Subscriptions). If payment for a subscription is not received by the relevant Settlement Time (for Subscriptions), a subscription may be cancelled or the Directors may alternatively, in their sole discretion, hold over the subscription monies until the next Dealing Day.

The following forms of communication are acceptable to the Company for submitting subscription, redemption, transfer or other instructions to the Administrator:

Fax:	On fax number 00353-1-865-0174; **or**
Mail:	Mailing the original via courier to the Investor Relations Group of the Administrator at Algebris UCITS Funds plc c/o BNP Paribas Fund Administration Services (Ireland) Limited Trinity Point, 10-11 Leinster Street South, Dublin 2, Ireland.

Initial subscriptions may be made by way of signed original subscription agreement, by way of fax, or by electronic means in such format or method as shall be agreed in writing in advance with the Administrator, subject to and in accordance with the requirements of the Central Bank. In the case of faxed subscription agreements the signed original subscription agreement and all supporting anti-money laundering documentation must be promptly received. No redemption payments may be made until the original subscription agreement and all anti-money laundering documentation have been received from the investor and all anti-money laundering procedures have been carried out.

Notwithstanding the method of communication, the Company and/or the Administrator reserve the right to ask for the production of original documents or other information to authenticate the communication and/or for anti-money laundering purposes. In the case of mis-receipt or corruption of any message, the applicant will be required to re-send the documents. In the event that no acknowledgement of a facsimile sent to the Administrator is received within 5 Business Days of the submission of the request, the applicant should contact the Administrator on telephone number +353(0)16071800 to confirm receipt by the Administrator of the request. The applicant must use the form of document provided by the Administrator in respect of the subscription, redemption or transfer of Shares unless such condition is waived by the Company and/or the Administrator in their absolute discretion.

Applications for Shares by in specie transfer may be made by agreement with the Manager on a case-by-case basis and subject to the approval of the Depositary. In such cases the Company shall issue Shares in exchange for investments that would qualify as investments of the relevant fund in accordance with its investment objectives, policies and restrictions and may hold or sell, dispose of or otherwise convert such investments into cash. The Depositary must be satisfied that there is unlikely to be any material prejudice to the existing Shareholders. No Shares shall be issued until the investments are vested in the Depositary or its nominee. The amount of Shares to be issued shall not exceed that which would be issued for the cash equivalent of the subscription in specie.

Dealing is carried out at forward pricing basis i.e. the Net Asset Value next computed after receipt of subscription requests.

Collection Account

Subscription monies received from an investor in advance of the issue of Shares in respect of which an application for Shares has been, or is expected to be, received will be held in a Subscriptions/Redemptions Account in the name of the Company on behalf of the relevant Fund and will be treated as an asset of the relevant Fund upon receipt. The investor will therefore be an unsecured creditor of the relevant Fund with respect to the amount subscribed and held by the Company until such Shares are issued.

Further information relating to the operation of this account is set out under the section entitled "SUBSCRIPTIONS/ REDEMPTIONS ACCOUNT". Your attention is also drawn to the section of the Prospectus entitled "**Risk Factors"–"Operation of Fund Cash Accounts"**.

Data Protection

Prospective investors should note that by completing a subscription agreement they are providing information to the Company which may constitute personal data within the meaning of the data protection legislation in Ireland including the GDPR. The Company is a data controller within the meaning of the GDPR and undertakes to hold any personal information provided by investors in confidence and in accordance with the GDPR. This data will be used by or on behalf of the Company for certain purposes, including but not limited to, client identification and the subscription process, management and administration of your holding in the relevant Fund, transfer agency, statistical analysis, research, disclosure to the Company, the Manager, the Investment Manager and their delegates, agents, members and employees, as applicable, direct marketing and to comply with any applicable legal, taxation or regulatory requirements. Such data may be disclosed and/or transferred to third parties including regulatory bodies, tax authorities, delegates, advisers and service providers of the Company and their or the Company's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in Ireland) for the purposes specified.

Investors have a right to obtain a copy of their personal data kept by the Company, the right to rectify any inaccuracies in personal data held by the Company and in a number of circumstances a right to be forgotten and a right to restrict or object to processing. In certain limited circumstances a right to data portability may apply. Where a Shareholder consents to the processing of personal data, that Shareholder may withdraw this consent at any time.

The Company and its appointed service providers will retain all documentation provided by a Shareholder in relation to its investment in the relevant Fund for such period of time as may be required by Irish legal and regulatory requirements, but for at least seven years after the period of investment has ended or the date on which a Shareholder has had its last transaction with the Company.

A copy of the data privacy statement of the Company is available at http://www.algebris.com/.

Money Laundering and Countering Terrorist Financing Measures

Measures aimed at the prevention of money laundering and terrorist financing will require a detailed verification of the investor's identity, address and source of funds and where applicable, the beneficial owner on a risk sensitive basis, and the ongoing monitoring of the business relationship with the Company.

Each applicant for Shares acknowledges that the Administrator, the Manager and the Company shall be held harmless and shall be indemnified against any loss arising as result of a failure to process his/her application for Shares or redemption request, if such information and documentation has been requested by the Administrator and has not been provided by the applicant or has been provided in incomplete form.

By way of example, an individual will be required to produce a copy of a passport or identification card, which shows a photograph, signature and date of birth, duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence, together with one item evidencing their address such as a utility bill or bank statement (not more than six months old). In the case of corporate applicants this may require production of certified copies of the certificate of incorporation (and any change of name) and of the memorandum and articles of association (or equivalent), a certified copy of the corporation's authorised signatory list, the names, occupations, dates of birth and residential and business addresses of all directors and beneficial owners (who may also be required to verify their identity as described above).

Politically exposed persons ("**PEPs**"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family member, or persons known to be close associates of such persons, must also be identified.

Depending on the circumstances of each application, a detailed verification of source of funds might not be required where (i) the investor makes payment from an account held in the investor's name at a recognised financial intermediary; or (ii) the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering and counter terrorist financing regulations or satisfies other applicable conditions.

The Administrator, the Manager and the Company each reserve the right to request such information as is necessary to verify the identity, address and source of funds of an investor. Investors must provide such declarations as are reasonably required by the Company, including, without limitation, declarations as to matters of Irish and U.S. taxation. In this regard, investors should take into account the considerations set out in the section entitled "Taxation". In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator or the Company may refuse to accept the application and subscription monies, or may retain subscription monies and/or file reports with regulatory authorities that may be confidential. The Administrator may also refuse to process redemption requests or pay redemption proceeds in such circumstances or if required by applicable laws and regulations relating to money laundering or sanctions. Applicants should note that redemption proceeds will only be made to the account of record.

Each applicant for Shares acknowledges that the Administrator, the Manager and the Company shall be held harmless and shall be indemnified against any loss arising as result of a failure to process his/her application for Shares or redemption request, if such information and documentation has been requested by the Administrator and has not been provided by the applicant or has been provided in complete form. Furthermore, the Company or the Administrator also reserve the right to refuse to make any redemption payment or distribution to a Shareholder if any of the Directors or the Administrator suspects or is advised that the payment of any redemption or distribution monies to such Shareholder might result in a breach or violation of any applicable anti-money laundering, trade sanctioning or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Company, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

Subsequent Subscriptions

Subsequent subscriptions (i.e. subsequent to an initial subscription for Shares within a Fund) may be made by submitting a subscription agreement to the Administrator by the Trade Cut-Off Time for Subscriptions in writing, by fax, by electronic means or other means in such format or method as shall be agreed in writing in advance with the Administrator subject to and in accordance with the requirements of the Central Bank.

Subsequent faxed subscription requests may be processed without a requirement to submit original documentation.

Amendments to a Shareholder's registration details and payment instruction will only be effected on receipt of original documentation.

Subscription Price

The Initial Offer Price of each Class of Shares during the Initial Offer Period is set out in Schedule I to the relevant Supplement.

Following the Initial Offer Period of each Class of Shares the subscription price per Share shall be the relevant Net Asset Value per Share, subject to any applicable dilution adjustment, on each Dealing Day.

A dilution adjustment may be payable on subscriptions for Shares from time to time as determined by the Company or its duly authorised delegate. In calculating the subscription price, the Company or its duly authorised delegate shall on any Dealing Day when there are net subscriptions adjust the subscription price by adding a dilution adjustment to cover dealing costs and to preserve the underlying assets of the Fund. Please see the sub-section entitled "Dilution Adjustment", in the section entitled "Administration of the Company".

The minimum initial subscription and minimum additional subscription amounts are set out in Schedule I to the relevant Supplement. The Company or its duly authorised delegate may in its discretion vary or waive the minimum initial subscription and minimum additional subscription amounts.

The Manager may in its absolute discretion accept applications for Shares received for a Dealing Day after the Trade Cut-Off Time for Subscriptions for that Dealing Day set forth above in exceptional circumstances, provided that no applications shall be accepted after the Valuation Point in respect of the relevant Dealing Day. The exceptional circumstances under which the application was received will also be fully documented by the Manager.

Written Confirmations of Ownership

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

Redemption Requests

Shares may be redeemed on a Dealing Day by contacting the Administrator so that a signed redemption request (in writing, by fax, by electronic means or other means in such format or method as shall be agreed in writing in advance with the Administrator and in accordance with the requirements of the Central Bank) is received by the Administrator no later than the Trade Cut-Off Time for Redemptions.

In the case of faxed redemption requests, payment will only be made to an account of record in the name of the Shareholder, as set out in the Subscription Agreement. Any changes to the Shareholder's bank details will only be effected on receipt of original documentation in advance of a Redemption Request.

Subject to the agreement of the Administrator, the original of the redemption request may not be required prior to payment of redemption proceeds, provided that an indemnity in relation to faxed or electronic instructions in the form prescribed by the Administrator has been received by the Administrator and the redemption proceeds are paid to the account of record.

Redemption requests received subsequent to the Trade Cut-Off Time for Redemptions shall be effective on the next applicable Dealing Day.

If redemption requests on any Dealing Day exceed 10% of the Net Asset Value of a Fund, the Company may defer the excess redemption requests to subsequent Dealing Days and shall redeem such Shares rateably to the total Net Asset Value of Shares in a Fund held by the Shareholders who have submitted redemption requests for that Dealing Day. Any deferred redemption requests shall be carried forward so that the Shares to which each redemption request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all Shares to which the original request related have been redeemed, subject to the section entitled "Temporary Suspension of Valuation of the Shares and of Sales and Redemptions" below.

The Manager may in its absolute discretion accept redemption requests received for a Dealing Day after the Trade Cut-Off Time for Redemptions for that Dealing Day set forth above in exceptional circumstances, provided that no redemption requests shall be accepted after the Valuation Point in respect of the relevant Dealing Day. The exceptional circumstances under which the redemption request received will also be fully documented by the Manager.

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

Redemption Price

Shares shall be redeemed at the applicable Net Asset Value per Share, subject to any applicable dilution adjustment, obtained on the Dealing Day on which the redemption is effected.

A dilution adjustment may be payable on the repurchase of Shares from time to time as determined by the Company or its duly authorised delegate. In calculating the repurchase price, the Manager shall on any Dealing Day when there are net repurchases adjust the repurchase price by deducting a dilution adjustment to cover dealing costs and to preserve the underlying assets of the Fund. Please see the sub-section entitled "Dilution Adjustment", in the section entitled "Administration of the Company".

Settlement for redemptions will normally be made by telegraphic transfer to the bank account of the Shareholder specified in the subscription agreement (at the Shareholder's risk and expenses) within the Settlement Time (for Redemptions) and in any event within ten days of the Trade Cut-Off Time for Redemptions, provided the Administrator is in receipt of all required redemption documentation.

Redemption proceeds cannot be released until the signed original subscription agreement and all documents required in connection with the obligation to prevent money laundering have been received by the Administrator and all anti-money laundering procedures have been completed.

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

Dealing is carried out at forward pricing basis i.e. the Net Asset Value next computed after receipt of redemption requests.

Payment of Redemption Proceeds

Redemption monies payable to an investor subsequent to a Dealing Day of a Fund as of which Shares of that investor have been redeemed (and consequently the investor is no longer a Shareholder of the Fund as of the relevant Dealing Day) will be held in a Subscriptions/Redemptions Account and will be treated as an asset of the relevant Fund until paid to that investor. The investor will therefore be an unsecured creditor of the relevant Fund with respect to the redemption amount held by the Company until paid to the investor.

Further information relating to the operation of the Subscriptions/Redemptions Account is set out in the section entitled "SUBSCRIPTIONS/ REDEMPTIONS ACCOUNT" and your attention is also drawn to the section of the Prospectus entitled "**Risk Factors"– "Operation of Subscriptions/Redemptions**".

Mandatory Redemption of Shares

Shareholders are required to notify the Administrator immediately in the event that they become U.S. Persons. Shareholders who become U.S. Persons may be required to dispose of their Shares to non-U.S. Persons on the next Dealing Day thereafter unless the Shares are held pursuant to an exemption which would allow them to hold the Shares.

The Company reserves the right to redeem all or any portion of any Shareholder's Shares at any time upon the giving of written notice to such Shareholder if:

1. the Directors have reason to believe that such Shareholder's ownership of Shares would cause a Fund to be considered to hold "plan assets" within the meaning of ERISA or the Code;

2. if the Directors reasonably believe that the continued participation of such Shareholder in the Company will have a material detrimental effect on the Fund, the Company or any other Shareholder;

3. if the continued participation of such Shareholder in the Company will result in a Fund or the Company being in breach of any law, rule, regulation or judgement;

4. such Shareholder shall refuse to comply with any reasonable request for information that it receives from the Company including, for the avoidance of doubt, any request that relates to or arises from any anti-money laundering or counter-terrorist financing obligations, laws, rules or regulations that the Directors, the Funds or the Company are subject to; or

5. such Shareholder breaches the terms of any agreement entered into between the Company and

the Shareholder including, without limitation, any breach of the representation, warranties or undertakings given by the Shareholder to the Directors, a Fund or the Company in the subscription documents that are completed by such Shareholder in connection with its subscription for Shares.

The Company may redeem Shares where during a period of six years no cheque in respect of any dividend on the Shares has been cashed and no acknowledgement has been received in respect of any confirmation of ownership of the Shares sent to the Shareholder and require the relevant Fund to hold the redemption monies in a separate interest bearing account which shall be a permanent debt of that Fund. The Articles of Association also provide that any unclaimed dividends may be forfeited after six years and on forfeiture will form part of the assets of the relevant Fund.

Transfer of Shares

Transfers of Shares may only be made on application to the Company and the Directors shall be entitled in their sole discretion to refuse or to place conditions (including, for the avoidance of doubt, conditions as to the high water mark) on such transfer applications. Shareholders shall be required to provide the Administrator with a transfer request in such form as the Company and the Administrator may require no later than 12 noon (Irish Time) on the relevant Dealing Day. All transfers of Shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the share register in respect thereof. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year. The Directors may decline to register any transfer of Shares unless the instrument of transfer and all required evidence of identity from both the transferor and the transferee is provided to the Administrator together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. Such evidence may include a declaration as to whether the proposed transferee is an Irish Resident.

Withholdings and Deductions

The Company may be required to account for tax on the value of the Shares redeemed or transferred at the applicable rate unless it has received from the transferor a declaration in the prescribed form confirming that the Shareholder is not an Irish Resident in respect of whom it is necessary to deduct tax. The Company reserves the right to redeem such number of Shares held by a transferor as may be necessary to discharge the tax liability arising therefrom. The Company reserves the right to refuse to register a transfer of Shares until it receives a declaration as to the transferee's residency or status in the form prescribed by the Revenue Commissioners of Ireland.

Conversion of Shares

Subject to any minimum subscription amount or minimum additional subscription amount applicable to the relevant Class of shares and with the consent of the Directors, a Shareholder may convert Shares of any class in any Fund into Shares of another Class (such Class being in the same Fund or in a separate Fund) on giving notice to the Administrator in such form as the Administrator may require provided that the shareholding satisfies the minimum investment criteria and provided that the original application is received within the time limits specified above in the case of subscriptions. Conversion is not intended to facilitate short-term or excessive trading. The conversion is effected by arranging for the redemption of Shares of one Class and subscribing for the Shares of the other Class with the proceeds.

Conversion will take place in accordance with the following formula:

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

where:

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

If NS is not an integral number of Shares the Directors reserve the right to issue fractional Shares to four decimal places (with natural rounding) in the new Class or to return the surplus arising to the Shareholder seeking to convert the Shares.

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

Excessive Trading

Investment in a Fund is intended for medium to long-term purposes only. The Company and the Manager will take reasonable steps to seek to prevent short-term trading. Excessive short-term trading (or market timing) into and out of a Fund or other abusive trading practices may disrupt portfolio investment strategies and may increase expenses and adversely affect investment returns for all Shareholders, including long-term Shareholders who do not generate these costs. The Company reserves the right to reject any application for Shares by any investor or group of investors for any reason without prior notice, including, in particular, if it believes that the trading activity would be disruptive to a Fund. For example, the Company may refuse to effect a subscription (or execute a transfer request) if the Manager believes it would be unable to invest the money effectively in accordance with a Fund's investment policies or a Fund would otherwise be adversely affected due to the size of the transaction, frequency of trading or other factors.

The trading history of accounts under common ownership or control may be considered in enforcing these policies. Transactions placed through the same financial intermediary on an omnibus basis may be deemed a part of a group for purposes of this policy and may be rejected in whole or in part by a Fund.

Transactions accepted by a financial intermediary in violation of the Manager's excessive trading policy are not deemed accepted by the Company and may be cancelled or revoked by the Company on the next Business Day following receipt.

Investors should be aware that there are practical restraints both in determining the policy which is appropriate in the interests of long term investors and in applying and enforcing such policy. For example, the ability to identify and prevent covert trading practices or short-term trading where investors act through omnibus accounts is limited. Also, investors such as fund of funds and asset allocation funds will change the proportion of their assets invested in the Company or in Funds in accordance with their own investment mandate or investment strategies. The Company in consultation with the Manager will seek to balance the interests of such investors in a way that is consistent with the interests of long-term investors but no assurance can be given that the Company in consultation with the Manager will succeed in doing so in all circumstances. For example, it is not always possible to identify or reasonably detect excess trading that may be facilitated by financial intermediaries or made difficult to identify by the use of omnibus accounts by those intermediaries.

The Manager, where possible from the reports provided by the Administrator to assist in the analysis, will endeavour to monitor "round trips". A "round trip" is a redemption out of a Fund (by any means) followed by a purchase back into the same Fund (by any means). The Company upon consultation with the Manager may limit the number of round trips carried out by a Shareholder.

Publication of the Price of the Shares

Except where the determination of the Net Asset Value per Share has been suspended in the circumstances described below, the Net Asset Value of the Shares in the Funds shall be available at the registered office of the Administrator and shall be available in respect of each Dealing Day via the worldwide web at www.bloomberg.com on the day after each Valuation Day. Such information will relate to the Net Asset Value per Share for the previous Dealing Day and is available for information only. It is not an invitation to subscribe for or repurchase Shares at that Net Asset Value per Share.

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

The Company may temporarily suspend the determination of the Net Asset Value and the sale or redemption of Shares in the Company, Fund, and/or Class during:

(i) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of a Fund's investments, or when trading thereon is restricted or suspended;

(ii) any period during which disposal or valuation of investments which constitute a substantial portion of the assets of a Fund is not practically feasible or if feasible would be possible only on terms materially disadvantageous to Shareholders;

(iii) any period when for any reason the prices of any investments of a Fund cannot be reasonably, promptly, or accurately ascertained by the Administrator;

(iv) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of a Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;

(v) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from a Fund's account; or

(vi) upon the service on the Shareholders of a notice to consider a resolution to wind up the Company or close a Fund.

A suspension of redemptions may be made at any time prior to the payment of the redemption monies and the removal of the Shareholder's name from the Register. A suspension of subscriptions may be made at any time prior to the entry of a Shareholder's name on the Register.

Any such suspension shall be notified to the Shareholders of the relevant Fund by the Company if, in the opinion of the Company, such suspension is likely to continue for a period exceeding 14 days and any such suspension shall be notified immediately and in any event within the same Business Day to the Central Bank. Where possible, all reasonable steps will be taken to bring a period of suspension to an end as soon as possible.

MANAGEMENT AND ADMINISTRATION

The Board of Directors

The Board of Directors is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors have delegated the management of the Company to the Manager, subject to supervision and direction by the Directors.

The Directors are listed below with their principal occupations. As, the Company has delegated the day-to-day management of the Company to the Manager, consequently, none of the Directors is an executive director. The address of the Directors is the registered office of the Company.

Directors and Secretary

Mr. Alexander Lasagna

Mr. Lasagna obtained a degree in Monetary Economics from the London School of Economics, a Masters degree in Economics from Johns Hopkins' School of Advanced International Studies in Washington D.C. and a Political Science degree from La Sapienza University in Rome. He started his career in 1992 at Nomisma, Bologna and in 1993 moved to JP Morgan in Milan. He then spent two years in Rome as parliamentary assistant before joining Merrill Lynch as Private Banker in 1997. In May 2000 he was relocated to Merrill Lynch Investment Managers in London as Director, where in 2002 he became responsible for the Ultra High Net Worth Team. He left Merrill Lynch in 2003 to join Schroders as Executive Director and Head of the Private Bank's International Team. He was a member of the Executive and Investment Committees and dictated the investment and business strategy of the team. He left Schroders in 2006 to become Partner at IN Alternative, an Italian independent asset management business, which he helped manage until he was appointed Head of Business Development and Investor Relations of the Investment Manager in December 2010. In 2019, Mr. Lasagna was appointed Deputy Chief Executive Officer of the Investment Manager, having previously served as Chief Operating Officer for seven years.

Mr. Carl O'Sullivan

Mr. O'Sullivan was a partner in the firm of Arthur Cox until December 2012 where he specialized in financial services law. He qualified as a solicitor in 1983 and was employed as a legal adviser with Irish Distillers Group Plc from 1983 to 1987 and Waterford Wedgwood Plc from 1987 to 1990. He joined Arthur Cox in 1990. He holds a B.A. Moderatorship in Legal Science from the University of Dublin and a Masters of Business Administration from University College Dublin. He is a director of various other funds.

Mr. Desmond Quigley

Mr. Quigley has held a number of senior positions with accountancy firms over the past 30 years focusing on clients in the financial services sector, prior to retiring in 2010. From 1995 to 2010, Mr. Quigley was head of the Financial Services Group at Ernst & Young in Ireland, covering Asset Management, Banking and Insurance Business. His clients were mostly in Asset Management and he was a founding member (and past Chairman) of the E&Y Global Hedge Fund Committee. Prior to this, from 1988 to 1994, Mr. Quigley served two terms as Managing Partner of Ernst & Young in Ireland. During this time he was also a member of the Ernst & Young International Council. Prior to this, Mr. Quigley was appointed as a partner of Ernst & Whinney in Ireland in 1977. Mr. Quigley is a Chartered Accountant and is a Fellow of Chartered Accountants Ireland.

The Company Secretary is Tudor Trust Limited.

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

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property or any part thereof and may delegate these powers to the Investment Manager.

No Director has:

(i) any unspent convictions in relation to indictable offences;

(ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director;

(iii) been a director or any company which, while he or she was a director with an executive function or within 12 months after he or she ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors;

(iv) been a partner of any partnership, which while he or she was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a received appointed to any partnership assets;

(v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or

(vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

The Manager

The Company has appointed Algebris Investments (Ireland) Limited as its manager pursuant to the Management Agreement. The Manager is a privately owned company incorporated with limited liability in Ireland on 4th September 2019 with registered number 656403. The Manager is a wholly owned subsidiary of Algebris Investments (Luxembourg) S.a.r.l which in turn is a wholly owned subsidiary of N1 S.a.r.l.

The Manager is authorized by the Central Bank to act as a UCITS fund management company pursuant to the Regulations and an Alternative Investment Fund Manager (AIFM) pursuant to the European Communities (Alternative Investment Fund Managers) Regulations, 2013, as amended. Its principal business is acting as manager of investment funds.

The Manager's corporate secretary is Tudor Trust Limited, 33 Sir John Rogerson's Quay, Dublin 2.

The Manager may act as of and/or provide other services to, other funds or clients established in Ireland or elsewhere any of which may be competing with the Company in the same markets.

The Directors of the Manager are as follow:

Mr Phelim Keogan

Mr Keogan joined Algebris Dublin on 25 November 2019 and is a Certified Investment Fund Director. Previously, he was Head of Investment and designated person for Investment Management (PCF-39) at Hermes Fund Managers Ireland. Before Hermes, he worked at Fidelity International Limited from 2002-2018 where, in additional to global executive director responsibilities in Investments and Treasury, he was non-executive director for a number of Irish entities. Mr Keogan serves as an executive director of the Manager.

Mr Davide Serra

In addition to his role as Non-Executive, Non-Independent Director, Mr Serra is the Chief Executive Officer and Chief Investment Officer of the Algebris Group. Prior to founding the Algebris Group, Mr Serra was Managing Director at Morgan Stanley where he headed the European Banks Research Team and was the Global Banks team coordinator. Prior to Morgan Stanley, Mr Serra worked in the top-rated UBS Bank's research team as a senior analyst. Mr Serra is recognised as one of the World's leading experts on financial services, he is often consulted by the World's Central Bankers and Regulators on policy matters and he regularly contributes to the discourse on financial reform.

Mr Serra is a graduate cum laude of Bocconi University in Italy and holds a Master CEMS.

Ms Lisa Martensson

Ms Martenson is a Swedish national with residency in Ireland since 2002. She studied Economics at the University of Stockholm in Sweden and holds a Certificate and Diploma (distinction) in Company Direction from the Institute of Directors (IOD). Lisa Martensson has over 30 years' experience in the asset management, securities services and investment funds' industry. For seventeen years she held various senior executive positions within HSBC Securities Services in the areas of sales, business development and relationship management. She left HSBC Securities Services (Ireland) DAC in 2019, where she was Chair of the board and Global Head of Client Experience. From 1998 to 2001 Ms Martensson held a position in client services with Bank of New York in Brussels, Belgium. Prior to that she worked ten years with SEB Asset Management in Sweden and Luxemburg.

The Management Agreement provides that the Manager shall be responsible for the investment management, distribution and administration of the Company subject to the overall policies and directions of the Directors. The Management Agreement may be terminated by either party on not less than three (3) months' written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Manager is not liable to the Company for any loss suffered by the Company as a result of any act or omission in the course of, or connected with, rendering services under the Management Agreement unless such loss results from its negligence, fraud, bad faith, recklessness or wilful default. Under the Management Agreement, the Company on behalf of itself or a Fund shall hold harmless and indemnify out of the assets of the relevant Fund, the Manager, its employees, members and officers from and against any and all losses, liabilities, damages, expenses or costs, suffered, incurred or sustained by the Manager, its employees, members or officers in the performance of its duties under this Agreement other than due to the negligence, fraud, bad faith, recklessness or wilful default in the performance of its duties under the Management Agreement. Under the terms of the Management Agreement, the Manager may delegate its duties in accordance with the Central Bank Requirements. Under the Regulations, the Manager's liability shall not be affected by the fact that it has delegated any of its functions to third parties.

The Investment Manager

Algebris (UK) Limited acts as the promoter of the Company and save where otherwise disclosed in the Supplement for a Fund, has been appointed by the Manager as Investment Manager and Distributor of the Funds pursuant to the Investment Management Agreement. The Investment Manager was formed as a private limited company in England and Wales on 2 August, 2016. The Investment Manager is authorised and regulated by the FCA. In addition, the Investment Manager is currently registered with the U.S. Securities and Exchange Commission as an exempt reporting adviser under the U.S. Investment Advisers Act of 1940, as amended. Additional information about the Investment Manager is available on the U.S. Securities and Exchange Commission's website at www.adviserinfo.sec.gov. Registration with the U.S. Securities and Exchange Commission or with any state securities authority does not imply a certain level of skill or training.

The Investment Manager or the Manager serve as the "commodity pool operator" of the funds managed by them. The Investment Manager and the Manager are currently exempt from registration with the CFTC as a "commodity pool operator" with respect to the funds managed by them, pursuant to CFTC Rule 4.13(a)(3), because, among other things, the Shares are being offered privately, will be held only by persons who are qualified investors for purposes of Rule 4.13(a)(3), and the Funds' use of commodity interests is limited in scope. The Investment Manager and the Manager are exempt from registration with the CFTC as a "commodity trading advisor" pursuant to the exemption in CFTC Rule 4.14(a)(5). Because of the foregoing, the Investment Manager and the Manager are not required to deliver a disclosure document or a certified annual report to Shareholders.

The Investment Management Agreement provides that the Investment Manager shall be responsible for the investment and reinvestment of the assets of the Funds to which it is appointed and for the distribution of the Shares in such Funds. The Investment Management Agreement is subject to aninitial period of 18 months. After an initial period of 18 months, the Investment Management Agreement shall continue in force until terminated by any of the parties on 90 days' notice in writing to the other parties. Notwithstanding the foregoing, any party may at any time terminate the Investment Management Agreement forthwith by notice in writing to the other parties if at any time any party: (i) commits any material breach of the Investment Management Agreement or commits persistent breaches of the Investment Management Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the other party serving notice upon the defaulting party requiring it to remedy same; (ii) be unable to pay its debts as they fall due or commit any act of bankruptcy under the laws of Ireland; (iii) be the subject of any petition for the appointment of an examiner, administrator or similar officer to it or in respect of its affairs or assets; (iv) have a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (v) go into liquidation except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party; or (vi) the Investment Manager ceases to be permitted to act as Investment Manager to any of the Funds under any applicable law or regulation.

Neither: (i) the Investment Manager, its officers, employees and directors; nor (ii) each associated company of the Investment Manager and their respective directors, officers and employees (each an "Indemnified Party") shall be liable to any Fund, the Company or its Shareholders for any loss, costs or damages suffered by them in connection with the management of its assets, except those resulting from the wilful default, fraud or negligence of or any material breach of the Investment Management Agreement by the Indemnified Party. The Company shall, to the fullest extent permitted by law, indemnify and hold harmless each Indemnified Party, from and against any and all actions, proceedings and claims and against all costs, demands, loss and expenses suffered, incurred or sustained by such Indemnified Party by reason of the fact that it, he or she is or was an Indemnified Party, except those resulting from such Indemnified Party's wilful default, fraud or negligence or any material breach of the Investment Management Agreement by such Indemnified Party.

The Investment Manager may delegate the performance of any of its investment management functions. Any fees payable to such sub-investment managers or sub-advisors appointed shall be discharged by the Investment Manager from its investment management fee. Information on any sub-investment manager or sub-advisor appointed will be provided to Shareholders on request and details of the entities will be disclosed in the annual and half-yearly reports and accounts.

The Administrator

The Company has appointed the Administrator to act as its administrator pursuant to the terms of the Administration Agreement. The Administrator is a private limited liability company incorporated in Ireland on 6 August 2010 under registration number 487406, and has its registered office at Trinity Point, 10-11 Leinster Street South, Dublin 2.

The Administrator is authorised by the Central Bank to provide investment business services to collective investment schemes. Its services include the calculation of the Net Asset Value, calculation of management and performance fees, establishing and maintaining a register of Shareholders, carrying out the issue and redemption of Shares.

The Administrator is a service provider to the Company and is not responsible for the preparation of this document or the activities of the Company and therefore accepts no responsibility for any information contained in this document other than the description of the Administrator contained in this section.

Pursuant to the Administration Agreement, the Administrator has been appointed to provide certain administration, accounting, registrar, transfer agency and related services to the Manager with respect to the Company. The Administration Agreement will continue until terminated by either party on 90 days' prior written notice to the other party and may be terminated with immediate or subsequent effect by written notice by a party if the other party: (i) has committed a material breach of the Agreement and if capable of remedy, has not remedied such breach within 30 days after service of written notice; or (ii) goes into liquidation, receivership or has an examiner appointed or be unable to pay its debts as they fall due. The Administration Agreement provides that in the absence of fraud, negligence, bad faith, recklessness or wilful default of the Administrator, the Administrator will not be liable for any loss incurred by the Company or its delegates arising out of or in connection with the performance of its obligations under the Administration Agreement. The Company agrees to indemnify the Administrator against all actions, proceedings, claims, costs, demands and expenses suffered by the Administrator in the performance or non-performance of its obligations and duties under the Administration Agreement provided that such indemnity shall not apply to the extent that such actions, proceedings, claims, costs, demands and expenses arise from the negligence, fraud, bad faith, wilful default or recklessness of the Administrator or its delegates, servants or agents.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the assets of the Funds other than through providing the services under the Administration Agreement and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosure relating to it.

The Depositary

Pursuant to the Depositary Agreement and for the purposes of and in compliance with the Regulations, BNP Paribas Securities Services Dublin Branch was appointed as depositary of the Company and its Funds.

The Depositary is a branch of BNP Paribas Securities Services S.C.A., a company incorporated in France as a partnership limited by shares and is authorised by the ACP (Autorité de Controle Prudential) and supervised by the AMF (Autorité des Marchés Financiers), whose head office is at 3 rue d'Antin, 75002 Paris, France. It is owned up to 99.99% by BNP Paribas Group, one of Europe's largest banks.

The Depositary acts, inter alia, as depositary of a number of collective investment schemes. The Depositary's main business activity consists of providing custody and related services to collective investment schemes and other portfolios.

The Depositary is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Company and is responsible and liable only for the trustee and custodial services that it provides to the Company pursuant to the Depositary Agreement.

The Depositary is a service provider to the Company and is not responsible for the preparation of this document or the activities of the Company and therefore accepts no responsibility for any information contained in this document other than the relevant descriptions. The Depositary will not participate in the Company's investment decision-making process.

The Depositary provides services to the Company as set out in the Depositary Agreement and, in doing so, shall comply with the Regulations.

Depositary Liability

Pursuant to the Depositary Agreement, the Depositary will be liable to the Company and its Shareholders for the loss of financial instruments held in custody (i.e. those assets which are required to be held in custody pursuant to the Regulations) or in the custody of any sub-custodian, unless it can prove that such loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall also be liable for all other losses suffered by the Company and its Shareholders as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the Regulations.

The Depositary's liability to the investors of the Company may be invoked directly or indirectly though the Manager or the Company provided this does not lead to duplication of redress or to unequal treatment of Shareholders.

Depositary Delegation and Conflicts

The Depositary may delegate its safekeeping functions to one or more delegates in accordance with, and subject to the Regulations and on the terms set out in the Depositary Agreement. The performance of the safekeeping function of the Depositary in respect of certain of the Funds' assets has been delegated to the Depositary's global sub-custodian, The global sub-custodian proposes to further delegate these responsibilities to sub-delegates, the identities of which are set forth in Schedule IV hereto. Investors should note that the list of sub-custodian is updated only at each Prospectus review. An up-to-date list of any such delegate(s) or sub-delegates is available from the Depositary on request. The Depositary will have certain tax information-gathering, reporting and withholding obligations relating to payments arising in respect of assets held by the Depositary or a delegate on its behalf.

The liability of the Depositary will not be affected by the fact that it has delegated safekeeping to a third party.

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

Up-to-date Information

Up-to-date information regarding the name of the Depositary, any conflicts of interest and delegations of the Depositary's safekeeping functions will be made available by the Depositary to Shareholders on request.

The Depositary Agreement

The Depositary Agreement shall continue in force until terminated by any party giving to the other parties not less than 3 months' notice in writing and may be terminated with immediate or subsequent effect by written notice by a party if the other party: (i) has committed a material breach of the Depositary Agreement and if capable of remedy, has not remedied such breach within 30 days after service of written notice; or (ii) if a resolution is passed or an order is made to wind-up the other party, a receiver or an examiner is appointed or the Depositary is otherwise no longer permitted to perform its obligations provided that the Depositary shall continue to act as depositary until a successor depositary approved by the Central Bank is appointed by the Depositary or the Company's authorisation by the Central Bank is revoked.

The Company may not terminate the appointment of the Depositary and the Depositary may not retire from such appointment unless and until a successor Depositary (approved by the Central Bank) shall have been appointed in accordance with the Articles of Association and with the prior approval of the Central Bank.

If the Depositary shall have given to the Company notice of its desire to retire from its appointment and no successor shall have been appointed within 90 days from the giving of such notice, then the Company shall serve written notice on the Shareholders of its intention to convene an extraordinary general meeting at which a resolution to wind-up the Company will be considered.

The Company shall, out of the assets of the relevant Fund, indemnify the Depositary, branches, affiliates directors, officers, servants, employees and agents ("Indemnified Persons") on an after-tax basis from and against any and all losses of any kind or nature arising directly out of:

(a) any custody risk or segregation risk identified by the Depositary for which it has no liability pursuant to the Depositary Agreement and the Regulations;
(b) the proper execution of authorised instructions or the failure to execute authorised instructions in each case in accordance with the terms of the Depositary Agreement.
(c) actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the assets) and against all costs, demands and expenses (including legal and professional expenses) arising out of or in connection therewith which may be brought against, or directly incurred by, the Depositary by reason of its proper performance or non-performance of its duties under the terms of the Depositary Agreement; and
(d) any deficiencies caused by the transfer to the Depositary of any custody activities previously carried out by another depositary and any failings of the previous depositary of the Company.

Paying Agents and Local Representatives

The Company, the Manager or their duly authorised delegates may appoint such paying agents and local representatives as may be required to facilitate the authorisation or registration of the Company, a Fund and/or the marketing of any of the Shares in any jurisdictions.

Local regulations in certain jurisdictions may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary entity rather than directly to/from the Administrator or the Depositary (e.g. a distributor or agent in the local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator or the Depositary for the account of a Fund; and (b) redemption monies payable by such intermediate entity to the relevant investor. The fees of distributors and paying agents will be borne by the relevant Fund and shall be at normal commercial rates.

TAXATION

General

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

The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.

Dividends, interest and capital gains (if any) which the Company or any of the Funds receive with respect to their investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. 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 repayment.

Irish Taxation

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes the taxation position of the Company and the Shareholders is as set out below.

Definitions

For the purposes of this section, the following definitions shall apply.

"Irish Resident"

- in the case of an individual, means an individual who is resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is resident in Ireland for tax purposes.
- in the case of a company, means a company that is resident in Ireland for tax purposes.

An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day. This new test takes effect from 1 January 2009 (previously in determining days present in Ireland an individual was deemed to be present if he/she was in Ireland at the end of the day (midnight)).

A trust will generally be Irish resident where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland.

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where:-

- the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or in countries with which Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a treaty country under a double taxation treaty between Ireland and that country. This exception does not apply where it would result in an Irish incorporated company that is managed and controlled in a relevant territory (other than Ireland), but would not be resident in that relevant territory as it is not incorporated there, not being resident for tax purposes in any territory;

  or

- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

The Finance Act 2014 amended the above residency rules for companies incorporated on or after 1 January 2015. These new residency rules will ensure that companies incorporated in Ireland and also companies not so incorporated but that are managed and controlled in Ireland, will be tax resident in Ireland except to the extent that the company in question is, by virtue of a double taxation treaty between Ireland and another country, regarded as resident in a territory other than Ireland (and thus not resident in Ireland). For companies incorporated before this date these new rules will not come into effect until 1 January 2021 (except in limited circumstances).

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and potential investors are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.

"Ordinarily Resident in Ireland"

- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes;

- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2017 to 31 December 2017 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2020 to 31 December 2020.

The concept of a trust's ordinary residence is somewhat obscure and linked to its tax residence.

"Exempt Irish Investor"

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the

Shares held are assets of an approved retirement fund or an approved minimum retirement fund;

- a qualifying management company within the meaning of Section 739B of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a personal retirement savings account ("PRSA") administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of Section 37 of the National treasury Management Agency (Amendment Act) 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Company; or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company;

provided that they have correctly completed the Relevant Declaration.

"Intermediary" means a person who:-

- carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- holds shares in an investment undertaking on behalf of other persons.

"Recognised Clearing System" means any clearing system listed in Section 246A of the Taxes Act (including, but not limited to, Euroclear, Clearstream Banking AG, Clearstream Banking SA and CREST) or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners, as a recognised clearing system.

"Relevant Declaration" means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act.

"Relevant Period" means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.

"Taxes Act" means the Taxes Consolidation Act, 1997 (of Ireland) as amended.

The Company

The Company will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Company is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

The Directors have been advised that the Company qualifies as an investment undertaking as defined in Section 739B (1) of the Taxes Act. Under current Irish law and practice, the Company is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares or the appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration or the Company satisfying and availing of equivalent measures (see paragraph headed "*Equivalent Measures"* below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

- An exchange by a Shareholder, effected by way of an arms-length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;
- Any transactions (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
- A transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Company with another investment undertaking.

If the Company becomes liable to account for tax if a chargeable event occurs, the Company shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Company can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

Stamp Duty

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act or a "qualifying company" within the meaning of Section 110 of the Taxes Act) which is registered in Ireland.

Shareholders Tax

Shares which are held in a Recognised Clearing System

Any payments to a Shareholder or any encashment, redemption, cancellation or transfer of Shares held in a Recognised Clearing System will not give rise to a chargeable event in the Company (there is however ambiguity in the legislation as to whether the rules outlined in this paragraph with regard to Shares held in a Recognised Clearing System, apply in the case of chargeable events arising on a deemed disposal, therefore, as previously advised, Shareholders should seek their own tax advice in this regard). Thus the Company will not have to deduct any Irish taxes on such payments regardless of whether they are held by Shareholders who are Irish Residents or Ordinarily Resident in Ireland, or whether a non-resident Shareholder has made a Relevant Declaration. However, Shareholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Shares are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Shares.

To the extent any Shares are not held in a Recognised Clearing System at the time of a chargeable event (and subject to the discussion in the previous paragraph relating to a chargeable event arising on a deemed disposal), the following tax consequences will typically arise on a chargeable event.

Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland.

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration on or about the time when the Shares are applied for or acquired by the Shareholder and (c) the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the Company satisfying and availing of equivalent measures (see paragraph headed "*Equivalent Measures*" below) tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the Company on the occasion of a chargeable event provided that either (i) the Company satisfied and availed of the equivalent measures or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the Company has satisfied and availed of the equivalent measures or (ii) such Shareholders have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares.

Where tax is withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

Shareholders who are Irish Residents or Ordinarily Resident in Ireland

Unless a Shareholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Shares are purchased by the Courts Service, tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) will be required to be deducted by the Company from a distribution (where payments are made annually or at more frequent intervals) to a Shareholder who is Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) will have to be deducted by the Company on any other distribution or gain arising to the Shareholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Shares by a Shareholder who is Irish Resident or Ordinarily Resident in Ireland.

The Finance Act 2006 introduced rules (which were subsequently amended by the Finance Act 2008) in relation to an automatic exit tax for Shareholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Shares held by them in the Company at the ending of a Relevant Period. Such Shareholders (both companies and individuals) will be deemed to have disposed of their Shares ("deemed disposal") at the expiration of that Relevant Period and will be charged to tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) on any deemed gain (calculated without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Shares since purchase or since the previous exit tax applied, whichever is later.

For the purposes of calculating if any further tax arises on a subsequent chargeable event (other than chargeable events arising from the ending of a subsequent Relevant Period or where payments are made annually or at more frequent intervals), the preceding deemed disposal is initially ignored and the appropriate tax calculated as normal. Upon calculation of this tax, credit is immediately given against this tax for any tax paid as a result of the preceding deemed disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding deemed disposal, the Company will have to deduct the difference. Where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal, the Company will refund the Shareholder for the excess (subject to the paragraph headed "*15% threshold*" below).

<u>10% Threshold</u>

The Company will not have to deduct tax ("exit tax") in respect of this deemed disposal where the value of the chargeable shares (i.e. those Shares held by Shareholders to whom the declaration procedures do not apply) in the Company (or Fund being an umbrella scheme) is less than 10% of the value of the total Shares in the Company (or the Fund) and the Company has made an election to report certain details in respect of each affected Shareholder to Revenue (the "Affected Shareholder") in each year that the de minimus limit applies. In such a situation the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Shareholder on a self-assessment basis ("self-assessors") as opposed to the Company or Fund (or their service providers). The Company is deemed to have made the election to report once it has advised the Affected Shareholders in writing that it will make the required report.

<u>15 % Threshold</u>

As previously stated where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal (e.g. due to a subsequent loss on an actual disposal), the Company will refund the Shareholder the excess. Where however immediately before the subsequent chargeable event, the value of chargeable shares in the Company (or Fund being an umbrella scheme) does not exceed 15% of the value of the total Shares, the Company may elect to have any excess tax arising repaid directly by Revenue to the Shareholder. The Company is deemed to have made this election once it notifies the Shareholder in writing that any repayment due will be made directly by Revenue on receipt of a claim by the Shareholder.

Other

To avoid multiple deemed disposal events for multiple units an irrevocable election under Section 739D(5B) can be made by the Company to value the Shares held at the 30th June or 31st December of each year prior to the deemed disposal occurring. While the legislation is ambiguous, it is generally understood that the intention is to permit a fund to group shares in six month batches and thereby make it easier to calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

The Irish Revenue Commissioners have provided updated investment undertaking guidance notes which deal with the practical aspects of how the above calculations/objectives will be accomplished.

Shareholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of their Shares. Alternatively they may be entitled to a refund of all or part of any tax deducted by the Company on a chargeable event.

Equivalent Measures

Finance Act 2010 ("Act") introduced measures commonly referred to as equivalent measures to amend the rules with regard to Relevant Declarations. The position prior to the Act was that no tax would arise on an investment undertaking with regard to chargeable events in respect of a shareholder who was neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, provided that a Relevant Declaration was in place and the investment undertaking was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of a Relevant Declaration there was a presumption that the investor was Irish Resident or Ordinarily Resident in Ireland. The Act however contained provisions that permit the above exemption in respect of shareholders who are not Irish Resident nor Ordinarily Resident in Ireland to apply where the investment undertaking is not actively marketed to such investors and appropriate equivalent measures are put in place by the investment undertaking to ensure that such shareholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Revenue Commissioners in this regard.

Personal Portfolio Investment Undertaking ("PPIU")

The Finance Act 2007 introduced provisions regarding the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold shares in investment undertakings. These provisions introduced the concept of a personal portfolio investment undertaking ("PPIU"). Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor can influence the selection of some or all of the property held by the investment undertaking either directly or through persons acting on behalf of or connected to the investor. Depending on individuals' circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors i.e. it will only be a PPIU in respect of those individuals' who can "influence" selection. Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual on or after 20th February 2007, will be taxed at the rate of 60%. Specific exemptions apply where the property invested in has been widely marketed and made available to the public or for non-property investments entered into by the investment undertaking. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

Reporting

Pursuant to Section 891C of the TCA and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares held by investors to the Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the value of the Shares held by, a Shareholder. In respect of Shares acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. No details are to be reported in respect of Shareholders who are:

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

Capital Acquisitions Tax

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Company falls within the definition of investment undertaking (within the meaning of Section 739B (1) of the Taxes Act), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Shareholder disposing ("disponer") of the Shares is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponer will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless;

i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and
ii) that person is either resident or ordinarily resident in Ireland on that date.

European Union – Taxation of Savings Income Directive

On 10 November 2015 the Council of the European Union adopted a Council Directive repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as reporting and exchange of information relating to and account for withholding taxes on payments made before those dates). This is to prevent overlap between the Savings Directive and the new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) (see section entitled "Common Reporting Standards" below).

Compliance with US reporting and withholding requirements

The foreign account tax compliance provisions ("FATCA") of the Hiring Incentives to Restore Employment Act 2010 represent an expansive information reporting regime enacted by the United States ("US") aimed at ensuring that Specified US Persons with financial assets outside the US are paying the correct amount of US tax. FATCA will generally impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) paid to a foreign financial institution ("FFI") unless the FFI enters directly into a contract ("FFI agreement") with the US Internal Revenue Service ("IRS") or alternatively the FFI is located in a IGA country (please see below). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the Company would fall within the definition of a FFI for the purpose of FATCA.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement ("Irish IGA") on the 21st December 2012 and provisions were included in Finance Act 2013 for the implementation of the Irish IGA and also to permit regulations to be made by the Irish Revenue Commissioners with regard to registration and reporting requirements arising from the Irish IGA. In this regard, the Revenue Commissioners (in conjunction with the Department of Finance) have issued Regulations – S.I. No. 292 of 2014 which is effective from 1 July 2014. Supporting Guidance Notes (which will be updated on an ad-hoc basis) were first issued by the Irish Revenue Commissioners on 1 October 2014 with the most recent version being issued in May 2016.

The Irish IGA is intended to reduce the burden for Irish FFIs of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish FFI (unless the FFI is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners. The Irish Revenue Commissioners will then provide such information to the IRS (by the 30th September of the following year) without the need for the FFI to enter into a FFI agreement with the IRS. Nevertheless, the FFI will generally be required to register with the IRS to obtain a Global Intermediary Identification Number commonly referred to as a GIIN.

Under the Irish IGA, FFIs should generally not be required to apply 30% withholding tax. To the extent the Company does suffer US withholding tax on its investments as a result of FATCA, the Directors may take any action in relation to an investor's investment in the Company to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI gave rise to the withholding.

Common Reporting Standards

On 14 July 2014, the OECD issued the Standard for Automatic Exchange of Financial Account Information ("the Standard") which therein contains the Common Reporting Standard ("CRS"). The subsequent introduction of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information and the EU Council Directive 2014/107/EU (amending Council Directive 2011/16/EU) provides the international framework for the implementation of the CRS by Participating Jurisdictions. In this regard, the CRS was implemented into Irish law by the inclusion of relevant provisions in Finance Act 2014 and 2015 and the issuance of Regulation S.I. No. 583 of 2015.

The main objective of the CRS is to provide for the annual automatic exchange of certain financial account information between relevant tax authorities of Participating Jurisdictions.

The CRS draws extensively on the intergovernmental approach used for the purposes of implementing FATCA and, as such, there are significant similarities between both reporting mechanisms. However, whereas FATCA essentially only requires reporting of specific information in relation to Specified US Persons to the IRS, the CRS has a significantly wider ambit due to the multiple jurisdictions participating in the regime.

Broadly speaking, the CRS will require Irish Financial Institutions to identify Account Holders resident in other Participating Jurisdictions and to report specific information in relation to the these Account Holders to the Irish Revenue Commissioners on an annual basis (which, in turn, will provide this information to the relevant tax authorities where the Account Holder is resident). In this regard, please note that the Company will be considered an Irish Financial Institution for the purposes of the CRS. For further information on the CRS requirements of the Company, please refer to the below "Customer Information Notice".

Customer Information Notice

The Company intends to take such steps as may be required to satisfy any obligations imposed by (i) the Standard and, specifically, the CRS therein or (ii) any provisions imposed under Irish law arising from the Standard or any international law implementing the Standard (to include the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or the EU Council Directive 2014/107/EU (amending Council Directive 2011/16/EU)) so as to ensure compliance or deemed compliance (as the case may be) with the Standard and the CRS therein from 1 January 2016.

The Company is obliged under Section 891F and Section 891G of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to that section to collect certain information about each

Shareholder's tax arrangements.

In certain circumstances the Company may be legally obliged to share this information and other financial information with respect to a Shareholder's interests in the Company with the Irish Revenue Commissioners. In turn, and to the extent the account has been identified as a Reportable Account, the Irish Revenue Commissioners will exchange this information with the country of residence of the Reportable Person(s) in respect of that Reportable Account.

In particular, the following information will be reported by the Company to the Irish Revenue Commissioners in respect of each Reportable Account maintained by the Company;

- The name, address, jurisdiction of residence, tax identification number and date and place of birth (in the case of an individual) of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of the due diligence procedures consistent with CRS is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, jurisdiction of residence and tax identification number of the Entity and the name, address, jurisdiction of residence, TIN and date and place of birth of each such Reportable Person;
- The account number (or functional equivalent in the absence of an account number);
- The account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the date of closure of the account;
- The total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period;
- The currency in which each amount is denominated.

Please note that in certain limited circumstances it may not be necessary to report the tax identification number and date of birth of a Reportable Person.

In addition to the above, the Irish Revenue Commissioners and Irish Data Protection Commissioner have confirmed that Irish Financial Institutions (such as the Company) may adopt the "wider approach" for CRS. This allows the Company to collect data relating to the country of residence and the tax identification number from all non-Irish resident Shareholders. The Company can send this data to the Irish Revenue Commissioners who will determine whether the country of origin is a Participating Jurisdiction for CRS purposes and, if so, exchange data with them. Revenue will delete any data for non-Participating Jurisdictions.

The Irish Revenue Commissioners and the Irish Data Protection Commissioner have confirmed that this wider approach can be undertaken for a set 2-3 year period pending the resolution of the final CRS list of Participating Jurisdictions.

Shareholders can obtain more information on the Company's tax reporting obligations on the website of the Irish Revenue Commissioners (which is available at http://www.revenue.ie/en/business/aeoi/index.html) or the following link in the case of CRS only: http://www.oecd.org/tax/automatic-exchange/.

All capitalised terms above, unless otherwise defined in this paragraph, shall have the same meaning as they have in the Standard and EU Council Directive 2014/107/EU (as applicable).

Certain UK Tax Considerations

General

The following is a summary of certain limited aspects of the expected UK tax treatment of the Company and Shareholders who are resident and, if an individual, domiciled (or deemed domiciled for UK tax purposes) in, and only in, the United Kingdom for tax purposes and who beneficially own Shares as an investment. They do not apply to certain classes of Shareholders, such as dealers in securities, insurance companies, collective investment schemes and Shareholders who have, or are deemed to have, acquired their Shares by reason of, or in connection with, an office or employment. This summary is based upon UK tax law currently in force and upon the generally published practice of HM Revenue & Customs ("**HMRC**") (which, in either case, may change, possibly with retrospective effect). This summary is of a general nature only and should not be construed as legal or tax advice to any particular investor. Prospective investors should consult their own professional advisers on the tax implications of their investment in any Fund of the Company. This summary is not comprehensive and is not a guarantee to any investor of the tax results of investing in any Fund of the Company.

Taxation of the Company

It is intended that the affairs of the Company will be managed and conducted in such a way that the Company is not resident in the UK for UK tax purposes. Accordingly, and provided that the Company is not trading in the United Kingdom through a fixed place of business or agent situated therein that constitutes a "permanent establishment" for United Kingdom taxation purposes and that all its trading transactions in the United Kingdom are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, the Company will not be subject to United Kingdom corporation tax or income tax on its profits.

Insofar as the Company does engage in any trading activities in the UK, the Board of Directors of the Company and the Investment Manager each intend that the respective affairs of the Company and the Investment Manager are conducted so that these requirements are met, insofar as this is within their respective contro. It cannot, however, be guaranteed that the conditions of this exemption will at all times be met.

Certain interest and other amounts received by the Company which have a United Kingdom source may be subject to withholding or other taxes in the United Kingdom.

Taxation of UK Resident Shareholders

Subject to their personal circumstances, Shareholders resident in the UK for UK tax purposes will be liable to UK income tax or UK corporation tax in respect of any dividends or other distributions of income arising from an investment in Shares whether or not such distributions are re-invested, together with their share of income retained by a reporting fund (as to which see below). Under Part 9A of the Corporation Tax Act 2009, however, corporate Shareholders who are resident in the UK for UK tax purposes and who meet certain conditions may be eligible for an exemption from the charge to UK corporation tax on dividends and other distributions by the Company (though see below in relation to **Bond Funds**).

The UK tax treatment of gains derived from the disposal of Shares in the Company will be affected by the tax regime for offshore funds set out in Part 8 of the Taxation (International and Other Provisions) Act 2010 and the Offshore Funds (Tax) Regulations 2009 (as amended) (together, the "**Offshore Fund Rules**"). Each Class of Shares in a Fund issued by the Company will be treated as if it were a separate "offshore fund" for UK tax purposes.

The Offshore Fund Rules operate by reference to whether a fund is approved by HMRC as a "reporting fund" or not ("non-reporting fund").

If any Class of Shares is a reporting fund throughout a Shareholder's period of ownership, any gains arising on a disposal of Shares of that Class will normally be treated for UK tax purposes as capital gains. If any Class of Shares is not a reporting fund throughout a Shareholder's period of ownership, any gains arising on a disposal of Shares of that Class would be treated for UK tax purposes as income ("offshore income gains") and not as capital gains.

If any Class of Shares is a reporting fund, UK resident Shareholders will be subject to UK income tax or UK corporation tax on their share of any distributions made by the Company for any period of account, together with their share of any undistributed "reportable income" for that same period of account. UK resident Shareholders in non-reporting funds will not be subject to tax on income retained by the non-reporting fund.

Certain Classes of Shares in Funds of the Company have been recognised by HMRC as having reporting fund status and other Classes of Shares in the Funds do not have reporting fund status. Accordingly, UK resident investors considering an acquisition of Shares in a Fund may wish to consider whether they prefer to hold Shares of a reporting fund or a non-reporting fund and make their investment in the Fund accordingly. The position in respect of any Class of Shares that is a non-reporting fund may be reconsidered in the future and, accordingly, the Board of Directors of the Company reserves the right to apply to HMRC for approval of any Class of Shares as a reporting fund should they deem it appropriate. Shareholders should note that there can be no guarantee that reporting fund status would be obtained and, if obtained, maintained for any Class of Shares.

Special tax treatment for most corporate debt contained in the United Kingdom Corporation Tax Act 2009 (the "Loan Relationship Regime") will apply in relation to Shareholders within the charge to UK corporation tax if, at any time in an accounting period of such a person, that person holds an interest in an "offshore fund" (including a Fund) that has more than 60% by market value of its investments in certain categories of investment, notably, debt securities, money placed at interest (other than cash awaiting investment), building society shares, certain derivative contracts or contracts for differences or holdings in unit trusts or other offshore funds which hold more than 60% by market value of their investments in such categories of investment (such Funds being "**Bond Funds**"). In such a case, the Shares will be treated for corporation tax purposes as within the loan relationships regime and Shareholders within the charge to UK corporation tax will have to bring into account as income for UK tax purposes all income and gains arising from fluctuations in the value of the Shares (calculated in accordance with fair value accounting at the end of each relevant accounting period of the Shareholder and at the date of disposal of the interest). As regards Shareholders within the charge to UK income tax, income distributions made or treated as made by such Funds of the Company that are Bond Funds will be treated as interest distributions for such Shareholders and taxed at the income tax rates applicable to interest payments rather than those applicable to dividends. It is currently anticipated that these rules will apply to at least some of the Funds.

Special tax rules apply to insurance companies and investment trusts, authorised unit trusts, pension funds and open ended investment companies in the UK as well as individuals resident but not domiciled (or deemed domiciled for income tax purposes) in the UK.

Anti-avoidance

The attention of Shareholders who are individuals resident in the UK is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007 (the "transfer of assets abroad rules"). These provisions are aimed at preventing the avoidance of income tax by such individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad, and may render the individuals liable to income tax in respect of undistributed income of the Company on an annual basis. However, these provisions will not apply if the individual can satisfy HMRC that (broadly) the purpose of avoiding liability to UK taxation was not one of the purposes for which the transactions in question were effected or that the transactions in question were genuine commercial transactions and were not more than incidentally designed for the purpose of avoiding liability to UK taxation. If an individual has been charged to income tax on any income deemed to be his under these provisions, and that income is subsequently distributed to him, that individual will not incur a second charge to income tax on that distribution.

The attention of Shareholders who are companies resident in the UK is drawn to the provisions of Part 9A of the Taxation (International and Other Provisions) Act 2010 (the "**CFC Rules**"), which may subject certain UK resident companies to UK corporation tax on the chargeable profits (excluding capital gains) of companies not so resident in which they have an interest by reference to their proportionate interest in such chargeable profits.

The provisions may affect UK resident companies which are deemed to be interested in 25% or more of the profits of a non-resident company which is controlled by residents of the UK and which is resident in a low tax jurisdiction.

Shareholders should note, however, that the CFC Rules focus on the artificial diversion of profits from the UK, using "gateway" provisions to specifically define those profits which are caught. Where a controlled foreign company's profits fall within the "gateway" provisions and are not otherwise excluded by any of the entry conditions, safe harbors or exemptions, any UK resident company with a 25% or more interest in the controlled foreign company may become subject to UK corporation tax on its apportioned share of these profits.

The attention of Shareholders who are resident in the UK is drawn to the provisions of section 3 of the Taxation of Chargeable Gains Act 1992 (formerly section 13 of the same Act) ("**Section 3**"). Under these provisions, if a non-UK resident company would be a "close" company if it were resident in the UK, a proportion of any chargeable gains accruing to the company are attributed for UK tax purposes to "participators" in the company who are resident in the UK and who (together with persons connected with them) hold an interest of more than 25% in the company. The term "participator" would include a Shareholder. That part of any gain attributed to the investor will be equal to the proportion of the gain that corresponds on a just and reasonable basis to that person's proportionate interest in the company as a "participator".

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

Certain U.S. Federal Income Tax Considerations

THE DISCUSSION HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND IS A DISCUSSION PRIMARILY OF THE U.S. TAX CONSEQUENCES TO PROSPECTIVE SHAREHOLDERS. EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN THE COMPANY. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE SHAREHOLDER. IN ADDITION, SPECIAL CONSIDERATIONS (NOT DISCUSSED HEREIN) MAY APPLY TO PERSONS WHO ARE NOT DIRECT SHAREHOLDERS IN THE COMPANY BUT WHO ARE DEEMED TO OWN SHARES AS A RESULT OF THE APPLICATION OF CERTAIN ATTRIBUTION RULES.

The following discussion is a general summary of certain U.S. federal income tax considerations relevant to Shareholders in a Fund. It is based upon the Code, U.S. Treasury Regulations promulgated thereunder, case law and administrative pronouncements all as in effect on the date of this Prospectus and all of which are subject to prospective and retroactive changes. It is not intended as a complete analysis of all possible tax considerations relevant to acquiring, holding or disposing of Shares. The discussion does not consider the circumstances of any particular Shareholder, and prospective shareholders should note that the tax consequences of an investment in a Fund may not be the same for all Shareholders. This discussion also does not address the situation of taxpayers subject to special tax regimes (such as banks and certain other financial institutions, insurance companies, trusts, securities brokers or dealers, S corporations, non-U.S. persons, those subject to the alternative minimum tax, and tax-exempt organizations), nor does it address any state, local or foreign tax consequences of an investment in a Fund.

If an entity treated as a partnership for U.S. federal income tax purposes holds the shares, the U.S. federal income tax treatment of the partnership and an equity holder of the partnership generally depends upon the status of the equity holder and the activities of the partnership. If you are an equity holder in such a partnership holding the shares, you should consult your own tax advisors.

This summary is based on the assumptions that (i) each Shareholder will hold its Shares as a capital asset for U.S. federal income tax purposes and (ii) each Shareholder (and each of its beneficial owners, as necessary under U.S. federal income tax withholding and back-up withholding rules) will provide all appropriate certifications to a Fund in a timely fashion to minimize U.S. withholding (or back-up withholding) on such Shareholder's Shares.

Neither the Company nor any Fund has sought a ruling from the IRS or any other U.S. federal, state or local agency with respect to any of the tax issues affecting the Company or any Fund, nor has the Company or any Fund obtained an opinion of counsel with respect to any U.S. federal tax issues.

The following is a summary of certain potential U.S. federal tax consequences which may be relevant to prospective shareholders. The discussion contained herein is not a full description of the complex tax rules involved and is based upon existing laws, judicial decisions and administrative regulations, rulings and practices, all of which are subject to change, retroactively as well as prospectively. A decision to invest in the Company should be based upon an evaluation of the merits of the trading program, and not upon any anticipated U.S. tax benefits.

U.S. Tax Status

Each Fund intends to operate as a separate corporation for U.S. federal tax purposes separate andapart from the Company and the other Funds, although it cannot be assured that the Company and Funds will be so treated. The remainder of the U.S. tax discussion herein assumes that each Fund will be treated as a separate corporation for U.S. federal tax purposes.

U.S. Trade or Business

Section 864(b)(2) of the Code provides a safe harbor (the "**Safe Harbor**") applicable to a non-U.S. corporation (other than a dealer in securities) that engages in the U.S. in trading securities (including contracts or options to buy or sell securities) for its own account pursuant to which such non-U.S. corporation will not be deemed to be engaged in a U.S. trade or business. The Safe Harbor also provides that a non-U.S. corporation (other than a dealer in commodities) that engages in the United States in trading commodities for its own account is not deemed to be engaged in a U.S. trade or business if "the commodities are of a kind customarily dealt in on an organized commodity exchange and if the transaction is of a kind customarily consummated at such place." Pursuant to proposed regulations, a non-U.S. taxpayer (other than a dealer in stocks, securities, commodities or derivatives) that effects transactions in the United States in derivatives (including (i) derivatives based upon stocks, securities, and certain commodities and currencies, and (ii) certain notional principal contracts based upon an interest rate, equity, or certain commodities and currencies) for its own account is not deemed to be engaged in a United States trade or business. Although the proposed regulations are not final, the IRS has indicated in the preamble to the proposed regulations that for periods prior to the effective date of the proposed regulations, taxpayers may take any reasonable position with respect to the application of Section 864(b)(2) of the Code to derivatives, and that a position consistent with the proposed regulations will be considered a reasonable position. Each Fund intends to conduct its business in a manner so as to meet the requirements of the Safe Harbor. Thus, based on the foregoing, the Funds' securities and commodities trading activities are not expected to constitute a U.S. trade or business and, except in the limited circumstances discussed below, each Fund does not expect to be subject to the regular U.S. income tax on any of its trading profits. However, if certain of a Fund's activities were determined not to be of the type described in the Safe Harbor, such Fund's activities may constitute a U.S. trade or business, in which case such Fund would be subject to U.S. federal income and branch profits tax on the income and gain from those activities which would substantially reduce its income available for distribution to Shareholders.

Even if a Fund's securities trading activity does not constitute a U.S. trade or business, gains realized from the sale or disposition of stock or securities (other than certain debt instruments with no equity component) of U.S. Real Property Holding Corporations (as defined in Section 897 of the Code) ("**USRPHCs**"), including stock or securities of certain Real Estate Investment Trusts ("**REITs**"), will be generally subject to U.S. income tax on a net basis. However, a principal exception to this rule of taxation may apply if such USRPHC has a class of stock which is regularly traded on an established securities market and the Fund generally does not hold (and was not deemed to hold under certain attribution rules) more than 5% (or possibly 10% in certain circumstances) of the value of a regularly traded class of stock or securities of such USRPHC at any time during the five year period ending on the date of disposition. Moreover, if a Fund were deemed to be engaged in a U.S. trade or business as a result of owning a partnership interest in a U.S. business partnership or a similar ownership interest, income and gain realized from that investment would be subject to U.S. income and branch profits tax. A Fund will also be exempt from tax on dispositions of REIT shares, whether or not those shares are regularly traded, if less than 50% of the value of such shares is held, directly or indirectly, by non-U.S. persons at all times during the five-year period ending on the date of disposition. However, even if the disposition of REIT shares would be exempt from tax on a net basis, distributions from a REIT (whether or not such REIT is a USRPHC), to the extent attributable to the REIT's disposition of interests in U.S. real property, are subject to tax on a net basis when received by a Fund and may be subject to the branch profits tax. Distributions from certain publicly traded REITs to non-U.S. shareholders owning 10% or less of the shares are subject to a 30% gross withholding tax on those distributions and are not subject to tax on a net basis.

Identity and Reporting of Beneficial Ownership and Withholding on Certain Payments

In order to avoid a U.S. withholding tax of 30% on certain payments made with respect to certain actual and deemed U.S. investments, the Company and each Fund generally will be required to register with the IRS and agree to identify, and report information with respect to, certain of their direct and indirect U.S. account holders (including debtholders and equity holders). A non-U.S. investor in a Fund will generally be required to provide to such Fund information which identifies its direct and indirect U.S. ownership. Any such information provided to a Fund will be shared with the IRS. A non-U.S. investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code will also generally be required to register with the IRS and agree to identify, and report information with respect to, certain of its own direct and indirect U.S. account holders (including debtholders and equity holders). A non-U.S. investor who fails to provide such information to a Fund, or register and agree to identify such account holders, may be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of such Fund, and the Board of Directors may take any action in relation to an investor's Shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding. Shareholders should consult their own tax advisors regarding the possible implications of these rules on their investments in a Fund.

Non-U.S. shareholders may also be required to make certain certifications to the Company or a Fund as to the beneficial ownership of the Shares and the non-U.S. status of such beneficial owner, in order to be exempt from U.S. information reporting and backup withholding on a redemption of Shares.

U.S. Withholding Tax

In general, under Section 881 of the Code, a non-U.S. corporation which does not conduct a U.S. trade or business is nonetheless subject to tax at a flat rate of 30% (or lower tax treaty rate) on the gross amount of certain U.S. source income which is not effectively connected with a U.S. trade or business, generally payable through withholding. Income subject to such a flat tax rate is of a fixed or determinable annual or periodic nature, including dividends, certain "dividend equivalent payments" and certain interest income.

Certain types of income are specifically exempted from the 30% tax and thus withholding is not required on payments of such income to a non-U.S. corporation. The 30% tax does not apply to U.S. source capital gains (whether long or short-term) or to interest paid to a non-U.S. corporation on its deposits with U.S. banks. The 30% tax also does not apply to interest which qualifies as portfolio interest. The term "portfolio interest" generally includes interest (including original issue discount) on an obligation in registered form which has been issued after July 18, 1984 and with respect to which the person who would otherwise be required to deduct and withhold the 30% tax receives the required statement that the beneficial owner of the obligation is not a U.S. person within the meaning of the Code.

Redemption of Shares

Gain realized by Shareholders who are not U.S. persons within the meaning of the Code ("**non-U.S. shareholders**") upon the sale, exchange or redemption of Shares held as a capital asset should generally not be subject to U.S. federal income tax provided that the gain is not effectively connected with the conduct of a trade or business in the U.S. However, in the case of nonresident alien individuals, such gain will be subject to the 30% (or lower tax treaty rate) U.S. tax if (i) such person is present in the U.S. for 183 days or more during the taxable year (on a calendar year basis unless the nonresident alien individual has previously established a different taxable year); and (ii) such gain is derived from U.S. sources.

Generally, the source of gain upon the sale, exchange or redemption of Shares is determined by the place of residence of the shareholder. For purposes of determining the source of gain, the Code defines residency in a manner that may result in an individual who is otherwise a nonresident alien with respect to the U.S. being treated as a U.S. resident only for purposes of determining the source of income. Each potential individual shareholder who anticipates being present in the U.S. for 183 days or more (in any taxable year) should consult his tax advisor with respect to the possible application of this rule.

Gain realized by a non-U.S. shareholder engaged in the conduct of a U.S. trade or business will be subject to U.S. federal income tax upon the sale, exchange or redemption of Shares if such gain is effectively connected with its U.S. trade or business.

Tax-Exempt U.S. Persons

The term "**Tax-Exempt U.S. Person**" means a U.S. person within the meaning of the Code that is exempt from payment of U.S. federal income tax. Generally, a Tax-Exempt U.S. Person is exempt from U.S. federal income tax on certain categories of income, such as dividends, interest, capital gains and similar income realized from securities investment or trading activity. This type of income is exempt even if it is realized from securities trading activity which constitutes a trade or business. This general exemption from tax does not apply to the "unrelated business taxable income" ("**UBTI**") of a Tax-Exempt U.S. Person. Generally, except as noted above with respect to certain categories of exempt trading activity, UBTI includes income or gain derived from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the Tax-Exempt U.S. Person's exempt purpose or function. UBTI also includes (i) income derived by a Tax-Exempt U.S. Person from debt-financed property; and (ii) gains derived by a Tax-Exempt U.S. Person from the disposition of debt-financed property.

In 1996, Congress considered whether, under certain circumstances, income derived from the ownership of the shares of a non-U.S. corporation should be treated as UBTI to the extent that it would be so treated if earned directly by the shareholder. Subject to a narrow exception for certain insurance company income, Congress declined to amend the Code to require such treatment. Accordingly, based on the principles of that legislation, a Tax-Exempt U.S. Person investing in a non-U.S. corporation such as a Fund is not expected to realize UBTI with respect to an unleveraged investment in Shares. Tax- Exempt U.S. Persons are urged to consult their own tax advisors concerning the U.S. tax consequences of an investment in a Fund.

There are special considerations which should be taken into account by certain beneficiaries of charitable remainder trusts that invest in a Fund. Charitable remainder trusts should consult their own tax advisors concerning the tax consequences of such an investment on their beneficiaries.

U.S. Persons that are not Tax-Exempt U.S. Persons

The Company and each Fund will be classified as a passive foreign investment company ("**PFIC**") for federal income tax purposes. In addition, it is possible that the Company or a Fund will be a controlled foreign corporation ("**CFC**"). Under the PFIC rules, U.S. persons within the meaning of the Code that are not Tax Exempt U.S. Persons ("**Non Tax-Exempt U.S. Persons**") are subject to U.S. federal income taxation with respect to their investment in the Company under one of three methods. Under the "interest charge" method, a Non Tax-Exempt U.S. Person is generally liable for tax (at ordinary income rates) plus an interest charge reflecting the deferral of tax liability (which is not deductible by an individual) when it pledges or sells its Shares at a gain or receives a distribution from the Company or a Fund. Furthermore, the estate of a deceased individual Non Tax-Exempt U.S. Person will be denied a tax-free "step-up" in the tax basis to fair market value for Shares held by that deceased individual that were subject to the "interest charge" method.

Alternatively, a Non Tax-Exempt U.S. Person can make an election under the PFIC rules to have a Fund treated as a qualified electing fund ("**QEF**") with respect to its Shares in such Fund. A Shareholder that has made the QEF election, which may only be revoked with the consent of the IRS, is generally taxed currently on its proportionate share of the ordinary earnings and net long-term capital gains of the applicable Fund, whether or not the earnings or gains are distributed. In addition, Fund expenses, if any, that are properly capitalized will not be deductible for purposes of calculating the income included as a result of the QEF election. If the PFIC realizes a net loss in a particular year, under the QEF rules, that loss will not pass through to the Non Tax-Exempt U.S. Person nor will it be netted against the income of any other PFIC with respect to which a QEF election has been made. Moreover, the loss also cannot be carried forward to reduce inclusions of income with respect to the PFIC in subsequent years. Instead, a Non Tax-Exempt U.S. Person would only realize the loss in calculating its gain or loss when it disposes of its shares in the PFIC. A Non Tax-Exempt U.S. Person should also note that under the QEF rules, it may be taxed on income related to unrealized appreciation in the PFIC's assets attributable to periods prior to the investor's investment in the PFIC if such amounts are recognized by the PFIC after the investor acquires Shares. Moreover, any net short-term capital gains of the PFIC will not pass through as capital gains, but will be taxed as ordinary income. In order for a shareholder to be eligible to make a QEF election, the Company would have to agree to provide certain tax information to such shareholder on an annual basis. The Company intends to provide such information, although we cannot assure you that each Fund will be able to do so.

Finally, if a Fund's shares are considered "marketable", a Non Tax-Exempt U.S. Person would be able to elect to mark its shares to market at the end of every year. Any such mark to market gain or loss would be considered ordinary. Ordinary mark to market losses would only be allowed to the extent of prior mark to market gains. However, as a result of the definition of "marketable" adopted in regulations, the Company does not anticipate that, with respect to any Fund, the Shares would be eligible for the mark to market election.

Even though the PFIC rules apply, if the Company or a Fund is also a CFC, other rules could apply in addition to the PFIC rules that could cause a Non Tax-Exempt U.S. Person to (i) recognize taxable income prior to his or her receipt of distributable proceeds; or (ii) recognize ordinary taxable income that would otherwise have been treated as long-term or short-term capital gain. Furthermore, the calculation of (a) "net investment income" for purposes of the 3.8% Medicare tax; and (b) taxable income for purposes of the regular income tax may be different with respect to certain income, including income from PFICs and CFCs. In addition, the Medicare tax and the regular income tax may be due in different taxable years with respect to the same income.

INASMUCH AS NON TAX-EXEMPT U.S. PERSONS ARE SUBJECT TO POTENTIALLY ADVERSE TAX CONSEQUENCES IF THEY INVEST IN THE COMPANY OR A FUND AND THE FOREGOING SUMMARY IS ONLY A BRIEF OVERVIEW OF HIGHLY COMPLEX RULES, SUCH POTENTIAL INVESTORS ARE STRONGLY URGED TO CONSULT WITH THEIR OWN TAX ADVISORS BEFORE INVESTING IN THE COMPANY.

Reporting Requirements for U.S. Persons

Any United States person within the meaning of the Code who holds shares in a PFIC (other than certain Tax-Exempt U.S. Persons for whom an investment in such PFIC does not generate UBTI) such as the Company or a Fund is generally required to report its investment in the PFIC on an annual basis. Furthermore, such persons who are individuals will generally be required to make additional tax filings if their aggregate investment in certain non-U.S. financial assets (including interests in entities such as the Company) exceeds U.S.$50,000. Such filing requirements may be extended to certain U.S. entities who are formed or availed for the purpose of making investments in non-U.S. entities such as the Company or a Fund.

Any U.S. person within the meaning of the Code owning 10% or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the shares (the "**10% Amount**") of a non-U.S. corporation such as the Company or a Fund will likely be required to file an information return with the IRS containing certain disclosure concerning the filing shareholder, other shareholders and the corporation. Any U.S. person within the meaning of the Code who within such U.S. person's tax year (A) acquires shares in a non-U.S. corporation such as the Company or a Fund, so that either (i) without regard to shares already owned, such U.S. person acquires the 10% Amount; or (ii) when added to shares already owned by the U.S. person, such U.S. person's total holdings in the non-U.S. corporation reaches the 10% Amount; or (B) disposes of shares in a non-U.S. corporation so that such U.S. person's total holdings in the non-U.S. corporation falls below the 10% Amount (in each such case, taking certain attribution rules into account), will likely be required to file an information return with the IRS containing certain disclosure concerning the filing shareholder, other shareholders and the corporation. Any U.S. person within the meaning of the Code that owns, directly or indirectly or constructively the 10% Amount of a CFC will also likely be required to file an information return with the IRS relating to the filing shareholder's share of such Fund's global intangible low-taxed income, if any. The Company has not committed to provide all of the information about any Fund or its shareholders needed to complete these returns. In addition, a U.S. person within the meaning of the Code that transfers cash to a non-U.S. corporation such as the Company or a Fund may be required to report the transfer to the IRS if (i) immediately after the transfer, such person holds (directly, indirectly or by attribution) at least 10% of the total voting power or total value of such corporation; or (ii) the amount of cash transferred by such person (or any related person) to such corporation during the twelve-month period ending on the date of the transfer exceeds U.S.$100,000.

Certain U.S. persons ("**potential filers**") who have an interest in a foreign financial account during a calendar year are generally required to file FinCEN Form 114 (an "**FBAR**") with respect to such account. Failure to file a required FBAR may result in civil and criminal penalties. Under existing regulatory guidance, potential filers who do not own (directly or indirectly) more than 50% of the voting power or total value of the shares of the Company or a Fund, generally are not obligated to file an FBAR with respect to an investment in the Company or such Fund. However, potential filers should consult their own advisors regarding the current status of this guidance.

Furthermore, certain U.S. persons within the meaning of the Code may have to file Form 8886 ("**Reportable Transaction Disclosure Statement**") with their U.S. tax return, and submit a copy of Form 8886 with the Office of Tax Shelter Analysis of the IRS if the Company or a Fund engages in certain "reportable transactions" within the meaning of U.S. Treasury Regulations. If the IRS designates a transaction as a reportable transaction after the filing of a reporting shareholder's tax return for the year in which the Company, a Fund or such reporting shareholder participated in the transaction, the reporting shareholder may have to file Form 8886 with respect to that transaction within 90 days after the IRS makes the designation. Shareholders required to file this report include a U.S. person within the meaning of the Code if either (1) the Company or a Fund is treated as a CFC and such U.S. person owns the 10% Amount in respect of the Company or a Fund or (2) such U.S. person owns the 10% Amount in respect of the Company or a Fund and makes a QEF election with respect to the Company or such Fund. In certain situations, there may also be a requirement that a list be maintained of persons participating in such reportable transactions, which could be made available to the IRS at its request. Moreover, if a U.S. person within the meaning of the Code recognizes a loss upon a disposition of Shares, such loss could constitute a "reportable transaction" for such shareholder, and such shareholder would be required to file Form 8886. A significant penalty is imposed on taxpayers who fail to make the required disclosure. The maximum penalty is U.S.$10,000 for natural persons and U.S.$50,000 for other persons (increased to U.S.$100,000 and U.S.$200,000, respectively, if the reportable transaction is a "listed" transaction). Shareholders who are U.S. persons within the meaning of the Code (including Tax-Exempt U.S. Persons) are urged to consult their own tax advisors concerning the application of these reporting obligations to their specific situations and the penalty discussed above.

Estate and Gift Taxes; State and Local Taxes

Individual holders of Shares who are neither present nor former U.S. citizens or U.S. residents (as determined for U.S. estate and gift tax purposes) are not subject to U.S. estate and gift taxes with respect to their ownership of such Shares.

A Fund and/or its shareholders also may be subject to U.S. state and local taxes.

Future Changes in Applicable Law

The foregoing description of Ireland, UK and U.S. income tax consequences of an investment in and the operations of the Company and a Fund is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Company or a Fund to income taxes or subject shareholders to increased income taxes.

Other Taxes

Prospective shareholders should consult their own counsel regarding tax laws and regulations of any other jurisdiction which may be applicable to them.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SHAREHOLDERS.

Foreign Account Tax Compliance

Please see the section entitled "Compliance with US reporting and withholding requirements" under the section entitled "Irish Taxation".

Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

INVESTMENTS BY U.S. EMPLOYEE BENEFIT PLANS

The following summary of certain aspects of ERISA is based upon ERISA, judicial decisions, U.S. Department of Labor ("**DOL**") regulations and rulings in existence on the date hereof. This summary is general in nature and does not address every ERISA issue that may be applicable to the Company, a Fund or a particular investor. Accordingly, each prospective investor should consult with its own counsel in order to understand the ERISA issues affecting the Company, each Fund and the investor.

General

Persons who are fiduciaries with respect to a U.S. employee benefit plan or trust within the meaning of and subject to the provisions of ERISA (an "**ERISA Plan**"), an individual retirement account or a Keogh plan subject solely to the provisions of the Code* (an "**Individual Retirement Fund**") should consider, among other things, the matters described below before determining whether to invest in any particular Fund or Funds.

ERISA imposes certain general and specific responsibilities on persons who are fiduciaries with respect to an ERISA Plan, including prudence, diversification, avoidance of prohibited transactions and compliance with other standards. In determining whether a particular investment is appropriate for an ERISA Plan, DOL regulations provide that a fiduciary of an ERISA Plan must give appropriate consideration to, among other things, the role that the investment plays in the ERISA Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the ERISA Plan's purposes, the risk and return factors of the potential investment, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the ERISA Plan, the projected return of the total portfolio relative to the ERISA Plan's funding objectives, and the limitation on the rights of Shareholders to redeem all or a portion of their Shares or to transfer their Shares. Before investing the assets of an ERISA Plan in a Fund, a fiduciary should determine whether such an investment is consistent with its fiduciary responsibilities and the foregoing regulations. For example, a fiduciary should consider whether an investment in such Fund may be too illiquid or too speculative for a particular ERISA Plan and whether the assets of the ERISA Plan would be sufficiently diversified. If a fiduciary with respect to any such ERISA Plan breaches its responsibilities with regard to selecting an investment or an investment course of action for such ERISA Plan, the fiduciary may be held personally liable for losses incurred by the ERISA Plan as a result of such breach.

<u>Plan Assets Defined</u>

ERISA and applicable DOL regulations describe when the underlying assets of an entity in which "benefit plan investors", as defined in Section 3(42) of ERISA and any regulations promulgated thereunder ("**Benefit Plan Investors**"), invest are treated as "plan assets" for purposes of ERISA. Under ERISA, the term Benefit Plan Investors is defined to include an "employee benefit plan" that is subject to the provisions of Title I of ERISA, a "plan" that is subject to the prohibited transaction provisions of Section 4975 of the Code, and entities the assets of which are treated as "plan assets" by reason of investment therein by Benefit Plan Investors.

Under ERISA, as a general rule, when an ERISA Plan invests assets in another entity, the ERISA Plan's assets include its investment, but do not, solely by reason of such investment, include any of the underlying assets of the entity. However, when an ERISA Plan acquires an "equity interest"" in an entity that is neither: (a) a "publicly offered security"; nor (b) a security issued by an investment fund

* References hereinafter made to ERISA include parallel references to the Code.

registered under the Investment Company Act, then the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that: (i) the entity is an "operating company"; or (ii) the equity participation in the entity by Benefit Plan Investors is limited.

Under ERISA, the assets of an entity will not be treated as "plan assets" if Benefit Plan Investors hold less than 25% of the total value of each class of equity interests in the entity. Equity interests held by a person with discretionary authority or control with respect to the assets of the entity and equity interests held by a person who provides investment advice for a fee (direct or indirect) with respect to such assets or any affiliate of any such person (other than a Benefit Plan Investor) are not considered for purposes of determining whether the assets of an entity will be treated as "plan assets" for purposes of ERISA. The Benefit Plan Investor percentage of ownership test applies at the time of an acquisition by any person of the equity interests. In addition, an advisory opinion of the DOL takes the position that a redemption of an equity interest by an investor constitutes the acquisition of an equity interest by the remaining investors (through an increase in their percentage ownership of the remaining equity interests), thus triggering an application of the Benefit Plan Investor percentage of ownership test at the time of the redemption.

Under the DOL regulations, because the assets and liabilities of each of the Funds are segregated from the assets and liabilities of each other Fund, the entity to be tested is each Fund and the fact that Benefit Plan Investors may own 25% or more of the total value of a class of equity interests representing a particular Fund of the Company does not cause the assets of any other of the Funds to be treated as "plan assets" for purposes of ERISA.

Limitation on Investments by Benefit Plan Investors

Unless otherwise stated in a Supplement issued with respect to a particular Fund, it is the current intent of the Manager and the Investment Manager to monitor the investments in each of the Funds to ensure that the aggregate investment by Benefit Plan Investors does not equal or exceed 25% of the total value of any class of equity interests in each such Fund so that assets of each such Fund will not be treated as "plan assets" under ERISA. Equity interests held in respect of a particular Fund by the Manager, the Investment Manager or their respective affiliates are not considered for purposes of determining whether the assets of such Fund will be treated as "plan assets" for the purpose of ERISA. The Company may exercise its right to compulsorily redeem all or any portion of a Shareholder's Shares, including, without limitation, to ensure compliance with the percentage limitation on investment in a particular Fund by Benefit Plan Investors as set forth above. In exercising its right to mandatorily redeem Benefit Plan Investors, the Company may either redeem a portion of all Benefit Plan Investor's Shares or the Shares of the most recently invested Benefit Plan Investors. The Manager and the Investment Manager reserve the right (but do not have the obligation), however, to waive the percentage limitation on investment in a particular Fund by Benefit Plan Investors and thereafter to comply with ERISA with respect to such Fund.

Representations by Plans

An ERISA Plan proposing to invest in a particular Fund will be required to represent that it is, and any fiduciaries responsible for the ERISA Plan's investments are, aware of and understand such Fund's investment objectives, policies and strategies, and that the decision to invest plan assets in such Fund was made with appropriate consideration of relevant investment factors with regard to the ERISA Plan and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA.

Whether or not the assets of a particular Fund are treated as "plan assets" for purposes of ERISA, an investment in such Fund by an ERISA Plan is subject to ERISA. Accordingly, fiduciaries of ERISA Plans should consult with their own counsel as to the consequences under ERISA of an investment in a Fund.

ERISA Plans and Individual Retirement Funds Having Prior Relationships with the Investment Manager or its Affiliates

Certain prospective ERISA Plan and Individual Retirement Fund investors may currently maintain relationships with the Manager, the Investment Manager or other entities that are affiliated with the Manager or the Investment Manager. Each of such entities may be deemed to be a party in interest to, and/or a fiduciary of, any ERISA Plan or Individual Retirement Fund to which any of the Manager, the Investment Manager or one of their respective affiliates provides investment management, investment advisory or other services. ERISA prohibits ERISA Plan assets to be used for the benefit of a party in interest and also prohibits an ERISA Plan fiduciary from using its position to cause the ERISA Plan to make an investment from which it or certain third parties in which such fiduciary has an interest would receive a fee or other consideration. Similar provisions are imposed by the Code with respect to Individual Retirement Funds. ERISA Plan and Individual Retirement Fund investors should consult with counsel to determine if participation in a Fund is a transaction that is prohibited by ERISA or the Code.

Eligible Indirect Compensation

The disclosures set forth in this Prospectus constitute the Manager's and the Investment Manager's good faith efforts to comply with the disclosure requirements of Form 5500, Schedule C and allow for the treatment of their respective compensation as eligible indirect compensation.

Future Regulations and Rulings

The provisions of ERISA are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA contained herein is, of necessity, general and may be affected by future publication of regulations and rulings. Potential investors should consult with their legal advisers regarding the consequences under ERISA of the acquisition and ownership of Shares.

INVESTOR RESTRICTIONS

The Shares are offered only to investors who are: (1) non-"U.S. Persons" (as defined below); and (2) save where otherwise disclosed in the Supplement for a Fund, U.S. Persons which are both "accredited investors" as defined in Regulation D under the Securities Act and "qualified purchasers", as defined under Section 2(a)(51) of the Investment Company Act ("**Permitted U.S. Investors**").

Applicants and transferees will be required to certify whether or not they are Irish Residents.

"United States" means the United States, its states, territories and possessions, and any enclave of the United States government, its agencies or instrumentalities, and the following persons are not considered to be "United States persons": (1) a natural person who is not a resident or citizen of the United States; (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and that has its principal place of business in a non-U.S. jurisdiction; (3) an estate or trust, the income of which is not subject to U.S. federal income tax regardless of source, provided that no executor or administrator of such an estate or trustee of such a trust, as the case may be, is a "United States person"; (4) an entity, organised under the laws of a non-U.S. jurisdiction and that has its principal place of business in a non-U.S. jurisdiction, provided that: such entity was not formed by a United States person principally for the purpose of investing in securities not registered under the Securities Act (unless it was organised or incorporated and is owned exclusively by "accredited investors", as defined in U.S. Securities and Exchange Commission rules, who are not natural persons, estates, or trusts); (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States, provided that such plan is established and administered in accordance with the laws of a country other than the United States and customary practices and documentation of such country;

and (6) any other person that is not a United States person within the meaning of Section 7701(a)(30) of the Code.

Investors should also review the sub-section in this Prospectus entitled "New Issues", in the section entitled "Investment Objective and Policies of the Funds".

Prospective investors must consult their own tax, legal and financial advisers with respect to their individual circumstances and the suitability of an investment in any Fund.

GENERAL

Conflicts of Interest

The Directors, the Manager, the Investment Manager, the Depositary and the Administrator and the delegates or sub-delegates thereof (excluding any non-group sub-custodians appointed by the Depositary) and any associated or group company thereof ("**Connected Parties**") may from time to time be involved with or act as manager, depositary, registrar, administrator, distributor, investment adviser or dealer in relation to, or be otherwise involved in, other funds established by parties other than the Company which have similar investment objectives to those of the Company and a Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Company and a Fund. Each will, at all times, have regard in such event to its obligations to the Company and the Funds and will endeavour to ensure that such conflicts are resolved fairly. In addition, any of the foregoing may deal, as principal or agent, with the Company, provided that such transactions are conducted at arm's length and are in the best interests of Shareholders.

Transactions permitted are subject to:

(a) the value of the transaction is certified by a person who has been approved by the Depositary (or in the case of a transaction involving the Depositary, the Manager) as independent and competent; or

(b) the execution is on best terms on an organised investment exchange under the rules of the relevant exchange; or

(c) execution being on terms which the Depositary is (or in the case of a transaction involving the Depositary, the Manager is) satisfied that the relevant transaction conforms with the principal that such transactions be conducted at arm's length and in the best interests of Shareholders of the relevant Fund.

The Depositary (or in the case of a transaction involving the Depositary, the Manager) must document how it has complied with the provisions of paragraph (a), (b) or (c) above. Where a transaction is conducted in accordance with paragraph (c) above, the Depositary (or in the case of a transaction involving the Depositary, the Manager) must document its rationale for being satisfied that the transaction conformed to the principles outlined above.

The periodic reports of the Company must confirm (i) whether the directors of the Manager are satisfied that there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out above are applied to all transactions with Connected Parties and (ii) whether the directors are satisfied that the transactions with Connected Parties entered into during the period complied with the obligations outlined above.

The Investment Manager and any of its subsidiaries, affiliates, fellow group members, associates, agents, directors, officers, delegates or connected persons ("**Connected Persons**" and each a "**Connected Person**") may not retain cash or other rebates, including the receipt and retention of fees, commissions, or any monetary or non-monetary benefits other than qualifying "minor non-monetary" benefits. The Investment Manager may, however, receive investment research without it constituting such an inducement if the receipt of research does not create a pecuniary benefit to the Investment Manager because the research is received in return for either direct payments by the Investment Manager out of its own resources or payments from a separate research payment account controlled by the Investment Manager.

The Articles of Association provide that certain investments of the Funds may be valued based on prices provided by a competent person approved for the purpose by the Depositary. The Manager or the Investment Manager or a party related to the Manager or the Investment Manager may be the competent person approved by the Depositary for such purpose. The Manager's or the Investment Manager's fee is calculated by reference to the Net Asset Value of the Fund. The higher the Net Asset Value of a Fund the higher the fee payable to the Manager and/or the Investment Manager. Consequently, a conflict may arise where the Manager and/or the Investment Manager is approved as the competent person for the purposes of pricing a particular asset of the relevant Fund.

The Manager and/or the Investment Manager may enter into commission sharing arrangements with brokers or dealers. Where the Manager and/or the Investment Manager successfully negotiates the recapture of a portion of the commission charged by a broker or dealer in connection with the purchase or sale of securities for a Fund, the rebated commission shall be paid to the relevant Fund.

No counsel has been appointed to represent the separate interests of the Shareholders. Accordingly, the Shareholders have not had the benefit of independent counsel in the structuring of the Company or the Funds or determination of the relative interests, rights and obligations of the Manager, the Investment Manager and the Shareholders. This Prospectus and any Supplements were prepared based on information furnished by the Investment Manager, and Dillon Eustace has not independently verified such information.

The Share Capital

The share capital of the Company shall at all times equal the Net Asset Value. The maximum authorised share capital is five hundred billion shares of no par value. As of the date of this document the Company has issued Subscriber Shares to the value of €300,000. The Subscriber Shares do not participate in the assets of the Funds. The Company reserves the right to redeem some or all of the Subscriber Shares provided that the Company at all times has a minimum issued share capital to the value of €300,000.

A Fund may consist of one or more Classes of Shares. Each such Class of Shares may bear, to the extent applicable, its own fees and expenses which may be different from the fees and expenses paid by another Class of Shares.

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

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

The Directors reserve the right to re-designate any Class of Shares from time to time, provided that shareholders in that Class shall first have been notified by the Company that the Shares will be re-designated and shall have been given the opportunity to have their Shares redeemed by the Company, except that this requirement shall not apply where the Directors re-designate Shares in issue in order to facilitate the creation of an additional Class of Shares in which case Shareholders will be notified that the Shares have been re-designated.

Each of the Shares entitles the holder to attend and vote at meetings of the Company and of the relevant Fund represented by those Shares. The Articles of Association provide that matters may be determined at meetings of the Shareholders on a show of hands unless a poll is requested by three Shareholders or by Shareholders representing not less than ten per cent. of the total voting rights of all the Shareholders of the Company having the right to vote at meetings and any Shareholder or Shareholders holding shares conferring the right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid up on the Shares conferring that right or unless the Chairman of the meeting requests a poll. Each Share gives the holder thereof one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll. No Class of Shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other class of Shares or any voting rights in relation to matters relating solely to any other class of Shares.

Any resolution to alter the class rights of the Shares of a Class requires the approval of three quarters of the holders of Shares represented or present and voting at a general meeting duly convened in accordance with the Articles of Association. The quorum for any general meeting convened to consider any alteration to the class rights of the Shares shall be such number of Shareholders being two or more persons whose holdings comprise one third of the Shares.

The Articles of Association of the Company empower the Directors to issue fractional Shares in the Company, which shall be rounded up to four decimal places. Fractional Shares shall not carry any voting rights at general meetings of the Company or of any Fund and the net asset value of any fractional Share shall be the net asset value per Share adjusted in proportion to the fraction.

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

Meetings

All general meetings of the Company shall be held in Ireland. In each year the Company shall hold a general meeting as its annual general meeting. Twenty-one days notice (excluding the day of posting and the day of the meeting) shall be given in respect of each general meeting of the Company. The notice shall specify the venue, date and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. The Articles of Association provide that matters may be determined by a meeting of Shareholders on a show of hands unless a poll is requested. Each Share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll. The Chairman of the meeting may with the consent of any meeting at which a quorum is present adjourn the meeting. The quorum at any adjourned meeting shall be one Shareholder present in person or by proxy and entitled to vote.

Reports

In each year the Directors shall cause to be prepared an annual report and audited annual accounts for the Company. These will be forwarded to Shareholders at least twenty-one days before the annual general meeting and, in any event, within four months of the end of the financial year. The Company's annual report and audited financial statements shall be prepared in accordance with the requirements of IFRS. In addition, the Company shall send to Shareholders within 2 months of the end of the relevant period a half-yearly report which shall include unaudited half-yearly accounts for the Company.

Annual accounts shall be made up to 31 December in each year. Unaudited half-yearly accounts shall be made up to 30 June in each year. In the event that the last calendar day of a month is not Business Day, for the purposes of determining the Net Asset Value, the Directors reserve the right to treat certain accruals, such as investment management fees, administration fees and other expenses, that would accrue on the calendar days in such month occurring after the last Business Day as having accrued on such last Business Day.

Audited annual reports and unaudited half-yearly reports incorporating financial statements of the Company shall be sent to each Shareholder free of charge and will be made available for inspection at the registered office of the Investment Manager and the Company.

The Funds and Segregation of Liability

The Company is an umbrella fund with segregated liability between Funds and each Fund may comprise one or more classes of Shares in the Company. The Directors may, from time to time, upon the prior approval of the Central Bank, establish further Funds by the issue of one or more separate classes of Shares on such terms as the Directors may resolve. The Directors may, from time to time, in accordance with the requirements of the Central Bank, establish one or more separate classes of Shares within each Fund on such terms as the Directors may resolve.

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

(a) the proceeds from the issue of Shares representing a Fund shall be applied in the books of the Company to the relevant Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Memorandum and Articles of Association;

(b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;

(c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be;

(d) where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds *pro rata* to the Net Asset Value of each Fund; and

(e) separate records shall be maintained in respect of each Fund.

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

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

(i) the party or parties contracting with the Company shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund;

(ii) if any party contracting with the Company shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to the Company to pay a sum equal to the value of the benefit thereby obtained by it; and

(iii) if any party contracting with the Company shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the Company and shall keep those assets or proceeds separate and identifiable as such trust property.

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

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

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

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

Separate records shall be maintained in respect of each Fund.

Termination

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

(i) with the sanction of an ordinary resolution of the Company, a Fund or Class at a general meeting of the Company;

(ii) if, so determined by the Directors, provided that not less than thirty days notice in writing has been given to the holders of the shares of that Fund or Class; or

(iii) a period of 90 days shall have elapsed from the date on which the Depositary shall have notified the Company of its desire to retire as Depositary in respect of the Company, a Fund or a Class or the Depositary shall have ceased to be approved by the Central Bank as Depositary and no replacement Depositary shall have been appointed.

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

If all of the Shares in a Fund are to be redeemed, the assets available for distribution (after satisfaction of creditors' claims) shall be distributed pro rata to the holders of the Shares in proportion to the number of the Shares held in that Fund. The assets of each Fund available for distribution (after satisfaction of creditors' claims) shall be distributed pro rata to the holders of the Shares in such Fund and the balance of any assets of the Company then remaining not comprised in any of the other Funds shall be apportioned as between the Funds pro rata to the Net Asset Value of each Fund immediately prior to any distribution to Shareholders and shall be distributed among the Shareholders of each Fund pro rata to the number of Shares in that Fund held by them.

With the authority of an ordinary resolution of the Shareholders or with the consent of any Shareholder, the Company may make distributions in specie to Shareholders or to any individual Shareholder who so consents. The allocation of such assets shall be subject to the approval of the Depositary. On a distribution in specie the Company shall, if so requested by a Shareholder entitled to receive such distribution in specie dispose of the relevant assets and transmit the proceeds of such disposal to the Shareholder, provided that there shall be no guarantee as to the price which will be obtained on such a disposal of assets. If all of the Shares are to be redeemed and it is proposed to transfer all or part of the assets of the Company to another company, the Company, with the sanction of a special resolution of Shareholders may exchange the assets of the Company for shares or similar interests in the transferee company for distribution among Shareholders.

On a winding up of the Company, the assets available for distribution shall be distributed pro rata to the number of the Shares held by each Shareholder within each Class of Shares in a Fund.

Miscellaneous

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

2. Except as disclosed below and with the exception of the letters of appointment between the Company and each of the Directors, there are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.

3. None of the Directors are interested in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Company.

4. At the date of this document, neither the Directors nor their spouses nor their infant children nor any connected person have any direct or indirect interest in the share capital of the Company or any options in respect of such capital.

5. No Share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.

6. Save as disclosed herein in the section entitled "Fees and Expenses" above, no commissions, discounts, brokerage, or other special terms have been granted by the Company in relation to Shares issued by the Company.

7. The Company does not have, nor has it had since its incorporation, any employees or subsidiary companies.

8. The Company has engaged Dillon Eustace Solicitors as its legal advisors as to matters of Irish Law on terms such that Dillon Eustace Solicitors have capped their liability to the Company to an amount not to exceed Euro 15,000,000.

Material Contracts

The following contracts, details of which are set out in the section entitled "Management and Administration", have been entered into and are, or may be, material:

(a) the Depositary Agreement;

(b) the Management Agreement;

(c) the Administration Agreement;

(d) the Investment Management Agreement.

Supply and Inspection of Documents

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

(a) memorandum and articles of association of the Company;

(b) the certificate of incorporation; and

(c) the Regulations (as amended from time to time) and the Central Bank UCITS Regulations issued by the Central Bank thereunder.

Copies of the memorandum and articles of association of the Company (each as amended from time to time) and the latest financial reports of the Company, as appropriate, may be obtained, free of charge, upon request at the registered office of the Company.

SCHEDULE I

The Regulated Markets on which investments will be listed or traded and Countries and Territories to which the Funds may gain exposure

The Regulated Markets

The following is a list of regulated stock exchanges and markets on which a Fund's investments in securities and financial derivative instruments other than permitted investment in unlisted securities and OTC derivative instruments, will be listed or traded. The exchanges and markets are listed in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations. The Central Bank does not issue a list of approved stock exchanges or markets.

With the exception of permitted investments in unlisted securities the investments of the Funds will be restricted to the following stock exchanges and markets:

- any stock exchange in the European Union and the EEA and any stock exchange in the United Kingdom, the U.S., Australia, Canada, Japan, New Zealand or Switzerland which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges;

- the market conducted by listed money market institutions as described in the FCA publication "The regulation of the wholesale cash and OTC derivative markets: The Grey Paper" (as amended from time to time);

- AIM, the Alternative Investment Market in the U.K. regulated and operated by the London Stock Exchange;

- the market organised by the International Capital Market Association which was created on 1 July 2005 following the merger of the International Primary Market Association with the International Securities Markets Association;

- NASDAQ in the U.S.; KOSDAQ in South Korea, SESDAQ in Singapore, TAISAQ/Gretai Market in Taiwan, RASDAQ in Romania;

- the market in U.S. government securities which is conducted by primary dealers regulated by the Federal Reserve Bank of New York and the U.S. Securities and Exchange Commission;

- the over-the-counter market in the United States conducted by primary and second dealers regulated by the U.S. Securities and Exchange Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

- the French market for Titres de Créance Négociable (over-the-counter market in negotiable debt instruments);

- the market in Irish government bonds conducted by primary dealers recognised by the National Treasury Management Agency of Ireland;

- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

- the over-the-counter market in Canadian government bonds regulated by the Investment Dealers Association of Canada;

- and the following stock exchanges and markets:

Argentina:	Buenos Aires Stock Exchange (MVBA), Cordoba Stock Exchange, Mendoza Stock Exchange, Rosario Stock Exchange, La Plata Stock Exchange
Bahrain:	Bahrain Stock Exchange
Bangladesh:	Chittagong Stock Exchange, Dhaka Stock Exchange
Botswana:	Botswana Share Market
Brazil:	Bolsa de Valores de Brasilia, Bolsa de Valores de Bahia-Sergipe – Alagoas, Bolsa de Valores de Extremo, Bolsa de Valores de Parana, Bolsa de Valores de Regional, Bolsa de Valores de Santos, Bolsa de Valores de Pernambuco e Paraiba, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange
Chile:	Santiago Stock Exchange, Valparaiso Stock Exchange
China:	Hong Kong Stock Exchange, Shenzhen Stock Exchange (SZSE), Shanghai Stock Exchange (SSE)
Colombia:	Bogota Stock Exchange, Medellin Stock Exchange
Croatia	Zagreb Stock Exchange
Egypt:	Cairo and Alexandra Stock Exchange
Ghana:	Ghana Stock Exchange
India:	Ahmedabad Stock Exchange, Cochin Stock Exchange, Magadh Stock Exchange, Mumbai Stock Exchange, Calcutta Stock Exchange, Delhi Stock Exchange Association, Bangalore Stock Exchange, Gauhati Stock Exchange, Hyderabad Stock Exchange, Ludhiana Stock Exchange, Madras Stock Exchange, Pune Stock Exchange, Uttar Pradesh Stock Exchange Association, the National Stock Exchange of India
Indonesia:	Jakarta Stock Exchange, Surabaya Stock Exchange
Israel:	Tel Aviv Stock Exchange
Jordan:	Amman Stock Exchange
Kazakhstan:	Kazakhstan Stock Exchange
Kenya:	Nairobi Stock Exchange
Kuwait:	Kuwait Stock Exchange
Lebanon:	Beirut Stock Exchange
Malaysia:	Kuala Lumpur Stock Exchange
Mauritius:	Stock Exchange of Mauritius

Mexico:	Bolsa Mexicana de Valores
Morocco:	Morocco Stock Exchange, Casablanca Stock Exchange
Nigeria:	Lagos Stock Exchange, Kaduna Stock Exchange, Port Harcourt Stock Exchange
Oman:	Muscat Securities Market
Pakistan:	Karachi Stock Exchange, Lahore Stock Exchange
Peru:	Lima Stock Exchange
The Philippines:	the Philippines Stock Exchange, Makati Stock Exchange
Qatar:	Doha Stock Exchange
Russia:	RTS Stock Exchange, MICEX (solely in relation to equity securities that are traded on level 1 or level 2 of the relevant exchange)
Singapore:	Singapore Stock Exchange (the SESDAQ)
South Africa:	Johannesburg Stock Exchange
South Korea:	Korea Stock Exchange (the KOSDAQ)
Sri Lanka:	Colombo Stock Exchange
Taiwan:	Taiwan Stock Exchange
Thailand:	The Stock Exchange of Thailand
Turkey:	Istanbul Stock Exchange
Zambia:	Lusaka Stock Exchange

The Company may invest in listed or over-the-counter financial derivative instruments and foreign exchange contracts, which are listed or traded on derivative markets in the European Economic Area and the United Kingdom for financial derivative instruments ("**FDI**") investments the following exchanges and markets:

(A) the market organised by the International Capital Markets Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and by the National Association of Securities Dealers, Inc. and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the FCA publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets": "The Grey Paper" (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the U.K., regulated by the London Stock Exchange; the French Market for Titres de Créance Négociable (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian government bonds regulated by the Investment Dealers Association of Canada; and

(B) American Stock Exchange, Australian Stock Exchange, Bolsa Mexicana de Valores, Borsa Italiana, Chicago Board of Trade, Chicago Board Options Exchange, Chicago Mercantile Exchange, Copenhagen Stock Exchange (including FUTOP), Eurex Deutschland, Euronext Amsterdam, OMX Exchange Helsinki, Hong Kong Stock Exchange, Kansas City Board of Trade, Financial Futures and Options Exchange, Euronext Paris, Korea Exchange, MEFF Rent Fiji, MEFF Renta Variable, Mercado Mexicano de Derivados, Montreal Stock Exchange, New York Futures Exchange, New York Mercantile Exchange, New York Stock Exchange, New Zealand Futures and Options Exchange, EDX London, OM Stockholm AB, Osaka Securities Exchange, Pacific Stock Exchange, Philadelphia Board of Trade, Philadelphia Stock Exchange, Singapore Stock Exchange, South Africa Futures Exchange (SAFEX), Sydney Futures Exchange, The National Association of Securities Dealers Automated Quotations System (NASDAQ); Tokyo Stock Exchange; Toronto Stock Exchange.

These exchanges and markets are listed in accordance with the requirements of the Central Bank which does not issue a list of approved exchanges and markets.

The Countries and Territories to which the Funds may gain exposure

The Funds may gain exposure to the following countries: Albania, Angola, Argentina, Armenia, Australia, Austria, Azerbaijan, Bahrain, Bahamas, Barbados, Belarus, Belgium, Belize, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, Cambodia, Cameroon, Canada, Chile, China, Côte d'Ivoire, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Ethiopia, Finland, France, Gabon, Georgia, Germany, Ghana, Greece, Grenada, Guatemala, Honduras, Hong Kong, Hungary, Iceland, India, Indonesia, Iraq, Ireland, Israel, Italy, Japan, Jamaica, Jordan, Kazakhstan, Kenya, South Korea, Kuwait, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Macedonia, Madagascar, Malaysia, Mauritius, Mexico, Moldova, Monaco, Mongolia, Montenegro, Morocco, Mozambique, Netherlands, New Zealand, Nicaragua, Nigeria, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Puerto Rico, Qatar, Romania, Russian Federation, Rwanda, Saudi Arabia, Senegal, Serbia, Sierra Leone, Singapore, Slovakia (Slovak Republic), Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Tanzania, Thailand, Trinidad & Tobago, Turkey, Uganda, United Arab Emirates, United Kingdom, United States, Uruguay, Uzbekistan, Vietnam, Yemen, and Zambia.

Subject to restrictions in place as a result of any applicable sanctions, the Funds may gain exposure to the securities of any country globally where such securities are cleared on Euroclear, Clearstream or The Depositary Trust & Clearing Corporation (DTCC).

SCHEDULE II

Investment Restrictions applicable to the Funds

1	Permitted Investments
	Investments of a UCITS are confined to:
1.1	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money market instruments other than those dealt on a regulated market.
1.4	Units of UCITS.
1.5	Units of AIFs.
1.6	Deposits with credit institutions.
1.7	Financial derivative instruments.
2	Investment Restrictions
2.1	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
2.2	Recently Issued Transferable Securities Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011apply. Paragraph(1) does not apply to an investment by a responsible person in U.S. Securities known as "Rule 144A securities" provided that: (a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and (b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, at which they are valued by the UCITS.
2.3	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
2.4	Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed

	to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS.
2.5	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
2.6	The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
2.7	Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank UCITS Regulations held as ancillary liquidity shall not exceed: (a) 10% of the net assets of the UCITS; or (b) where the deposit is made with the Depositary 20% of the net assets of the UCITS.
2.8	The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets. This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
2.9	Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, made or undertaken with, the same body may not exceed 20% of net assets: • investments in transferable securities or money market instruments; • deposits; and/or • risk exposures arising from OTC derivatives transactions.
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
2.12	A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members. The individual issuers may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, the European Investment Bank, the European Bank for

	Reconstruction and Development, the International Finance Corporation, the International Monetary Fund, Euratom, the Asian Development Bank, the European Central Bank, the Council of Europe, Eurofima, the African Development Bank, the International Bank for Reconstruction & Development (The World Bank), the Inter-American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC. The UCITS must hold securities from at least 6 different issues with securities from any one issue not exceeding 30% of the net assets.
3	Investment in Collective Investment Schemes ("CIS")
3.1	A UCITS may not invest more than 20% of net assets in any one CIS.
3.2	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
3.3	The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
3.4	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the relevant UCITS investment in the units of such other CIS.
3.5	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission) the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
4	Index Tracking UCITS
4.1	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
4.2	The limit in paragraph 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
5	General Provisions
5.1	An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	A UCITS may acquire no more than: (i) 10% of the non-voting shares of any single issuing body; (ii) 10% of the debt securities of any single issuing body; (iii) 25% of the units of any single CIS;

	(iv) 10% of the money market instruments of any single issuing body. NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.
5.3	5.1 and 5.2 shall not be applicable to: (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities; (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State; (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members; (iv) shares held by a UCITS in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that state such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that state. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in paragraphs 2.3 to 2.11, 3(i), 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 above are observed; (v) shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at Shareholders' request exclusively on their behalf.
5.4	UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Central Bank may allow a UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of its authorisation, provided they observe the principle of risk spreading.
5.6	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.

5.7	Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may not carry out uncovered sales of: - transferable securities; - money market instruments[1]; - units of investment funds; or - financial derivative instruments.
5.8	A UCITS may hold ancillary liquid assets.
6	Financial Derivative Instruments ("FDIs")
6.1	The UCITS global exposure relating to FDI must not exceed its total net asset value.
6.2	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/ Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations).
6.3	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
6.4	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

[1] Any short selling of money market instruments by UCITS is prohibited

SCHEDULE III

Financial Derivative Instruments and Investment Techniques

Permitted Financial Derivative Instruments ("FDI")

1. A Fund may invest in FDI provided that:

1.1 The FDI does not expose the Fund to risks which the Fund could not otherwise assume;

1.2 The FDI does not cause the UCITS to diverge from its investment objectives disclosed in the relevant Supplement;

1.3 The FDI is dealt in on a Regulated Market or alternatively the conditions in paragraph 4 are satisfied;

1.4 Where a Fund enters into a total return swap or invests in other financial derivative instruments with similar characteristics, the assets held by the Fund shall comply with Regulations 70, 71, 72, 73 and 74 of the Regulations.

2. Notwithstanding paragraph 3, a Fund shall only invest in an over-the-counter derivative ("OTC derivatives") if the derivative counterparty is within at least one of the following categories:

2.1 a credit institution which meets the criteria in Regulation 7 of the Central Bank UCITS Regulations;

2.2 an investment firm authorised in accordance with the Markets in Financial Instruments Directive;

2.3 a group company of an entity issued with a bank holding company license from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve;

2.4 such other derivative counterparty as may be permitted by the UCITS Regulations, the CBI UCITS Regulations and/or the Central Bank from time to time.

3. Where the counterparty was:

3.1 subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and

3.2 where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) of Regulation 8(4) of the Central Bank UCITS Regulations this shall result in a new credit assessment being conducted of the counterparty by the Company without delay;

4. where an OTC derivative is subject to a novation, the counterparty after the novation must be:

(a) an entity that is within any of the categories set out in paragraph 2.1 to 2.4 or;

(b) or a central counterparty that is:

(i) authorised, or recognised under EMIR; or

(ii) pending recognition by ESMA under Article 25 of EMIR, an entity classified:

(a) by the SEC as a clearing agency; or

(b) by the Commodity Futures Trading Commission of the United States of America as a derivatives clearing organisation.

5. (a) Risk exposure to the counterparty shall not exceed the limits set out in Regulation 70(1)(c) of the Regulations, assessed in accordance with sub-paragraph (b).

(b) In assessing risk exposure to the counterparty to an OTC derivative for the purpose of the Regulations:

(i) the Company shall calculate the exposure to the counterparty using the positive mark-to-market value of the OTC derivative with that counterparty;

(ii) the Company may net derivative positions with the same counterparty, provided that the Company is able to legally enforce netting arrangements with the counterparty. For this purpose netting is permissible only in respect of OTC derivatives with the same counterparty and not in relation to any other exposures a Fund has with the same counterparty;

(iii) the Company may take account of collateral received by a Fund in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in the Central Bank UCITS Regulations.

- the Fund is satisfied that: (a) the counterparty will value the OTC derivative with reasonable accuracy and on a reliable basis; and (b) the OTC derivative can be sold, liquidated or closed out by an offsetting transaction at fair value at any time at the Fund's initiative;

6. Collateral received must at all times meet with the requirements set out in Schedule 3 to the Central Bank UCITS Regulations (which are set out in paragraph 22 below).

7. A Fund using the commitment approach must ensure that its global exposure does not exceed its total Net Asset Value. The Fund may not therefore be leveraged in excess of 100% of its Net Asset Value. A Fund using the VaR approach must employ back testing and stress testing and comply with other regulatory requirements regarding the use of VaR. The VaR method is detailed in the relevant Fund's risk management procedures for FDI, which are described below under "Risk Management Process and Reporting".

Each Fund must calculate issuer concentration limits as referred to in Regulation 70 of the Regulations on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach.

8. A Fund must calculate exposure arising from initial margin posted to, and variation margin receivable from, a broker relating to exchange-traded or OTC derivative, which is not protected by client money rules or other similar arrangements to protect the Fund against the insolvency of the broker, within the OTC derivative counterparty limit referred to in Regulation 70(1)(c) of the Regulations.

9. The calculation of issuer concentration limits as referred to in Regulation 70 of the Regulations must take account of any net exposure to a counterparty generated through a stocklending or repurchase agreement. Net exposure refers to the amount receivable by a Fund less any

collateral provided by the Fund. Exposures created through the reinvestment of collateral must also be taken into account in the issuer concentration calculations.

10. When calculating exposures for the purposes of Regulation 70 of the Regulations, a Fund must establish whether its exposure is to an OTC counterparty, a broker, a central counterparty or a clearing house.

11. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments or investment funds, when combined, where relevant, with positions resulting from direct investments, may not exceed the investment limits set out in Regulations 70 and 73 of the Regulations. When calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure. This position exposure must be taken into account in the issuer concentration calculations. Issuer concentration must be calculated using the position exposure of the Fund using the commitment approach or the maximum potential loss as a result of default by the issuer, whichever is greater. It must also be calculated by all Funds, regardless of whether they use VaR for global exposure purposes. This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulation 71(1) of the Regulations.

Cover requirements

12. A Fund must, at any given time, be capable of meeting all its payment and delivery obligations incurred by transactions involving FDI.

13. Monitoring of FDI transactions to ensure they are adequately covered must form part of the risk management process of the Fund.

14. A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Fund must be covered as follows:

    (i) in the case of FDI which automatically, or at the discretion of the Fund, are cash settled, a Fund must hold, at all times, liquid assets which are sufficient to cover the exposure; and

    (ii) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a Fund. Alternatively a Fund may cover the exposure with sufficient liquid assets where:

        (A) the underlying assets consist of highly liquid fixed income securities; and/or

        (B) the Manager considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the risk management process, which is described below, and details are provided in the Prospectus.

Risk management process and reporting

15. A Fund must provide the Central Bank with details of its proposed risk management process vis a vis its FDI activity. The initial filing is required to include information in relation to:

- permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;

- details of the underlying risks;

- relevant quantitative limits and how these will be monitored and enforced; and

- methods for estimating risks.

Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.

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

Techniques and Instruments for the purposes of efficient portfolio management

17. A Fund may employ techniques and instruments relating to transferable securities and money market instruments subject to the Regulations and to conditions imposed by the Central Bank. The use of these techniques and instruments should be in line with the best interests of the Fund.

18. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:

(i) they are economically appropriate in that they are realised in a cost-effective way;

(ii) they are entered into for one or more of the following specific aims:

(a) reduction of risk;

(b) reduction of cost;

(c) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund;

(iii) their risks are adequately captured by the risk management process of the Fund, and

(iv) they cannot result in a change to the Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

19. Financial derivative instruments used for efficient portfolio management, in accordance with paragraph 21, must also comply with the provisions of the Central Bank UCITS Regulations and guidance "UCITS Financial Derivative Instruments and Efficient Portfolio Management".

20. Repurchase/reverse repurchase agreements and securities lending ("efficient portfolio management techniques") may only be effected in accordance with normal market practice.

21. All assets received by a Fund in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria set out below.

22. Collateral must, at all times, meet with the following criteria:

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

(ii) **Valuation**: Collateral received 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.

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

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

(ii) Where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (i) this shall result in a new credit assessment being conducted of the issuer by the Manager without delay.

(iv) **Correlation**: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.

(v) **Diversification (asset concentration)**:

(i) Subject to subparagraph (ii) collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20 per cent. of the Fund's Net Asset Value. When Funds are exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20 per cent. limit of exposure to a single issuer.

(ii) A Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Fund should receive securities from at least 6 different issues, but securities from any single issue should not account for more than 30 per cent. of the Fund's Net Asset Value. Funds that intend to be fully collateralised sin securities issued or guaranteed by a Member State should disclose this fact in the Prospectus. Funds should also identify the Member States, local authorities, or public international bodies or guaranteeing securities which they are able to accept as collateral for more than 20 per cent. of their Net Asset Value.

(vi) **Immediately available**: Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

23. Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

24. Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated and unconnected to the provider of the collateral.

25. Non-cash collateral cannot be sold, pledged or re-invested.

26. Cash collateral may not be invested other than in the following:

(i) deposits with credit institutions referred to in Regulation 7 of the Central Bank UCITS Regulations;

(ii) high-quality government bonds;

(iii) reverse repurchase agreements provided the transactions are with credit institutions referred to in Regulation 7 of the Central Bank UCITS Regulations and the Fund is able to recall at any time the full amount of cash on an accrued basis; and

(iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

27. In accordance with the Central Bank UCITS Regulations, invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.

28. A Fund receiving collateral for at least 30 per cent. of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;

b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;

c) reporting frequency and threshold/s for limits and losses; and

d) mitigation actions to be taken to reduce loss including haircut policy and gap risk protection.

29. A Fund should have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, a Fund should take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with Regulation 21 of the Central Bank UCITS Regulations. This policy should be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to any specific class of assets.

Where a counterparty to a repurchase or a securities lending agreement, which has been entered into by the Company on behalf of a Fund:

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

(b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (*a*) this shall result in a new credit assessment being conducted of the counterparty by the Company without delay.

30. A Fund should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

31. A Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-

market basis, the Fund shall use the mark-to-market value of the reverse repurchase agreement for the calculation of the net asset value of the Fund.

32. A Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

33. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively.

34. A Fund should disclose in the Prospectus the policy regarding direct and indirect operational costs/fees arising from efficient portfolio management techniques that may be deducted from the revenue delivered to the Fund. These costs and fees should not include hidden revenue. The Fund should disclose the identity of the entity(ies) to which the direct and indirect costs and fees are paid and indicate if these are related parties to the management company or the trustee.

35. All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, should be returned to the Fund.

SCHEDULE IV

List of Delegates appointed by the Depositary

The Depositary has appointed the following entities as sub-custodians in each of the markets set out below. This list may be updated from time to time and is available from the Depositary upon written request.

Country	Agent Name	Location	Link to the sub-delegate network / Sub-delegate Name
ARGENTINA	CITIBANK NA, BUENOS AIRES	BUENOS AIRES	
BAHRAIN	HSBC BANK MIDDLE EAST LTD	BAHRAIN	
BANGLADESH	HONG KONG AND SHANGHAI BANKING CORP LTD	DHAKA	
BENIN	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA	ABIDJAN	
BERMUDA	BANK OF BERMUDA LTD (HSBC Group)	BERMUDA	
BOTSWANA	STANDARD CHARTERED BANK BOTSWANA LTD	GABORONE	
BRAZIL	BANCO BNP PARIBAS BRASIL SA	SAO PAULO	
BULGARIA	UNICREDIT BULBANK A.D.	SOFIA	
BURKINA FASO	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA	ABIDJAN	
CANADA	RBC INVESTOR SERVICES TRUST	TORONTO	
	CIBC MELLON GLOBAL SECURITIES SERVICES COMPANY	TORONTO	
CHILE	BANCO DE CHILE (CITIBANK N.A)	SANTIAGO DE CHILE	
CHINA	HSBC BANK (CHINA) COMPANY LIMITED	SHANGHAI, SHENZHEN	

COLOMBIA	BNP PARIBAS SECURITIES SERVICES SOCIEDAD FIDUCIARIA SA	BOGOTA	
COSTA RICA	BANCO NACIONAL DE COSTA RICA	SAN JOSÉ	
CROATIA	UNICREDIT BANK AUSTRIA AG VIENNA	VIENNA	*Zagrebacka Banka d.d., Zagreb*
CZECH REPUBLIC	RAIFFEISEN BANK INTERNATIONAL AG	VIENNA	
DENMARK	*SKANDINAVISKA ENSKILDA BANKEN AB (publ) 's in Denmark*	COPENHAGEN	
EGYPT	CITIBANK N.A. Egypt	CAIRO	
ESTONIA	AS SEB PANK	TALLINN	
FINLAND	NORDEA BANK AB (publ), FINNISH BRANCH	HELSINKI	
GHANA	STANDARD CHARTERED BANK GHANA LTD	ACCRA	
GUINEA - BISSAU	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA	ABIDJAN	
ICELAND	ISLANDSBANKI HF.	REIJKAVIK	
INDIA	BNP PARIBAS, INDIA BRANCH	MUMBAI	
INDONESIA	HONG KONG AND SHANGHAI BANKING CORP LIMITED, JAKARTA	JAKARTA	
INTERNATIONAL CSD	CLEARSTREAM BANKING SA	LUXEMBOURG	http://www.clearstream.com/bl ob/11702/0e3964fc072c3349 23f72f9fdd85365b/depository
INTERNATIONAL CSD	EUROCLEAR BANK SA	BRUSSELS	1. Go to my.euroclear.com/ebdepositories 2. At the bottom of the login screen, click on 'Access as a guest' 3. You are directed to the webpage, where you can

ISRAEL	CITIBANK N.A. ISRAEL	TEL AVIV	
IVORY COAST	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA	ABIDJAN	
JAPAN	HONG KONG AND SHANGHAI BANKING CORP LIMITED, TOKYO	TOKYO	
KAZAKHSTAN	JSC CITIBANK KAZAKHSTAN	ALMATY	
KENYA	STANDARD CHARTERED BANK KENYA LIMITED	NAIROBI	
KOREA, REPUBLIC OF	HONG KONG AND SHANGHAI BANKING CORP LIMITED	SEOUL	
KUWAIT	HSBC BANK MIDDLE EAST LTD	KUWAIT CITY	
LATVIA	AS SEB BANKA	RIGA	
LITHUANIA	AB SEB BANKAS	VILNIUS	
MALAYSIA	HSBC BANK MALAYSIA BERHAD	KUALA LUMPUR	
MALI	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA	ABIDJAN	
MALTA	CLEARSTREAM BANKING SA	LUXEMBOURG	
MAURITIUS	HONG KONG AND SHANGHAI BANKING CORP LIMITED	PORT-LOUIS	
MEXICO	BANCO NACIONAL DE MEXICO S.A (CITIBANAMEX)	MEXICO CITY	
MOROCCO	BANQUE MAROCAINE POUR LE COMMERCE ET L'INDUSTRIE	CASABLANCA	
NAMIBIA	STANDARD BANK NAMIBIA LIMITED	WINDHOEK	
NIGER	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA	ABIDJAN	
NIGERIA	STANBIC IBTC BANK PLC	LAGOS	

NORWAY	NORDEA BANK AB (publ), FILIAL I NORGE	OSLO	
OMAN	HSBC BANK OMAN SAOG	MUSCAT	
PAKISTAN	CITIBANK N.A.	KARACHI	
PERU	BNP PARIBAS SECURITIES SERVICES SOCIEDAD FIDUCIARIA SA	BOGOTA (remote)	
PHILIPPINES	HONG KONG AND SHANGHAI BANKING CORP LIMITED, MANILA	MANILA	
	STANDARD CHARTERED BANK, PHILIPPINES BRANCH	MAKATI CITY	
QATAR	HSBC BANK MIDDLE EAST LTD	DOHA	
ROMANIA	CITIBANK EUROPE PLC DUBLIN, ROMANIA BRANCH	BUCHAREST	
RUSSIA	PJSC ROSBANK	MOSCOW	
SAUDI ARABIA	HSCB SAUDI ARABIA	RIYADH	
SENEGAL	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA	ABIDJAN	
SERBIA	UNICREDIT BANK AUSTRIA AG VIENNA	VIENNA	UniCredit Bank Srbija d.d., Belgrad
SINGAPORE	BNP PARIBAS SECURITIES SERVICES S.C.A (All instruments except government	SINGAPORE	
	STANDARD CHARTERED BANK, (Singapore) Limited (for government bonds only)		

SLOVAK REPUBLIC	RAIFFEISEN BANK INTERNATIONAL AG VIENNA	VIENNA	
SLOVENIA	UNICREDIT BANKA SLOVENIJA D.D. LJUBLJANA	LJUBLJANA	
SOUTH AFRICA	THE STANDARD BANK OF SOUTH AFRICA LIMITED	JOHANNESBU RG	
SRI LANKA	HONG KONG AND SHANGHAI BANKING CORP LIMITED, COLOMBO	COLOMBO	
SWEDEN	SKANDINAVISKA ENSKILDA BANKEN AB (publ)	STOCKHOLM	
TAIWAN, China	HSBC BANK (TAIWAN) LIMITED	TAIPEI	
TANZANIA	STANBIC BANK TANZANIA LIMITED	DAR ES SALAAM	
THAILAND	HONG KONG AND SHANGHAI BANKING CORP LIMITED, BANGKOK	BANGKOK	
TOGO	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA	ABIDJAN	
TUNISIA	UNION INTERNATIONALE DES BANQUES (SGSS)	TUNIS	
TURKEY	TURK EKONOMI BANKASI A.S	ISTANBUL	
UGANDA	STANDARD CHARTERED BANK UGANDA LIMITED	KAMPALA	
UAE (Dubai)	HSBC BANK MIDDLE EAST LTD	DUBAI	
UAE (Abu Dhabi)	HSBC BANK MIDDLE EAST LTD	DUBAI	
URUGUAY	BANCO ITAU URUGUAY S.A.	MONTEVIDEO	
USA	BNP PARIBAS NEW YORK BRANCH	NEW YORK	

VIETNAM	HSBC BANK (VIETNAM) LTD	HO CHI MINH CITY	
ZAMBIA	STANDARD CHARTERED BANK PLC	LUSAKA	

The following countries are covered directly by BNP Paribas, BNP Paribas Securities Services's branches or subsidiaries:

AUSTRALIA
AUSTRIA
BELGIUM
BRAZIL
CHINA
COLOMBIA
CYPRUS
FRANCE
GERMANY
GREECE
HONG KONG SAR
HUNGARY
INDIA
IRLAND
ITALY
NETHERLANDS
NEW ZEALAND
PERU
POLAND
PORTUGAL
SINGAPORE
SPAIN
SWITZERLAND
TURKEY
UNITED KINGDOM
USA

ALGEBRIS UCITS FUNDS PLC

(the "Company")

SECOND ADDENDUM DATED 15 MARCH, 2024

(the "Addendum")

This Addendum forms part of and should be read in the context of and in conjunction with the prospectus for the Company dated 1 December, 2022 (the "Prospectus") as amended by way of a first addendum thereto dated 8 December, 2023 and the supplements for the Algebris Sustainable Bond Fund dated 30 March, 2023, the Algebris Financial Income Fund, the Algebris Core Italy Fund, the Algebris IG Financial Credit Fund, the Algebris Sustainable World Fund, the Algebris Financial Credit Fund and the Algebris Global Credit Opportunities Fund dated 19 June, 2023 and the Algebris Financial Equity Fund dated 15 March, 2024 (the "Sub-Funds") (the "Supplements"). All capitalised terms herein contained shall have the same meaning in this Addendum as in the Prospectus unless otherwise indicated. All information contained in the Prospectus and Supplements is deemed to be incorporated herein.

The directors of the Company (the "**Directors**") whose names appear on page 13 of the Prospectus accept responsibility for the information contained in this Addendum. To the best of the knowledge andbelief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus, the Supplements and this Addendum is in accordance with thefacts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Nothing in this Addendum shall constitute a representation or warranty that, in preparing this Addendum, any attempt has been made to verify, confirm or update any of the information in the Prospectus or the Supplements at the date hereof. Accordingly, neither the delivery of this Addendum nor the allotment or issue of Shares shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the dates of the documents comprising the Prospectus and the Supplements.

Prospective investors should not construe the contents of this document as legal, investment, tax or other advice. Each prospective investor must rely upon his or her own representatives, including his orher own legal counsel and accountants, as to legal, economic, tax and related aspects of the investmentdescribed herein and as to its suitability for such investor.

The Directors wish to make certain amendments to the Prospectus which such changes take effect from the date hereof. Accordingly, in order to effect these changes, the Directors wish to advise Shareholders and prospective investors of the following amendment:

A. The following new paragraph shall be inserted at the end of the sub-section entitled "Selling Restrictions" of the section entitled "Important Information" on page 2 of the Prospectus:

"**Saudi Arabia**

This document may not be distributed in the Kingdom except to such persons as are permitted under the Investment Funds Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective subscribers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities to be offered. If you do not understand the contents of this document, you should consult an authorised financial adviser."

This document is a supplement to the prospectus dated 1 December, 2022 (the "Prospectus") issued by Algebris UCITS Funds plc (the "Company"), forms part of the Prospectus and should be read in conjunction with the Prospectus. Investors' attention is drawn, in particular, to the risk factors contained in the section of the Prospectus entitled "Risk Factors". Capitalised terms shall have the same meaning herein as in the Prospectus, except where the context otherwise requires.

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

ALGEBRIS UCITS FUNDS PLC

(an investment company with variable capital incorporated with limited liability in Ireland with registered number 509801 and established as an umbrella fund with segregated liability between Funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended)

SUPPLEMENT

ALGEBRIS FINANCIAL INCOME FUND

19 June, 2023

DIRECTORY

ALGEBRIS UCITS FUNDS PLC

ALGEBRIS FINANCIAL INCOME FUND

Directors

Mr. Alexander Lasagna
Mr. Carl O'Sullivan
Mr. Desmond Quigley

Depositary

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Manager

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Administrator, Registrar and Transfer Agent

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Legal Advisers in Ireland

Dillon Eustace
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DEFINITIONS

"Accumulating Classes"	means Class I EUR, Class M EUR, Class R EUR, Class B EUR, Class XXL EUR, Class I GBP, Class M GBP, Class R GBP, Class B GBP, Class XXL GBP, Class I CHF, Class M CHF, Class R CHF, Class B CHF, Class XXL CHF, Class A USD, Class I USD, Class I2 USD, Class M USD, Class R USD, Class B USD, Class XXL USD Shares, Class I SGD, Class M SGD, Class R SGD, Class B SGD, Class XXL SGD, Class I JPY, Class M JPY, Class R JPY, Class XXL JPY, Class I AUD, Class R AUD, Class I HKD, Class M HKD, Class R HKD, Class XXL HKD, Class I SEK and Class R SEK Shares in the Fund.
"Class A"	means Class A USD and Class Ad USD Shares in the Fund.
"Class B"	means Class B EUR, Class Bd EUR, Class B GBP, Class Bd GBP, Class B CHF, Class Bd CHF, Class B USD, Class Bd USD, Class B SGD and Class Bd SGD Shares in the Fund.
"Class I"	means Class I EUR, Class Id EUR, Class I GBP, Class Id GBP, Class I CHF, Class Id CHF, Class I USD, Class Id USD, Class I SGD, Class Id SGD Shares, Class I JPY, Class Id JPY, Class I AUD, Class Id AUD, Class I HKD, Class Id HKD, Class I SEK and Class Id SEK Shares in the Fund.
"Class I2"	means Class I2 USD and Class I2d USD Shares in the Fund.
"Class M"	means Class M EUR, Class Md EUR, Class M GBP, Class Md GBP, Class M CHF, Class Md CHF, Class M USD, Class Md USD, Class M SGD, Class Md SGD, Class M JPY, Class Md JPY, Class M HKD and Class Md HKD Shares in the Fund.
"Class R"	means Class R EUR, Class Rd EUR, Class R GBP, Class Rd GBP, Class R CHF, Class Rd CHF, Class R USD, Class Rd USD, Class R SGD, Class Rd SGD Shares, Class R JPY Shares, Class Rd JPY, Class R AUD, Class Rd AUD, Class R HKD, Class Rd HKD, Class R SEK and Class Rd SEK Shares in the Fund.
"Class XXL"	means Class XXL EUR, Class XXLd EUR, Class XXL GBP, Class XXLd GBP, Class XXL CHF, Class XXLd CHF, Class XXL USD, Class XXLd USD, Class XXL SGD, Class XXLd SGD Shares, Class XXL JPY, Class XXLd JPY, Class XXL HKD and Class XXLd HKD Shares in the Fund.
"Distributing Classes"	means Class Id EUR, Class Md EUR, Class Rd EUR, Class Bd EUR, Class XXLd EUR, Class Id GBP, Class Md GBP, Class Rd GBP, Class Bd GBP, Class XXLd GBP, Class Id CHF, Class Md CHF, Class Rd CHF, Class Bd CHF, Class XXLd CHF, Class Ad USD, Class Id USD, Class I2d USD, Class Md USD, Class Rd USD, Class Bd USD, Class XXLd USD, Class Id SGD, Class Md SGD, Class Rd SGD, Class Bd SGD, Class XXLd SGD, Class Id JPY, Class Md JPY, Class Rd JPY, Class XXLd JPY, Class Id AUD, Class Rd AUD,

	Class Id HKD, Class Md HKD, Class Rd HKD, Class XXLd HKD, Class Id SEK and Class Rd SEK Shares in the Fund.
"Fund"	means the Algebris Financial Income Fund.

Please also see "Dealings in the Fund" for further definitions.

MANAGEMENT AND DISTRIBUTION OF THE FUND

The Manager has appointed Algebris (UK) Limited to provide discretionary investment management services to the Fund pursuant to the terms of the Investment Management Agreement. Further information relating to the Investment Manager is set out in the section of the Prospectus entitled "**The Investment Manager**".

INVESTMENT OBJECTIVE AND POLICY

Investment Objective

The Fund's objective is to maximise income and generate superior risk-adjusted returns over an investment cycle of approximately 3 to 5 years by investing in high dividend-yielding equity stocks and bonds.

Investment Policy

To achieve the investment objective, the Fund's assets will be invested in the financial sector globally, in equity securities (e.g. ordinary shares or common stock American depository receipts, global depositary receipts and preference shares), fixed and variable rate debt securities (e.g. corporate bonds, which may be investment grade or below investment grade as rated by Moody's, Standard & Poor's, Fitch or other rating agencies, or unrated), contingent convertible instruments ("CoCo-Bonds"), exchange traded notes ("ETNs"), exchange traded funds ("ETFs") (which provide exposure to the particular asset classes in which the Investment Manager wishes to invest), hybrid securities (including Tier 1, upper and lower Tier 2 securities, which are forms of bank capital, and trust preferred securities which are hybrid securities with both debt and equity characteristics), convertible securities (e.g. convertible bonds or convertible preferred stock) and other subordinated debt, as further described below, as well as deposits. **The Fund may invest substantially in deposits with credit institutions during periods of high market volatility**.

The Investment Manager will typically seek to take positions in equity securities, debt securities, CoCo Bonds, hybrid securities and other subordinated debt of companies exhibiting one or more of the following characteristics: (i) change in revenue growth prospects; (ii) change in projected operating expenses; (iii) change in balance sheet quality; (iv) speculation regarding a possible sale, disposal or acquisition; (v) change in execution capability and/or strategic direction due to a change in management; (vi) change in capital discipline; (vii) change in regulation; (viii) a change in overall risk appetite; or (ix) a change in valuation methodology. The Investment Manager expects that the portfolio will be balanced between stocks and bonds but opportunistically, and in line with the Fund's objective, the Investment Manager may shift the balance to reflect an opportunity.

The Fund may invest up to 100% of its net assets in debt securities rated below investment grade.

The Fund may not invest less than 25% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of Section 2, Article 8 of the German Investment Tax Act (2018).

The Investment Manager aims to identify mis-pricing opportunities to generate income and capital appreciation of the Fund through bottom-up analysis of a company's value. An emphasis will be put on dividend growth and sustainability. The construction as well as the positioning of the investment portfolio is determined by the Investment Manager taking into consideration the prevailing market situation as well as regulatory, industry, business and other risks. In order to determine the composition and diversification of the investment portfolio, a bottom-up selection process will be applied. A bottom-up approach involves a fundamental analysis of individual securities, the short and long-term economic prospects of the underlying company, as well as an assessment of the underlying company's intrinsic value.

The Fund's investments will be made on a global basis in assets denominated in the Base Currency or other currencies.

The Fund may, subject to the requirements laid down by the Central Bank, enter into financial derivative instruments ("FDIs") for investment, efficient portfolio management and hedging (e.g. currency risk management) purposes. The Fund may only use equity swaps, contracts for differences ("CFDs"), put and call equity options for hedging and/or investment purposes. The Fund may also invest in convertible securities, CoCo-Bonds and ETNs which have embedded leverage or embed a derivatives component. The Fund may only use the other FDIs mentioned herein for hedging purposes. Warrants and rights may be received passively (e.g. as a result of corporate actions) because of the Fund's existing holdings in equity or other securities issued by the rights and/or warrants issuer.

The Fund will take both long and short positions synthetically through the use of FDIs. These may include swaps and CFDs put and call options, futures and forward contracts. The Fund's total net long position is not expected to exceed 130 per cent of the Net Asset Value of the Fund (calculated in accordance with the commitment approach). The Fund may invest up to 100 per cent of its Net Asset Value in short positions, however, the Fund will not be net short (i.e. its total short exposure will not exceed its total long exposure, calculated in accordance with the commitment approach).

For example: (i) swaps and CFDs may be utilised for access to certain issuers and jurisdictions or for hedging purposes; (ii) index swaps may be used to hedge the return of the underlying index; (iii) interest rate swaps may be used to manage the Fund's interest rate exposures; (iv) put options may be purchased to provide an efficient, liquid and effective mechanism for "locking in" gains and/or to protect against future declines in value on securities that it owns; (v) call options may be purchased to provide an efficient, liquid and effective mechanism for taking positions in securities; (vi) currency options may be utilised to hedge against underlying currency risk in the portfolio; (vii) index and interest rate put and call options may be used to hedge against movements in indices or interest rates; (viii) interest rate future options may be utilised in order to hedge interest rate risk inherent in the portfolio; (ix) index futures on broad-based indices may be utilised in order to hedge the equity portion of the portfolio from movements in the general equity market; (x) interest rate futures may be utilised in order to hedge interest rate risk inherent in the portfolio; and (xi) forward contracts may be utilised for hedging and currency risk management.

For further information on the types of FDIs that the Fund may enter into and further details as to other commercial purposes, please see the section entitled "Investment Techniques and Instruments" below.

The Investment Manager may also use FDIs where practicable to hedge all non-Base Currency exposures of the Fund arising where Shares are denominated in a currency other than the Base Currency of the Fund. In addition, as the Fund's investments will be made in assets denominated in the Base Currency or other currencies, the Investment Manager may hedge any non-Base Currency denominated holdings against the Base Currency, in order to minimise the foreign exchange ("FX") risk. The Fund may use spot, FX forward transactions and options for hedging and currency risk management purposes. See the section entitled "Currency Transactions" in the Prospectus.

The use of such FDIs will result in leverage of up to 100 per cent of the Net Asset Value of the Fund under the commitment approach and be consistent with the risk profile of the Fund.

Any other FDIs proposed to be used by the Fund which is not set out herein and not included in the risk management process will not be used until such time as this Supplement has been updated and a revised risk management process has been submitted to, and cleared in advance by, the Central Bank. In relation to the use of FDIs, investors' attention is drawn to "Information on Risk Management" in the Prospectus regarding the risk management process.

The Fund may enter into repurchase and reverse repurchase agreements, subject to the conditions and limits laid down by the Central Bank in the Central Bank UCITS Regulations, for efficient portfolio management purposes.

The investments of the Fund (other than permitted unlisted investments) will be listed or traded on the markets referred to in Schedule 1 of the Prospectus.

The Fund may invest in other UCITS (other than feeder UCITS) and Eligible Non-UCITS to give the Fund exposure to the asset classes set out above. These investments, which include open-ended ETFs, may not exceed 10% of the total Net Asset Value of the Fund. The underlying collective investment schemes may be leveraged.

The Fund may also from time to time invest in a "new issue", as defined in US Financial Industry Regulatory Authority, Inc. ("FINRA") Rule 5130, as amended, supplemented and interpreted from time to time ("FINRA Rule 5130"). See the section entitled "New Issues" in the Prospectus.

No assurance can be given that the Fund's investment objective will be achieved.

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

Investors should note that Shares in the Fund are not bank deposits and are not insured or guaranteed by any government or any government agency or other guarantee scheme which may protect the holders of bank deposits. The value of a holding in the Fund would be expected to fluctuate more than a bank deposit.

Convertible securities

A convertible security is a security that can be converted into a predetermined amount of shares of common stock in the issuing company at certain times during its life, usually at the discretion of the bondholder. A convertible security is a security with an embedded option to exchange the bond for equity. The Fund may use convertible securities to obtain exposure to an issuer or to acquire the equity securities of such issuer consistent with the Fund's investment policies. The credit standing of the issuer and other factors such as interest rates may also affect the investment value of a convertible security. The conversion value of a convertible security is determined by the market price of the underlying equity security and therefore is exposed broadly to the same risks as that of the underlying equity security. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument.

CoCo-Bonds

CoCo-Bonds are primarily issued by financial institutions as an economically and regulatory efficient means of raising capital. They are a form of contingent hybrid securities, usually subordinated, that behave like debt securities in normal circumstances but which either convert to equity securities or have equity write down (full or partial) loss absorption mechanisms on the occurrence of a particular 'trigger' event. A write down means that some of all of the principal amount of the CoCo-Bond will be written down. The trigger events may, for example, be based on a mechanical rule (e.g. the issuer's regulatory capital ratios) or a regulatory supervisor's discretion. CoCo-Bonds are risky investments which are relatively new and complex instruments and in stressed market environment, it difficult to predict how they will perform. While CoCo-Bonds are primarily issued by financial institutions, they may be issued by different types of firms. CoCo-Bonds are a relatively new form of hybrid capital and conversion events and/or other trigger events (and other material terms) may develop over time. Please also see the sub-section in the Prospectus entitled "Contingent Convertible Instruments", in the section entitled "Risk Factors" for further information.

Hybrid Securities

Hybrid securities combine generally both debt and equity characteristics. "Equity" features contain more or less (i) no maturity; (ii) no on-going payment that could lead to default; and (iii) loss absorption in the case of a bankruptcy. The opposite can be seen as the features of "debt." Hybrid securities are instruments with potential benefits for both income-oriented investors and issuers due to the fact that the specific security can be arranged to both the issuers and the investors' interests. Securities would be treated as "hybrid" if they contain hybrid characteristics, which can be described in two ways. Firstly, securities can bear some characteristics of debt and of equity at the same time. For example, preferred stock with call options regularly has a stated maturity date (which is in contrast to the "equity"-quality) but contains features like no on-going payments and a loss absorption-tool (typical "equity"-like). Secondly, convertible securities which change from debt to equity may also bear hybrid characteristics. For example, a debt security which is convertible into an equity instrument, whether at the option of the issuer or the holder, upon occurrence of a conversion event or at a conversion date, can be said to have the characteristics of both equity and debt.

Subordinated Debt

Subordinated debt is a type of debt where express arrangements have been entered into between creditors so that such debt ranks behind other debt. Typically the Fund will hold Tier 1, Upper Tier 2 and/or Lower Tier 2 capital, which may be contractually and/or structurally subordinated to other senior debt. Subordinated debt typically has a lower credit rating, and therefore a higher yield, than senior debt.

Equity Securities

Equity securities of companies are shares. The total amount of shares represents the capital stock of the company. Based on the fact that there is a total amount of durable money invested in the business of the company, e.g. a company in the financial securities sector, a share has a certain declared face value, commonly known as the par value of a share. The par value is the minimum amount of money that a business may issue. An equity security of a company represents a fraction of ownership in the respective business of the company. Depending on the company there may be different classes of shares (e.g. ordinary shares or preference shares) each having distinctive ownership rules, privileges, or share values.

ETNs

ETNs are debt securities typically issued by banks. The Fund will typically invest in ETNs which are listed or traded on a Regulated Market. The Fund may use ETNs to obtain exposure to an eligible index, market or asset class in line with the investment policy. They are designed to track the total return of an underlying market index or other benchmark minus fees and provide investors with exposure to the total returns of various market indices, including indices linked to stocks, bonds and currencies. The value of an ETN depends on the movements of a stock index or, sometimes, an individual stock. When an investor buys an ETN, the issuer promises to pay the amount reflected in the index, minus fees upon maturity. ETNs can offer investment exposure to market sectors and asset classes that may be difficult to achieve in a cost effective way with other types of investments.

PROFILE OF A TYPICAL INVESTOR

The Fund is suitable for investors seeking to achieve a high level of income and modest capital growth and who are prepared to accept a moderate level of volatility with a medium-to long-term investment horizon.

BASE CURRENCY

The Base Currency of the Fund is Euro.

THE SUSTANABLE FINANCE DISCLOSURE REGULATION

The Fund promotes environmental and/or social characteristics and does not have sustainable investment as its investment objective.

The Manager, in consultation with the Investment Manager, has categorised the Fund as meeting the provisions set out in Article 8 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR") for products which promote environmental and/or social characteristics and invest in companies that follow good governance practices, as further described in Schedule II hereto which forms an integral part of and should be read in conjunction with this Supplement.

Integration of sustainability risks into the investment decision-making process

The Investment Manager adopts the following strategies when integrating sustainability risks into the investment decision making process:

Issuer Exclusion lists
The investment decisions observe a number of exclusion lists as described below. They are applied at the issuer level and prevent investing in both equity and debt issued by the issuer. They are reviewed on an annual basis and positions on newly excluded issuers are exited within 30 days. The exclusion list suit comprises:

Coal-powered energy generation and its funding chain: coal developers and coal-intensive companies that are deemed non-investable due to their role in coal mining or coal power generation and coal investors and financers that fund such activities.

Controversial weapons manufacturing: Weapon manufacturers that produce or closely involved in the production of weapon systems, which often include weapons prohibited by international conventions and treaties. The list comprises Anti-personnel Landmines, Cluster Munitions, Chemical and Biological Weapons, Nuclear Weapons and certain Indiscriminate weapons (like Non-Detectable fragments, incendiary and blinding laser weapons) and includes Investors and Financers that fund such activities.

Predatory Lending: Lenders that derive any revenue from lending activities that are deemed predatory and companies that have significant ownership of such lenders. Predatory practices include payday loans, high-interest instalment loans and rent-to-own schemes.

Tobacco Investment: Tobacco producers and manufacturers, companies that derive a meaningful portion of their revenue from tobacco-related activities and companies that have significant ownership of either of the two forementioned categories. Tobacco related activities include both products and services.

The Investment Manager monitors compliance with the social and environmental characteristics outlined above for the purposes of integrating sustainability risk into its investment –decision making process on an ongoing basis through automated controls coded into the Algebris Order Management System (“OMS”). The OMS has fully integrated pre- and post-trade controls that implement and safeguard the exclusion lists described above. Breaches are communicated systematically to the relevant teams via automated e-mail notification and they are escalated to relevant Boards and committees as appropriate.

Direct engagement with Lenders/Financers
A list of banks that comprise the core universe of the Fund have been identified. The ESG committee examines, inter alia, the institution's exposure and policies surrounding coal extraction and consumption and, on a case-by-case basis, where relevant public disclosures fall below industry standard or where exposure is thought to be high, a tailored questionnaire assesses the institution's position on coal and any planned action to reduce its coal-related exposure.

The ESG committee engages directly with the same universe of banks, seeking assurance about their controversial weapons involvement and policies.

Voting Policy
Where the investment Manager is given the opportunity to exercise voting rights in relation to the positions held in the Fund, these are made in the best interests of the investors after considering the long-term sustainability of the respective issuer. While abstaining can be the best option in a limited number of cases, the relevant policy in place commits the Investment Manager to take an active role in the company's decision-making process, with sustainability being a prime consideration.

UNPRI Screening & ESG Scoring
The Fund is subject to a screening that evaluates the alignment of investee companies with the 10 Principles of the UN Global Compact ("UNGC"). The screening will be underpinned by quantitative and qualitative analysis carried out by the ESG research team of the Algebris group, using data collected by specialised ESG data provider Vigeo Eiris. From an operational standpoint, this screening will restrict investment in companies that are identified to be exhibiting a poor performance in business areas relevant to the UNGC principles, and companies whose performance is significantly below average (but above the threshold for immediate exclusion) will be placed on a watchlist.

The Investment Manager also assesses the governance practices of issuers through a variety of scores covering various aspects of firm-level governance, from external ESG data providers (such as Standard & Poors ("S&P")) in order to satisfy itself that the relevant issuers follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. The investment team of the Investment Manager may also engage with investee companies about specific governance- related issues. The dedicated AI/Big Data team of the Algebris group is further developing an AI-driven controversy monitoring tool to monitor the increase of potential ESG-related controversies relating to investee names.

Assessment of the likely impact of sustainability risks on the return of financial products:

Sustainability risks may adversely affect the returns of the Fund. The Investment Manager has implemented a policy in respect of the integration of sustainability risks in its investment decision making-process. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment, and hence the Net Asset Value of the Fund.

The Fund invests primarily in securities of financial institutions. The sustainability risks of such investments include the sustainability risks of the investments made by the Fund's investee financial institutions as well as other sustainability risks that relate only to the Fund's investee financial institutions themselves.

The Fund's investments are exposed to losses resulting from reputational damage an investee issuer may face for a variety of reasons, including:

- environmental, social or governance concerns in relation to the operation of the issuer
- compromise of human rights or labour rights
- breaches to intellectual property and privacy (GDPR) rights
- occupational health and safety
- gender, race and/or other non-discrimination standards

- other controversies or scandals

The Fund’s investments are also exposed to the risk of losses resulting from reputational damage an investee issuer may face in connection with its lending and funding operations, for example, in connection with the following sectors:

- Greenhouse gas (GHG) and air pollutants (like SO2 and CO2 emissions)
- Mining, oil and gas extraction specific issues (like offshore drilling, Shale Oil and Gas Hydraulic Fracturing), coal extraction, dams and chemicals, including plastics
- Controversial Weapons, nuclear weapons proliferation and Defence equipment
- Agricultural, forestry and related to pulp & paper and palm oil
- Animal testing and animal welfare
- Tobacco, alcohol and addictive substances
- World Heritage sites and Ramsar wetlands
- Water use, resources and pollution
- Gambling and predatory lending

Reputational damage to an investee company may lead to a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital.

The Fund’s investments are also exposed to the risk that where investee financial institutions have provided finance to borrowers, sustainability risk events may impact the ability of such borrowers to repay their debt to investee financial institutions.

The Fund is also exposed to risks associated with the increased cost and administrative burden due to changes in regulations and policies in the areas of climate, energy, and environment as well as cost from improving governance and oversight, an area of regulatory focus for the financial institutions. More importantly, there is regulatory risk in the form of penalties for failing to comply with such regulations, accompanied by reputational stigma any such violation would bring, an issue particularly acute for high profile and systemic financial organisations.

INVESTMENT TECHNIQUES AND INSTRUMENTS

Financial Derivative Instruments

The Central Bank requires that all UCITS funds that use FDIs employ a risk management process which enables them to accurately manage, measure and monitor the various risks associated with FDIs. Any FDIs not included in the risk management process will not be used until such time as a revised risk management process has been provided to the Central Bank.

The Company may employ investment techniques and instruments in accordance with the Fund’s investment policy for investment purposes, for efficient portfolio management purposes and for hedging purposes, subject to the conditions and within the limits from time to time laid down by the Central Bank. These techniques and instruments may involve the use of FDIs. Derivatives may be exchange traded or over-the-counter (“OTC”).

Swaps and CFDs. The Fund may enter into CFDs and various types of swap contract, including on equity and debt securities, eligible indices, interest rates and ETFs, either for investment or for hedging purposes in accordance with the Fund’s investment policy.

Swaps. Swap agreements are individually negotiated and can be structured to include exposure to a variety of different types of investments or market factors. A swap contract is a derivative contract between two parties to exchange a series of future cash flow obligations for a stated period of time.

CFDs. A CFD is a contract between two parties, typically described as 'buyer' and 'seller', stipulating that the seller will pay to the buyer, at the close of the contract, the difference between the reset value or initial value of the reference asset and the closing value of the reference asset.

Swap agreements and CFDs do not involve the purchase or sale of an asset, only the agreement to receive or pay the movement in its price.

TRS. TRS shall have the meaning set out in SFTR and are OTC derivative contracts whereby the Fund agrees to pay a stream of payments based on an agreed interest rate in exchange for payments representing the total economic performance, including income from interest and fees, gains and losses from price movements and credit losses, over the life of the swap of a reference obligation to another counterparty.

Options. The Fund may purchase and sell put and call exchange traded options or may enter into options traded OTC. The Fund may use options on assets in lieu of purchasing and selling the underlying assets. The Fund may purchase and sell put and call options on equity and debt securities, eligible indices, currencies, interest rates, interest rate futures and ETFs, either for investment or for hedging purposes in accordance with the Fund's investment policy.

The purpose behind the purchase of put options by the Fund is to hedge against a decrease in the market generally or to hedge against a decrease in the price of particular securities or other assets held by the Fund. The purpose behind the purchase of call options by the Fund is to provide exposure to increases in the market or to hedge against an increase in the price of securities or other assets that the Fund intends to purchase at a later date. The purpose behind the Fund selling (or writing) covered call options is typically to generate increased returns from the reference underlying asset.

Futures. The Fund may invest in futures contracts on financial instruments such as eligible indices and interest rates. A futures contract is an agreement between two parties to buy or sell a specified quantity of the financial instrument called for in the contract at a pre-determined price in the future. Futures can be cash settled as well as physically settled.

The purchase of futures contracts can serve as a long hedge and the sale of futures contracts can serve as a limited short hedge. Futures contracts allow the Fund to hedge against market risk. Since these contracts are marked-to-market daily, the Fund can, by closing out its position, exit from its obligation to buy or sell the underlying assets prior to the contract's delivery date.

Forward contracts. Forward currency exchange contracts are FDIs where the parties agree on the sale and purchase of one currency against another currency at a pre-agreed price and a specific delivery date in the future. FX forwards impose an obligation on the buyer to purchase the agreed currency on the agreed date. Forward currency exchange transactions may be used to reduce the risk of adverse market changes in exchange rates or to shift exposure to foreign currency fluctuations from one country to another. Forwards (other than currency) on equity and debt securities are contracts to buy or sell an underlying security at a pre-determined price on a specific future date. Forward contracts may be utilised for hedging and currency risk management.

Warrants and rights. The Fund may receive rights passively (e.g., as a result of corporate actions) because the Fund's existing holdings in equity or other securities issued by the rights issuer. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at the stated price.

A list of the Regulated Markets on which the FDIs may be quoted or traded is set out in Schedule I to the Prospectus.

A description of the current conditions and limits laid down by the Central Bank in relation to FDIs is set out in Schedules II and III to the Prospectus. Investors' attention is drawn to the description of the risks associated with the use of FDIs included in the section headed "Risk Factors" in the Prospectus.

The policy that will be applied to collateral arising from OTC derivative transactions or efficient portfolio management techniques relating to the Fund is to adhere to the requirements set out in Schedule III of the Prospectus. This sets out the permitted types of collateral, level of collateral required and haircut policy and, in the case of cash collateral, the re-investment policy prescribed by the Central Bank pursuant to the Regulations. To the extent that the Fund receives any collateral, the categories of collateral which may be received by the Fund include cash and non-cash assets such as equities, debt securities and money market instruments. From time to time and subject to the requirements in Schedule III, the policy on levels of collateral required and haircuts may be adjusted, at the discretion of the Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The haircuts applied (if any) by the Investment Manager are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements in Schedule III. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this policy. If cash collateral received by the Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund. For further details see the section entitled “Risk Factors”.

General

Direct and indirect operational costs and fees arising from the efficient portfolio management techniques may be deducted from the revenue delivered to the Fund. These costs and fees do not and should not include hidden revenue. All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Fund. The entities to which direct and indirect costs and fees may be paid may include banks, investment firms, broker-dealers or other financial institutions or intermediaries and may be related parties to the Company, the Manager, the Investment Manager or the Depositary. The revenues arising from such efficient portfolio management techniques for the relevant reporting period, together with the direct and indirect operational costs and fees incurred and the identity of the counterparty(ies) to these efficient portfolio management techniques (if any), will be disclosed in the annual and half-yearly reports of the Company.

Securities Financing Transactions and TRS

As set out above, the Fund may enter into repurchase agreements and reverse repurchase agreements for efficient portfolio management purposes only where the objective of using such instruments is to hedge against risk and/or to reduce costs borne by the Fund or to generate additional capital or income which is consistent with the risk profile of the Fund and the risk diversification rules set down in the Regulations.

As set out above, the Fund may also enter into TRS within the meaning of the SFTR.

All types of assets which may be held by the Fund in accordance with its investment objectives and policies may be subject to a securities financing transaction or TRS.

The maximum proportion of the Fund’s assets which can be subject to securities financing transactions and/or TRS is 100% of the Net Asset Value of the Fund.

However, the expected proportion of the Fund’s assets which will be subject to securities financing transactions and/or TRS is between 0% and 50% of the Net Asset Value of the Fund’s assets. The proportion of the Fund’s assets which are subject to securities financing transactions and/or TRS at any given time will depend on prevailing market conditions and the value of the relevant investments. The amount of assets engaged in each type of securities financing transaction and TRS, expressed as an absolute amount and as a proportion of the Fund’s assets, as well as other relevant information relating to the use of securities financing transactions and/or TRS shall be disclosed in the annual report and semi-annual report of the Company.

For the purposes of the above, a TRS shall have the meaning set out in SFTR as outlined above.

Further information relating to securities financing transactions and TRS is set out in the Prospectus at the sections entitled "*Securities Financing Transactions*" and "*Total Return Swaps*".

Share Class Currency Hedging

Foreign exchange transactions may be used for Class currency hedging purposes. Where a Class of Shares is designated as a hedged Class, as stipulated in Schedule 1 hereto, that Class will be hedged against exchange rate fluctuation risks between the denominated currency of the Share Class and the Base Currency of the Fund. Such hedging strategy shall be subject to the conditions and within the limits laid down by the Central Bank and may not be implemented in the following circumstances:

(i) if the Net Asset Value of the Fund falls below alevel whereby the Investment Manager considers that it can no longer hedge the currency exposure in an effective manner;
(ii) if the FX markets are closed for business; and
(iii) where a material tolerance of the size of the hedge is applied to share class hedging to avoid unnecessary frictional trading costs.

Further information is set out in the Prospectus at the section entitled "Currency Considerations". It should be noted that the successful execution of a hedging strategy which mitigates this currency risk exactly cannot be assured.

Where a Class is unhedged, a currency conversion will take place on subscriptions, redemptions, conversions and distributions at prevailing exchange rates. In such circumstances, the value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency and/or in relation to the designated currencies of the underlying assets.

INVESTMENT RESTRICTIONS

The Fund's investments will be limited to investments permitted by the Regulations, as set out in Schedule II to the Prospectus. If the Regulations are altered during the life of the Company, the investment restrictions may be changed to take account of any such alterations but any such changes shall be in accordance with the Central Bank's requirements and Shareholders will be advised of such changes in an updated Prospectus or a Supplement and in the next succeeding annual or half-yearly report of the Company. In the event that any alterations to the Regulations necessitate a material change in the investment policy of the Fund, such a change to the investment policy may only be made on the basis of a majority of votes cast at a general meeting or with the prior written approval of all Shareholders and a reasonable notification period shall be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, including in order to comply with the laws and regulations of the countries where Shareholders are located and any additional investment restrictions or limits will be set down in the "Investment Policy" section above.

The investment restrictions, as well as the policies of the Fund as to ratings of portfolio investments, will apply only at the time of purchase of the investments. If these limits are exceeded for reasons beyond the control of the Fund, the Fund shall adopt as a priority objective for its sales transactions the remedying of that situation taking account of the interests of the Fund and its Shareholders.

SHARE CLASSES

Shares are available in the different Classes of Shares as shown in the table set out at Schedule 1 hereto.

The Investment Manager may in its discretion vary the minimum initial subscription or minimum additional subscription amounts in the future and may choose to waive these criteria.

Investors should note that as at the date of this Supplement only certain Classes of Shares may currently be available for purchase, at the discretion of the Directors. No further subscriptions are being accepted for Class B Shares for so long as the Directors determine.

Class M Shares are only available for subscription by (i) employees, members or affiliates of the Investment Manager and the Manager including, without limitation, members of the immediate families of such persons, and trusts or other entities for their benefit; and (ii) other investors who have agreed separate fee arrangements with the Investment Manager or the Manager. Class M Shares are not subject to a management fee, and are not subject to minimum initial or additional subscription amounts.

Class A Shares, Class I2 Shares and Class XXL Shares are only available for subscription with the prior approval of the Investment Manager and the Investment Manager may refuse to accept new subscriptions for Class A Shares, Class I2 Shares and Class XXL Shares at its sole and absolute discretion.

DIVIDENDS

The Directors are permitted to declare distributions in respect of any Class of Shares. Distributions may not be payable for all Classes of Shares. For the Distributing Classes, the current distribution policy is to distribute net income (consisting of revenue, including any accrued interest and dividends less expenses). As a result, a distribution may include accrued revenue which may subsequently never be received. The amount of the net income to be distributed is determined at the discretion of the Directors in accordance with Articles and the Directors will also determine what proportion of the Fund's expenses may be charged against the income to arrive at the net income figure. For the avoidance of doubt net income excludes any realised and unrealised capital gains and losses incurred during a relevant period. Shareholders should also be aware that in maintaining a regular dividend payment, at times dividends may be paid out of the capital of the Fund in addition to or in the absence of net income. Accordingly, notwithstanding the intention to distribute net income, distributions may also be paid out of capital. In respect of each dividend declared, the Directors may determine if, and to what extent, such dividend is to be paid out of the capital of the Fund.

The Fund expects to receive periodic interest and dividend payments from the assets it invests in and these interest payments and dividend payments will be accrued (as accrued revenue), in accordance with IFRS, in the Net Asset Value of the Fund. The Fund, in order to provide a regular and consistent income stream to its Shareholders, will generally declare a distribution quarterly on the following approximate dates: 1 January, 1 April, 1 July and 1 October. In the event that the accrued revenue is unrealised (i.e. the Fund has not yet received the revenue), on the date a distribution is declared, the distribution of net income will be made out of the capital of the Fund. For the avoidance of doubt, the Fund shall be permitted to make a distribution of net income (including unrealised accrued revenue) even in the event that the Fund has made a capital loss in relevant period and such distribution will be made out of the capital of the Fund. The Fund may make distributions out of capital in other circumstances, at the discretion of the Directors.

As distributions may be made out of the capital of the Fund, there is a greater risk that capital will be eroded and 'income' will be achieved by foregoing the potential for future capital growth of your investment and the value of future returns may also be diminished. This cycle may continue until all capital is depleted.

Please note that distributions out of capital may have different tax implications to distributions of income and you are recommended to seek advice in this regard.

The Fund's net income attributable to the Accumulating Classes shall be re-invested in the capital of the Fund.

For further information, investors' attention is drawn to the section of the Prospectus entitled "Dividend Policy".

SUBSCRIPTIONS AND REDEMPTIONS

The minimum initial subscription amounts and minimum additional subscription amounts are set out in Schedule I hereto.

There are no minimum subscription amounts for Class M Shares.

Please see the section in the Prospectus entitled "Administration of the Company" for further information on subscriptions and redemptions.

Dilution Adjustment

A dilution adjustment of up to 0.75% of the Net Asset Value per Share may be payable on net subscriptions for Shares and net redemptions of Shares as determined by the Investment Manager. Please see the sub-section in the Prospectus entitled "Dilution Adjustment", in the section entitled "Administration of the Company" for further information.

The Initial Offer Period is set out in Schedule I hereto.

DEALINGS IN THE FUND

"Trade Cut-off Time for Subscriptions"	12 noon (Irish time) on the last Business Day prior to a Dealing Day.
"Trade Cut-off Time for Redemptions"	12 noon (Irish time) on the last Business Day prior to a Dealing Day.
"Business Day"	means, unless otherwise determined by the Directors and notified in advance to Shareholders, a day on which retail banks are open for business in Ireland and the United Kingdom.
"Dealing Day"	means every Business Day or such other days as the Directors may determine and notify in advance to Shareholders, and provided that there shall be at least one Dealing Day each fortnight.
"Valuation Day"	means, unless otherwise determined by the Directors and notified in advance to Shareholders, every Business Day.
"Valuation Point"	means 5.30 pm (New York time) on the Valuation Day.
"Settlement Time (for subscriptions)"	within 3 Business Days following the relevant Dealing Day.

"Settlement Time (for redemptions)"	within 3 Business Days following the relevant Dealing Day.

In respect of the Fund, dealing requests received subsequent to the relevant Trade Cut-Off Time shall be effective on the next applicable Dealing Day (e.g. if a subscription or redemption request is received at 12:01 pm on Monday, presuming it is a Business Day, it shall be effective on Wednesday, presuming that both Tuesday and Wednesday are Dealing Days).

FEES AND EXPENSES

Investors' attention is drawn to the section of the Prospectus entitled "Fees and Expenses".

Class I Shares and Class XXL Shares are available to those financial intermediaries providing independent investment advisory services or discretionary investment management as defined in MiFID II and those financial intermediaries providing non-independent investment services and activities who have separate fee arrangements with their clients under which they have agreed not to receive and retain inducements. Such Classes shall be referred to in the tables in Schedule I of this Supplement as "Clean" Classes.

Initial Sales Charge

An initial sales charge of up to 5.00% of the amount subscribed shall be payable in respect of subscriptions for all Class A Shares and up to 3.00% in respect of subscriptions for all Class R Shares. Any such sales charge may be payable to the relevant distributors. In addition, the distributors may, in their sole discretion, waive payment of the initial sales charge or reduce the initial sales charge payable by a subscriber for Class A Shares and Class R Shares.

There shall be no initial sales charge for the Class B Shares, Class I Shares, Class I2 Shares, Class M Shares or Class XXL Shares.

In addition to the sales charge described above, a local paying agent or local representative may charge customer service fees in connection with subscribed/redeemed Shares.

Redemption Charge

No redemption charge will be payable on redemptions with respect to any Class of Shares.

U.S. Dealing Services Charge

With respect to Class A Shares and Class I2 Shares, the Company may pay out of the assets of the Fund, a U.S. dealing services charge (the "U.S. Dealing Services Charge"). Such charge will be paid to networking agents in the U.S. whose appointment is necessary to facilitate investment by U.S. investors approved by the Investment Manager in the Class A and Class I2 Shares. The U.S. Dealing Services Charge shall not exceed 0.10% per annum of the Net Asset Value of the Class A or Class I2 Shares. Any such charge shall accrue daily and shall be payable monthly in arrears.

There shall be no U.S. Dealing Services Charge for the Class B Shares, Class I Shares, Class R Shares, Class M Shares or Class XXL Shares.

Fees in respect of the Manager and Investment Manager

Management Fee

The Manager and the Investment Manager shall be entitled to receive an overall investment management fee (the "**Management Fee**") from the Company in respect of the Fund equal to 0.50% per annum of the Net Asset Value of the Class B Shares and Class XXL Shares, 0.90% per annum of the Net Asset Value of the Class I Shares, 1.80% per annum of the Net Asset Value of the Class R Shares, 1.15% per annum of the Net Asset Value of the Class I2 Shares and 1.65% per annum of the Net Asset Value of the Class A Shares.

The Management Fee shall be (i) calculated and accrued daily; and (ii) is calculated by reference to the Net Asset Value of the relevant Shares before the deduction of that days' Management Fee. The Management Fee is normally payable in arrears within 14 days' of the end of the relevant month end.

No Management Fee shall be payable in respect of Class M Shares.

In addition, each of the Manager and the Investment Manager shall be entitled to be reimbursed its reasonably vouched out-of-pocket expenses incurred with respect to the Company and the Fund. The Fund shall bear its pro-rata share of out-of-pocket expenses relating to the Company as a whole.

Depositary's Fee

The Depositary shall be entitled to receive out of the assets of the Fund a fee, accrued and calculated daily and payable monthly in arrears, at a rate of 0.01% per annum of the Fund's Net Asset Value subject to a minimum annual fee of €600,000 at the level of the Company (as above, to include administration and depositary services).

The Depositary shall also be entitled to receive transaction charges and all sub-custodian charges will be recovered by the Depositary from the Company out of the assets of the Fund as they are incurred by the relevant sub-custodians. All such charges shall be charged at normal commercial rates. The Depositary is also entitled to reimbursement for its reasonable vouched out-of-pocket expenses.

Administrator's Fee

The Administrator shall be entitled to receive out of the assets of the Fund a fee, accrued and calculated daily and payable monthly in arrears, at a rate of up to 0.035% per annum of the Fund's Net Asset Value for the first €200 million, 0.03% per annum of the Fund's Net Asset Value between €200 million and €500 million and 0.02% per annum of the Fund's Net Asset Value above €500 million subject to a minimum annual fee of €600,000 at the level of the Company (to include administration and depositary services).

In addition, the Company shall pay out of the assets of the Fund its portion of the Administrator's annual financial statement preparation fee of €5,000 per annum (at the level of the Company) and €1,000 per annum (per Fund) for the preparation of financial statements for the Company and a preparation fee of €3,000 per annum (at Company level) and €750 per annum (per Fund) for the semi-annual financial statement. In addition, the Administrator shall be entitled to be reimbursed for its reasonable vouched out-of-pocket expenses, transaction and account fees.

Establishment Costs

The costs of establishing the Fund have been discharged.

RISK FACTORS

The attention of investors is drawn to the section headed "Risk Factors" in the Prospectus.

SCHEDULE I

Classes of Shares

Algebris Financial Income Fund – Fund denomination – EURO								
Share Class	**Class Currency**	**Hedged currency class**	**Initial Offer Price**	**Minimum initial subscription**	**Minimum additional subscription**	**Management Fee**	**Initial Offer Period Status***	**Distribution Status**
Class I EUR (Clean)	EUR	No	€100	€500,000	€5,000	0.90%	Funded	Accumulating
Class Id EUR (Clean)	EUR	No	€100	€500,000	€5,000	0.90%	Funded	Distributing
Class I GBP (Clean)	GBP	Yes	GBP 100	GBP equivalent of €500,000	GBP equivalent of €5,000	0.90%	Funded	Accumulating
Class Id GBP (Clean)	GBP	Yes	GBP 100	GBP equivalent of €500,000	GBP equivalent of €5,000	0.90%	Funded	Distributing
Class I CHF (Clean)	CHF	Yes	CHF 100	CHF equivalent of €500,000	CHF equivalent of €5,000	0.90%	Funded	Accumulating
Class Id CHF (Clean)	CHF	Yes	CHF 100	CHF equivalent of €500,000	CHF equivalent of €5,000	0.90%	Funded	Distributing
Class I USD (Clean)	USD	Yes	USD 100	USD equivalent of €500,000	USD equivalent of €5,000	0.90%	Funded	Accumulating
Class Id USD (Clean)	USD	Yes	USD 100	USD equivalent of €500,000	USD equivalent of €5,000	0.90%	Funded	Distributing
Class I SGD (Clean)	SGD	Yes	SGD 100	SGD equivalent of €500,000	SGD equivalent of €5,000	0.90%	Extended	Accumulating
Class Id SGD (Clean)	SGD	Yes	SGD 100	SGD equivalent of €500,000	SGD equivalent of €5,000	0.90%	Funded	Distributing
Class I JPY (Clean)	JPY	Yes	JPY 100	JPY equivalent of €500,000	JPY equivalent of €5,000	0.90%	Extended	Accumulating
Class Id JPY (Clean)	JPY	Yes	JPY 100	JPY equivalent of €500,000	JPY equivalent of €5,000	0.90%	Extended	Distributing
Class I AUD (clean)	AUD	Yes	AUD 100	AUD equivalent of €500,000	AUD equivalent of €5,000	0.90%	Extended	Accumulating
Class Id AUD (clean)	AUD	Yes	AUD 100	AUD equivalent of €500,000	AUD equivalent of €5,000	0.90%	Extended	Distributing
Class I HKD (clean)	HKD	Yes	HKD 100	HKD equivalent of €500,000	HKD equivalent of €5,000	0.90%	Extended	Accumulating
Class Id HKD (clean)	HKD	Yes	HKD 100	HKD equivalent of €500,000	HKD equivalent of €5,000	0.90%	Extended	Distributing

Class I SEK (Clean)	SEK	Yes	SEK 100	SEK equivalent of €500,000	SEK equivalent of €5,000	0.90%	New	Accumulating
Class Id SEK (Clean)	SEK	Yes	SEK 100	SEK equivalent of €500,000	SEK equivalent of €5,000	0.90%	New	Distributing
Class R EUR	EUR	No	€100	€10,000	€1,000	1.80%	Funded	Accumulating
Class Rd EUR	EUR	No	€100	€10,000	€1,000	1.80%	Funded	Distributing
Class R GBP	GBP	Yes	GBP 100	GBP equivalent of €10,000	GBP equivalent of €1,000	1.80%	Funded	Accumulating
Class Rd GBP	GBP	Yes	GBP 100	GBP equivalent of €10,000	GBP equivalent of €1,000	1.80%	Funded	Distributing
Class R CHF	CHF	Yes	CHF100	CHF equivalent of €10,000	CHF equivalent of €1,000	1.80%	Funded	Accumulating
Class Rd CHF	CHF	Yes	CHF100	CHF equivalent of €10,000	CHF equivalent of €1,000	1.80%	Funded	Distributing
Class R USD	USD	Yes	USD 100	USD equivalent of €10,000	USD equivalent of €1,000	1.80%	Funded	Accumulating
Class Rd USD	USD	Yes	USD 100	USD equivalent of €10,000	USD equivalent of €1,000	1.80%	Funded	Distributing
Class R SGD	SGD	Yes	SGD 100	SGD equivalent of €10,000	SGD equivalent of €1,000	1.80%	Funded	Accumulating
Class Rd SGD	SGD	Yes	SGD 100	SGD equivalent of €10,000	SGD equivalent of €1,000	1.80%	Funded	Distributing
Class R JPY	JPY	Yes	JPY 100	JPY equivalent of €10,000	JPY equivalent of €1,000	1.80%	Extended	Accumulating
Class Rd JPY	JPY	Yes	JPY 100	JPY equivalent of €10,000	JPY equivalent of €1,000	1.80%	Extended	Distributing
Class R AUD	AUD	Yes	AUD 100	AUD equivalent of €10,000	AUD equivalent of €1,000	1.80%	Extended	Accumulating
Class Rd AUD	AUD	Yes	AUD 100	AUD equivalent of €10,000	AUD equivalent of €1,000	1.80%	Extended	Distributing
Class R HKD	HKD	Yes	HKD 100	HKD equivalent of €10,000	HKD equivalent of €1,000	1.80%	Extended	Accumulating
Class Rd HKD	HKD	Yes	HKD 100	HKD equivalent of €10,000	HKD equivalent of €1,000	1.80%	Extended	Distributing
Class R SEK	SEK	Yes	SEK 100	SEK equivalent of €10,000	SEK equivalent of €1,000	1.80%	New	Accumulating

Class Rd SEK	SEK	Yes	SEK 100	SEK equivalent of €10,000	SEK equivalent of €1,000	1.80%	New	Distributing
Class I2 USD	USD	Yes	USD 100	USD equivalent of €500,000	USD equivalent of €10,000	1.15%	Extended	Accumulating
Class I2d USD	USD	Yes	USD 100	USD equivalent of €500,000	USD equivalent of €10,000	1.15%	Extended	Distributing
Class A USD	USD	Yes	USD 100	USD equivalent of €1,000	USD equivalent of €100	1.65%	Extended	Accumulating
Class Ad USD	USD	Yes	USD 100	USD equivalent of €1,000	USD equivalent of €100	1.65%	Extended	Distributing
Class XXL EUR (Clean)	EUR	No	EUR 100	€50,000,000	€1,000,000	0.50%	Extended	Accumulating
Class XXLd EUR (Clean)	EUR	No	EUR 100	€50,000,000	€1,000,000	0.50%	Extended	Distributing
Class XXL GBP (Clean)	GBP	Yes	GBP 100	GBP equivalent of €50,000,000	GBP equivalent of €1,000,000	0.50%	Extended	Accumulating
Class XXLd GBP (Clean)	GBP	Yes	GBP 100	GBP equivalent of €50,000,000	GBP equivalent of €1,000,000	0.50%	Extended	Distributing
Class XXL CHF (Clean)	CHF	Yes	CHF 100	CHF equivalent of €50,000,000	CHF equivalent of €1,000,000	0.50%	Extended	Accumulating
Class XXLd CHF (Clean)	CHF	Yes	CHF 100	CHF equivalent of €50,000,000	CHF equivalent of €1,000,000	0.50%	Extended	Distributing
Class XXL USD (Clean)	USD	Yes	USD 100	USD equivalent of €50,000,000	USD equivalent of €1,000,000	0.50%	Extended	Accumulating
Class XXLd USD (Clean)	USD	Yes	USD 100	USD equivalent of €50,000,000	USD equivalent of €1,000,000	0.50%	Extended	Distributing
Class XXL SGD (Clean)	SGD	Yes	SGD 100	SGD equivalent of €50,000,000	SGD equivalent of €1,000,000	0.50%	Extended	Accumulating
Class XXLd SGD (Clean)	SGD	Yes	SGD 100	SGD equivalent of €50,000,000	SGD equivalent of €1,000,000	0.50%	Extended	Distributing
Class XXL JPY (Clean)	JPY	Yes	JPY 100	JPY equivalent of €50,000,000	JPY equivalent of €1,000,000	0.50%	Extended	Accumulating

Class XXLd JPY (Clean)	JPY	Yes	JPY 100	JPY equivalent of €50,000,000	JPY equivalent of €1,000,000	0.50%	Extended	Distributing
Class XXL HKD (Clean)	HKD	Yes	HKD 100	HKD equivalent of €50,000,000	HKD equivalent of €1,000,000	0.50%	Extended	Accumulating
Class XXLd HKD (Clean)	HKD	Yes	HKD 100	HKD equivalent of €50,000,000	HKD equivalent of €1,000,000	0.50%	Extended	Distributing
Class B EUR	EUR	No	EUR 100	€500,000	€5,000	0.50%	Closed**	Accumulating
Class Bd EUR	EUR	No	EUR 100	€500,000	€5,000	0.50%	Closed**	Distributing
Class B GBP	GBP	Yes	GBP 100	GBP equivalent of €500,000	GBP equivalent of €5,000	0.50%	Closed**	Accumulating
Class Bd GBP	GBP	Yes	GBP 100	GBP equivalent of €500,000	GBP equivalent of €5,000	0.50%	Closed**	Distributing
Class B CHF	CHF	Yes	CHF 100	CHF equivalent of €500,000	CHF equivalent of €5,000	0.50%	Closed**	Accumulating
Class Bd CHF	CHF	Yes	CHF 100	CHF equivalent of €500,000	CHF equivalent of €5,000	0.50%	Closed**	Distributing
Class B USD	USD	Yes	USD 100	USD equivalent of €500,000	USD equivalent of €5,000	0.50%	Closed**	Accumulating
Class Bd USD	USD	Yes	USD 100	USD equivalent of €500,000	USD equivalent of €5,000	0.50%	Closed**	Distributing
Class B SGD	SGD	Yes	SGD 100	SGD equivalent of €500,000	SGD equivalent of €5,000	0.50%	Closed**	Accumulating
Class Bd SGD	SGD	Yes	SGD 100	SGD equivalent of €500,000	SGD equivalent of €5,000	0.50%	Closed**	Distributing
Class M EUR	EUR	No	€100	N/A	N/A	N/A	Funded	Accumulating
Class Md EUR	EUR	No	€100	N/A	N/A	N/A	Funded	Distributing
Class M GBP	GBP	Yes	GBP 100	N/A	N/A	N/A	Funded	Accumulating
Class Md GBP	GBP	Yes	GBP 100	N/A	N/A	N/A	Funded	Distributing
Class M CHF	CHF	Yes	CHF 100	N/A	N/A	N/A	Extended	Accumulating
Class Md CHF	CHF	Yes	CHF 100	N/A	N/A	N/A	Extended	Distributing

Class M USD	USD	Yes	USD 100	N/A	N/A	N/A	Funded	Accumulating
Class Md USD	USD	Yes	USD 100	N/A	N/A	N/A	Funded	Distributing
Class M SGD	SGD	Yes	SGD 100	N/A	N/A	N/A	Extended	Accumulating
Class Md SGD	SGD	Yes	SGD 100	N/A	N/A	N/A	Extended	Distributing
Class M JPY	JPY	Yes	JPY 100	N/A	N/A	N/A	Extended	Accumulating
Class Md JPY	JPY	Yes	JPY 100	N/A	N/A	N/A	Extended	Distributing
Class M HKD	HKD	Yes	HKD 100	N/A	N/A	N/A	Extended	Accumulating
Class Md HKD	HKD	Yes	HKD 100	N/A	N/A	N/A	Extended	Distributing

Initial Offer Period Shares

* This column specifies “New” where a Class is being offered for the first time, “Funded” where a Class is in issue, “Extended” where a Class has been offered, the Initial Offer Period has commenced and is continuing but no Shares are in issue.

For all Classes of Shares identified as “New”, the Initial Offer Period is from 9.00 a.m. (Irish time) on 29 November 2022 until 5.30 p.m. (Irish time) on 29 May 2023, or such other dates as the Directors may determine and notify to the Central Bank.

For all Classes of Shares identified as “Extended”, the Initial Offer Period shall continue until 5.30 p.m. (Irish time) on 1 June 2023 or such other dates as the Directors may determine and notify to the Central Bank.

** In this column specifies “Closed” where a Class is closed to new subscriptions.

SCHEDULE II

Product name: **Algebris Financial Income Fund (the Fund)**

Legal entity identifier: **5493003UK3FNOWPM2I75**

Environmental and/or social characteristics

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

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

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective**: ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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

The environmental and social characteristics promoted by the Fund are:

1. Prevention of predatory lending practices
2. Pollution prevention and control
3. Emissions reduction
4. Human rights
5. Labour relations

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

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

The Investment Manager will use the following sustainability indicators to measure the attainment of the environmental and social characteristics promoted by the Fund. Where relevant, the data for assessing the below indicators is sourced from third-party ESG data providers (the **Data Providers**) and internal research.

Key ESG concerns

Characteristic 1: Predatory lending practices

- **Indicator: the share of revenues derived from predatory lending activities.**

Characteristic 2: Pollution prevention and control

- **Indicator: amount of air pollutants** in proportion to company revenue and/or the **amount** of **inorganic pollutants** in proportion to company revenues.

Characteristic 3: Emission reduction

- **Indicator: the share of investments in companies that explicitly disclose that they have either committed to setting or have set science-based targets (SBTs) in relation to decarbonisation.**

Characteristic 4: Human rights

- **Indicator: the share of investments in companies involved in very serious violations of human rights under the United Nations Global Compact (UNGC).** For the purpose of this indicator, the Investment Manager defines a very serious violation as the case of a company being: (a) involved in persistent UNGC-related controversies; (b) where the controversy is of critical severity; and (c) where the company is non-reactive. The existence of Human Rights Policies and Commitments at the individual investee level is also monitored in the context of measuring the attainment of targets monitored.

- **Indicator: the existence of Human Rights commitments, policies and procedures at the individual investee level.**

Characteristic 5: Labour relations

- **Indicator: the share of investments in companies involved in very serious violations of labour rights under the UNGC.** For the purpose of this indicator, the Investment Manager defines a very serious violation as the case of a company being: (a) involved in persistent UNGC-related controversies; (b) where the controversy is of critical severity; and (c) where the company is non-reactive. The existence of Human Rights Policies and Commitments at the individual investee level is also monitored in the context of measuring the attainment of targets monitored.

- **Indicator: the evolution at portfolio level of an aggregate labour practice score.** The score reflects the investees' gender balance; gender pay ratio; performance in terms of preventing discrimination and harassment; freedom of association; ethnic diversity.

Exclusion policies

- **Indicator: any holdings (0%) of the Fund comprising issuers on the exclusion lists.**

Voting policy and engagement

- **Indicator:** the % of meetings voted; the % of shareholders' resolutions voted against; the % of shareholders' resolutions voted in favour; the number of ESG-related engagements with investees.

ESG screening

- **Indicator: any share of investments (0%) in companies that are identified to be in the bottom 10% of the distribution of the relevant sector's ESG score.**

- **Indicator: the evolution at portfolio level of a global ESG score, as well as of individual E, S, and G scores.**

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

N/A

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

N/A

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

N/A

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

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

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

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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

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

☒ Yes, the Investment Manager considers the principal adverse impacts (**PAI**) of the Fund's investments on sustainability factors: (i) prior to and at the point of investment, by conducting (to the extent possible) due diligence on any proposed investments, with at a minimum the application of ESG exclusion polices; and (ii) on an ongoing basis by monitoring the investments against any applicable mandatory and additional PAI indicators. More information is available in the periodic reporting pursuant to Article 11(2) of the SFDR.

The **climate and other environmental** related PAI indicators considered by the Investment Manager in respect to all investee companies are:

- GHG emissions;
- carbon footprint;
- GHG intensity of investee companies;
- exposure to companies active in the fossil fuel sector;
- share of non-renewable energy consumption and production;
- energy consumption intensity per high impact climate sector;
- activities negatively affecting biodiversity-sensitive areas;
- emissions to water;

- hazardous waste ratio; and
- investments in companies without carbon emission reduction initiatives.

The **social and employee, respect for human rights, anti-corruption and anti-bribery** related PAI indicators considered by the Investment Manager in respect to all investee companies are:

- violations of UNGC principles and OECD guidelines for multinational enterprise;
- lack of processes and companies mechanisms to monitor companies with UNGC principles and OECD guidelines for multinational enterprise;
- unadjusted gender pay gap;
- board gender diversity;
- exposure to controversial weapons; and
- lack of anti-corruption and anti-bribery policies.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective, investment policy and investment strategy of the Fund is detailed in the Supplement for this Fund and should be read in conjunction with and in the context of this Annex.

Due to the key role that the banking and broader financial sector play in providing funding across sectors and economic activities, the Fund is presented with an opportunity to contribute to a fairer and more sustainable economy through its investment in institutions that themselves contribute to this transition. In addition, in the context of its promotion of environmental and social characteristics, the Investment Manager mainly relies on a combination of the following approaches to responsible investment:

(1) **<u>Key ESG concerns</u>:** the Fund aims to facilitate and accelerate the transition towards a greener and more sustainable economy by investing in companies in the financial services sector that are considered acceptable by reference to the environmental and social characteristics the Fund promotes.

(2) **<u>Exclusion polices</u>:** the Fund applies exclusion policies to provide reasonable comfort that the Fund does not make or hold investments in industries, market segments and companies considered to have particularly harmful or controversial practices from an environmental or social perspective.

As regards coal in particular, the Fund also applies the following approach: a list of banks that comprise the core universe of the Fund has been identified. The Investment Manager's ESG committee examines each relevant institution’s exposure and policies surrounding coal extraction and consumption and, on a case-by-case basis, where relevant public disclosures fall below industry standard or where exposure is thought to be high, a tailored questionnaire assesses the institution’s position on coal and any planned action to reduce its coal-related exposure. The Investment Manager’s ESG committee engages directly with the same universe of banks, seeking assurance about their controversial weapons involvement and policies.

The Investment Manager will not invest in the banks providing the largest share of lending to coal mining.

(3) **Voting Policy and engagement:** Where the Investment Manager is given the opportunity to exercise voting rights in relation to the positions held by the Fund, these are made in the best interests of the investors in the Fund after considering the long-term sustainability of the respective issuer. While abstaining can be the best option in a limited number of cases, the voting policy applicable to the Investment Manager commits it to take an active role, with sustainability being a prime consideration.

When deciding how to exercise voting rights attached to the investments made by the Fund, the Investment Manager will consider voting decisions on a case-by-case basis taking into account: (i) the likely effect on the performance of the Fund's investments; and also (ii) the long-term sustainability considerations of the issuer.

The Investment Manager is a supporter of the Say on Climate Initiative – Shareholder Voting on Climate Transition Action Plans (a shareholder voting initiative to encourage companies to publish annual disclosures of emissions and to adopt a plan to manage these emissions) ("**Say on Climate**"). Where companies will not do so voluntarily, the Investment Manager has formally stated in its voting policy that it will vote for and/or file annual general meeting (AGM) resolutions (whenever it has voting rights, and sufficient votes) requiring such a vote that furthers the aims of Say on Climate.

On engagement more broadly, the Investment Manager also holds an ongoing dialogue with investee companies. This is typically done in the form of calls and meetings with management, following publication of banks' periodic results or upon presentation of their industrial plans. This direct engagement also spans ESG-relevant themes (e.g. ESG disclosures; climate transition plans; net zero targets). The Investment Manager also actively participates in several investor collective engagement initiatives (such as the Non-Disclosure Campaign led by the Carbon Disclosure Project (CDP)) and may engage with investee companies as part of these initiatives.

(4) **United Nations Global Compact screening:** the Investment Manager applies screening that evaluates the alignment of investee companies with the 10 Principles of the UNGC. This will exclude investments in companies that are identified as exhibiting a poor performance in business areas relevant to the UNGC principles. In addition, companies whose performance is significantly below average (but above the threshold for immediate exclusion) will be placed on a watchlist.

(5) **ESG screening:** The Fund is subject to ESG screening, which prevents an investment being made in companies that are identified as being in the bottom 10% of its sector's overall ESG score as measured by way of the Investment Manager's proprietary ESG scoring assessment. This assessment is based on data from third-party ESG data providers (the **Data Providers**) and internal research.

These principles are integrated, on a best-efforts basis, into the investment controls where possible and reviewed on a regular basis by the Investment Manager. Where any of the requirements are not met, the Investment Manager will determine how best to liquidate the position(s), if appropriate, or take action to remediate the situation through active engagement with the issuer. The Investment Manager will abstain from investing in similar investments until the identified issue is resolved and the relevant position is no longer considered in breach of the Fund's sustainability criteria detailed above.

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

In order to attain the environmental and/or social characteristics promoted, the Investment Manager applies the following binding criteria to the selection of underlying assets as part of its investment decision making process:

(1) Key ESG Concerns:

a. No investment is allowed in companies that derive any revenues from predatory lending activities; and/or companies that have significant ownership in entities excluded under this rule.

b. No investment is allowed in companies that derive any revenues from coal mining and/or coal power generation; and/or in companies that have a significant ownership in the entities excluded under this rule. No investment is allowed in debt or equity issued by the top global coal shareholders, bondholders, and lenders as defined in the Investment Manager's exclusion policies and procedures.

c. No investment is allowed in companies that derive any revenues from exploration-extraction of arctic oil and/or tar sands; and/or in companies that have a significant ownership in entities excluded under this rule.

d. No investment is allowed in companies that derive more than 40% of their revenues from the production of conventional oil & gas.

e. No investment is allowed in companies that derive any revenues from the manufacturing of controversial weapons; and/or in companies that have a significant ownership in entities excluded under this rule. No investment is allowed in debt or equity issued by the top global investors in nuclear weapons and cluster weapons as defined in the Investment Manager's exclusion policies and procedures.

f. No investment is allowed in companies found to be involved in very serious violations of human rights and/or labour rights under the UNGC.

(2) Exclusion policies: the Fund is subject to the Investment Manager's firm-level exclusion policy, including but not limited to the restrictions listed under (1). This policy results in ESG exclusion lists that are implemented in the Investment Manager's internal automated controls system, which include fully integrated pre- and post-trade controls to implement and safeguard the exclusion lists.

(3) UNGC screening: as noted above, in addition to exclusion policies, the Fund is also subject to a screening that evaluates the alignment of investee companies with the 10 Principles of the UNGC. An exclusion list of companies found in breach of the UN Global Compact is compiled by the Investment Manager, and investment in the companies on the list is not allowed.

The UNGC screening will be underpinned by quantitative and qualitative analysis carried out by the ESG research team of the Investment Manager, using data collected by specialist Data Providers and internal research.

(4) ESG screening: as noted above, the Fund is subject to ESG screening, which prevents an investment being made in companies that are identified to be in the bottom 10% of the distribution of the relevant sector's ESG score. Investments in such companies are not allowed.

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

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

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

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

The Investment Manager assesses the governance practices of investee companies through a variety of scores covering various aspects of firm-level governance, sourced form external Data Providers in order to satisfy itself that the relevant investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. The investment team of the Investment Manager may also engage with investee companies about specific governance-related issues. The dedicated AI/ Data team of the Algebris group has also developed a proprietary artificial intelligence (AI) driven controversy monitoring tool to monitor the increase of potential ESG-related controversies relating to investee compenies.

To satisfy itself that the relevant investee companies follow good governance practices (in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance) the Investment Manager monitors a number of governance related key performance indicators (KPIs) for the investee companies. These include:

(i) Sound management structures:

an aggregate performance index reflecting anti-crime policies and processes; business ethics; and corporate governance structure and effectiveness.

(ii) Employee relations:

an aggregate performance index reflecting occupational health and safety; human capital development; and talent retention.

(iii) Remuneration of staff:

an aggregate performance index reflecting gender pay gap; and CEO to employee pay ratio;

(iv) Tax compliance:

an aggregate performance index reflecting tax strategy and governance; effective tax rate; and tax reporting.

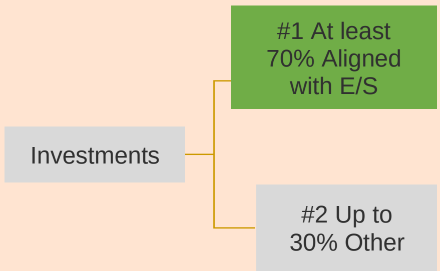
Data for assessing the elements above is sourced from Data Providers and internal research. The investment team of the Investment Manager may also engage with investee companies about specific governance-related issues – such as news items and/or the emergence of governance-related controversies.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The minimum proportion of the Fund's investments that will be aligned with the environmental and social characteristics promoted by the Fund will be 70% (taking into account only the binding elements referred to above).

The remaining proportion of up to 30% of the Fund's investments will be used for hedging, liquidity, diversification and/or efficient portfolio management purposes and will not incorporate any of the environmental and or social characteristics promoted by the Fund. Any minimum environmental or social safeguards regarding the remaining proportion of the investments is covered in a specific section below.



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

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

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

Whilst the Fund does use derivatives as part of its investment strategy as further detailed in the Supplement for the Fund, the use of derivatives is not conducted with a view to attaining the environmental or social characteristics promoted by the Fund.

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

While the Fund promotes environmental and social characteristics, as at the date of this document, it is expected that the minimum proportion of investments of the Fund in environmentally sustainable economic activities aligned with the "EU Taxonomy" (being Regulation (EU) 2020/852 of the European Parliament and the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments) (including in transitional and enabling activities) shall be 0% of the investments of the Fund.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

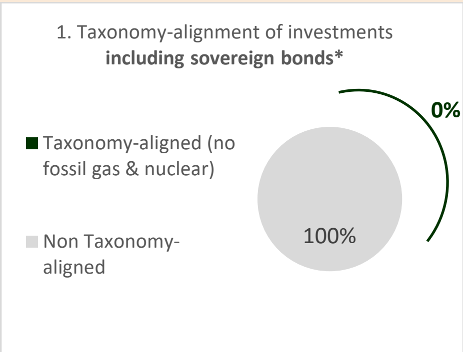
☐ Yes:

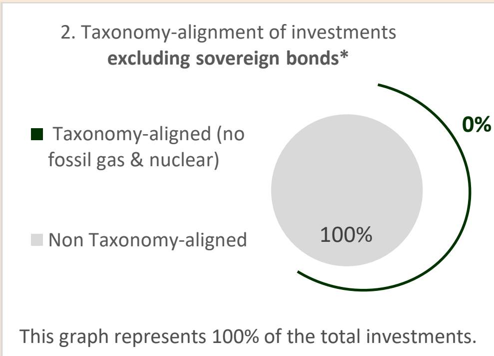
☐ In fossil gas ☐ In nuclear energy

☒ No

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

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





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

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

N/A

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

N/A

What is the minimum share of socially sustainable investments?

N/A

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

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

The "#Other" investments made by the Fund include instruments which are used for the purpose of hedging (including currency risk management), liquidity, diversification, and efficient portfolio management. These investments include, but are not limited to, ancillary liquid assets and financial derivative instruments. Whilst these investments may not be aligned with the environmental or social characteristics promoted by the Fund, they will, to the extent possible, still be subject to the exclusion policies detailed above, in addition to the UNGC Screening. These provide the minimum safeguards.

The remaining assets of the Fund will also comprise cash and cash equivalents held from time to time on an ancillary basis, as well as instruments for hedging purposes. Such assets are subject to the Fund's minimum safeguards, to the extent applicable/ relevant in the context of such assets being cash and cash equivalents.

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

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

No specific index has been designated for the purpose of attaining the environmental characteristics promoted by the Fund.

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

N/A

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

N/A

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

N/A

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

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website: https://www.algebris.com/fund/algebris-financial-income-fund-2/