Alpine Merger Arbitrage Fund

Supplement to the Prospectus

for

STRATEGIC INVESTMENT FUNDS UCITS PLC

(an umbrella fund with segregated liability between sub-funds)

This Supplement contains specific information in relation to Alpine Merger Arbitrage Fund (the "**Fund"**), a Fund of Strategic Investment Funds UCITS plc (the "**Company"**) an umbrella fund with segregated liability between sub-funds constituted as an open-ended investment company with variable capital and with limited liability incorporated under the laws of Ireland and authorised pursuant to the Regulations.

This Supplement forms part of and should be read in conjunction with the Prospectus dated 20 December, 2023.

The Directors of the Company, whose names appear in the **Directors and Secretary** section of the Prospectus, 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.

Distribution of this document is not authorised unless it is accompanied by and must be read in conjunction with the Prospectus and a copy of the latest annual accounts and, if published thereafter, the latest half-yearly accounts. Such accounts will form part of the Prospectus.

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

Dated: 20 December, 2023

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INVESTMENT OBJECTIVE

The investment objective of the Fund is to seek capital appreciation as a result of exposure to a merger arbitrage strategy (the "**Strategy**"), as further explained in greater detail below.

There is no guarantee that the investment objective of the Fund will be achieved.

INVESTMENT POLICY

The Fund will seek to achieve its investment objective by providing shareholders with a return obtained from exposing 100% of the Fund's assets to the performance of the Strategy.

The Fund is an actively managed fund which is not managed in reference to a benchmark.

The Strategy involves investing, directly or indirectly via financial derivative instruments, in a globally diversified portfolio of securities of companies, as further detailed below, involved in, or which are linked to merger and acquisition transactions. The Fund may have an exposure (direct or indirect) to emerging markets, however such exposure is not expected to exceed 20% of the Net Asset Value of the Fund.

The Fund may be significantly invested in financial derivative instruments at any one time.

The Strategy shall primarily gain exposure, directly or indirectly via equity swaps, to global equity securities of companies involved in merger and acquisition transactions.

In addition, and to a limited extent, the Strategy may gain exposure to the following securities/instruments which are linked to merger and acquisition transactions in which the Fund will invest (e.g. if a merger is structured in a way that involves issuing any of the following securities/instruments to shareholders of the company being acquired, or that involves acquiring such securities/ instruments, issued by the company being acquired from their owners, then in that instance, the Fund may gain an exposure), namely fixed and/or floating rate corporate bonds of investment grade, high yield bonds (exposure to high yield bonds is not expected to exceed 20% of the Net Asset Value of the Fund in normal market conditions), convertible bonds (which may embed derivatives and/or leverage, and which exposure is not expected to exceed 20% of the Net Asset Value of the Fund in normal market conditions), warrants (which may embed derivatives and/or leverage, and which exposure is not expected to exceed 10% of the Net Asset Value of the Fund in normal market conditions), privately issued capital stock (i.e. equity securities which are sold not through a public offering, but rather through a private offering, mostly to a small number of chosen investors, and which exposure will not exceed 10% of the Net Asset Value of the Fund in accordance with the UCITS Regulations) and contingent value rights ("CVR") (i.e. financial instruments that are sometimes issued as part of the consideration paid to the shareholders of companies being acquired in merger and acquisition transactions. CVR's are normally issued in situations where the acquiring company and the target company disagree about the value of a particular asset owned by the target company. Such an asset may relate to a product for which an application for a regulatory approval has been made to permit it to be marketed (for example, pharmaceutical products often require a lengthy regulatory review before they can be sold to the public, and in some cases a CVR with respect to such a product will be issued that provides for a payment to the target company's shareholders if that approval is ultimately obtained). A CVR may also relate to other types of assets, including for example real estate, or a license to use wireless spectrum. It may also relate to the outcome of a particular legal case. Typically, this asset is relatively small compared to the size of the target company. If the acquirer and the target company cannot agree on the value of a particular asset, issuing a CVR to the shareholders of the target company is a compromise that permits the shareholders to possibly receive a payment sometime after the merger and acquisition transaction has closed Each CVR relates to its own particular asset, and is subject to the particular terms negotiated by the parties to the merger and acquisition transaction to which it relates. It is therefore difficult to predict what types of CVRs may be issued. Exposure to CVR's is not expected to exceed 10% of the Net Asset Value of the Fund in normal market conditions). If the Fund concurrently gains exposure to privately issued capital stock and CVR's, the maximum aggregate exposure shall be limited to 10% of the Net Asset Value of the Fund.

The Strategy may take long/short positions. Ordinarily, it is expected that a substantial majority of the Fund's long positions and all of the Fund's short positions will be held in the form of equity swaps. The long/short positions are further detailed below under 'Investment Strategy'.

Financial derivative instruments may also be used to hedge the Fund's exposure to certain risks (including but not limited to, changes in the value of equity securities held by the Fund, currency exposure where securities are denominated in a currency other than the Base Currency of the Fund, possible corporate event risk and general market risk). The Strategy may involve purchasing or selling (i) options on individual equity securities or on equity index futures, (ii), equity swaps relating to individual equity securities and equity index futures, (iii) financial futures, in order to hedge/limit risk. FX contracts may be used for hedging purposes.

The Fund may invest up to 10% of its Net Asset Value in collective investment schemes (to include UCITS ETFs/UCITS eligible ETFs) to indirectly gain exposure to the performance of the underlying securities of such collective investment schemes, consistent with the investment policy of the Fund, where the Investment Manager feels it is more efficient to do so as opposed to a direct investment in such underlying securities.

The securities/instruments in which the Fund may invest, as per its stated investment policy, will be listed and/or traded on a Regulated Market

The Fund may hold ancillary liquid assets such as cash and money market instruments (such as treasury bills, commercial paper and certificates of deposit). The Fund's holding of treasury bills will be significant in order to facilitate the passing of collateral, as required, to financial derivative counterparties to any synthetic long and/or synthetic short positions taken by the Fund. **Investors should note the difference between the nature of a deposit and the nature of an investment in the Fund and in particular that the value of the principal invested in the Fund is capable of fluctuation.**

INVESTMENT STRATEGY

Merger Arbitrage

The focus of the Strategy is merger arbitrage. Merger arbitrage is the purchase of equity securities of target companies in merger and acquisition transactions, such as mergers, cash tender offers, exchange offers and other similar combinations. In a merger and acquisition transaction, an acquiring company will seek to purchase a target company. To make this purchase, the acquiring company offers to pay the shareholders of the target company for their shares, either indirectly in a merger or similar transaction in which the shareholders exchange their shares for the payment being offered by the acquiring company, or directly via a tender offer or exchange offer made by the acquiring company to the target company's shareholders. The Fund acquires target company securities, either directly through purchases in the market or indirectly via financial derivative instruments, after a merger and acquisition transaction has been announced or otherwise becomes known to the public. It normally takes some period of time, ranging from about a month to a year or longer, for a merger and acquisition transaction to be completed. When a merger and acquisition transaction is successfully completed, the Fund exchanges or tenders its target company securities. In return, the Fund receives payment. When an acquirer offers a security to be issued by it in exchange for a target company security, the Fund may simultaneously take an offsetting short position that is covered with the newly issued acquirer security when it is received. The Strategy mainly focuses on publicly announced transactions with definitive merger agreements. The Strategy may also involve investing in other types of merger and acquisition transactions, including hostile takeover bids and proposals, situations involving multiple competing bidders, buyout proposals from a company's management or a major shareholder, companies being pressured to initiate a merger and acquisition transaction by activist investors, and companies engaging in recapitalizations, self-tenders, spin-offs or other restructurings.

The Investment Manager's time-tested approach to merger arbitrage investing has been successfully applied by its experienced team over 46+ years. The Investment Manager's proprietary database, combined with fundamental and transaction research and its long experience investing in mergers and acquisitions situations, enables it to manage the Fund's merger arbitrage portfolio based on historical experience.

As part of the Strategy, the Investment Manager may engage in equity trading, which mainly involves the purchase and sale of actively traded common stocks. A substantial majority of such common stocks are issued by companies organized in the United States, Canada, the United Kingdom, members of the European Union and Australia. The equity trading strategy involves the creation of positions in connection with the Fund's merger arbitrage strategy. In a stock-for-stock merger and acquisition transaction, the Fund will purchase shares of the company being acquired and the Fund may also sell short (synthetically via the use of financial derivative instruments) the shares of the acquirer stock it expects to receive upon completion of the transaction. The Fund may also from time to time create open market exposures in the acquirers in such transactions by refraining from selling short all or a portion of such acquirer shares. In this way, the Fund may seek to take advantage of market dislocations caused by mergers and other extraordinary merger and acquisition transactions and events. When the Fund refrains from selling short acquirer shares, it may instead attempt to engage in hedging transactions with respect to such open market exposures, involving other equity securities and/or equity index futures. In this Strategy the Fund may also trade in stock index futures and other derivatives (as detailed below), options, preferred stocks, corporate and government bonds, swaps, other securities and financial instruments and currencies, in connection with hedging or other investment techniques.

The Investment Manager may take long only and synthetic long and synthetic short positions (via the use of equity swaps) in the equity markets. The maximum long position for the Fund will be 300% of the Net Asset Value of the Fund, and the maximum short position will be 150% of the Net Asset Value of the Fund.

Use of Financial Derivative Instruments (FDIs)

For investment purposes and for efficient portfolio management (EPM), the Fund may invest in the FDIs listed below. Further details of these financial derivative instruments are set out below with a description of the relevant risks attached set out below and in the Prospectus (please see the sections in the Prospectus headed "*Investment Techniques" and "Instruments"* and "*Risk Factors"*).

In addition to the foregoing, for EPM the transactions must satisfy four broadly-based requirements**:**

1. EPM may not include speculative transactions. Transactions for EPM purposes must be economically appropriate.

2. The purpose of an EPM transaction for the Fund must be to achieve one of the following in respect of the Fund:

    (a) Reduction of risk;

    (b) Reduction of cost; and

    (c) The generation of additional capital or income for the Fund with no, or an acceptably low level of, risk.

3. Each EPM transaction must be covered globally i.e. there must be adequate cover from within the assets held by the Fund to meet the Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movements, counterparty risk and the time available to liquidate any positions. The global exposure may not exceed the Net Asset Value of the Fund.

4. They cannot result in a change to the Fund's investment objective or add substantial supplementary risks in comparison to the risks relative to the Fund identified in the Prospectus and this Supplement.

The use of derivatives for the purposes of EPM is not expected to raise the risk profile of the Fund or result in higher volatility.

The Fund will utilise the absolute Value at Risk (VaR) methodology to calculate the Fund's global exposure. Such VaR methodology will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which the absolute VaR of the Fund's portfolio shall not exceed the maximum criteria as set by the Central Bank, which are currently 20 per cent. of the Net Asset Value of the Fund, calculated daily based on a one-tailed confidence level of not less than 99 per cent., a holding period of not less than 20 days and an effective observation period of at least one year. The amount of leverage (calculated as the sum of the notionals of the derivatives entered into by the Fund, in accordance with the requirements of the Central Bank) would typically be expected to range between 50% to 460% of the Fund's Net Asset Value, but may be higher in certain circumstances.

The Manager employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with FDIs. Any FDI not covered by the Risk Management Process will not be utilised until such time as a revised submission has been provided to the Central Bank. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

Description of Financial Derivative Instruments utilised by the Fund

The various types of derivatives which may be utilised by the Fund, and which may be implemented within the various trading strategies detailed above are as follows:

Swaps: a swap is a derivative whereby two counterparties exchange cash flows of one party's financial instrument for those of the other party's financial instrument. Specifically, two counterparties agree to exchange one stream of cash flows against another stream. These streams are called the 'legs' of the swap. The swap agreement defines the dates when the cash flows are to be paid and the way they are accrued and calculated. Usually at the time when the contract is initiated, at least one of these series of cash flows is determined by an uncertain variable such as a floating interest rate, a foreign exchange rate or, for an equity swap, the equity price.

Equity swaps may be used in circumstances where the Investment Manager feels it is a more efficient way to gain exposure to equity securities than would otherwise be obtained by direct investment in equity securities.

Options: a contract sold by one party (option writer) to another party (option holder) offering the holder the right, but not the obligation, to buy (call) or sell (put) a security at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). The Fund may be both a writer and holder of options.

The Fund may purchase or sell options on equity securities or on equity index futures in order to enhance returns or limit risk.

Financial futures: a contract obliging the buyer to purchase an asset (or the seller to sell an asset) at a predetermined future date and price. The Fund may from time to time use financial futures to hedge its investment portfolio or portions or individual positions thereof from adverse effects caused by the financial markets. Typically, it may take short positions in stock market indices as market hedges. It may also take long positions in stock market indices to offset the effect of rising markets on the Fund's individual short positions.

Warrants: a security that gives the holder the right to purchase equity securities from the issuer at a specific price within a certain time frame. The Fund may receive these in the event of a merger, restructuring, reorganization or other merger and acquisition transaction.

Convertible bonds: debt securities which allow holders to convert their creditors position to that of an equity holder at an agreed upon price. The convertible bonds may embed derivatives and/or leverage.

Forward currency contracts: a binding contract in the foreign exchange market that locks in the exchange rate for the purchase or sale of a currency on a future date. Forward currency contracts may be utilised for class currency hedging.

INVESTMENT RESTRICTIONS

The general Investment Restrictions set out in Schedule 3 of the Prospectus shall apply to the Fund, save that notwithstanding Point 3.1 of Schedule 3 of the Prospectus, the Fund may not invest more than 10% of its net assets in aggregate in other collective investment schemes.

From time to time the Company and/or the Manager may agree more restrictive investment restrictions with the Investment Manager.

INVESTMENT MANAGER

Alpine Associates Management Inc. has been appointed as Investment Manager by the Manager pursuant to a discretionary investment management agreement (the **Investment Management Agreement**). The Investment Manager was established on May 17, 1984, and has its corporate office at 249 Royal Palm Way, Suite 400, Palm Beach, FL 33480, USA, and is an investment management company authorised and regulated in the conduct of its investment business in the United States of America by the Securities and Exchange Commission.

The Investment Management Agreement shall continue in force for an initial period of 3 years after which it is terminable by either party on not less than 180 calendar days' written notice or immediately in certain circumstances including where either party (i) commits any material breach of its obligations under the Investment Management Agreement and shall fail to make good such breach within 30 days of receipt of written notice from the other party requiring it to do so; or (ii) is dissolved (except a voluntary dissolution for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party) or be unable to pay its debts or commit any act of bankruptcy or if a receiver is appointed of any of the assets of either party. The Investment Management Agreement provides that the Company, out of the assets of the Fund, shall indemnify the Investment Manager, its affiliates, or any of their respective officers, directors, employees, agents, successors, representatives and assigns (each, an "**Investment Manager Indemnified Person"**) on demand and holds each Investment Manager Indemnified Person harmless against any and all losses to which any Investment Manager Indemnified Person may become subject arising out of or based upon (i) any material breach of the Company's representations, warranties, covenants or agreements contained in the Investment Management Agreement or (ii) the fraud, negligence or wilful misconduct of the Company except where such losses resulted directly or indirectly from the fraud, negligence or wilful misconduct of any Investment Manager Indemnified Person. The Fund will not be liable to any Investment Manager Indemnified Person for any indirect or consequential losses. Further, the Investment Manager agrees to indemnify the Manager, the Company and the Fund and each of its officers, Directors, employees, agents, successors, representatives and assigns (each, a "**Fund Indemnified Person**") upon demand, and hold each Fund Indemnified Person harmless against any and all Losses to which any Fund

Indemnified Person may become subject and arising out of or in connection with (i) any material breach of the Investment Manager's representations, warranties, covenants or agreements contained in this Agreement, or (ii) the fraud, negligence, bad faith or wilful misconduct of the Investment Manager except where such losses resulted directly or indirectly from the fraud, negligence or wilful misconduct of any Fund Indemnified Person

PORTFOLIO CURRENCY HEDGING

A portion of the Fund's investments may, directly or indirectly, be exposed to or invested in securities that are denominated in currencies other than the Base Currency. In addition, the Fund's performance may be strongly influenced by movements in FX rates because currency positions held by the Fund may not correspond with the securities positions held.

To the extent the Investment Manager makes investments denominated in currencies other than the Base Currency of the Fund, the Fund will be subject to the risk that such currencies will decline against the Base Currency. The Investment Manager may attempt, in its discretion, but is not required to, engage in hedging transactions with respect to the currency exchange rate risk on any such specific investment to the extent and in the manner the Investment Manager deems practicable. To the extent the Investment Manager does not hedge the currency exchange rate risk of non-Base Currency denominated investments, the Fund's overall hedge of the currency exchange rate risk between Base Currency and the non-Base Currency Class may offer no meaningful protection against currency exchange rate fluctuations between the non-Base Currency Class and the currency of such investment. With respect to all such hedging activities, the Fund (through its agents, including, without limitation, the Investment Manager) may (but is not required to) enter into currency forward transactions in the interbank market, currency swap transactions or, foreign currency futures contracts in an attempt to hedge this risk. Any hedging transactions are intended to protect the Fund from currency losses in respect of currency fluctuations but could also prevent the Fund from profiting from any currency gains. As it is impossible to predict with precision the exposure of the Fund to currency exchange risks and because the Fund (through its agents, including, without limitation, the Investment Manager) may not always be able to place, adjust or replace hedges in a timely manner, it is likely that the Fund will always be over- or under-hedged against currency exchange rate risks. Further, there can be no assurance that any such hedging transactions will be successful in lessening the currency exchange rate risk of the Fund on any given investment, nor can there be any assurance that such hedging transactions will not themselves incur significant losses. Such hedging transactions will entail expenses that may be significant. Hedge transactions will represent a cost to the Fund with no guaranteed corresponding benefit. Regulations in the markets in which the Fund invests may require or limit hedging or other use of FDIs, either explicitly or as a result of the Fund or its agents (including, without limitation, the Investment Manager) managing resultant risk. Predicting the relative value of currencies is very difficult, and there is no assurance that any attempt to protect the Fund against adverse currency movements will be successful. In addition, hedging currency exposure may reduce or eliminate the potential gains that might result from a weakening of the Base Currency against non-Base Currency investments. Prospective investors should take into account the potential risk of loss arising from changes in value between the Base Currency and other currencies.

In addition to the foregoing, the Fund will operate Class currency hedging for certain non-Base Currency Classes, further details of which are set out below.

CLASS CURRENCY HEDGING

Hedged Currency Classes: If a non-Base Currency Class is marked as a "Hedged Class", investors in this Class should take note that it is the Fund's intention (where practicable) to hedge the currency exposure of holders of such Class. The adoption of this strategy may substantially limit holders of this Class from benefiting if the Class Currency falls against the Base Currency and/or against the other currencies in which the assets of the Fund are denominated. All costs and gains/losses of such hedging transactions will accrue solely to the holders of the hedged Class and shall not form part of the assets of the Fund or constitute a liability of the Fund. The strategy is undertaken and managed on behalf of the Fund by the Currency Manager.

Investors in the non-Base Currency Class should be aware that the exchange rate used for the purpose of converting the proceeds of their trade to or from Base Currency is likely to be the rate prevailing at the time the necessary currency hedging contracts are put in place which means that this exchange rate risk is borne by those transacting investors rather than by the other investors in the Fund.

The implications of this currency hedging policy is that holders of the non-Base Currency Class will limit any potential currency risk of the value of the Class Currency rising against the Base Currency. On the other hand, as noted above, as well as incurring the cost of such hedging transactions, holders of the non-Base Currency Class will sacrifice the potential gain should the value of the Class Currency fall against the Base Currency.

Any such hedging is not permitted to exceed 105 per cent. of the net assets of the relevant class of Shares on any Dealing Day and under-hedged positions shall not fall short of 95 per cent. of the portion of the Net Asset Value of the Class which is hedged against currency risk. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed 105 per cent and this review will also incorporate a procedure to ensure that under-hedged positions and positions materially in excess of 100 per cent of Net Asset Value of the Class will not be carried forward from month to month.Whilst not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the Currency Manager. There is no guarantee that any hedging strategy undertaken by the Fund will be successful.

Although it is expected that subscription amounts paid for in respect of the non-Base Currency Classes will be converted on the relevant Dealing Day, it may in some cases occur after such Dealing Day (except for subscriptions received during the Initial Offer Period (as detailed below under the section headed "Description of Shares") which will be converted on receipt and in any event before the first Dealing Day). During such period it is possible that the value of the relevant currency may decline against the Base Currency, resulting in losses.

Hedging transactions will entail expenses that may be significant.

THE FUND'S BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading **Borrowing**, the Fund may borrow up 10 per cent. of its net assets on a temporary basis.

RISK FACTORS

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

Investment Risks

There can be no assurance that the Fund will achieve its investment objective. Prospective Shareholders have only limited information as to the potential assets of the Fund or other relevant economic financial information to assist them in evaluating the merits of investing in the Shares. By investing in the Shares, investors are depending on the ability of the Investment Manager with respect to the selection of the Fund's investments.

Merger Arbitrage Risk

The Fund's primary investment strategy will be merger arbitrage. The principal risk involved in merger arbitrage is that mergers and other arbitrage transactions may not be completed. Successful consummation of an arbitrage transaction may depend on many factors, such as shareholder approval, the outcome of litigation seeking to enjoin it (including, for example, government action on the grounds of antitrust or other alleged defects), the approval of regulatory or tax authorities, the availability of financing or the absence of material adverse change in the business or financial condition of the companies involved in it. Any such factor may cause a transaction to be significantly delayed, or result in the transaction not being consummated, in which event substantial losses may be incurred.

In particular, hostile offers by one company for securities of another company are frequently met by defensive tactics such as protracted litigation to enjoin the offer based on assertions of violations of federal or state securities laws, antitrust violations, and other grounds. Target companies' managements may also seek defensive merger partners or engage in other extraordinary defensive actions.

Prices of securities of companies involved in merger arbitrage combinations are often volatile, and market movements are difficult to predict. Unforeseeable events may cause sharp market fluctuations in the positions held by the Fund, sometimes causing substantial losses. The Fund frequently purchases securities at prices only slightly less than the price being offered for them in an exchange or tender offer or a merger. This purchase price often represents a substantial premium over the market price of the security prior to the announcement of the proposed transaction. As a result, the profit that the Fund would make if an arbitrage deal is consummated is usually small in relation to the amount it stands to lose if such deal is not completed.

In a stock-for-stock merger and acquisition transaction, the Fund may sell short the shares of acquirer stock they expect to receive in the transaction or refrain from selling short all or a portion of such shares. When the Fund sells short such shares, such shares may increase in price and the transaction may not be completed, resulting in a loss for the Fund. When the Fund refrains from selling short such shares, risks exist with respect to the open market exposure of the acquirer's stock expected to be received in the transaction. The Fund will be exposed to adverse changes in the price of such shares. If such shares increase in price, the Fund may not benefit unless the transaction is completed. The terms of certain stock-for-stock combinations may make it difficult for an arbitrage investor to accurately anticipate the amount of securities to be received.

Another variable exists in offers that are made partly for cash and partly for securities, either simultaneously or in a multi-step transaction. The value of the securities offered may differ from the cash portion. An investor accepting such an offer may not be able to evaluate the likelihood that it will receive cash or securities or the amount of cash or securities to be received.

Also, merger arbitrage investing typically involves investing in long and short positions in common stocks and equity securities and instruments. See risk factors relating to 'Investment in Equity Securities' and 'Short Exposure'.

Investment in Equity Securities

Equity securities will be subject to risks associated with such investments, including fluctuations in market prices, adverse issuer or market information and the fact that equity interests are subordinate in the right of payment to other corporate securities, including debt securities. The value of these securities varies with the performance of the respective issuers and movements in the equity markets generally. As a result, the Fund may suffer losses if it invests in equity securities of issuers where performance falls below market expectations or if equity markets in general decline. The Fund does not intend to hedge against such a general decline.

Short Exposure

The Fund obtains synthetic short exposure through equity swaps. A short position results in a gain if the price of the securities subject to the short position declines between the date the short position is put on and the date it is closed. A short position results in a loss if the price of the securities subject to the short position increases. Any gain is decreased, and any loss is increased, by the cost of putting on the short position. In a generally rising market, the Fund's short positions may be more likely to result in losses because securities may be more likely to increase in value. Short exposure involves a finite opportunity for appreciation, but a theoretically unlimited risk of loss.

Swaps

Trading swaps is highly speculative and may entail risks that are greater than those present when investing in other securities. Prices of derivatives can be and often are more volatile than prices of other securities. These changes are extremely difficult to predict. The Fund may speculate on market fluctuations of securities while investing only a small percentage of the value of the securities underlying the derivatives.

Correlation Risk

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

Performance Fees

The Investment Manager may be entitled to receive a performance fee or allocation, over and above a basic management fee to be paid to it and this performance fee may be substantial. The manner of calculating such fees may create an incentive for the Investment Manager to make investments that are riskier or more speculative than would be the case if such fees were not paid to the Investment Manager. The performance fee is based on realised trading and investment profit (or loss) (including dividends and interest paid to the Fund) plus or minus the change in unrealised trading and investment profit (or loss) on open positions since the end of any prior performance fee calculation period. As a result, the performance fee may be paid on unrealised gains which may subsequently never be realised.

Performance fees are accrued and paid by the Fund to the Investment Manager depending on its performance. The Net Asset Value per Share of each Share in the Fund will reflect a pro rata portion of these fees, irrespective of the date on which that Share was subscribed. The Fund does not attempt to equalise the treatment of Shareholders with respect to the impact of these fees on the value of their individual shareholdings. As a result, the impact of performance fees on Shareholders will be different than if such fees were individually calculated for each Shareholder based on the performance of that Shareholder's investment. Whether a Shareholder is disadvantaged or advantaged by this will depend on the timing of investments by that Shareholder and the performance of the Fund. Potential investors should ensure that they understand the basis on which performance fees are charged and the implications for them of the Fund not applying any form of equalisation.

Changes to the Investment Objective and the Investment Policy

Any change in the investment objective or any material change to the investment policy of a Fund may only be made with the approval of an ordinary resolution of the Shareholders in the Fund or the prior written approval of all the Shareholders in the Fund. Shareholders will be bound by any resolution passed at a general meeting of the Company irrespective of how or whether or not they voted. In the event of a change of investment objective and/or policies of a Fund on the basis of an ordinary resolution passed at a general meeting, a reasonable notification period must be given to each Shareholder of the Fund to enable a Shareholder to have its Shares repurchased prior to the implementation of such change.

Investment Manager

Potential investors should be aware that the performance of the Fund will depend to a large extent on the performance of the investments selected by the Investment Manager. The UCITS Investment Restrictions, investment objective and investment policies give the Investment Manager considerable discretion to invest the assets of the Fund and there can be no guarantee that the Investment Manager's investment decisions will be profitable or will effectively hedge against the risk of market or other conditions which may cause the value of the Shares to decline.

While the Investment Manager has investment and voting discretion with respect to the assets in the Fund (subject to the restrictions described generally herein and in the agreement with such Investment Manager), Shareholders will be dependent on the ability of the Manager to supervise the Investment Manager's compliance with the Investment Management Agreement and the restrictions described herein. There can be no guarantee, however, that the service providers to the Fund, including the Investment Manager will not change and the Company and/or the Manager may select other service providers where they determine it to be in the best interests of the Fund and the Shareholders.

Interest Rate and Currency Risks

The NAV may be adversely affected by changes in interest rates and currency exchange rates. Interest rates and currency exchange rates are determined by factors of supply and demand in the international money markets, which are in turn influenced by macro-economic factors, speculation and central bank and other forms of government intervention. Fluctuations in short-term and/or long-term interest rates or currency exchange rates may affect the value of the Shares.

Risks Associated with Investments in Securities believed to be Undervalued or Incorrectly Valued

Securities which the Investment Manager believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Investment Manager anticipates. As a result, the Fund may lose all or substantially all of its investment in any particular instance. In addition, there is no minimum credit standard that is a prerequisite to the Fund's investment in any instrument and some obligations and preferred stock in which the Fund invests may be less than investment grade.

Risks Related to Investments in Entities Experiencing Financial Difficulty

The Investment Manager may invest in securities or other instruments of entities experiencing financial or business difficulties. The Fund may lose a substantial portion or all of its investment in such entities or may, as a return on its investment in such entities, be required to accept cash or securities with a value less than the Fund's original investment. Among the risks inherent in investments in entities experiencing financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such entities. Such investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of the securities or other instruments of such entities may also be subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such securities or instruments may be greater than normally expected.

Risks Associated with Investments in Medium Capitalization Companies

The Investment Manager may invest in the stocks of companies with medium-sized market capitalizations upon emergence from a restructuring or a bankruptcy. While the Investment Manager may believe such companies often provide significant potential for appreciation, those stocks may involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of medium-capitalization stocks are often more volatile than prices of large-capitalization stocks and the risk of bankruptcy or insolvency is higher than for larger, “blue-chip" companies.

Trading in Securities

Substantial risks are involved in investing in securities. The prices of many of the securities in which the Fund trades are highly volatile and market movements are difficult to predict. Moreover, most of the Fund's trading activities are inherently speculative, and the short-term performance of the Fund's investments may fluctuate significantly despite the Fund's risk control measures. Moreover, the value of the Fund's investment positions may be subject to decreases as a result of general economic conditions and/or the adverse effect upon the companies in which the Fund owns securities.

Competition

The securities industry is extremely competitive and involves a high degree of risk. The Fund and the Investment Manager will compete with many firms, including other large investment and commercial banking firms. The profit potential of the Fund may be materially reduced as a result of such competition.

Operational and Human Error

The success of the Fund depends in part upon the Investment Manager’s accurate calculation of price relationships, the communication of precise trading instructions and ongoing position evaluations. In addition, each Investment Manager’s strategies may require active and ongoing management of durations and other variables, and dynamic adjustments to the Fund’s positions. There is the possibility that, through human error, oversight or operational weaknesses, mistakes could occur in this process and lead to significant trading losses and an adverse effect on the NAV.

Risk Related to Valuation

In certain instances, including circumstances in which market prices of securities held for the Fund are unavailable, the Directors, in consultation with the Manager, will be given considerable discretion to value the securities held for the Fund, subject to the terms of the Prospectus and the Articles of Association of the Company. Since the valuations of these securities will be included in the calculation of NAV, the valuation discretion afforded to the Directors, in consultation with the Manager, will affect the value of any Shareholders’ investment and the prices at which Shares may be purchased or redeemed. The valuations assigned may not be the same as those at which the securities being valued could actually be purchased or sold.

Change in Taxation Legislation

Any change in the taxation legislation in Ireland, or elsewhere, could affect a Fund’s ability to achieve its investment objective or alter the returns to Shareholders. 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 are urged to consult their tax advisors with respect to their particular tax situations and the tax consequences of an investment in the Fund.

The general risk factors under the heading **Risk Factors** in the Prospectus apply to the Fund.

Fixed Income Risk

The value of the Fund's investments in fixed income securities and derivatives will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities and derivatives owned by the Fund. On the other hand, if rates fall, the value of the fixed income securities and derivatives generally increases. Your investment will decline in value if the value of the Fund's investments decreases.

Warrants

Warrants are options to purchase common stock at a specific price (usually at a premium above the market value of the optioned common stock at issuance) valid for a specific period of time. Warrants may have a life ranging from less than one year to twenty years, or they may be perpetual. However, most warrants have expiration dates after which they are worthless. In addition, a warrant is worthless if the market price of the common stock does not exceed the warrant's exercise price during the life of the warrant. Warrants have no voting rights, pay no dividends and have no rights with respect to the assets of the corporation issuing them. The percentage increase or decrease in the market price of the warrant may tend to be greater than the percentage increase or decrease in the market price of the optioned common stock.

United States Government and Agency Obligations

The Investment Manager may invest in various types of marketable securities issued by the United States Treasury, *i.e.*, bills, notes and bonds. Such securities are direct obligations of the United States government and differ mainly in the length of their maturity.

Credit Risk

Lower credit quality may lead to greater volatility in the price of a security and also may affect liquidity and make it difficult for the Fund to sell the security. Credit risk also exists whenever the Fund enters into a foreign exchange or derivative contract, because the counterparty may not be able or may choose not to perform under the contract. When the Fund invests in foreign currency contracts, or other over-the-counter derivative instruments (including options), it is assuming a credit risk with regard to the party with which it trades and also bears the risk of settlement default. These risks may differ materially from risks associated with transactions effected on an exchange, which generally are backed by clearing organization guarantees, daily mark-to-market and settlement, segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections. Relying on a counterparty 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.

Trading in Derivatives and Efficient Portfolio Management Techniques

The Fund may invest in a wide range of derivative products for investment purposes and/or efficient portfolio management purposes. Such derivative products could include exchange traded and certain OTC derivative instruments, including complex derivative instruments which seek to modify or replace the investment performance of particular securities, currencies, interest rates, equity indices or markets on a leveraged or unleveraged basis. These investments may be extremely volatile and involve risks that can result in a loss of all or part of an investment, including, but not limited to, interest rate and credit risk volatility, world and local market price and demand, and general economic factors and activity. Price movements of futures and options contracts and payments pursuant to swap agreements 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. Foreign currency contract prices are influenced by, among other things, political events, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions, and currency devaluations and reevaluations. In addition, governments from time to time directly intervene in certain markets, particularly those in currencies, financial instrument futures and options. Such intervention often is intended 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. Derivatives may involve significant amounts of leverage, which can substantially magnify market movements and result in losses greater than the amount of the investment.

Some derivatives may be more volatile than their underlying securities and therefore, on a percentage basis, an investment in derivatives may be subject to greater fluctuations than an investment in the underlying security. For example, if the Investment Manager causes the Fund to buy an option, the Fund will be required to pay a "premium" representing the market value of the option. Unless the price or the volatility of the instrument underlying the option changes so that it becomes profitable to exercise or sell the option before it expires, the Fund will lose the entire amount of the premium. The risk of writing (selling) options is unlimited in that the writer of the option must purchase (in the case of a put) or sell (in the case of a call) the underlying security at a certain price upon exercise. There is no limit on the price the Fund may have to pay to meet its obligations as an option writer. As assets that can have no value at their expiration, options can introduce a significant additional element of leverage and risk to the Fund's market exposure. The use of certain options strategies can subject the Fund to investment losses that are significant even in the context of positions for which the Investment Manager has correctly anticipated the direction of market prices or price relationships.

Special Risks Associated with Trading in Over the Counter Derivatives

The Fund may invest in a wide range of OTC derivative products. Such OTC derivative products may be illiquid and are sometimes subject to larger spreads than exchange-traded derivatives transactions. If the Fund engages in such transactions, the Fund will be exposed to the risk that the counterparty (which will usually be a Principal Broker) will fail to perform its obligations under the transaction. The valuation of OTC derivatives transactions is also subject to greater uncertainty and variation than that of exchange-traded derivatives. The "replacement" value of a derivatives transaction may differ from the "liquidation" value of such transaction, and the valuations provided by the Fund's counterparty to such transactions may differ from the valuations provided by a third party or the value upon liquidation of the transaction. Under certain circumstances it may not be possible for the Fund to obtain market quotations for the value of an OTC derivatives transaction. The Fund may also be unable to close out or enter into an offsetting OTC derivatives transaction at a time it desires to do so, resulting in significant losses. In particular, closing out transactions in OTC derivatives are effected only with the consent of the counterparty to the transaction. If such consent is not obtained, the Fund will not be able to close out its obligations and may suffer losses.

The participants in “OTC” or “interdealer” markets are typically not subject to credit evaluation and regulatory control which would be the case for 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 credit or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide) since such markets may lack the established rules and procedures for swift settlement of disputes among market participants found in “exchange-based” markets. These factors may cause the Fund to suffer a loss due to adverse market movements while replacement transactions are executed or otherwise. Such “counterparty risk” is present in all swaps, and is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Investment Manager has concentrated its transactions for the Fund with a single or small group of counterparties.

Special Risks Associated with Trading in Forward Contracts

The Investment Manager may engage in forward trading on behalf of the Fund. Forward contracts, unlike futures contracts, are not traded on exchanges and are not standardized. Instead, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated and 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 they trade and these markets can experience periods of illiquidity, which can sometimes be of significant duration. There have been periods during which certain participants in these markets have been unable or unwilling to quote prices for certain currencies or have quoted prices with an unusually widespread between the price at which they were prepared to buy and the price at which they were prepared to sell. Illiquidity or disruption in the forward markets could result in significant losses for the Fund.

Hedging Risks

The Investment Manager may cause the Fund to invest in a wide range of derivative products for hedging purposes. Accordingly, the Investment Manager may cause the Fund to utilize warrants, futures, forward contracts, swaps and options involving equity securities (and combinations of the foregoing) for purposes of establishing “market neutral” arbitrage positions as part of its trading strategies and to hedge against movements in the capital markets. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions’ value. Such hedging transactions may also limit the opportunity for gain if the value of the portfolio position should increase. Moreover, it may not always be possible for the Investment Manager to execute hedging transactions, or to do so at prices, rates or levels advantageous to the Fund.

The success of any hedging transactions will be subject to the movements in the direction of securities prices and currency and interest rates, and stability or predictability of pricing relationships. Therefore, while the Fund might enter into such transactions to reduce currency exchange rate and interest rate risks, unanticipated changes in currency or interest rates may result in poorer overall performance for the Fund than if it had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Moreover, for a variety of reasons, the Investment Manager may not be able to, or may not seek to, establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. An imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss.

Credit Risk from Counterparties

The Investment Manager may cause the Fund to enter into transactions in OTC markets which will expose the Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the Fund may enter into forward contracts, options and swap arrangements, each of which expose the Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In addition, the bankruptcy or default of a Principal Broker or brokers or clearing-houses by or through which transactions are carried or settled may result in losses to the Fund. In the event of a bankruptcy or insolvency of any counterparty, Principal Broker or other broker or clearing-house, the Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realize any gains on its investment during such period and fees and expenses incurred in enforcing its rights. The financial problems at Bear Stearns, Lehman Brothers, AIG and other well-known financial institutions illustrate these risks. The Fund may only have limited counterparties, the Principal Brokers, and therefore any bankruptcy or default of a Principal Broker is likely to have a significant negative impact on the Fund.

Risks associated with Futures and Options

The Investment Manager may from time to time use both exchange-traded and OTC futures and options as part of their investment policy, for hedging purposes and/or to alter currency exposure. These instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in un-quantifiable further loss exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in OTC derivatives may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk.

Futures trading in many contracts on futures exchanges (although generally not in currencies) is subject to daily price fluctuations, restrictions, commonly referred to as “daily limits”, which prohibit the execution of futures trades on any given day outside a prescribed price range based on the previous day’s closing prices. Daily limits do not limit ultimate losses but may make it costly or impossible for the Investment Manager to liquidate a futures position against which the market is moving. A series of “limit moves”, in which the market price moves the “daily limit” with little or no trading taking place, could subject the Fund to major losses.

Other Clients of Investment Manager

The Investment Manager may manage other accounts in respect of which it may have incentives to favour over the Fund (e.g., as a result of proprietary investments in such other accounts, advisor compensation arrangements with other accounts that are more lucrative or because of other factors). The Investment Manager will not be subject to any absolute restrictions on taking new accounts, which could increase the competition for its time and adversely affect the Fund's performance. Strategies, transactions or other actions undertaken by the Investment Manager for other accounts may have an adverse impact on the Fund.

Ordinarily, all of the Investment Manager's clients buy and sell the same securities and instruments, and trade on a substantially parallel basis with each other. It is the policy of the Investment Manager that trades for clients will be executed, to the extent reasonably practicable, at the same times and prices. Normally, trades are executed for all clients jointly. However, in certain situations a client may not be in a position to participate in a joint trade with the other clients. For example, a client may be required for regulatory or tax reasons to hold a position in a company synthetically in swap, while the other clients own the stock of such company. In such situations, it is the policy of the Investment Manager to complete the trades for its other clients first, and then to execute a substantially equivalent trade for the client that is unable to participate jointly. It is expected that a substantial majority of the Fund's trades will not be made jointly with the other clients. This may disadvantage the Fund with respect to the prices at which its trades are executed and the quantities of securities and instruments it may be able to buy and sell.

Concentration of Investments

If the Fund invests up to the maximum permitted under the UCITS Investment Restrictions described in the Prospectus in the securities of single issuers and / or in economic sectors this concentration and lack of diversification relative to the capital of the Fund could mean that a loss in any one such position or a downturn in a sector in which the Fund is invested could materially reduce the Fund's performance. Thus, any substantial investment by the Fund relative to overall assets in the securities of a single issuer or the concentration of the Fund's investments in a particular industry may increase the level of risk associated with an investment in the Fund.

Investments in Emerging Markets Securities

The Investment Manager may make investments on behalf of the Fund which exposes the Fund to emerging markets. Investments in emerging market securities may carry the risks of less publicly available information, less strict market regulation, limited liquidity, and a greater likelihood of severe inflation than investments in securities of issuers based in developed countries. In addition, such investment opportunities in certain emerging markets may be restricted by legal limits on foreign investment in local securities. This higher degree of risk may also be associated with the difficulty of obtaining an accurate view of a company's prospects where accounting standards are such that those prospects are not fairly reflected by published accounts; the difficulty of selling, or selling at a fair price, securities in which an efficient market is not made; potential difficulties in obtaining prompt settlement and the possibility that a local currency might cease to be readily convertible into any major freely-negotiable trading currency.

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 neighboring exchange. 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 fact that evidence of ownership of the Fund's portfolio of securities may be held outside of a developed country may subject the Fund to additional risks, which include possible adverse political and economic developments, and the attendant risk of seizure or nationalization of foreign deposits. In addition, it may subject the Fund to the possible adoption of governmental restrictions which might adversely affect payment on securities or restrict payments to investors located outside the country of the issuers, whether from currency blockage or otherwise.

Some foreign securities may be subject to brokerage or stock transfer taxes levied by foreign governments, which would have the effect of increasing the cost of investment and which may reduce the realized gain or increase the loss on such securities at the time of sale. The issuers of some of these securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in developed countries and therefore potentially carry greater risk. In addition, settlement of trades in some emerging markets is much slower and subject to a greater risk of failure than in markets in developed countries. Custodial expenses for a portfolio of emerging market securities generally are higher than for a portfolio of securities of issuers based in developed countries. In addition, dividend and interest payments from, and capital gains in respect of, certain foreign securities may be subject to foreign taxes that may or may not be reclaimable.

With respect to any emerging market country, there is the possibility of nationalization, expropriation or confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Fund, political changes, government regulation, social instability or diplomatic developments (including war) which could affect adversely the economies of such countries or the value of investments in those countries.

General Economic and Market Conditions

The economies of individual emerging countries may differ favorably or unfavorably from the economy of a developed country 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, the economies of emerging countries generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of certain of these countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Volatility

Emerging markets can experience periods of extreme volatility which could result in substantial losses for the Fund.

Repatriation Restrictions

Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging countries. The Fund could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation.

Legal Risk

Many of the laws that govern foreign investment, equity securities transactions and other contractual relationships in developing countries are new and largely untested. As a result, the 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 of the emerging countries in which assets of the Fund are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations.

Regulatory controls and corporate governance of companies in developing countries 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 developed markets. In certain instances, management may take significant actions without the consent of shareholders and anti-dilution protection also may be limited.

Taxation

Taxation of dividends and capital gains received by non-residents varies among emerging countries and, in some cases, tax rates are high compared to developed countries. In addition, developing countries typically have less well-defined tax laws and procedures. With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, or other income or gains earned by the Fund.

Custody Risk

The Depositary may provide custodial services in emerging markets securities through its agreements with sub-custodians. While the Depositary must exercise care and diligence in choosing and appointing such sub-custodian and is contractually obliged to maintain an appropriate level of supervision over the sub-custodians, the assets of the Fund which may be traded in such markets and which have been entrusted to sub-custodians will be held subject to custodial and/or settlement systems which are not fully developed.

Currency Risk

The currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

Illiquid Investments

Subject to the relevant Investment Restrictions, the Investment Manager may make investments on behalf of the Fund that are subject to legal or other restrictions on transfer or for which no liquid market exists on an exchange or in an OTC market. The market prices, if any, of such investments tend to be more volatile than those for more liquid investments and it may be impossible to sell such investments when desired or to realize their fair value in the event of a sale. There may be substantial delays in attempting to sell securities for which no liquid market exists, during which the value of such assets may move materially up or down. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid, and may deviate from the price ascribed to the securities in the calculation of the Fund's NAV.

In addition, futures positions may become illiquid because, for example, most U.S. commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Similar occurrences could prevent an Investment Manager from promptly liquidating unfavorable positions and subject the Fund to substantial losses. In addition, an exchange or the U.S. Commodity Futures and Trading Commission or other regulatory authority may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. The illiquidity of positions may result in significant unanticipated losses.

Turnover Risk

As noted above under "Sustainability Risks", the average merger arbitrage investment takes approximately five months to be completed. This very short duration, compared to many other types of investments, results in a higher rate of portfolio turnover than for many other investments.
A higher portfolio turnover will result in higher transactional and brokerage costs.

Sustainability Risks and Taxonomy

The Investment Manager shall give consideration in its investment process to the risk that the value of the Fund's investments could be materially negatively affected by an environmental, social or governance event or condition (an "**ESG Event**").

The Investment Manager monitors and assesses the risks inherent in the Fund's investments on a continuous basis. Substantially all of the Fund's investments relate to publicly listed and traded common stocks. The Fund also holds ancillary liquid assets, such as U.S. Treasury bills, to facilitate the passing of collateral to financial derivative counterparties. In monitoring and assessing such risks, the Investment Manager primarily relies on publicly available information made available by the issuers of the stocks the Fund invests in through derivatives and by other parties, taking into account the high level of market transparency of such issuers and the disclosure obligations that they are subject to. This includes monitoring and assessing the risk that the value of the Fund's investments could be materially adversely affected by an ESG Event.

In addition to the monitoring and assessing of publicly available information as described above, the Investment Manager also recognizes that the acquirer in a merger arbitrage transaction is permitted to review information concerning the company it is acquiring that is not available to the public, and that such an acquirer will devote far greater resources to reviewing and assessing such information than a typical public market investor. The Investment Manager therefore considers the decision of an acquirer to enter into a merger transaction to be an important indication that the acquirer has determined that the ESG Event and other risks of an investment in the company it is acquiring should not prevent an investment in such company.

The Investment Manager also recognizes that the average merger arbitrage investment takes approximately five months to be completed. This very short duration, compared to many other types of investments, significantly mitigates the Fund's exposure to an ESG Event and other risks in its investment portfolio. The Investment Manager therefore anticipates that the sustainability risk faced by the Fund should not be material.

The Fund does not promote environmental and/or social characteristics nor have sustainable investment as its objective (as provided by Article 8 or 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector). Furthermore, and as a result, the Fund does not fall within the scope of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The general risk factors under the heading **Risk Factors** in the Prospectus apply to the Fund.

DISTRIBUTION POLICY

The Directors do not intend to declare a dividend in respect of the Shares. All of the Fund's income and capital gains will be reinvested in accordance with the investment objectives and investment policies of the Fund. Accordingly all of the Shares issued in the Fund shall be Roll-Up Class Shares.

This section should be read in conjunction with the provisions set out in the Prospectus under the heading **Administration of the Funds – Distribution Policy**.

GENERAL INFORMATION RELATING TO THE FUND

Base Currency	U.S. Dollar
Business Day	A day (other than a Saturday or a Sunday) on which (i) commercial banks and foreign exchange markets are open and settle payments (including dealings in foreign exchange and foreign currency deposits) in Dublin, London and New York City and (ii) for the purposes of Dealing Day only, is also a day on which each Clearing System applicable to the relevant Shares is open for business.
Dealing	Each Business Day (provided if such day is not a Business Day, the following

Day	Business Day) and such other day as the Directors may determine and notify in advance to Shareholders.
Dealing Deadline	4.00 p.m. (Irish time) 1 Business Day prior to the relevant Dealing Day. The Directors of the Company may elect to extend the Dealing Deadline to the Valuation Point in their sole and absolute discretion.
Settlement Date	In the case of subscriptions, within 3 Business Days of the relevant Dealing Day provided that in respect of the Initial Offer Period settlement must be received by the end of the Initial Offer Period. In the case of repurchases, 3 Business Days after the relevant Dealing Day (assuming the receipt of the original initial application form and relevant anti-money laundering documentation).
Valuation Point	21.00 in London on each Dealing Day.

DESCRIPTION OF THE SHARES

Classes of Shares	Class A USD	Class A Euro	Class A GBP	Class A CHF	Class EI USD**	Class EI EUR**	Class EI GBP**	Class F USD	Class S USD	Class S Euro	Class M USD***
Class Currency	USD	Euro	GBP	CHF	USD	EUR	GBP	USD	USD	Euro	USD
Distribution Status	Roll up	Roll Up	Roll Up	Roll Up	Roll Up	Roll Up	Roll Up	Roll up	Roll up	Roll up	Roll Up
Hedged Class	No	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	No
Minimum Account Balance*	$1,000,000	€ 1,000,000	£ 1,000,000	CHF 1,000,000	$10,000,000	€10,000,000	£10,000,000	$100	$1,000	€ 1,000	Nil
Minimum Initial Investment*	$1,000,000	€ 1,000,000	£ 1,000,000	CHF 1,000,000	$25,000,000	€25,000,000	£25,000,000	$100	$1,000	€ 1,000	Nil
Minimum Subsequent Investment*	$100,000	€ 100,000	£ 100,000	CHF 100,000	$1,000,000	€1,000,000	£1,000,000	$100	$1,000	€ 1,000	Nil
Repurchase Charge*	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sales Charge*	Up to 3 per cent.	Up to 3 per cent.	Up to 3 per cent.	Up to 3 per cent.	Up to 3 per cent.	Up to 3 per cent.	Up to 3 per cent.	Up to 3 per cent.	Up to 3 per cent.	Up to 3 per cent.	Up to 3 per cent.

Performance Fee	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Initial Offer Price	$100	€100	£100	CHF 100	$1,000	€100	£1,000	$10	$10	€10	$0.01
Initial Offer Period ***Following the close of the Initial Offer Period the Shares will be offered at NAV***	Closed	Closed	Closed	9.00 am on 20 December 2023 to 5.00pm on 19 June 2024	9.00 am on 20 December 2023 to 5.00pm on 19 June 2024	Closed	Closed	9.00 am on 20 December 2023 to 5.00pm on 19 June 2024	9.00 am on 20 December 2023 to 5.00pm on 19 June 2024	Closed	9.00 am on 20 December 2023 to 5.00pm on 19 June 2024

*The Directors reserve the right to waive or lower these amounts at their discretion provided that Shareholders in the same/comparable position in the same Share Class shall be treated equally and fairly.

****EI Shares** will be closed to investors when subscription monies totalling USD100 million have been received from investors (subject to the discretion of the Directors to determine otherwise) or within three months from the launch of the Class EI Shares, whichever occurs first.

*****Class M Shares are only available for offer to the promoter, investment manager, employees of the promoter and investment manager, and affiliated entities.**

The Directors may, subject to the requirements of the Central Bank, create new classes of Shares on such terms as they may from time to time determine. Shares of any particular class may accommodate different charges, fees, minimum investment amounts and other arrangements.

FEES AND EXPENSES

All fees will be paid in U.S. Dollars.

Investment Manager and Distributor Fees

The Investment Manager and the Distributor will be entitled to receive from the Company out of the assets of the Fund an aggregate annual fee payable out of the net assets of the Fund as follows:

- Class A USD – up to 1%
- Class A Euro – up to 1%
- Class A GBP – up to 1%
- Class A CHF – up to 1%
- Class EI USD – 0.50%
- Class EI Euro- 0.50%
- Class EI GBP- 0.50%
- Class F USD – up to 2.5%
- Class S USD – up to 1.50%
- Class S Euro – up to 1.50%
- Class M – Nil

This fee will accrue and be calculated on each Dealing Day and be payable monthly in arrears.

In addition, the Investment Manager will be entitled to receive a performance fee, as detailed below.

The Investment Manager and/or Distributor may in its sole discretion, rebate all or a portion of its fees to a third party broker, dealer, bank, introducer, other financial intermediary or to a Shareholder.

Performance Fee

In addition, the Investment Manager will be entitled to receive from the Company, out of the assets of the Fund, a performance fee ("**Performance Fee**") equal to 20 percent of the **Net New Profit** attributable to the Fund during the relevant Performance Fee Period (plus VAT if any). The **Net New Profit** means, in respect of a Performance Fee Period (as defined below), any cumulative Profit (as defined below) attributable to the Fund in excess of the highest value of the Fund at the end of any previous Performance Fee Period or the commencement date of the Fund, as applicable, taking account of any deposits to, or withdrawals from, the Fund and after deducting all relevant fees and expenses charged during such Performance Fee Period (but without deduction of any accrued Performance Fee). **Potential investors and Shareholders should fully understand the Performance Fee methodology when considering an investment in the Fund**.

The **Performance Fee Period** means the period from (but excluding) a Performance Fee Calculation Date (or in the case of the first Performance Fee Period, the Fund commencement date) to (and including) the next succeeding Performance Fee Calculation Date.

Performance Fee Calculation Date means the last calendar day in each year; provided that (i) the relevant Share Class has been in existence for at least twelve months (ii) if the Fund is terminated, the final Performance Fee Calculation Date shall be the date on which the assets of the Fund have been liquidated in full in connection with such termination and (iii) if the appointment of the Investment Manager is terminated, the final Performance Fee Calculation Date shall be the date on which the appointment terminates. In the event of a withdrawal prior to the end of a Performance Fee Period, the date of the withdrawal shall be treated as the Performance Fee Calculation Date.

Profit includes, in respect of a Performance Fee Period, (1) realised trading and investment profit (loss) (including dividends and interest paid to the account of the Fund) plus or minus (2) the change in unrealised trading and investment profit (loss) on open positions since the end of any previous Performance Fee Period.

For the purpose of determining the Fund Net Asset Value on any day, the Performance Fee will, for accrual purposes, be calculated based on net realised and net unrealised gains and losses as at such day and as a result, the Performance Fee may be paid on unrealised gains which may subsequently never be realised.

The Performance Fee in respect of a Performance Fee Period will accrue and be calculated on the final Dealing Day in such Performance Fee Period; provided that (i) if the Fund is terminated the final Performance Fee in respect of the Fund shall accrue and be calculated following the liquidation in full of the assets of the Fund and shall be calculated on the basis of the net aggregate proceeds of such liquidation (following satisfaction of, or provision for, all expenses and other liabilities with respect to the Fund) and (ii) if the appointment of the Investment Manager is terminated on a date other than a Dealing Day the Performance Fee in respect of the Performance Fee Period ending on the date of such termination shall accrue and be calculated on the day of such termination. The Performance Fee accrued in respect of a Performance Fee Period will be payable within 20 Business Days of the last day of the relevant Performance Fee Period and will be paid from the assets of the Fund.

The Initial Offer Price shall be taken as the starting price for the calculation of the first Performance Fee. The Performance Fee payment can only be paid on the subsequent out-performance of the Initial Offer Price. Thereafter, no Performance Fee is accrued or paid until the Net New Profit is greater than zero, as further explained below.

In the event that the value of the Fund (as measured for the purpose of determining if a Performance Fee is payable) decreases in a Performance Fee Period, such underperformance (together with any underperformance carried forward from prior Performance Fee Periods) must be made up by the Investment Manager before further Performance Fees can accrue. In order to account for this, a memorandum loss recovery account will be maintained for the Account (a "**Loss Recovery Account**"), the opening balance of which will be zero. In lieu of a high watermark, the Loss Recovery Account will, as of any date, reflect net reductions in the value of the Fund (adjusted so as to ensure that additional deposits to, and withdrawals from, the Fund do not respectively reduce or increase the Loss Recovery Account) since the later of the Fund commencement date or since the last day of the last Performance Fee Period with respect to which a Performance Fee was charged. Any Loss Recovery Account shall be reduced (subject always to a minimum of zero) by net increases in the value of the Fund during any Performance Fee Period (but excluding for this purpose any increase in value caused by the making of a deposit into the Fund). No Performance Fee will be paid with respect to increases in the value of the

Fund used to reduce the balance of the Loss Recovery Account.

If a net withdrawal is made from the Fund on any Dealing Day where there is a Loss Recovery Account balance of greater than zero, such Loss Recovery Account balance shall be reduced by the same proportion that the relevant withdrawal amount bears to the Fund Net Asset Value on that Dealing Day. Any such reduction in a Loss Recovery Account balance shall be accounted for in a memorandum adjustment account maintained for the Fund (an "Adjustment Account"), the opening balance of which will be zero. Upon a proportional reduction in a Loss Recovery Account balance in accordance with this paragraph, an amount equal to such reduction (a "LRA Reduction Amount") shall be credited to the balance of the Adjustment Account. For the avoidance of doubt, there may be consecutive LRA Reduction Amounts credited to the balance of the Adjustment Account where no deposits are made in the interim. If a net deposit is made to the Fund on any Dealing Day where there is an Adjustment Account balance greater than zero, then the Loss Recovery Account balance shall be increased by the same proportion that such deposit bears to the net value in U.S. dollars of the amounts subscribed and redeemed since the last date on which the Adjustment Account was zero, subject to a maximum increase equal to the balance of the Adjustment Account immediately prior to such deposit being made. The amount of any such increase to the Loss Recovery Account balance shall concurrently be debited from the Adjustment Account on the relevant Dealing Day. For the avoidance of doubt, the value (if any) of the balance of the Adjustment Account at the end of a Performance Fee Period shall be carried forward to the beginning of the following Performance Fee Period.

In the event that there are multiple deposits into the Fund in a Performance Fee Period, a single aggregated Performance Fee will be calculated for that Performance Fee Period.

If any withdrawal is made from the Fund prior to the end of a Performance Fee Period, the accrued Performance Fee will be calculated with respect to the portion of the Fund represented by the withdrawal (for such purpose, the date of such Withdrawal being treated as a Performance Fee Calculation Date) and will be payable within 20 Business Days of the date on which the Withdrawal is made.

In the event that the appointment of the Investment Manager is terminated during a Performance Fee Period, the Performance Fee in respect of such Performance Fee Period will be calculated and paid as though the end of the relevant Performance Fee Period were the date of such termination.

The calculation of the Performance Fee payable will be verified by the Depositary and is not open to the possibility of manipulation.

Performance Fee Example

1. <u>Performance Fee Example: Based on the highest value of the Fund at the end of any previous Performance Fee Period</u>

This example deals with accrual and payment of the performance fee for a Fund under different performance scenarios.

Example 1:

Benchmark: [N/A]

Performance Fee: 20%

Scenario: NAV increases during the relevant performance period and exceeds the current highest value of the Fund at the end of any previous Performance Fee Period on the Fund. The scenario assumes no subscription/redemption activities for the period.

Result: Performance fee is paid during the performance period.

Detail: In this example:

- an investor purchases 1000 Shares at an opening NAV per share of $100 at the beginning of the relevant performance period (at which point the Share class NAV becomes $100,000);
- In the performance period the closing GAV per share increases to $110 (so the Fund has risen 10%)
- Hypothetically, the current highest value of the Fund at the end of any previous Performance Fee Period for the Fund (closing NAV at the end of the last performance fee crystallisation period) is $105

In this situation, a performance fee is payable on the difference between the closing GAV per share in the performance period and current highest value of the Fund at the end of any previous Performance Fee Period ($110-$105). A performance fee per weighted average share of $1 is crystallised (20% of the difference between the closing GAV per share and the existing highest value of the Fund at the end of any previous Performance Fee Period). The new closing highest value of the Fund at the end of any previous Performance Fee Period on the Fund is $109 and the NAV per share is $109.

Example 2:

Benchmark: [N/A]

Performance Fee: 20%

Scenario: NAV increases during the relevant performance period but does not exceed the current highest value of the Fund at the end of any previous Performance Fee Period on the Fund. The scenario assumes no subscription/redemption activities for the period.

Result: Performance fee is not paid during the Performance Period.

Detail: In this example:

- an investor purchases 1000 Shares at an opening NAV per share of $100 at the beginning of the relevant Performance Period (at which point the Share class NAV becomes $100,000);
- In the performance period the closing GAV per share increases to $110 (so the Fund has risen 10%)
- Hypothetically, the current highest value of the Fund at the end of any previous Performance Fee Period for the Fund (closing NAV at the end of the last performance fee crystallisation period) is $115

In this situation, a performance fee is not payable because despite the Fund NAV increasing over the performance period, the historically set highest value of the Fund at the end of any previous Performance Fee Period has not been breached. The highest value of the Fund at the end of any previous Performance Fee Period remains $115.

Manager Fee

Pursuant to the Management Agreement, the Manager is entitled to charge the Fund an annual fee as detailed below (the "**Management Fee**"), subject to a minimum annual fee not to exceed €40,000:

- 0.04% of the Net Asset Value of the Fund for Euro 0-400 million
- 0.02% of the Net Asset Value of the Fund in excess of Euro 400 million

The Management Fee shall be subject to the imposition of VAT if required. The Management Fee will be calculated and accrued daily and is payable monthly in arrears. The Management Fee may be waived or reduced by the Manager.

The Manager shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses properly incurred and any VAT on all fees and expenses payable to or by it.

Depositary and Administrator Fee

The Depositary will be entitled to receive from the Company out of the assets of the Fund an annual fee in respect of custody and trustee services of up to 0.03 per cent. of the net assets of the Fund (plus VAT, if any) together with reasonable expenses incurred by the Depositary in the performance of its duties. This fee will accrue and be calculated on each Dealing Day and be payable monthly in arrears. The Depositary shall also be entitled to receive out of the assets of the Fund all agreed sub-custodian fees, transaction charges (which will be charged at normal commercial rates) together with reasonable out-of-pocket expenses incurred by the Depositary in the performance of its duties.

The Administrator will be entitled to receive out of the assets of the Fund an annual fee of up to 0.25 per cent. of the net assets of the Fund and subject to a monthly minimum of $8,000 (plus VAT, if any) in respect of administrative, compliance services, valuation and transfer agency services together with transaction charges at normal commercial rates and reasonable out-of-pocket expenses incurred by the Administrator in the performance of its duties. This fee will accrue, be calculated and be payable monthly in arrears.

Risk Service Provider Fee

The Risk Service Provider will be entitled to receive from the Company out of the assets of the Fund, an annual fee of US$ 23,000 (plus VAT if any). This fee will accrue and be calculated on each Dealing Day and be payable quarterly in arrears.

Platform Co-ordinator Fee

The Platform Co-ordinator will be entitled to receive from the Company out of the assets of the Fund an annual fee of 0.30 per cent of the net assets of the Fund (plus VAT, if any) together with reasonable expenses incurred by the Platform Co-ordinator in the performance of its duties. This fee will accrue and be calculated on each Dealing Day and be payable quarterly in arrears.

The Platform Co-ordinator may waive some or all of its fee at its discretion.

General Fees

If the determination of the Net Asset Value is suspended on any Dealing Day, the calculation of the fees on that date will be based upon the next available determination of that Net Asset Value and the amount of any fees accrued will be adjusted accordingly.

This section should be read in conjunction with the provisions in the Prospectus under the heading entitled **Fees and Expenses**.

MISCELLANEOUS

The Directors intend to seek entry into the UK reporting regime and to conduct the Fund and each Class's affairs in such a manner that the Fund and each Class meets the requirements of the reporting regime as set out in the UK Tax Regulations. Further details are set out in the Prospectus under the heading entitled **United Kingdom Taxation.**

The Fund has no loan capital (including term loans) outstanding or created but unissued nor any mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, finance leases, hire purchase commitments, guarantees, other commitments or contingent liabilities.

PROFILE OF A TYPICAL INVESTOR

Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved, can tolerate a medium to high level of volatility, and believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.