ICG TOTAL CREDIT FUND (the **Fund)**

a sub-fund of
ICG CREDIT FUNDS

(An Umbrella Unit Trust established under the laws of Ireland)

Supplement dated 13 December 2021 to the Prospectus
for ICG Credit Funds

This Supplement contains specific information in relation to ICG Total Credit Fund (the Fund), a fund of ICG Credit Funds (the Trust), an umbrella unit trust constituted by a Trust Deed, governed by the laws of Ireland and authorised by the Central Bank of Ireland (the Central Bank).

The information contained in this Supplement forms part of and should be read in conjunction with the full information contained in the Prospectus of the Trust dated 9 March 2021.

The Fund has been authorised by the Central Bank for marketing solely to Qualifying Investors. The minimum subscription by each applicant for Units will be at least Euro 100,000. Accordingly, while the Fund is authorised by the Central Bank, the Central Bank has not set any limits or other restrictions on the investment objective, the investment policies or on the degree of leverage which may be employed by the Fund.

The Directors of the Manager accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

DIRECTORY

ICG Europe SARL (the "**AIFM**") has been appointed and acts as alternative investment fund manager of the Fund. The AIFM is authorised and regulated by the CSSF as an alternative investment fund manager.

ICG Alternative Investment Limited (the **"Investment Manager"**) has been appointed and acts as discretionary investment manager of the Fund. The Investment Manager is authorised and regulated by the UK Financial Conduct Authority.

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European Economic Area

The distribution of this document in the European Economic Area is carried out under the AIFM's rights under Articles 31 and 32 of the AIFMD or by an affiliate of the AIFM. Details of countries where notification of such distribution has been given are available from the AIFM on request.

The Units of the Fund may solely and exclusively be acquired by professional investors. In this respect a professional investor is every investor that is considered, or may be treated, based on a request to the AIFM as a professional client within the meaning of Annex II of the Markets in Financial Instruments Directive – Directive 2004/39/EC (MiFID). Accordingly the distribution of this document is restricted to such persons. Persons of any other description may not receive and should not act or rely on this document or any other marketing materials relating to the Fund.

United Kingdom

Potential investors are advised that most of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Fund and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme in the event of the insolvency or other failure of the Fund, the Manager or the AIFM or the Investment Manager.

United States

In making an investment decision, U.S. investors must rely on their own examination of the Fund and the terms of the offering, including the merits and the risks involved. Units of the Fund will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any state or other securities laws, and will not be registered with or approved by the United States Securities and Exchange Commission or any other U.S. federal or state governmental or self-regulatory agency. Any representation to the contrary is a criminal offense. The Units of the Fund will be offered for investment only to U.S. investors who are "accredited investors" (as such term is defined in Rule 501 of Regulation D under the Securities Act) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) and/or Rule 506 of Regulation D and in compliance with any applicable state securities laws. Each prospective U.S. investor will be required to represent, among other things, that: (i) it is an "accredited investor", (ii) it is acquiring Units for its own account and not with a view to, or for resale in connection with, any distribution of such Units, (iii) it received or had access to all information it deemed relevant to evaluate the merits and risks of an investment in the Fund, and (iv) it has the ability to bear the economic risk of an investment in the Fund.

The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "Investment Company Act"). It is contemplated that the Fund will be exempt from registration under the Investment Company Act by virtue of Section (3)(c)(7) thereof (the "qualified purchasers" exemption). Accordingly, it is currently intended that Units of the Fund will be offered and sold only to U.S. investors who are "qualified purchasers" (as such term is defined for the purposes of the Investment Company Act); and in connection therewith, each U.S. investor will be required to make appropriate representations and undertakings as to its "qualified purchaser" status. Neither the AIFM nor the Investment Manager will not be registered as an investment adviser under the United States Investment Advisers Act of 1940, as amended (the "Investment Advisers Act").

The Units of the Fund are subject to restrictions on transferability and resale in the U.S. and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws, pursuant to registration or exemption therefrom. Prospective U.S. investors should be aware that they may be required to bear the financial risks of the investment for an indefinite period of time. There will be no public market for the Units of the Fund in the U.S. and there is no obligation on the part of any person to register the Units under the Securities Act or any state securities laws.

1. INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The Fund's investment objective is to seek to provide an absolute net return to investors with low volatility and low correlation to other markets.

Investment Policies

The Fund seeks to achieve its investment objective by investing in a portfolio of sub-investment grade bonds and loans which give exposure primarily to Western European companies. The Fund may also strategically access specialized forms of debt such as lower rated, sub-investment grade or "stressed" credit and tranches of securitised asset-backed securities relating primarily to such companies, specifically collateralised debt obligations. The investments of the Fund may represent obligations of issuers around the world and may be denominated in any currency but they are expected to be primarily Western European based and Euro denominated and the Fund will not have any other sectoral bias.

For this purpose, sub-investment grade means a credit rating of Baa3 or below by Moody's Investor Services and BBB- or below by Standard and Poor's and Fitch Ratings or if unrated, deemed to be of comparable quality by the Investment Manager. The Fund may invest in debt securities which at the time of purchase are not sub-investment grade but which, in the opinion of the Investment Manager, are likely to lose their investment grade rating. Debt acquired by the Fund is unlikely to be listed or traded on recognised exchanges or markets.

Investments made by the Fund may be denominated in currencies other than the Base Currency of the Fund. The Investment Manager may, but is not obliged to, use foreign exchange swaps, options and/or forwards for the purpose of seeking to hedge the exchange rate risk between the Base Currency and such underlying currencies but there can be no assurance that any such hedging will be effective.

A more detailed description of a number of the asset types which the Fund may acquire or enter into is set out below.

HIGH YIELD SECURITIES

High yield securities are typically debt securities with a lower credit rating than investment-grade corporate bonds, treasury bonds and municipal securities. Because of the higher risk of default, these bonds pay a higher yield than investment grade securities.

Such securities include fixed and floating rate debt securities, instruments and other obligations which may be available in the prevailing markets for high yield instruments, including securities, instruments and obligations issued or guaranteed by corporates or other commercial issuers, world-wide governments or their agencies and securities, instruments and obligations issued by supranational or public international bodies.

LEVERAGED LOANS

Leveraged Loans, also known as senior debt, are incurred in highly leveraged transactions to finance internal growth, acquisitions and mergers. Senior debt is a floating rate instrument that typically has a lifetime of between 5 and 9 years. Leveraged Loans are secured and typically the most senior obligations in an issuer's capital structure. As such, they are the last financial instrument to experience the impact of, and are affected the least by, a deterioration in the issuer's financial condition. Leveraged Loans are usually secured by specific security, including receivables, inventory, cash, fixed assets, intangible assets, capital stock of subsidiaries and real property. Furthermore, they may enjoy protective covenants which are tested on a quarterly basis and which require the issuer to maintain pre-determined levels of debt or gearing and interest cover. These covenants enable lenders to take action to recover their loans prior to a payment default. Under certain conditions, Leveraged Loans may sometimes take the form of floating rate securities or notes.

The Fund will mostly invest in Leveraged Loans directly by assignment or novation. However, there may be instances where the Fund will invest indirectly by assuming the economic interests in a loan of another lender ("Sub-Participation") which remains the lender of record. This method of investment may be appropriate in certain jurisdictions (eg Italy) for tax efficiency purposes. In a Sub-Participation, the Fund enters into a legal agreement with the lender of record, allowing it to benefit solely from the economic interest in the loan (ie interest and capital) as if it were itself the lender of record. This is a relatively infrequent occurrence, resulting in a 'silent' participation in the loan that is limited to the income and capital flows arising therefrom. In other words, there is no direct participation in other rights and obligations inherent in the Loan documentation. These would remain with the original lender. Furthermore, there is additional credit exposure to consider from this indirect method of investing, namely that of the 'fronting' or direct lender with whom the Fund has entered into a Sub-Participation agreement.

SUBORDINATED LOANS

Subordinated Loans includes second lien loans and mezzanine loans. Second lien loans are secured debt which is incurred in highly leveraged transactions to finance internal growth, acquisitions and mergers and which ranks in priority of security proceeds from enforcement of security after senior secured debt but before mezzanine loans or high yield bonds. Second lien loans are floating rate instruments that typically have a lifetime of between 5 and 9. Under certain conditions, second lien loans can sometimes take the form of floating rate securities or notes. Mezzanine loans are similar to second lien loans in that they are incurred in highly leveraged transactions to finance internal growth, acquisitions and mergers but which ranks in priority after senior secured debt and second lien loans but provide the opportunity for enhanced returns through convertible features such as rights, warrants and options.

ASSET BACKED SECURITIES

Asset Backed Securities (ABS) (including tranches of notes in collateralised debt obligations) are securities backed by (or collateralised by) a pool of secured loans and other receivables or cash flows.

Asset Backed Securities typically entitle the holders thereof to receive payments that depend primarily on the cash flow from a specific pool of assets, that by their terms convert into cash within a finite time period, together with rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of the Asset Backed Securities.

Asset Backed Securities are created by the transfer of assets and/or collateral to a special purpose entity (which may be a trust, limited liability company, corporation or other entity), which becomes the issuer. The sponsor or originator usually establishes the special purpose entity as an orphan entity. The special purpose entity may issue securities in the form of debt secured by the underlying assets or securities in the form of ownership interests in the underlying assets. With certain types of Asset Backed Securities, primarily securitisations, a servicer (often the originator) is responsible for collecting the cash flow generated by the underlying assets and distributing such cash flow to security holders in accordance with the terms of the issued securities. In certain transactions a party unrelated to the originator will perform these functions.

The structure of Asset Backed Securities and the terms of the security holders' interest in the underlying assets may vary widely depending on the type of collateral, whether the collateral is fixed or revolving, the tax, accounting or regulatory treatment desired by the originator, investor preferences, and the use of credit enhancement including the process by which principal and interest payments are allocated and distributed to investors, how credit losses affect the Asset Backed Securities and the return to holders in such Asset Backed Securities.

EQUITY

In certain circumstances following the negotiated restructuring of a debt related asset held by the Fund, the terms of that asset may permit the Fund's investment to be converted to equity or equity-related securities (such as warrants and rights) of the issuing company (or such related/successor company, as applicable). The Fund may exercise such rights where the Investment Manager deems it to be in the best interests of the Fund. Accordingly the Fund may acquire equity or equity-related securities of such restructured companies and may hold and/or dispose of such equity or equity-related securities.

In addition the Fund may acquire equity and/or equity-related securities where these are stapled to debt related assets that the Fund may acquire or if, in the opinion of the Investment Manager, it is in the best interests of the Fund to acquire such equity or equity-related securities in connection with the acquisition of debt related securities that the Fund may acquire. The Fund may hold such equity and/or equity-related securities and/or deal with them as the Investment Manager believes is in the best interest of the Fund

FORWARD FOREIGN EXCHANGE CONTRACTS

The Fund may conduct forward currency transactions for hedging purposes by entering into forward foreign exchange contracts to purchase or sell currencies. Such forward contracts are customised transactions that require a specific amount of a currency to be delivered at a specific exchange rate on a specific date or range of dates in the future. Forward contracts are generally traded in an interbank market directly between currency traders (usually large commercial banks) and their customers. The parties to a forward contract may agree to offset or terminate the contract before its maturity or may hold the contract to maturity and complete the contemplated currency exchange.

The following discussion summarises the principal currency management strategies involving forward contracts that could be used by the Fund. The Fund may also use swap agreements, options and futures contracts relating to foreign currencies for the same purposes. Forward contracts are subject to the risk that the counterparty will default.

A "settlement hedge" or "transaction hedge" is designed to protect the Fund against an adverse change in foreign currency values between the date a security is purchased or sold and the date on which payment is made or received. Entering into a forward contract for the purchase or sale of the amount of foreign currency involved in an underlying security transaction for a fixed amount of the Base Currency "locks in" the Base Currency price of the security. Forward contracts to purchase or sell a foreign currency may also be used by the Fund in anticipation of future purchases or sales of securities denominated in non Base Currency, even if the specific investments have not yet been selected.

The Fund may also use forward contracts to hedge against a decline in the value of existing investments denominated in a particular currency. Such a hedge, sometimes referred to as a "position hedge," would tend to offset both positive and negative currency fluctuations but would not offset changes in security values caused by other factors. The Fund could also hedge the position by selling another currency expected to perform similarly to the Base Currency. This type of hedge, sometimes referred to as a "proxy hedge," could offer advantages in terms of cost, yield or efficiency but generally would not hedge currency exposure as effectively as a direct hedge into Base Currency. Proxy hedges may result in losses if the currency used to hedge does not perform similarly to the currency in which the hedged securities are denominated.

The Fund may enter into forward contracts to shift its investment exposure from one currency into another. This may include shifting exposure from Base Currency to another currency or from one currency to another currency. This type of strategy, sometimes known as a "cross-hedge," will tend to reduce or eliminate exposure to the currency that is sold and increase exposure to the currency that is purchased, much as if the Fund had sold a security denominated in one currency and purchased an equivalent security denominated in another. Cross-hedges protect against losses resulting from a decline in the hedged currency but will cause the Fund to assume the risk of fluctuations in the value of the currency it purchases.

OTHER DERIVATIVES

The Fund may use derivatives for example (i) as a substitute for taking a position in an underlying asset, (ii) to tailor the Fund’s interest rate exposure on particular securities.

Derivatives may also be used in order to take tactical decisions. Futures, options, forwards or swaps (including credit default swaps) and contracts for difference may be used to gain or reduce the Fund’s exposure to credit spreads or a particular security or market for periods of time to be determined by the AIFM, either in advance of a longer term allocation or reappraisal of the Fund’s commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use derivatives for this purpose.

SUSTAINABILITY

The Fund will promote environmental and social characteristics within the meaning of Article 8 of the SFDR through the following:

- a Mandatory Exclusion List; and
- a Risk-based ESG Screening Checklist (including a Climate Risk Assessment).

Additional information required under Article 8 of SFDR is set out at Appendix 1 below. References to the AIFM therein shall include the Investment Manager as its delegate, where appropriate.

There can be no assurance that the investment objective and policies of the Fund as described above will be achieved.

2. INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading **Investment Restrictions** in the Prospectus apply to the Fund. In addition the following restrictions apply:

(i) The Fund may not invest more than 10% of its Net Asset Value in collective investment schemes.

(ii) The Fund may not invest more than 30% of its Net Asset Value in Asset Backed Securities.

Immediate corrective action will promptly be taken in the event that any of the foregoing restrictions are breached, except where the breach is due to appreciation or depreciation of the Fund's assets, changes in exchange rates, or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment in which case the position will be corrected with due regard to the best interests of Unitholders.

3. BORROWING AND LEVERAGE

The Fund may borrow up to 10% of its Net Asset Value for liquidity purposes, such as to satisfy redemption requests or for other appropriate purposes.

The use of derivative instruments will result in the creation of leverage. The level of leverage calculated using the commitment approach, and taking into account hedging and netting as permitted by the Central Bank, would not exceed 100% of the Net Asset Value of the Fund. The level of leverage calculated as the sum of all the gross notionals of all derivative instruments is not expected to be in excess of 200% of the Net Asset Value of the Fund. The gross notional figure is calculated using the sum of the gross notional of each derivative instrument but does not, in the view of the Investment Manager, reflect the economic risk of the Fund, given that derivative instruments are primarily used for hedging purposes by the Fund.

4. LISTING

The Sterling Accumulation Units, Euro Accumulation Units, US Dollar Accumulation Units and Class A Sterling Income Units were admitted to the Official List and trading on the Global Exchange Market (**GEM**) of Euronext Dublin. GEM is not a "regulated market" as defined under the Directive on Markets in Financial Instruments.

5. DIVIDEND POLICY

The Manager does not currently intend to pay dividends in respect of Units in the Fund other than the Income Units. Dividends on these Units will be paid quarterly each 15 March, 15 June, 15 September and 15 December (or the next Business Day if such day is not a Business Day) out of the profits, being the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses of the Fund attributable to the Income Units.

Income attributable to the Accumulation Units available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of those Units.

6. SUBSIDIARY

The Fund's investments are held through a subsidiary(s), a company which is wholly owned on behalf of the Fund. The subsidiary will be funded for its acquisition of investments on behalf of the Fund by way of loans from the Manager on behalf of the Fund. The Fund's interest in Leveraged and Second Lien Loans or other investments will therefore be indirect and references to the Fund's investments and risks attaching to the Fund in this Supplement shall be construed accordingly. The name of the subsidiary will be disclosed in the annual report of the Trust in accordance with Central Bank requirements.

7. RISK FACTORS

The general risk factors set out in the **Risk Factors** section of the Prospectus apply to the Fund. In addition, the following risk factors apply to the Fund.

AN INVESTMENT IN THE UNITS OF THE FUND IS SPECULATIVE AND INVOLVES A DEGREE OF RISK. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CONSIDER THE FOLLOWING RISK FACTORS. THESE RISK FACTORS MAY NOT BE A COMPLETE LIST OF ALL RISK FACTORS ASSOCIATED WITH AN INVESTMENT IN THE FUND.

Prospective purchasers of Units should ensure that they understand the nature of the Fund and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in such Units and that they consider the suitability of such Units as an investment in the light of their own circumstances and financial condition.

Investment Risk

There can be no assurance that the Fund will achieve its investment objective and policies. An investment in the Fund involves investment risks, including possible loss of the amount invested. The capital return and income of the Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, the Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income.

The market value of the Fund's assets will generally fluctuate with, among other things, general economic conditions, the condition of certain financial markets, international political events, developments or trends in any particular industry and the financial condition of the issuers of the loans. From the perspective of the return on Leveraged and Subordinated Loans, as the loans are floating rate obligations, the exposure to changes in prevailing interest rates is a minimal risk. However, from the perspective of the ability of underlying borrowers to service their interest burdens, any increase in interest rates will increase the interest burden on the loans to the extent that the underlying borrower has unhedged its position.

The Investment Manager through its investment strategy will endeavour to avoid losses relating to defaults on the underlying assets. However, there is no assurance that such losses will be avoided. If any losses occur the value of the Units could be adversely affected by such defaults. To the extent that a default occurs with respect to any loan and the Fund sells or otherwise disposes of its exposure to such loan, it is likely that the proceeds of such sale or disposition will be less than the unpaid principal and interest thereon. The financial markets may experience substantial fluctuations in prices for loans and other assets the nature of which the Fund may acquire and there may be limited liquidity for such obligations. No assurance can be given that the conditions giving rise to such price fluctuations and limited liquidity will not occur, subsist or become more acute after the date hereof. During periods of limited liquidity and higher price volatility, the Fund's ability to acquire or dispose of loans at a price and time that the Fund deems advantageous may be impaired. A decrease in the market value of the loans would also adversely affect the value of the Units.

A below investment-grade loan or debt obligation or an interest in a below investment-grade loan is generally considered speculative in nature and may become a defaulted obligation for a variety of reasons. Upon any Fund investment becoming a defaulted obligation, such defaulted obligation may become subject to either substantial workout obligations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal or a substantial change in the terms, conditions and covenants with respect to such defaulted obligation. In addition, such negotiations or restructuring may be extensive or protracted, and may result in uncertainty as to the ultimate recovery on such defaulted obligation. The liquidity of defaulted obligations may be limited and, to the extent that defaulted obligations are sold, the proceeds from such sale may not be equal to the amount of unpaid principal and interest thereon.

Loans are generally repayable in whole or in part at any time at the option of the obligor thereunder at par plus accrued and unpaid interest thereon. Prepayments on loans may be caused by a variety of factors, which are difficult to predict. Accordingly, there exists a risk that loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, proceeds received upon such prepayment are subject to reinvestment risk.

The Fund's investments may be subject to various laws enacted for the protection of creditors in the countries of the jurisdictions of incorporation of obligors and, if different, in which the obligors conduct business and in which they hold assets, which may adversely affect such obligors' abilities to make payment on a full or timely basis. These insolvency considerations will differ depending on the country in which each obligor is located or domiciled and may differ depending on whether the obligor is a non-sovereign entity. In particular, it should be noted that a number of continental European jurisdictions operate "debtor-friendly" insolvency regimes which would result in delays in payments under Fund investments where obligations thereunder are subject to such regimes, in the event of their insolvency. The different insolvency regimes applicable in the different European jurisdictions may result in a corresponding variability of recovery rates for loans entered into or issued by obligors in such jurisdictions. Reliable historical data is limited.

High Yield/Sub-Investment Grade Securities Risk

Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which react primarily to fluctuations in the general level of interest rates. During an economic downturn or a sustained period of rising interest rates, highly leveraged issuers of high yield securities may experience financial stress and may not have sufficient revenues to meet their interest payment obligations. There are fewer investors in lower-rated securities, and it may be harder to buy and sell securities at an optimum time.

The secondary market for high yield bonds is typically much less liquid than the market for investment grade bonds, frequently with significantly more volatile prices and larger spreads between bid and asked price in trading. The market price of high yield bonds will be affected by the bond market's perception of credit quality and the effect of stronger or weaker economic growth as well as political developments. The market price of high yield bonds will also be affected by general changes in interest rates (decreasing as rates rise, and increasing as rates fall) that affect the market price of all bonds, although high yield bonds may be less sensitive to interest rate changes than investment grade bonds. The high yield bond market at times will be very illiquid. Market prices of high yield bonds may be affected by imbalances in sell and buy orders among institutional investors and dealers. In addition to credit risk and liquidity risk concerns, the market price of high yield bonds in particular may be adversely impacted by legislative or regulatory developments, such as determinations that certain categories of institutional investors must divest their high yield bond holdings, or changes in rules regarding taxation or corporate reorganisations.

The Fund may also have to sell holdings of high yield bonds at unfavourable prices in order to raise proceeds to pay for redemptions of Units.

Any default in the payment of interest by an issuer of high yield bonds will adversely affect the Fund if a distribution has already been made by the Fund on the basis of such interest being due and payable to the Fund.

The Investment Manager seeks to mitigate the risk of high yield investing by carefully selecting high yield bonds which it believes offer an investment return that reasonably compensates the Fund for the investment risk assumed, and by diversifying the Fund to minimise the adverse effect of default or substantial reduction in the market price of any high yield bond in the Fund. The Investment Manager will actively manage the Fund, and will buy and sell portfolio securities based upon economic, financial, political and issuer credit analysis. There is no assurance that the I will succeed in avoiding or mitigating the risks associated with high yield bond investing.

The Fund's net income may decline or increase, based upon changes in the prevailing interest rates in the bond market at the times that it purchases bonds with proceeds from additional net investments in the Fund, or the proceeds from the sale of other securities in the Fund.

Leveraged and Subordinated Loans- Liquidity

Due to the unique and customised nature of loan agreements evidencing Leveraged and Second Lien Loans and the private syndication thereof, such loans are not as easily purchased or sold as publicly traded securities. Although the range of investors in such loans has broadened in recent years, there can be no assurance that future levels of supply and demand in loan trading will provide the degree of liquidity which currently exists in the market. In addition, the terms of such loans may restrict their transferability without borrower consent. The Investment Manager will consider any such restriction, along with all other factors, in determining whether or not to advise the Fund to acquire participation in a Leveraged or Second Lien Loan.

Leveraged and Subordinated Loans- Security

Leveraged and Subordinated Loan obligations are subject to unique risks, including the possible invalidation of an investment as a fraudulent conveyance under relevant creditors' rights laws. Further, where exposure to such loans is gained by purchase of Sub-Participations there is the additional credit and bankruptcy risk of the direct participant and its failure for whatever reason to account to the Fund for monies received in respect of loans directly held by it. In analysing each loan or Sub-Participation, the Investment Manager will compare the relative significance of the risks against the expected benefits of the investment.

Subordinated Loans

Subordinated Loans are typically secured by the same assets as senior secured loans, but have a second (and sometimes third) priority pledge in the enforcement of this security. Thus second lien and mezzanine principal and interest is paid on enforcement only after the senior secured lenders have been repaid in full. Second lien and mezzanine loans contain payment blockage and enforcement standstill provisions which put them at a disadvantage to the first lien loans in a workout scenario. Subordinated loans have historically attracted higher levels of interest than senior secured loans to reflect this risk, and can generate higher risk-adjusted returns when selectively included within a portfolio.

Investment in Sub-Participations

In purchasing Sub-Participations, the Fund generally will have not the right to enforce compliance by the obligor with the terms of the applicable debt agreement nor directly benefit from the supporting collateral for the debt in respect of which it has purchased a Sub-Participation. As a result, the Fund will assume the credit risk of both the obligor and the institution selling the Sub-Participation.

In the event of the insolvency of the seller, the Fund may be treated as a general creditor of the seller and may not benefit from any set-off between the seller and the borrower and the Fund may suffer a loss to the extent that the borrower sets-off claims against the seller. The Fund may purchase a Sub-Participation from a seller that does not itself retain any economic interest in the loan, and therefore may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower. A seller voting in connection with a potential waiver of a restrictive covenant may have interests which are different from those of the Fund and such seller may not be required to consider the interests of the Fund in connection with the exercise of its votes.

Custody of Assets

To avail of the benefits of indemnities and covenants under the relevant loan documentation, the loan assets of the Fund will be registered in the name of the subsidiary, in accordance with market practice. This is not in accordance with normal custody arrangements for other classes of securities where the securities would be registered in the name of the Depositary or of its sub-custodian's or nominees. While arrangements have been or will be put in place to reasonably ensure that the Depositary has effective control over the loan assets, there are attendant risks where the Depositary is not the legal owner of the loans, such as a failure to acquire proper title or improper disposal.

Reliance on Loan Obligors

The Investment Manager will not have control over the activities of any company which has entered into a loan invested in by the Fund. Managers of companies in whose loans the Fund has invested may manage those companies in a manner not anticipated by the Investment Manager.

Availability of Suitable Investment Opportunities

The Fund will compete with other potential investors to acquire interests in below investment grade assets. Certain of the Fund's competitors may have greater financial and other resources and may have better access to suitable investment opportunities. Furthermore, the loans are capable of being prepaid by the issuers at short notice, creating an unforeseen need to reinvest. There can be no assurance that the Fund will be able to locate and complete investments which satisfy the Fund's rate of return objectives or that the Fund will be able to invest fully its committed capital. If no suitable investments can be made then cash will be held by the Fund and this will reduce returns to unitholders. Whether or not suitable investment opportunities are available to the Fund, unitholders will bear the cost of management fees and other Fund expenses.

Reliance on Investment Manager

The success of the Fund depends in substantial part upon the skill and expertise of the personnel of the Investment Manager. Unitholders will be relying entirely on such persons to manage the affairs of the Fund. Unitholders are not permitted to engage in the active management and affairs of the Fund. As a result, prospective investors will not be able to evaluate for themselves the merits of investments to be acquired by the Fund prior to their being required to pay for Units of the Fund. Instead, such investors must rely on the judgment of the Investment Manager to conduct appropriate evaluations and to make investment decisions. There can be no assurance that any of the key investment professionals will continue to be associated with the Investment Manager throughout the life of the Fund.

Hedging

The Fund may utilise different financial instruments to seek to hedge against declines in the values of the Fund's positions as a result of changes in currency exchange rates. Hedging against a decline in the value of the Fund's positions does not eliminate fluctuations in the values of the Fund's positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus offsetting the decline in the Fund's positions' value. Such hedging transactions also limit the opportunity for gain if the value of the Fund's positions should increase. It may not be possible for the Fund to hedge against a change or event at a price sufficient to protect its assets from the decline in value of the Fund's positions anticipated as a result of such change. In addition, it may not be possible to hedge against certain changes or events at all, or the Investment Manager may choose not to hedge all or any of the Fund's exposure. Furthermore, any swap contracts entered into by the Investment Manager on behalf of the Fund could expose the Fund to credit risk from the creditworthiness of a counterparty.

Payment of Charges and Expenses to Capital

The charges and expenses of the Fund may be charged to the capital of the Fund in circumstances where there is insufficient income being received by the Fund. In such circumstances, the capital value of a unitholder's investment will be lowered.

Taxation Risk

A risk exists that the tax authorities in countries with which Ireland has double tax treaties may, where relevant, not be prepared to permit persons in their jurisdictions to pay interest to the subsidiary in Ireland without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

Potential Involvement in Litigation

As a result of the Fund's investment in below investment grade investments and as a consequence of credit problems with such investment and the possibility that the Fund may participate in restructuring activities, it is possible that the Fund may become involved in litigation. Litigation entails expense and the possibility of counterclaims against the Fund and ultimately judgments may be rendered against the Fund for which the Fund may not carry insurance.

Political and/or Regulatory Risk

The value of the Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries to which the Fund is exposed through its investments.

Valuations of Net Asset Value

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which Leveraged Loans are sold. For details of the valuation of assets please see the section in the Prospectus headed "Valuation of Assets".

Operational Risk

The Fund will be dependent on the proper functioning of the internal management and systems of the Investment Manager and the other service providers.

Illiquidity

Notwithstanding the intended listing of the Units on the Euronext Dublin, it is not expected that there will be an active secondary market for the Units and it is not expected that such a market will develop. Whilst Unitholders will normally be able to realise their investment in the Fund by redeeming their Units or by a transfer to a third party it should be noted that the calculation of the Net Asset Value may be suspended in certain circumstances and redemption of Units may be suspended or deferred in certain circumstances.

Concentration of Investments

The Investment Manager will generally seek to maintain a diversified portfolio of investments. However, the Fund may at certain times hold fewer debt positions than targeted. In this event, increased concentration of positions will increase the risk of the Fund suffering proportionately higher loss should a particular position decline in value or otherwise be adversely affected.

Currency Exposure

The Net Asset Value per Unit will be denominated in the currency of the relevant class, whereas the Fund's investments may be acquired directly or indirectly in other currencies. The Investment Manager may seek to minimise the exposure to currency fluctuation risks by the use of hedging and other techniques and instruments, but it may not be possible or practicable to hedge against the consequent currency risk exposure.

Derivative Instruments

The Fund intends to invest in derivative instruments as part of its strategy. Different derivative instruments involve levels of exposure to risk.

If a derivative agreement calls for payments by the Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of derivatives with such counterparty can be expected to decline, potentially resulting in losses to the Fund.

In particular, investors should be aware of the following points relating to the use of derivative instruments:-

(a) **Off-Exchange Transactions**

While some off-exchange markets are highly liquid, transactions in off-exchange, or non transferable, derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and, consequently, it may be difficult to establish what is a fair price.

(b) **Suspensions of Trading**

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

(c) **Clearing House Protections**

On many exchanges, the performance of a transaction by a broker (or the third party with whom he is dealing on the Fund's behalf) is **guaranteed** by the exchange or its clearing house. However, this guarantee is unlikely in most circumstances to cover the Fund as the customer and may not protect the Fund if the broker or another party defaults on its obligations to the Fund. There is normally no clearing house for instruments which are not traded under the rules of a recognised or designated investment exchange.

(d) **Insolvency**

A derivative broker's insolvency or default, or that of any other brokers involved with the Fund's transactions, may lead to positions being liquidated or closed out without the Fund's consent. In certain circumstances, the Fund may not get back the actual assets which it lodged as collateral and the Fund may have to accept any available payment in cash.

BEFORE DETERMINING TO INVEST IN THE FUND, PROSPECTIVE INVESTORS SHOULD EVALUATE WHETHER THEY ACCEPT THE AFORESAID RISKS WHICH THEY WILL ASSUME BY BUYING UNITS OF THE FUND. THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING.

PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE PROSPECTUS AND THIS SUPPLEMENT AND FULLY EVALUATE ALL OTHER INFORMATION THAT THEY DEEM TO BE NECESSARY BEFORE DETERMINING TO INVEST IN THE FUND.

8. KEY INFORMATION FOR BUYING AND SELLING

Classes available

Units in the Fund are available as Class A, Class B and Class C Units denominated in Euro, Sterling, U.S Dollar, Swiss Franc, Singapore Dollar, Hong Kong Dollar, Australian Dollar, Canadian Dollar, Norwegian Krone, Danish Krone, Swedish Krona and Japanese Yen. Units may also be issued as either or both Income Units and Accumulation Units.

Class M Units are also available for subscription by employees of the AIFM or the Investment Manager who come within the definition of an Accredited Employee, as such term is defined in the Prospectus. Class M Units are denominated in Euro and will be issued as Accumulation Units only.

The Investment Manager shall seek to hedge the currency exposure of the Units denominated in Sterling, US Dollar, Singapore Dollar, Hong Kong Dollar, Australian Dollar, Canadian Dollar, Norwegian Krone, Danish Krone, Swedish Krona, Swiss Franc and Japanese Yen (**non-Base Currency Units**) versus the Base Currency of the Fund. The adoption of this policy may substantially limit holders these Units from benefiting if non-Base Currency Units (as the case may be) fall against the Base Currency of the Fund. While it is not the Investment Manager's intention, the non-Base Currency Units may be over hedged or under hedged at any stage due to market movements or other circumstances beyond the control of the Investment Manager, in which case the Investment Manager will seek to rectify the situation immediately taking due account of market conditions and the best interests of the Unitholders.

The Investment Manager will keep under review such hedged positions and such review will incorporate a procedure to ensure that as far as possible positions materially in excess of 100% will not be carried forward from month to month.

The cost and any gains or losses associated with these hedging transactions will be allocated solely to the relevant Units, where applicable.

Base Currency

The Base Currency of the Fund will be Euro.

Initial Offer Period

The Initial Offer Period for the Units in the Fund (other than the Class A Sterling Accumulation Units, Class A Euro Accumulation Units, Class A US Dollar Accumulation Units, Class A Sterling Income Units, Class A US Dollar Income Units, Class A Euro Income Units, Class C Sterling Income Units, Class B Euro Accumulation Units, Class B Euro Income Units, Class B US Dollar Accumulation Units, and Class M Accumulation Units) will be from 9.00a.m 14 December 2021 to 5.00 pm (Irish time) on 13 June 2022 or such shorter or longer period as the Manager may determine and notify to the Central Bank. After the Initial Offer Period, the Fund will be continuously open for subscriptions on each Subscription Dealing Day.

Initial Offer Price

The initial offer price of the Units in the Fund (other than the Class A Sterling Accumulation Units, Class A Euro Accumulation Units, Class A US Dollar Accumulation Units, Class A Sterling Income Units, Class A US Dollar Income Units, Class A Euro Income Units, Class C Sterling Income Units, Class B Euro Accumulation Units, Class B Euro Income Units, Class B US Dollar Accumulation Units, and Class M Accumulation Units) will be €100, or the relevant currency equivalent.

The Class A Sterling Accumulation Units, Class A Euro Accumulation Units, Class A US Dollar Accumulation Units, Class A Sterling Income Units, Class A US Dollar Income Units, Class A Euro Income Units, Class C Sterling Income Units, Class B Euro Accumulation Units, Class B Euro Income Units, Class B US Dollar Accumulation Units, and Class M Accumulation Units are available for subscription at the relevant Net Asset Value per Unit.

Business Day

Any day other than a Saturday or Sunday on which banks are open for business in London, New York and Dublin and on which the Target System is open.

Subscription Dealing Day

Each Business Day or such other day or days as the Manager may determine on prior notification to Unitholders and provided there is at least one Subscription Dealing Day per calendar quarter.

Repurchase Dealing Day

Each Business Day or such other day or days as the Manager may determine on prior notification to Unitholders and provided there is at least one Repurchase Dealing Day per calendar quarter.

The Manager will not apply the provisions to restrict requests for repurchases of Units as set out in **Limitations of Repurchases** in the Prospectus in respect of this Fund.

Dealing Deadline

In respect of each Subscription Dealing Day, the Dealing Deadline is 5.00pm, Irish Time on the Business Day prior to the relevant Dealing Day or such other time as the Manager may determine provided it is no later than the Valuation Point for the relevant Dealing Day.

In respect of each Repurchase Dealing Day, the Dealing Deadline is 5.00 pm (Irish time) on the Business Day which is 30 calendar days prior to the relevant Dealing Day or such other time as the Manager may determine provided it is no later than the Valuation Point for the relevant Dealing Day.

The Dealing Deadline for a Repurchase Dealing Day serves the purpose of giving the Investment Manager advance notice of the need to satisfy the settlement of repurchase requests concerning each Repurchase Dealing Day at short notice. In this respect the Dealing Deadline is essential for the Investment Manager, taking into account the interests of Unitholders, to be able to fund the repurchase in an economically reasonable manner and to pay out the repurchase price as soon as possible regarding each Repurchase Dealing Day.

Valuation Point

The point in time by reference to which the Net Asset Value of the Fund is calculated which, unless otherwise specified by the Manager (and notified in advance to Unitholders) with the approval of the Depositary, shall be close of business on the relevant markets on each Business Day.

Minimum Unitholding

With the exception of the Class M Units, the Minimum Unitholding is €100,000, £100,000, US$150,000 and CHF150,000 or the relevant currency equivalent of €100,000, or such greater or lesser amounts as the Manager may, in its absolute discretion, decide provided the Minimum Unitholding in the Trust as a whole is equal to or greater than €100,000 or its foreign currency equivalent as the case may be.

The Minimum Unitholding in respect of the Class M Units is €20,000 or such greater or lesser amounts as the Manager may, in its absolute discretion, decide.

Minimum Initial Investment Amount

In respect of Class A Units, €1,000,000 or its equivalent in the relevant currency or such greater or lesser amounts as the Manager may, in its absolute discretion, decide provided the Minimum Initial Investment Amount in the Trust as a whole is equal to or greater than €100,000 or its equivalent in the relevant currency.

In respect of Class B Units, €10,000,000 or its equivalent in the relevant currency or such greater or lesser amounts as the Manager may, in its absolute discretion, decide provided the Minimum Initial Investment Amount in the Trust as a whole is equal to or greater than €100,000 or its equivalent in the relevant currency.

In respect of Class C Units, €50,000,000 or its equivalent in the relevant currency or such greater or lesser amounts as the Manager may, in its absolute discretion, decide provided the Minimum Initial Investment Amount in the Trust as a whole is equal to or greater than €100,000 or its equivalent in the relevant currency.

The Minimum Initial Investment Amount in respect of the Class M Units is €20,000 or such greater or lesser amounts as the Manager may, in its absolute discretion, decide.

Minimum Additional Investment Amount

With the exception of the Class M Units, the Minimum Additional Investment Amount is €100,000, £100,000, US$150,000 or CHF150,000 or the relevant currency equivalent of €100,000, or such other amount as the Manager may determine.

The Minimum Additional Investment Amount in respect of the Class M Units is €10,000 or such greater or lesser amounts as the Manager may, in its absolute discretion, decide.

Preliminary Charge

None.

Repurchase Charge

None.

Settlement Date

In the case of subscriptions, by 5.00 pm 3 Business Days after the relevant Subscription Dealing Day or such other Business Day as the Manager shall from time to time at its discretion decide.

In the case of repurchases, the Manager intends to settle within 10 Business Days after the relevant Repurchase Dealing Day but shall ensure that the Settlement Date is no later than 60 days after the relevant Repurchase Dealing Day, assuming timely receipt of the relevant duly signed repurchase documentation or such other Business Day as the Manager shall from time to time at its discretion decide.

Minimum Net Asset Value

€10,000,000 or the currency equivalent thereof, or such other amount as may be determined by the Manager in its absolute discretion.

9. HOW TO BUY UNITS

Application for Units should be made on the Application Form and be submitted in writing, by facsimile, by email and any other electronic method agreed with the Administrator and is to be received by the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day.

The Minimum Unitholding must be maintained by each Unitholder in the Fund (subject to the discretion of the Manager) following any partial redemption, exchange or transfer of Units.

Unless the Administrator otherwise agrees, payment for Units must be received by the relevant Settlement Date by electronic transfer in cleared funds in the currency of the relevant Units.

This section should be read in conjunction with the section entitled **Subscription for Units** in the Prospectus.

10. HOW TO SELL UNITS

Requests for the sale of Units should be submitted to the Manager c/o the Administrator in writing, by facsimile, by email and any other electronic method agreed with the Administrator. Requests received on or prior to a Dealing Deadline will be dealt with on the relevant Dealing Day. A repurchase request once given will not be capable of revocation without the consent of the Manager.

The amount due on the repurchase of Units of any class in the Fund will be paid by the Settlement Date by electronic transfer to an account in the name of the Unitholder. Payment of the proceeds of repurchase will only be made on receipt by the Administrator of any relevant repurchase documentation.

No Unitholder shall be entitled to realise part only of his holding of Units of any class in the Fund if such realisation would result in his holding of Units of such class after such realisation being below the Minimum Unitholding.

The Trust Deed contains special provisions where a repurchase request received from a Unitholder would result in more than 5 per cent of the Net Asset Value of Units in issue in the Fund being repurchased on any Dealing Day which provisions are summarised under **Repurchase of Units** in the Prospectus.

This section should be read in conjunction with the section entitled **Repurchase of Units** in the Prospectus.

11. NET ASSET VALUE

The Administrator determines the Net Asset Value per Unit as at the Valuation Point for each Dealing Day in accordance with the procedure provided for under the heading **Calculation of Net Asset Value/Valuation of Assets** in the Prospectus.

Swing Pricing

This method of valuation is intended to pass the estimated costs of underlying investment activity of the Fund to the subscribing and/or redeeming Unitholders by adjusting the Net Asset Value of the relevant Units and thus to protect the Fund's long-term Unitholders from costs associated with ongoing subscription and redemption activity.

This alternative Net Asset Value determination method may take account of trading spreads on the Fund's underlying investments, the value of any duties and charges incurred as a result of trading in such investments, and may include an allowance for market impact.

Where the Manager, based on the prevailing market conditions and the level of subscriptions or redemptions requested by Unitholders or potential Unitholders in relation to the size of the Fund, has determined to apply an alternative Net Asset Value determination method, the Fund may be valued either on a bid or offer basis (which would take into account the factors referenced in the preceding section).

Because the determination of whether to value the Net Asset Value of each class of the Fund on an offer or bid basis is based on the net transaction activity of the relevant day, Unitholders transacting in the opposite direction of the Fund's net transaction activity may benefit at the expense of the other Unitholders in the Fund. In addition, the Net Asset Value of each class of the Fund and short-term performance may experience greater volatility as a result of this Net Asset Value determination method.

12. CHARGES AND EXPENSES

Fees of the Manager and the AIFM

The Manager will be entitled to receive out of the assets of the Fund an annual management fee of 0.03% of the first €500 million of the Net Asset Value of the Fund and 0.025% of the Net Asset Value thereafter (plus VAT, if any). This fee will accrue daily and will be calculated on each Dealing Day of the Fund. The fee will be payable monthly in arrears. The Manager will also be entitled to be reimbursed out of the assets of the Fund for all its own out-of-pocket costs and investment related expenses. The fees payable to the Manager are subject to a minimum monthly fee of €1,500 for each of the six months following the end of the Initial Offer Period and to a minimum monthly fee of €2,000 for each month thereafter.

The AIFM shall be entitled to receive out of the assets of the Fund an annual fee (the **AIFM Fee**).

The AIFM Fee attributable to all Unit classes shall be as set out in the table below:

Unit Class:	Minimum Initial Investment Amount:	AIFM Fee (% of Net Asset Value Attributable to the relevant Unit Class)
Class A Units	€1,000,000 (or its equivalent in the relevant currency)	0.75%
Class B Units	€10,000,000 (or its equivalent in the relevant currency).	0.6%
Class C Units	€50,000,000 (or its equivalent in the relevant currency).	0.45%

The AIFM Fee shall accrue daily and be payable quarterly in arrears. The AIFM shall also be entitled to receive out of the assets of the Fund the reasonable costs and out-of-pocket expenses incurred by the AIFM or the Investment Manager in the proper performance of their duties hereunder. The AIFM and/or the Investment Managers reserves the right to assign or rebate all or any part of the AIFM Fee to intermediaries or other individuals or entities in its sole discretion. It is not intended that the Distributor will charge any fee in respect of the Fund. The AIFM will pay the fees of the Investment Manager out of the AIFM Fees.

It is not intended that the AIFM Fee would be payable by Unitholders of Class M Units.

Fees of the Depositary and Administrator

The Depositary will be entitled to receive out of the assets of the Fund an annual fee in respect of depositary services which will not exceed 0.03% of the Net Asset Value of the Fund (plus VAT, if any) and will be subject to a minimum of €3 per month for the Fund, together with reasonable expenses incurred by the Depositary in the performance of its duties as Depositary of the Trust. This fee shall accrue and be calculated on each Dealing Day and shall 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 and 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 under the Trust Deed.

The Administrator will be entitled to receive out of the assets of the Fund an annual fee which will not exceed 0.05% of the Net Asset Value of the Fund up to €300 million and which will not exceed 0.04% on the Net Asset Value of the Fund in excess of €300 million (plus VAT if any). The Administrator will also receive an additional fee on the value of loan assets held in the Fund, which will not exceed 0.02% of the value of those assets. The Administrator's fee will be subject to a minimum of €7,000 per month for the Fund, together with transaction charges at normal commercial rates and reasonable out-of-pocket expenses incurred by the Administrator in the performance of its duties. These fees shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears.

The Administrator will also be entitled to receive €12,000 per annum out of the assets of the Fund for carrying out financial reporting for the Fund. The Administrator will also be entitled to receive €12,000 per annum out of the assets of the Fund for providing transfer agency services to the Fund.

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

Any other fees and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Fees and Expenses**.

Initial Expenses

The initial expenses, including the fees and expenses in relation to the authorisation of the Fund by the Central Bank and the preparation and registration of all documents relating to the Fund (plus VAT thereon, if any) were borne by the ICG group.

13. UNITED KINGDOM TAXATION

Warning: The information contained below is provided for UK resident and domiciled investors only who hold their Units in the Fund as an investment asset and not as part of a UK trade. The comments are based on the current understanding of UK tax legislation and the known current United Kingdom HM Revenue & Customs (HMRC) interpretation thereof. This can vary according to individual circumstances and is subject to change. It is intended as a guide only and not a substitute for professional advice. The information given below does not constitute legal or tax advice, and prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Units under the laws of any jurisdiction in which they may be subject to tax.

A Nature of investment

Investors can acquire Units in the Fund. The Fund is a fund of the Trust, an umbrella unit trust constituted by a Trust Deed, governed by the laws of Ireland and authorized by the Central Bank in Ireland. It is considered that the Trust (and therefore the Fund) is not a transparent entity for UK taxation purposes. The Fund is a collective investment vehicle for the purposes of the Financial Services and Markets Act 2000 and is not a recognised scheme for the purposes of s238 of the Financial Services and Markets Act 2000.

Units in the Fund are available as Class A, Class B and Class C Units denominated in Euro, Sterling, US Dollar, Swiss Franc, Singapore Dollar, Hong Kong Dollar, Australian Dollar, Canadian Dollar, Norwegian Krone, Danish Krone, Swedish Krona and Japanese Yen. Units may also be issued as either or both Income Units and Accumulation Units.

The information below relates to the potential UK taxation treatment of the Trust and the Fund and of UK resident and domiciled investors in the Fund only.

B The Trust and the Fund

The Trust and therefore the Fund should be regarded as opaque for the purposes of UK income tax but should not incur any liability to UK income tax or corporation tax on income (other than on certain UK source income) provided that:

- the Trustee is not and does not become resident in the UK for UK tax purposes; and

- the activities of the Trust (and therefore the Fund) are regarded as investment, rather than trading, activities for UK tax purposes.

The Trustee, Manager and Depositary are all companies incorporated in Ireland. It is intended that the Trustee, Manager and Depositary remain incorporated there and are managed and controlled outside of the UK in order to ensure that, so far as possible, they do not become resident in the UK for UK tax purposes. It is also intended that the activities of the Trust (and therefore the Fund) are regarded as investment, rather than trading, activities.

If the Fund invests in UK investments, any UK source income arising on those investments may be subject to a deduction of UK withholding tax at source. The entitlement of the Fund or, where those investments are held through the subsidiary, to reclaim any such withholding tax from HMRC will depend on the nature of those investments and whether the Fund or the subsidiary can make a valid treaty claim to avoid or minimise such withholding tax.

For the purposes of the UK taxation of chargeable gains, the Fund should be regarded as a non-resident company for so long as the Trust remains an AIF. Accordingly, and on the basis that the investments of the Fund are acquired as investments (as opposed to on trading account), the Fund should not be subject to UK tax on any chargeable gains arising to it on the disposal or part disposal of an investment.

For the purposes of the UK Offshore Fund regime, it is expected that the Fund and, more particularly, each class of Units in the Fund will constitute an 'offshore fund' for UK tax purposes.

The Directors are applying approval from HMRC for each class of Units in the Fund to be treated as a "reporting fund" under the UK offshore fund regime with effect from the launch date onwards; and where practical intend to maintain this status going forward.

It is important to note that reporting fund status for the Fund must be maintained on an annual basis and if this status is revoked by HMRC that the Fund may <u>permanently</u> fall outside the reporting fund regime.

C Taxation of UK resident investors

C.1 Capital gains – general principles

As set out above, the Fund should be regarded as a non-resident company for the purposes of the UK taxation of chargeable gains and the Units held by investors as shares in that company. In principle, therefore, UK resident investors who hold their Units in the Fund as an investment should be subject to UK capital gains tax on any gain they realise on a disposal or part disposal of their Units as if it were the disposal or part disposal of shares in a non-UK company. This is, however, subject to special rules applicable to offshore funds and in respect of corporate investors – see below.

The principal relevance of the offshore funds regime and 'reporting fund' status is that gains realised on disposals of units in reporting funds, which retained their reporting fund status for the entire period in which the investor held the investment, will in most circumstances be treated as a capital disposal subject to UK capital gains tax by the investor, subject to special rules for UK corporate investors. Where the fund has not been a reporting fund for the entire holding period, any gain realised by the investor on disposal is likely to be subject to UK income tax as an 'offshore income gain'.

C.1.1 UK individual investors

On the basis that reporting fund status is maintained throughout, Unitholders who are resident and domiciled in the UK for tax purposes should be liable to UK capital gains tax in respect of a disposal of their Units in the Fund.

Therefore any increase in the value of the Units arising on eventual sale (when compared to deductible costs) will be taxable under the UK capital gains code (current headline rate of 20%) - subject to the availability of various exemptions and/or reliefs. Deductible costs should include the amount initially paid for the Units, as well as any accumulated and undistributed 'reported' amounts of the Fund that have been taxable as income on the individual under C.2.1 below

C.1.2 UK corporate investors

Except where the Fund is treated as a 'bond fund' by HMRC (see below), as long as reporting fund status is maintained throughout, UK corporate investors should be liable to UK corporation tax at their marginal rate in respect of gains realised on a disposal of their Units in the Fund.

Any undistributed 'reported' amounts of the Fund taxed as income of the corporate during their period of ownership of the Units should represent additional base cost on sale of the Units.

However, if the Fund holds more than 60% of its value in 'qualifying investments' in any period (broadly government and corporate debt, cash deposits or non-qualifying collective investment schemes), Units held by a UK corporate investor will be viewed as held in a 'bond fund'. UK resident corporate Unitholders within the charge to UK corporation tax should note that under the loan relationships regime, if at any time in an accounting period they hold an interest in a 'bond fund' that interest will be treated for that period as if it were rights under a creditor relationship for the purposes of the regime – which is likely to mean total returns from the Units are subject to corporation tax on a mark-to-market basis, and the offshore income gain regime should not apply.

As the Fund intends to invest principally in a diversified portfolio of sub-investment grade debt and will fund the subsidiary with loans it is expected that the Fund will be a 'bond fund' – although this test will need to be assessed on a period by period basis based on the actual investments held by the Fund.

C.2 Income and deemed distributions – general principles

Generally, UK investors in foreign (i.e. non UK resident) unit trusts that are non-transparent for income purposes are taxable on their proportionate share of income (as ascertained after the trustees have met the expenses of administering the trust) when it is indefeasibly allocated to them, regardless of whether the income is paid to them or accumulated.

C.2.1 UK individual investors

On the basis that the Fund is approved as a 'reporting fund' by HMRC, any excess of the reported income over the amount allocated to investors (whether distributed or accumulated) will represent taxable income of the individual.

The taxable income in respect of the Units will not be viewed as foreign dividend income for UK tax purposes and will therefore be taxable at the individual's marginal rate of UK income tax.

C.2.2 UK corporate investors

As noted at section C 1.2 above, it is likely that the Fund will be viewed as a 'bond fund' for UK corporate tax purposes. Under the loan relationships regime, if at any time in an accounting period a UK corporate investor holds an interest in a 'bond fund' that interest will be treated for that period as if it were rights under a creditor relationship for the purposes of the regime – which is likely to mean total returns from the Units are subject to corporation tax on a mark-to-market basis, and the offshore income gain regime should not apply.

If the Fund is not a 'bond fund', and on the basis that the Fund is approved as a 'reporting funds' by HMRC, the amount allocated to investors (whether distributed or accumulated), together with any excess of the reported income over that amount, will represent taxable income in the hands of a UK corporate investor (and will not be viewed as a foreign dividend).

The taxable amount / loan relationship credit will be subject to corporation tax at the rate applicable to the taxable income of the company in the period in which the income is deemed to arise. The relevant rate of corporation tax will depend upon a range of factors including (but not limited to) the level of other taxable income in the company, the type / nature of any tax losses carried forward in the company, the number of associated companies etc).

C.2.3 UK exempt investors

Some investors may be exempt from UK tax in respect of income or gains realized from their investment in Units in the Fund (eg. UK approved charities or registered pension schemes). Different rules may also apply in the case of certain non-residents (for more details, please consult your tax advisor).

D Stamp Duty and VAT

No UK stamp duty, stamp duty reserve tax, stamp duty land tax or value added tax should be payable by investors in respect of any subscription for or repurchase, exchange or transfer of Units.

While an instrument transferring Units may technically become liable to UK stamp duty, no duty should need to be paid in practice provided that the register of Units is kept outside the UK.

14. UNITED STATES TAXATION

A U.S. Securities Laws

A.1 *Securities Act*

Units in the Fund will not be registered under the Securities Act or any other U.S. securities law, including state securities or blue sky laws. Units in the Fund will be offered without registration in reliance upon the exemption contained in Section 4(a)(2) of the Securities Act and Regulation D thereunder for transactions not involving a public offering. Each prospective U.S. investor must be an "accredited investor" (as defined in Regulation D) and will be required to represent, among other customary private placement representations, that it is acquiring its Units for its own account for investment purposes only and not with a view to resale or distribution.

A.2 *Investment Company Act.*

The Fund will be exempt from the provisions of the Investment Company Act. The Fund currently intends to rely on the exemption contained in Section 3(c)(7) of the Investment Company Act, which, in the case of a non-U.S. fund, generally exempts issuers the outstanding securities of which are owned by non-U.S. investors and U.S. investors who are qualified purchasers. A "qualified purchaser" includes a natural person who owns not less than US$5 million in investments or a company, acting for its own account or the accounts of other qualified purchasers, that owns and invests on a discretionary basis not less than US$25 million in investments, as well as certain trusts. The Fund will obtain appropriate representations and undertakings from U.S. investors to ensure that such investors meet the conditions of the foregoing exemption.

A.3 *Investment Advisers Act*

Neither the AIFM nor the Investment Manager are registered as an investment adviser under the Investment Advisers Act in reliance on the exemption from registration for advisers solely to private funds contained in Section 203(m) of and Rule 203(m)-1 under the Investment Advisers Act.

B Volcker Rule

Section 619 of the Dodd-Frank Act (the "Volcker Rule") prohibits "banking entities" as defined under the Volcker Rule from acquiring or retaining any equity, partnership, or other ownership interest in, or in sponsoring, any "covered funds", as defined in the rule, unless an exemption is available. The term "banking entities" includes U.S. banks and bank holding companies and their affiliates, as well as non-U.S. banks that have branches or agencies in the U.S., any company or bank that controls such a non-U.S. bank, any non-U.S. company that controls a U.S. bank, and any of their respective affiliates, wherever located. The U.S. Federal Reserve has issued an order giving banking entities until 21 July 2017 to bring any existing activities and investments into full conformance.

A "covered fund" is defined to include any issuer which would be an investment company under the Investment Company Act but is exempt from registration under section 3(c)(1) or 3(c)(7) of that Act. As the Fund is expected to be exempt from registration under section 3(c)(7) of the Investment Company Act, it is expected that the Fund would be considered to be a covered fund. If the Fund is deemed to be a covered fund, then the provisions of the Volcker Rule and related regulations would limit the ability of "banking entities" to hold an ownership interest in the Fund or enter financial transactions with the Fund. Each prospective investor in Units of the Fund must make its own determination as to whether it is subject to the Volcker Rule, whether its investment in the Units would be restricted or prohibited under the Volcker Rule, and the potential impact of the Volcker Rule on its investment, any liquidity in connection therewith and on its portfolio generally. Prospective investors in the Units are responsible for analyzing their own regulatory position and neither the Fund, the Trust, the AIFM nor any of their respective affiliates makes any representation to any prospective purchaser of the Units regarding the application of the Volcker Rule to the Fund, or to such investor's investment in the Units on the relevant Settlement Date or at any time in the future.

15. MISCELLANEOUS

There are currently seven other funds of the Trust, namely the ICG European Loan Fund 1, the Senior Secured Credit Fund, ICG Edison Total Credit Fund, ICG UUC Senior Loans Fund, ICG European Senior Loan Fund, ICG Global Total Credit Fund and ICG Global Loan Fund in existence.

New Funds may be created from time to time by the Manager with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Manager.

As at the date of this Supplement, the Fund has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

Unitholders may have direct rights against the AIFM, Depositary and/or sub-custodian in certain circumstances for breach of statutory duty founded on the AIFMD and its implementing measures.

At the date of this Supplement neither the Directors nor any Person Closely Associated have any beneficial interest in the share capital of the Company or any options in respect of such capital.

Person closely associated — means in relation to a director:

(a) the spouse of the director;

(b) dependent children of the director;

(c) other relatives of the director, who have shared the same household as that person for at least one year on the date of the transaction concerned;

(d) any person -

- (i) the managerial responsibilities of which are discharged by a person;
- (ii) discharging managerial responsibilities within the issuer; or
- (iii) referred to in paragraph (a), (b) or (c) of this definition;
- (iv) that is directly or indirectly controlled by a person referred to in subparagraph (i) of paragraph (d) of this definition;
- (v) that is set up for the benefit of a person referred to in subparagraph (i) of paragraph (d) of this definition; or
- (vi) the economic interests of which are substantially equivalent to those of a person referred to in subparagraph (i) of paragraph (d) of this definition.

Securities Financing Transactions

While the Investment Manager is authorised to engage in securities lending, repurchase and reverse repurchase arrangements, sell/buy – back transactions, margin lending and total return swaps (**Securities Financing Transactions**), the Investment Manager does not currently intend to use Securities Financing Transactions in respect of this Fund. The Investment Manager will disclose any such Securities Financing Transactions to investors prior to doing so in the future.

Re-use of Assets

The Manager, AIFM and Investment Manager do not intend that the Fund should enter into any arrangements relating to the re-use of collateral or assets.

Depositary

The Depositary has appointed State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA as its global sub-custodian.

State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network. The list of local sub-custodians is available upon request from the Depositary.

No conflicts of interest should arise in respect of the AIFM, Investment Manager or Manager and the Depositary’s delegates as there are no overlapping personnel. While conflicts of interest may arise between the Depositary and its sub-custodians, the Depositary has appropriate policies and procedures in place to manage such conflicts.

APPENDIX 1

INFORMATION REQUIRED TO BE DISCLOSED IN RELATION TO FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8(1) OF THE SFDR AND REGULATION (EU) 2020/852

Environmental and/or social characteristics

This Fund: ☒ Promotes environmental or social characteristics, but does not have as its objective a sustainable investment

☒ It does not invest in sustainable investments
☐ It invests partially in sustainable investments

☐ Has sustainable investment as its objective. Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Has a reference benchmark been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund?
☐Yes
☒No

1. **What environmental and/or social characteristics are promoted by the Fund?**

The AIFM has a mandatory exclusion list and a risk-based ESG Screening checklist:

1. ***Excluded Investments:*** The AIFM applies a negative screen in order to exclude certain investments from the portfolio of the Fund. The AIFM will make reasonable enquiry as part of its pre-investment due diligence process before making a new investment. Following that enquiry, the AIFM will not knowingly make direct investment in the following businesses:

- which directly manufacture, distribute or sell anti-personnel landmines, (ii) nuclear, chemical or biological weapons or (iii) cluster bombs or munitions;
- where 20% or more of total revenue arises from the direct manufacturing of arms, ammunition or tobacco;
- which systematically use harmful or exploitative forms of forced or child labour; and
- which generates 50% or more of its revenue from:

(i) coal exploration, extraction, production, transportation, power generation, distribution and/or storage;

(ii) oil (including oil from tar sands) exploration, extraction, production, transportation, power generation, distribution and/or storage; and

(iii) gas exploration, extraction and/or production (the "**Excluded Investments**").

2. ***ESG Screening Checklist***:

The AIFM operates an ESG Screening Checklist as part of its due diligence process in order to identify Excluded Investments and investments which are deemed to be higher risk from an ESG perspective. The checklist identifies potential ESG risks by industry sector and geography, including environmental concerns, social concerns (incorporating community, supply chain, human resources and health and safety-related issues) and corporate governance and ethical concerns.

The AIFM intends to avoid investing in companies which have significant negative environmental or social impact. An investment may only be put forward for consideration if the investment team concludes, based on their review, that the company does not have significant negative environmental or social impact. The investment team is required to consult with the responsible investing officer if significant ESG risks are identified. The AIFM considers the completed ESG Screening Checklist before taking an investment decision.

The AIFM intends to avoid investing in companies which have significant negative climate risk impact. The ESG Screening Checklist incorporates a climate risk assessment tool. For each potential investment opportunity, the AIFM assesses whether there are any material climate-related risks associated with the investment. The tool evaluates climate risk by incorporating industry sub-sector, transition and physical risk. Additional analysis is required to be completed during due diligence for opportunities identified as having a higher exposure to climate related risks. The climate risk assessment tool is embedded within the AIFM's ESG Screening Checklist and the results of this assessment are recorded in each investment proposal. This ensures that the AIFM can consider these when making the investment decision.

No sustainable investments target: The EU Taxonomy Regulation (2020/852) ("**Taxonomy Regulation**"), in summary, is a detailed law setting out technical criteria for which types of economic activity can be regarded as environmentally sustainable and mandates disclosure whether the investments underlying the Fund take into account specific EU criteria for environmentally sustainable economic activities. All investment decisions made in respect of the Fund will be taken in accordance with the Fund's investment policy and investment objectives. The Fund does not commit to making a minimum proportion of investments which qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation. Even where an investment is eligible for consideration under the Taxonomy Regulation, scalable and systematic data on portfolio investments required to accurately report Taxonomy Regulation alignment will not always be available. This is particularly where such investments are not themselves required to report Taxonomy Regulation alignment. Therefore confirming alignment may not be immediately possible and so approaches may need to develop and evolve over time. The “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities. The Taxonomy Regulation is complex and there remains uncertainty as to how it should be applied in practice.

2. What investment strategy does the Fund follow?

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the Fund?***

The Fund will not invest in the Excluded Investments because it is prohibited from doing so under the mandatory exclusion list.

- ***How is that strategy implemented in the investment process on a continuous basis?***

The AIFM operates an ESG Screening Checklist as part of its due diligence process in order to identify Excluded Investments and investments that have a significant negative environmental or social impact.

- ***What is the policy to assess good governance practices of the investee companies?***

The ESG Screening Checklist incorporates a corporate governance assessment tool. As part of the pre-investment due diligence process, the AIFM will assess whether a portfolio company follows good governance practices. Every portfolio company is assessed against key criteria on good governance, including country specific governance risk, anti-money laundering, bribery and corruption and governance related reputational risk.

3. What is the asset allocation planned for the Fund?

The Fund will not make any Excluded Investments. The AIFM also intends to avoid investing in companies which have a significant negative environmental or social impact.

4. Does the Fund take into account principal adverse impacts on sustainability factors?

☐Yes
☒No

6. Is a specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental or social characteristics that it promotes?

No.