SUPPLEMENT

REDHEDGE RELATIVE VALUE UCITS FUND

Supplement to the Prospectus
For REDHEDGE UCITS ICAV

This Supplement contains specific information in relation to Redhedge Relative Value UCITS Fund (the **"Fund"**), an open-ended sub-fund of Redhedge UCITS ICAV (the **"ICAV"**). The ICAV is an umbrella Irish collective asset-management vehicle with variable capital and an umbrella fund with segregated liability between sub-funds registered in Ireland by the Central Bank of Ireland and authorised under the Regulations.

This Supplement forms part of and should be read together with and in the context of the Prospectus dated 9 March, 2021. To the extent that there is any inconsistency between the terms of this Supplement and the Prospectus, this Supplement shall prevail with respect to the Fund.

This Supplement together with the Prospectus is available from the ICAV at its registered office. The ICAV may issue additional sub-funds with the prior approval of the Central Bank and details of such other sub-funds shall be made available upon request.

The Fund may invest more than 30% of its Net Asset Value in securities which are below investment grade. Accordingly, investment in the Fund should not constitute a substantial portion of an investor's investment portfolio and may not be appropriate for all investors. Investors should also be aware of the potential for high volatility within the Fund. As a Subscription Charge and Redemption Charge may be charged by the Fund, an investment in Shares should be viewed as medium to long term.

The Directors, whose names appear under the heading "Directors of the ICAV" in the section of the Prospectus entitled "**MANAGEMENT AND ADMINISTRATION**", accept responsibility for the information contained in the Prospectus and this 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Dated: 9 March, 2021

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1. Definitions

The expressions below shall have the following meanings:

"**Base Currency**"	means Euro or EUR.
"**Business Day**"	means any day, except Saturday, Sunday, or public holidays in Ireland and the United Kingdom or such other day or days as the markets in those jurisdictions may be closed and such other day or days as may be determined by the Directors and notified in advance to Shareholders.
"**Dealing Day**"	means each Business Day or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least one Dealing Day every fortnight.
"**Redemption Day**"	means, in the context of redemptions of shares in any Class, each Business Day, provided however that the Directors and the Manager may designate alternative Redemption Days at their discretion provided there is at least one Redemption Day per fortnight and Shareholders are notified in advance.
"**Redemption Deadline**"	means for all redemption requests related to shares in any Class sent to the Administrator, 14.00 (Irish time) one (1) Business Day preceding the relevant Redemption Day or such other time as the Directors, in consultation with the Manager, may determine and notify the Shareholders in advance provided always that the Redemption Deadline is no later than the relevant Valuation Point.
"**Subscription Day**"	means, in the context of subscriptions, each Business Day, provided however that the Directors and the Manager may designate alternative Subscription Days at their discretion provided there is at least one Subscription Day every fortnight.
"**Subscription Deadline**"	means for all subscription documents sent to the Administrator, 14.00 (Irish time), one (1) Business Day preceding the relevant Subscription Day, or such other time as the Directors, in consultation with the Manager, may determine and notify the Shareholders in advance provided always that the Subscription Deadline is no later than the relevant Valuation Point.
"**Subscription Settlement Cut-Off**"	means for all subscription documents sent to the Administrator by the relevant currency cut-off for subscriptions (which for EUR Share

Classes is 14.00 Irish time, for USD Share Classes is 21:00 Irish time and for CHF Share Classes is 10.00 Irish time) one (1) Business Day preceding the relevant Subscription Day, or such other time as the Directors, in consultation with the Manager, may determine and notify the Shareholders in advance.

"**Valuation Point**" means 23.00 (Irish time) on the Business Day immediately preceding each Subscription Day and/or Redemption Day or such other day or days as may be determined by the Directors or Manager and as notified to Shareholders in advance; subject to the requirement that dealing must be carried out on a Net Asset Value next computed after receipt of subscription and redemption requests.

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

2. Investment Objective and Policy

Investment Objective

The investment objective of the Fund is to achieve medium to long-term (5 to 7 years) capital growth and absolute returns by adopting a multi-strategy approach to investing.

Investment Policy

The Fund will seek to maximise total return, comprised of income and capital appreciation, while limiting risk and volatility through diversification of investments and sub-strategies of the investment strategy, regardless of the directional movement in global markets.

In seeking to achieve its investment objective, the Fund will mainly invest in a diversified portfolio of listed and unlisted corporate bonds (which may be fixed or floating) which may be rated by ratings agencies or unrated or other fixed income securities, such as, "higher yielding" debt securities (including non-investment grade whose credit rating is rated below investment grade and whose expected duration is relatively short compared to the overall fixed income market) especially banks' subordinated bonds (bonds that, in the event of a default, rank below other more senior loans or securities and do not have first claim on assets in the event of a bank liquidation which are sometimes referred to a 'Tier 2' bonds) and corporate hybrids bonds (subordinated debt instruments issued by non-financial companies which possess characteristics which may be influenced by the price movements of the stock to which it is related). The corporate bonds held by the Fund will be primarily denominated in EUR, although some bonds may be denominated in USD, GBP, CHF or in the currency of another European country which is not a member of the Euro. The Fund does not have a geographic focus and generally will be diversified by country, sector and issuer however, it is anticipated that the Fund will invest mainly in bonds issued by issuers located within Europe and the USA.

The Fund may also hold investments in collective investment schemes whose underlying investments are in bonds or fixed income instruments, subject to the Permitted Investments and Investment Restrictions set out in Appendix I of the Prospectus, common equity securities (which are typically received in connection with exchanges or restructurings) and cash equivalents (such as bank deposits, short-term papers, treasury bills, banker's acceptances and short-term commercial paper). The Fund may hold equity securities, up to 10% of the market value of the Fund, if such securities are received as a result of a corporate restructuring or as a result of owning equity-linked securities (e.g. hybrid bonds, warrants).

The Fund may not invest more than 45% of its net assets in “higher yielding” debt securities. The Fund may not invest more than 100% of its net assets in government or supranational bonds (which may be fixed or floating).

Investment Grade Bonds are deemed to be bonds whose credit rating is deemed to be ‘investment grade’, defined as meeting one or more of the following rating criteria: Baa3 or higher by Moody's Investor Services (Moody's); BBB- or higher by Standard & Poor's Rating Services (S&P) or Fitch Ratings Inc (Fitch). High Yield Bonds are defined as meeting all of the following rating criteria: Ba1 or lower by Moody's Investor Services (Moody's); BB+ or lower by Standard & Poor's Rating Services (S&P) or Fitch Ratings Inc (Fitch). The Investment Manager will under no circumstances rely exclusively or automatically on external ratings in determining the credit risk of a financial instrument, and the Investment Manager will perform its own credit assessment with respect to each investment.

The Fund may also invest in collective investment schemes, including UCITS and AIFs (within the Guidance as issued by the Central Bank) and exchange traded funds (“ETFs”), in order to gain indirect exposure to fixed income instruments. The investment objectives and policies of collective investment schemes will be consistent with the Fund's investment objective and policy.

The Fund may invest up to 30% of net assets in debt securities of corporations and/or hold private placements issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)). The Fund may invest up to 10% of net assets in contingent convertible bonds. The Fund expects that Rule 144A and contingent convertible bond investments will not usually approach these limits.

The Fund will be able to take long and/or synthetic short positions across the assets described in the investment policy. It is anticipated that the Fund will typically be market neutral and that the long positions will be in greater proportion than synthetic short positions. It is anticipated that the Fund may hold up to 100% of its assets in long positions and up to 100% of its assets in synthetic short positions.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depositary receipts, certificates of deposit, fixed or floating rate instruments, commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Regulated Markets listed in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short term basis or in times of market stress or where awaiting market opportunities.

With the exception of permitted investment in unlisted securities and money market instruments (of the type referred to above), investments will be made on the Regulated Markets listed in Appendix II of the Prospectus.

Investment in financial derivative instruments

The Fund may invest in financial derivative instruments for investment or hedging purposes in order to gain exposure to the securities listed above. The Fund shall utilise the following:

- financial derivative instruments (listed and OTC) such as swaps (including total return swaps), linked to corporate bonds, government bonds, interest rates, equity indices, credit indices;
- futures and options for hedging purposes in order to position the portfolio of the Fund as a result of changing market conditions; and
- iTraxx index and CDS of single name for hedging and speculation purposes.

The Investment Manager has selected each of the financial derivative instruments listed in the foregoing paragraph for use in the Fund on the basis that it considers that exposure to the underlying security related to each of the financial derivative instruments is appropriate for the pursuit of the investment objective of the Fund, and that exposure to such security by way of the relevant financial derivative instrument is the most appropriate method of accessing such exposure to the extent required.

The Fund may also use total return swaps and enter into repurchase or reverse repurchase agreements, as further described below under the heading "Securities Financing Transactions Regulations".

The Investment Manager will retain full investment discretion in the Fund and, taking into account market conditions and outlook and liquidity will have full discretion to determine the weightings of assets held within the portfolio.

The Fund's portfolio will be constructed in a diversified manner by the Investment Manager using the Investment Manager's proprietary valuation models: in each investment strategy, the Investment Manager will typically observe the flattening (narrowing of the yield spread between long- and short-term interest rates) or steepening (widening of the yield spread between long- and short-term interest rates) of macro rates and bond yields, which seek to analyse the relative value of investments in the Fund's investment universe, which in turn allows the Investment Manager to recognise an opportunistic long or short position for a brief period of time.

The global exposure of the Fund (which will be measured using the commitment approach) will not exceed 100% of Net Asset Value of the Fund.

Securities Financing Transactions Regulation

The Fund may engage in securities financing transactions ("SFTs") within the meaning of EC Regulation 2015/2365 (the "**SFT Regulation**") in order to meet its investment objective and to generate income for the benefit of the Fund. It is anticipated that the expected proportion of assets under management

(**AUM**) subject to Securities Financing Transactions will be less than 80% AUM and the maximum expected proportion of AUM subject to Securities Financing Transactions shall not exceed 100% AUM. The assets that can be subject to Securities Financing Transactions are the assets described in the investment policy. The re-use of collateral is not permitted by the Fund.

3. Investment Strategy

The Investment Manager's approach is based on fundamental analysis and research. The Investment Manager will employ multiple investment strategies, detailed specifically in relation to instrument types in section 3. (i) below. These will have low correlation to each other so as to maximise the benefit of diversification. By utilising a range of investment strategies, and by being able to profit in both rising and falling market conditions, the Investment Manager will seek to generate returns that have little correlation to traditional investments. The Investment Manager's selection criteria are based on the Investment Manager's short to mid-term views, and credit fundamentals.

The Investment Manager uses fundamental analysis to identify attractive investments due to low price, low valuation and/or low market expectations. Areas of opportunities tend to fall into one or more of the following categories: improving/deteriorating credit quality, bond supply and demand (including analysis of potential buyers and sellers), and dislocations between derivatives and underlying bond pricing. The Fund also has a value bias, looking at bonds that trade at a discount to their sectors and the market. The Fund's investment process emphasises bottom up security selection based on both the Investment Manager's own and third party proprietary fundamental research at industry levels, with a short to mid-term horizon to provide the best opportunity to find and exploit inefficiencies.

The investment strategies employed by the Investment Manager include:

(i) ***Relative Value Strategy***

Relative value strategies encompass a range of investments in bonds and fixed income, by simultaneously taking a long position in an undervalued security and a synthetic short position in a similar security that is overvalued relative to the long position.

These types of strategies aim to profit from the re-pricing of one or both positions, as opposed to market direction and as such seek to generate returns that have a low correlation to equity or fixed income markets.

The investment process begins with a quantitative screening of the investment universe to find dislocations between two or more securities. The screenings typically look for securities whose value is trading high or low to a related security as a result of factors such as fund flows, or for fundamental reasons, like a company has missed earnings. The Investment Manager will incorporate fundamental analysis to understand the drivers of the dislocation, how the securities have behaved in the past in relation to each other, past and potential earnings (especially for corporate issuers), and events (such as economic policy changes, changes in interest rates, corporate announcements or corporate restructurings) that may causes the price of a security to move, and which could cause the relationship between two or more different securities to normalise/unlock value. The Investment Manager will then construct a trade to take advantage of the opportunity and have an understanding of the possible profit and loss. Portfolio construction involves selecting the trades with the best risk/reward while also taking into consideration if this agrees with the Investment Manager's macro views. The Investment Manager can factor in the correlation between trades, diversification, investment restrictions the Fund must adhere to, and scenario analysis to understand how a trade and portfolio will behave under different markets.

Included in this strategy are the following sub-strategies; Quantitative Market Neutral, Fixed Income Relative Value, Risk Arbitrage, Volatility Arbitrage and Statistical Arbitrage, as further detailed below.

- **Quantitative Market Neutral strategies**– Quantitative Market Neutral strategies evaluate overpriced and underpriced companies on a relative, long/short basis, seeking to keep a neutral exposure to the market overall. The overvaluation and undervaluation of bonds is evaluated using a variety of quantitative statistical models, using both fundamental and technical market information, such as price, volume, and numbers of buyers and sellers for the bonds. Typically, these strategies are implemented in global markets and usually with several small positions in various bonds. The holding period may range from weeks to months.

- **Fixed Income Relative Value strategies**– Fixed Income Relative Value strategies include debt instruments that are issued by corporations and financial services corporations.

  Credit can be associated with fixed income relative value investing. What most of these securities have in common is that they are some of the most liquid and transparent securities traded. These securities also tend to be some of the best ways to express views on global growth and interest rates as movements in the spreads can indicate confidence or reservations in the global market and the Investment Manager can take positions in accordance with such indicators. The relative value part of the strategy is the evaluation of the price of one security to another. The Investment Manager may go long or synthetically long and short a security based on its historical and/or its relative valuation to another security. The Investment Manager can also be long one security and synthetically short another simultaneously based on their historical relationship if one security is trading low while the other is trading high.

- **Risk Arbitrage strategies -** Risk Arbitrage strategies seek to profit mostly from announced merger and acquisition transactions by anticipating whether a deal will close. A classic risk arbitrage trade will make money from the deal spread, which is the difference between the current price of the bond and the price the acquirer is offering to pay. This spread reflects the market's assessment of the likelihood that the deal completes and typically reduces as the likelihood of completion increases. The Investment Manager may attempt to capture this deal spread by taking a long position in the target company's bonds and earn the spread when the deal completes.

- **Volatility Arbitrage strategies -** The Fund's volatility is managed via derivatives-based strategies where the Investment Manager takes long and synthetic long and synthetic short positions via a number of derivative instruments or derivatives and their underliers. These strategies do not typically have directional exposure to volatility as they aim to generate returns from capturing the idiosyncratic differences in the pricing of volatility rather than from being directionally exposed to volatility. The Investment Manager seeks to take advantage of market inefficiencies in the pricing of implied volatility across different but related instruments or profiting from the difference between the implied volatility level embedded in the market price of a derivative (computed using standard option pricing methodologies) and the Investment Manager's own estimates of that implied volatility and/or the realised volatility level observed in the market on that underlier over a certain period. The portfolio is regularly re-hedged to seek to even out potential market movements in an underlying security and reduce the potential risks to the portfolio, and this re-hedging helps to realise profits in the strategy.

- **Statistical Arbitrage strategies -** Statistical Arbitrage strategies employ quantitative and computational investment techniques to identify statistically robust market inefficiencies in global markets. These techniques focus primarily on technical market information such as price, volume and numbers of buyers and sellers for the bonds. In order to avoid spurious patterns, the Investment Manager will utilise a variety of statistical techniques in analysing data output to ensure the data received is robust, i.e. less likely due to 'chance'.

(ii) ***<u>Global Macro Strategy</u>***

This strategy focuses on macro-economic opportunities across numerous markets and across debt instruments of various quality classifications and maturities. Investments may be either long or synthetically short in cash securities or financial derivative instruments as detailed below, which may be based upon fixed income markets and indices thereof.

Global Macro strategies are applied across all asset classes in a discretionary manner.

Global Macro discretionary strategies take a top-down approach and capture price trends driven by either macro-economics (the sum total of global economic activity and relates to items such as growth, inflation and unemployment) or micro economics (for example, the effects of national economic policies), whilst being mindful of financial flows, technical data and market positioning. Technical data is based on past prices, volumes traded, and numbers of buyers and sellers of bonds in the market, where past patterns can indicate future price changes. Market positioning relates to the position an investor has taken in a particular market, either long only, synthetic long or synthetic short, and how large or small that position is. Portfolio construction can be concentrated on best ideas (i.e. those trades that the Investment Manager feels are the highest conviction, or the most likely to produce profits with the least amount of risk, within the Investment Manager's given investment opportunity set), and there may be very little diversification or high diversification amongst many markets and asset classes.

(iii) ***<u>Long/Short Strategy</u>***

The Fund will employ a long-short strategy, meaning that it generally seeks to generate capital appreciation through the establishment of long only and synthetic long and synthetic short positions (through the use of financial derivative instruments) in global bond markets by purchasing perceived undervalued securities and selling perceived overvalued securities to generate returns and to reduce a portion of general market risk. Maintaining a long/short strategy can therefore limit the Investment Manager's exposure to the overall market which in turn may lower the volatility relative to a long-only strategy.Short positions may only be taken through financial derivative instruments ("FDIs") to implement active strategies within the Fund. Synthetic short positions may be taken for capital preservation, diversification or capital growth purposes.

Sustainability Approach

For SFDR purposes, the Fund does not promote any environmental or social objectives nor does it have a sustainable investment objective. The Investment Manager has determined that sustainability risk (which is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the relevant investment (an "**ESG Event**")) is not relevant for the Fund and will not have an impact on the financial returns of the Fund.

No consideration of sustainability adverse impacts

The Investment Manager does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. This approach is applied on the basis that the Investment Manager has less than 500 employees and the current size and scale of its investment business is such that it cannot have any meaningful impact on ESG factors. The Investment Manager will continue to review its approach and at such point it deems it appropriate, the adverse impacts of its investment decisions on sustainability factors, within the SFDR framework, will be considered.

4. Investment Restrictions

The general investment restrictions as set out in Appendix I of the Prospectus shall apply. In addition, the Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

5. Borrowing and Leverage

The Fund may borrow up to 10% of its total Net Asset Value on a temporary basis as further described in the section entitled "Borrowing Powers" in the Prospectus.

6. Profile of a Typical Investor

The Fund may be suitable for investors seeking long-term (at least 5 years) capital appreciation and seeking a total return on their investment. It is expected that the Fund will be held as part of a diversified portfolio. It is important to understand that the Fund should be viewed as a long-term (at least 5 years) investment.

7. Key Features

Classes of Shares

Information relating to the Classes of the Fund is set out below.

Class of Shares	Reference Currency	Minimum Initial Subscription	Minimum Holding	Minimum Subsequent Subscription	Management Fee	Initial Issue Price per Share	ISIN
Class A	EUR	100,000	100,000	1,000	1.00%	EUR 100	IE00BKPKGX98
Class A	USD	100,000	100,000	1,000	1.00%	USD 100	IE00BM98XQ58
Class A	CHF	100,000	100,000	1,000	1.00%	CHF 100	IE00BM98XR65
Class I	EUR	20,000,000	20,000,000	10,000	0.75%	EUR 100	IE00BM98XS72
Class R	EUR	100	100	100	2.00%	EUR 100	IE00BM98XT89
Class Z	EUR	10,000	10,000	1,000	1.50%	EUR 100	IE00BKPKGY06
Class Z	USD	10,000	10,000	1,000	1.50%	USD 100	IE00BM98XV02
Class Z	CHF	10,000	10,000	1,000	1.50%	CHF 100	IE00BM98XW19

Additional Classes may be established in the Fund in accordance with the requirements of the Central Bank.

If a Shareholder at any time holds less than the Minimum Holding amount for each Share Class as outlined in the table above (or its equivalent in other currencies), the Directors, in consultation with the Manager, may at their discretion compulsorily redeem such Shareholder’s entire holding of Shares in the relevant Share Class. Similarly, should a Shareholder request a partial redemption of Shares such that its overall holding of Shares would fall below the Minimum Holding for the relevant Share Class, the Directors, in consultation with the Manager, may at their discretion consider such Redemption Request to be a request for a full redemption of the Shareholder’s entire holding of Shares in such Share Class.

The Net Asset Value will be calculated in accordance with the principles described under section “Net Asset Value and Valuation of Assets” in the Prospectus with the following distinction: securities valued under point “(a)” in that section, which are listed or traded on a Regulated Market will be valued at the closing mid prices or, if no closing price is available, at the last known market mid prices.

Minimum Viable Fund Size

The Fund has an expected minimum viable size of EUR 10 million in its first year following launch, growing to in excess of EUR 20 million its second year. If the Fund does not reach the expected level within the time period specified, then the Directors will return any subscriptions to Shareholders.

8. Dealing in Shares of the Fund

Initial Offer Period and Initial Issue Price per Share

The Initial Offer Period in respect of Class A (EUR) Shares and Class Z (EUR) Shares commenced at 09:00 (Irish time) on 1 February 2021 and they will continue to be available for subscription at the Initial Issue Price, as set out in section 7 above, until 17:00 (Irish time) on 31 July 2021.

The Initial Offer Period in respect of Class A (USD) Shares, Class A (CHF) Shares, Class I (EUR) Shares, Class R (EUR) Shares, Class Z (USD) Shares and Class Z (CHF) Shares will commence at 09:00 (Irish time) on 8 March, 2021 and they will continue to be available for subscription at the Initial Issue Price, as set in section 7 above, until 17:00 (Irish time) on 31 July 2021.

The Initial Offer Period of each Class may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank.

Dealing in Shares following the close of the Initial Offer Period

After the Initial Offer Period of each Class, Shares in each class will be available for subscription at the Net Asset Value per Share (plus any applicable duties or charges) in accordance with the provisions under the heading "**Application for Shares**" in the Prospectus.

Subscriptions are subject to acceptance of applications for Shares in the relevant Class by the Directors. Pursuant to the powers of the Directors under the Instrument, the Directors have absolute discretion to accept or reject in whole or in part any application for Shares. Applications for Shares in the Fund received after the Subscription Deadline but prior to the Valuation Point will only be accepted in exceptional circumstances, as determined and agreed by the Directors.

The Directors may close some or all of the Share classes in the Fund to subscriptions from existing and/or new Shareholders if the assets attributable to the Fund are at a level, above which, as determined by the Directors, it is not in the best interests of Shareholders to accept further subscriptions. Closing the Share classes to new subscriptions from existing and/or new Shareholders will not affect the redemption rights of Shareholders.

9. Redemptions

After the expiration of the Initial Offer Period, Shares can be redeemed on any Redemption Day. The process to be followed when redeeming shares is found under the heading "Redemption of Shares" in the Prospectus.

Requests for redemption received prior to the Redemption Deadline for any Redemption Day will be processed on that Redemption Day. Any requests for redemption received after the Redemption Deadline for a Redemption Day will be processed on the next Redemption Day unless the Directors in their absolute discretion determine otherwise. Applications received after the Redemption Deadline but prior to the Valuation Point will only be accepted in exceptional circumstances, as determined and agreed by the Directors and having regard to the equitable treatment of Shareholders.

Settlement Period

The ICAV will pay redemption proceeds normally three Business Days after the relevant Redemption Day provided that the period must not exceed 10 calendar days from submission of a Redemption Request to payment of settlement proceeds. Shareholders should note that payments to third party accounts will not be made.

10. Distribution Policy

It is not the current intention of the Directors that dividends be declared for any Classes in the Fund and income of the Fund will be accumulated. If dividends are to become payable, Shareholders will be notified in advance and full details will be provided in an updated Supplement for the Fund. For more information, please refer to the section of the Prospectus entitled “Dividend Policy”.

11. Fees and Expenses

The fees and operating expenses of the ICAV are set out in detail under the heading “Fees and Expenses” in the Prospectus. In addition, the Fund shall pay the following fees and expenses:

Manager Fee

The Fund shall pay to the Manager out of its own assets a maximum aggregate annual fee of up to 2% of the Net Asset Value of the Fund accrued at each Valuation Point, together with any VAT, if applicable and payable monthly in arrears. The Manager shall also be entitled to be repaid out of the assets of the Fund all of its reasonable out of pocket expenses incurred on behalf of the Fund together with VAT (if any thereon).

The Manager fee is subject to an overall minimum fee for the ICAV of €65,000 per annum for the first two sub-funds of the ICAV, plus an additional amount for subsequent sub-funds as disclosed in the relevant Supplement. The Manager may waive, at its absolute discretion, any fees.

Investment Manager Fee

The ICAV shall pay to the Investment Manager out of the assets of the Fund an annual fee in respect of Shares of the Net Asset Value of each Share Class of the Fund as outlined in section 7 above, accrued at each Valuation Point and payable monthly in arrears (plus VAT, if any). The Investment Manager is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with all reasonable and properly vouched out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in the performance of its duties under the Investment Management Agreement, which shall be payable monthly in arrears.

Performance Fee

The Performance Fee shall be calculated and shall accrue at each Valuation Point and the accrual will be reflected in the Net Asset Value per Share of the relevant Class of Shares. The first Calculation Period shall begin at the end of the Initial Offer Period of the relevant Class of Shares and shall finish on the last Dealing Day in December after the closure of the Initial Offer Period. Subsequent Calculation Periods shall be calculated in respect of each year ending on 31 December (the "**Calculation Period**").

The Performance Fee will be paid annually in arrears as soon as practicable after the close of business on the Business Day following the end of the relevant Calculation Period.

The Performance Fee for each Calculation Period in respect of each Class of Shares shall be equal to 20% of the appreciation in the Net Asset Value per Share of that Class during that Calculation Period above the High Water Mark.

"High Water Mark" means in respect of the first Calculation Period for the Fund, the Initial Issue Price of the relevant Class of Shares.

For each subsequent Calculation Period of the Fund the "High Water Mark" means either:

(a) where a Performance Fee was payable in respect of the prior Calculation Period, the Net Asset Value of the Class of Shares as at the end of the last Calculation Period; or

(b) where no Performance Fee was payable in respect of the prior Calculation Period, the High Water Mark of the Class of Shares at end of the prior Calculation Period at which the last Performance Fee was paid or the Initial Issue Price of the relevant Class of Shares.

A performance fee is only payable or paid on the increase of the Net Asset Value per Share of that Class over the previous highest Net Asset Value per Share of that Class on which the performance fee was paid or accrued in accordance with (a) or (b), whichever is the higher.

For the avoidance of doubt, any losses will be carried forward from one Calculation Period to the next and must be recouped before any additional Performance Fee will accrue. The Performance Fee is shall be calculated by the Administrator and the calculation of the performance fee will be verified by the Depositary as set out in the Central Bank UCITS Regulations.

The Performance Fee is based on net realised and net unrealised gains and losses as at the end of each Calculation Period and, as a result, the Performance Fee may be paid on unrealised gains which may subsequently never be realised.

The Fund does not apply an equalisation methodology at Shareholder level (such as series accounting or equalisation shares) with regards to the Performance Fee calculation. Shareholders will purchase and redeem Shares at different times and, will, accordingly, recognise different amounts of profit and loss on their investments. As a result, the amount of actual Performance Fee accrued and paid on a per Share basis may vary.

Administrator Fee

The ICAV shall pay to the Administrator out of the assets of the Fund an annual fee of up to 0.06% of the Net Asset Value of the Fund, accrued at each Valuation Point and payable monthly in arrears (plus VAT, if any) subject to a minimum annual fee of €65,000. Such fee is a maximum fee and may not represent the actual fee being charged at any one time. Fees are exclusive of VAT, if any.

The Administrator is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with all reasonable and properly vouched out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in the performance of its duties under the Administration Agreement, which shall be payable monthly in arrears.

Depositary Fee

The Depositary shall be entitled to receive out of the assets of the Fund an annual fee up to a maximum of 0.025% of the Net Asset Value of the Fund, accrued at each Valuation Point and payable monthly in arrears subject to a minimum annual fee of €50,000. Fees are exclusive of VAT, if any. Such fee is a maximum fee and may not represent the actual fee being charged at any one time.

In addition, the Depositary is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with all reasonable and properly vouched out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in the performance of its duties under the Depositary Agreement, which shall be payable monthly in arrears. The Depositary will also charge the Fund third party transaction fees and sub-custodian fees and charges at normal commercial rates.

Conversion Fee

There is no intention to levy a Conversion Fee in relation to the Shares of the Fund.

Anti-Dilution Levy / Duties and Charges

An anti-dilution levy may be imposed in accordance with the provisions set out in the Prospectus as detailed in the sub-section entitled “Anti-Dilution Levy” of the section entitled “Net Asset Value and Valuation of Assets”. Any anti-dilution levy shall not exceed 1.0% of the value of each relevant subscription or redemption transaction. The application of any provision will be subject to the overall direction and discretion of the ICAV. Further information in respect of the application of an ‘anti-dilution levy’ may be obtained by Shareholders on request from the Manager.

12. Risk Factors

Potential investors should consider the risks referred to in the “Risk Factors” section of the main Prospectus. The following additional risk factors should be considered.

Past performance of similar investments is not necessarily a guide to the future performance of the Fund's investments. The value of any investment can go down as well as up. There is no guarantee that the investment objective will be achieved.

An investment in the Fund is not suitable for all investors. A decision to invest in the Fund should take into account your own financial circumstances and the suitability of the investment as a part of your portfolio. You should consult a professional investment advisor before making an investment.

The following list is not a complete list of all risks and other considerations that may be involved in connection with an investment in the Fund. Prospective investors should also note that the information contained in this Supplement has not been prepared, reviewed or confirmed by any independent expert or financial auditor.

The Fund May Fail to Achieve its Objective

There can be no assurance that the Fund will be able to achieve its investment objectives or that the Shareholders in the Fund will receive any return on, or recovery of, their investments.

Conflicts of Interest

The Manager and the Investment Manager may be subject to a variety of conflicts of interest in making investments on behalf of the Fund. Please refer to section entitled "Conflicts of Interest" in the Prospectus for further details.

Risk of Investments in Securities Generally

All securities investments risk the loss of capital. No guarantee or representation is made that the Fund's investment policy will be successful. As is true of any investment, there is a risk that an investment in the Fund will be lost entirely or in part. The Fund may invest in investment grade and non-investment grade bonds. Accordingly, investment in the Fund should not constitute a substantial portion of an investor's investment portfolio and may not be an appropriate for all investors.

The Fund's investment policy may at times involve, without limitation, risks associated with limited diversification, interest rates, currencies, volatility, credit deterioration or default risks, counterparty default risks, systems risks and other risks inherent in the Fund's activities. Certain investment techniques of the Fund can, in certain circumstances, magnify the impact of adverse market moves to which the Fund may be subject. In addition, the Fund's investments in securities and other investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Fund may invest its capital. The Fund's methods of minimising such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behaviour, which may not predict market divergences that are larger than historical indicators. Information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted. Further, the Manager may apply such risk management techniques on a selective or other periodic basis rather than at all times.

Liquidity Risk for high yield bonds

The secondary market for high yield bonds is typically much less liquid than the market for investment grade bonds, frequently with significantly more volatile prices and larger spreads between bid and asked price in trading. At times the high yield bond market may be very illiquid. The Fund may have to sell holdings of high yield bonds at unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, the Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

Custody Risk

The Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks in circumstances whereby the Depositary will have no liability. In a limited number of markets, such as China, where a no failed trade policy is standard market practice, assets may be assigned, transferred, exchanged or delivered without the prior approval of the Depositary or its agent. Once a sale order is placed in relation to assets of the Fund, by virtue of the operation of the settlement system within those markets, those assets will automatically move from custody of the Depositary without the need for the prior approval of the Depositary. Where this occurs, the consideration for those assets is remitted to the entity releasing the assets. The costs borne by the Fund in investing and holding investments in such markets will generally be higher than in organised securities markets.

Availability of Investment Strategies

The success of the Fund's investment activities will depend on the Investment Manager's ability to identify investment opportunities as well as to assess the import of news and events that may affect the financial markets. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the Fund's assets or to exploit discrepancies in the securities and derivatives markets.

Event-Driven Investing

Event-driven investing requires the Investment Manager to make predictions about: (i) the likelihood that an event will occur, and (ii) the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by a company may not be valued as highly by the market as the Investment Manager had anticipated, resulting in losses. In addition, a company may announce a plan of restructuring which promises to enhance value and fail to implement it, resulting in losses to investors. In liquidations and other forms of corporate reorganization, the risk exists that the reorganization either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Fund of the security in respect of which such distribution was made. The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a federal or state regulatory agency; (iii) efforts by the target company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable federal or state securities laws; and (vii) inability to obtain adequate financing. Because of the inherently speculative nature of event-driven investing, the results of the Fund's operations may be expected to fluctuate from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

No Independent Verification of Market Information

The Investment Manager selects investments for the Fund on the basis of information and data filed by issuers with various government regulators or made directly available to the Investment Manager by such issuers or through other sources. Although the Investment Manager evaluates all such information and data and seeks independent corroboration when the Investment Manager considers it appropriate and when it is reasonably available, the Investment Manager is not in a position to confirm the completeness, genuineness or accuracy of such information and data. It is, therefore, dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Recent events have demonstrated the material losses which investors such as the Fund can incur as a result of corporate mismanagement, fraud and accounting irregularities.

Investments in Undervalued Securities

The 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 the Fund's investments may not adequately compensate for the business and financial risks assumed. In addition, the 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 the Fund's capital would be committed to the securities purchased, thus possibly preventing the Fund from investing in other opportunities.

Investments in Unlisted Securities

Subject to the requirements of the Central Bank of Ireland and the Regulations, the Fund may invest in unlisted corporate bonds and other fixed income 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.

Purchasing Securities in Initial Public Offerings

From time to time the Fund may purchase 144A securities that are part of initial public offerings ("new issues"). These new issues may involve a high degree of business and financial risk and may result in substantial losses. They may also be less liquid than publicly traded securities, and the Fund may take longer to liquidate these positions than would be the case for publicly traded securities. The issuers of these securities may be undercapitalised, have a limited operating history, and lack revenues or operating income without any prospects of achieving them in the near future. Some of these issuers may only make available a limited number of shares for trading and therefore it may be difficult for the Fund to trade these securities without unfavourably impacting their prices. Further, companies whose securities are not publicly traded may not be subject to disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. In addition, investors may lack extensive knowledge of the issuers of these securities.

Fixed Income Securities

The Fund may invest in listed and unlisted bonds or other fixed income securities, including, without limitation, commercial paper and "higher yielding" (including non-investment grade) (and, therefore, higher risk) debt securities. The Fund will therefore be subject to credit, liquidity and interest rate risks. Higher-yielding debt securities are more speculative than higher-rated securities, have a much greater risk of default and may be more volatile than higher-rated securities of similar maturity. 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 credit spreads is often inefficient and illiquid, making it difficult to accurately 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.

Currency of Denomination of Share Classes

The ICAV is offering Shares in the Fund denominated in Euros and may offer shares denominated in other currencies in the future. The initial offering price of each Class of Shares is determined by the Directors and, due amongst other things to differences in exchange rate, the initial offering 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 the Fund.

Exchange Rate Fluctuations

Whilst the functional currency of the Fund is Euro, the Fund's assets will often be invested in securities denominated in other currencies and any income or capital received by the Fund will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of the Fund's portfolio and the unrealised appreciation or depreciation of investments.

Furthermore, the Fund 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 Fund at one rate, while offering a lesser rate of exchange should the Fund desire immediately to resell that currency to the dealer. The Fund will conduct its 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-Euro currencies.

Concentration of Investments

While it is the policy of the Fund to seek to diversify its investment portfolio in certain respects, the Fund may at certain times hold relatively few investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer. Subject to the investment guidelines set forth in this Supplement, at any given time, it is possible that the Fund may make investments that are concentrated in a particular type of security, industry, market capitalization or geographical area. This limited diversity could expose the Fund to significantly greater volatility than a more diversified portfolio.

Leverage and Financing Risk

The Fund may leverage its capital when the Investment Manager believes that the use of leverage may enable the Fund to achieve a higher rate of return. Accordingly, the Fund may pledge its assets in order to borrow additional funds from dedicated credit and banking facilities for investment purposes. The Fund is not restricted as to the means by which it may employ leverage. The Fund may also leverage its investment return with options, synthetic short sales, swaps, forwards and other derivative instruments.

While leverage presents opportunities for increasing the Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent the Fund is leveraged. The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund's investments could result in a substantial loss to the Fund which would be greater than if the Fund were not leveraged.

In general, the use of short-term margin borrowings results in certain additional risks to the Fund. For example, should the securities pledged to brokers to secure the Fund's margin accounts decline in value, the Fund could be subject to a "margin call", pursuant to which the Fund must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to satisfy their margin requirements.

Short Selling

Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. A short sale presents greater risk than purchasing a security outright since there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of loss on a "long" position is limited to the purchase price of the security. Closing out a short position may cause the security to rise further in value creating a greater loss.

Long-Short Strategy

The Fund may employ a long-short strategy. A long-short strategy generally seeks to generate capital appreciation through the establishment of both long and short positions (through the use of financial derivative instruments) by purchasing perceived undervalued securities and selling perceived overvalued securities to generate returns and to reduce a portion of general market risk. If the analysis is incorrect or based on inaccurate information, these investments may result in significant losses to a Fund when the long and short sides of the portfolio both result in losses.

Highly Volatile Markets

The prices of financial instruments in which the Fund may invest can be highly volatile. Price movements of forward and other derivative contracts in which the 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. The Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearinghouses.

Counterparty Risk

Some of the markets in which the Fund may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. Counterparties in foreign markets face increased risks, including the risk of being taken over by the government or becoming bankrupt in countries with limited if any rights for creditors. Subject to the investment restrictions contained herein, the Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Fund has no internal credit function dedicated to the evaluation of the creditworthiness of its counterparties. The ability of the Fund to transact business with any one or number of counterparties, the lack of any meaningful and 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 Fund. Counterparty risks also include the failure of executing brokers to honour, execute, or settle trades.

General Economic and Market Conditions

The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect, among other things, the level and volatility of securities' prices, the liquidity of the Fund's investments and the availability of certain securities and investments. Volatility or illiquidity could impair the Fund's profitability or result in losses. The Fund may maintain substantial trading positions that can be materially adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

Performance Fee Risk

The Performance Fee is based on net realised and net unrealised gains and losses as at the end of each Calculation Period and as a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised

Operational Risk

The Funds are subject to the impact of breakdowns in systems, internal procedures or human error of the Manager and any of its delegates or any of its counterparties or the markets in which it trades.

Factors Affecting Certain Markets

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, which may impact the Fund's returns depending on the countries in which it is invested or to which it has investment exposure. In particular, investing in the securities of companies (and, from time to time, governments) of less developed economies involves certain considerations not usually associated with investing in securities of countries with developed economies, including possible adverse political and economic developments, possible expropriation or nationalization of assets and the potential for changes in governmental policy that might adversely affect the Fund's ability to receive payment of principal and interest on its investment in such countries. In addition, the amount of publicly available information about issuers may vary from jurisdiction to jurisdiction, depending on applicable accounting, auditing and financial reporting standards and other disclosure requirements. 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.

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. Transaction costs, including brokerage commissions and custodial costs, and taxes on the Fund's investments, also vary from jurisdiction to jurisdiction.

THE FUND'S INVESTMENT PROGRAM IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. MARKET RISKS ARE INHERENT IN ALL INVESTMENTS TO VARYING DEGREES. THE PRACTICES OF LEVERAGE AND ENGAGING IN FINANCE TRANSACTIONS, CAN, IN CERTAIN CIRCUMSTANCES, INCREASE THE ADVERSE IMPACT TO WHICH THE FUND'S INVESTMENT PORTFOLIO MAY BE SUBJECT. NO ASSURANCE CAN BE GIVEN THAT THE FUND'S INVESTMENT OBJECTIVE WILL BE REALISED. AN INVESTOR MAY LOSE SOME OR ALL OF HIS INVESTMENT.

13. Miscellaneous

As at the date of this Supplement, the ICAV has no other sub-funds.