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**If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Company or the suitability for you of investment in the Company, you should consult your stock broker, bank manager, solicitor, accountant or other independent financial adviser. Prices for shares in the Company may fall as well as rise.**

The Directors of the Company (the “Directors”) whose names appear under the heading “Management and Administration” in this Prospectus accept responsibility for the information contained in this Prospectus. 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 Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

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**BLACKSTONE SYSTEMATIC CREDIT UMBRELLA FUND PLC**

(An open-ended umbrella variable capital investment company with segregated liability between Funds incorporated with limited liability in Ireland under the Companies Act 2014 with registration number 401418) and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011) as amended.

**P R O S P E C T U S**

**Management Company**

**BLACKSTONE EUROPE FUND MANAGEMENT S. À R. L.**

**Investment Manager**

**BLACKSTONE CREDIT SYSTEMATIC STRATEGIES LLC**

**Dated 1 January 2024**

## IMPORTANT INFORMATION

This Prospectus should be read in conjunction with the Section entitled "Definitions".

### The Prospectus

This Prospectus describes Blackstone Systematic Credit Umbrella Fund plc (the "Company"), an open-ended umbrella variable capital investment company with segregated liability between Funds incorporated in Ireland and authorised by the Central Bank as an UCITS pursuant to the UCITS Regulations. The Company is structured as an umbrella fund and may comprise several portfolios of assets. The share capital of the Company ("Shares") may be divided into different classes of shares ("Funds") each representing a separate portfolio of assets and further sub-divided to denote differing characteristics attributable to particular Shares, into "Classes".

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. Details relating to Classes may be dealt with in the relevant Fund Supplement or in separate Supplements for each Class. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus. To the extent that there is any inconsistency between this Prospectus and any Supplement, the relevant Supplement shall prevail.

The latest published annual and half yearly reports of the Company will be supplied to subscribers free of charge on request and will be available to the public as further described in the section of the Prospectus headed "Report and Accounts".

Information regarding the environmental and/or social characteristics of Funds which are subject to Article 8 of SFDR is available in an annex to the relevant Supplement applicable to such Fund.

### Authorisation by the Central Bank

The Company is both authorised and supervised by the Central Bank. **Authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus.**

### Restrictions on Distribution and Sale of Shares

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

Notwithstanding anything to the contrary herein, each Shareholder (and each employee, representative,

or other agent of such Shareholder) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of (i) the Company and (ii) any of its transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to the Shareholder relating to such tax treatment and tax structure.

The Directors may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the Company. Any restrictions applicable to a particular Fund or Class shall be specified in the relevant Supplement for such Fund or Class. Any person who is holding Shares in contravention of the restrictions set out above or, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction or whose holding could, in the opinion of the Directors, cause the Company or any Shareholder or any Fund to incur any liability to taxation or to suffer any pecuniary disadvantage which any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Management Company, the Investment Manager, the Depositary, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

The Directors have the power under the Articles of Association to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of the restrictions imposed by them as described herein.

#### *United States of America*

None of the Shares have been, nor will be, registered under the United States Securities Act of 1933 (the “**Securities Act**”) or qualified under qualified under the securities law of any state and, except in a transaction which does not violate the Securities Act or any other applicable United States securities laws (including without limitation any applicable law of any of the States of the United States), none of the Shares may be directly or indirectly transferred, offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a US Person. Neither the Company nor any Fund will be registered under the United States Investment Company Act of 1940 (the “**Investment Company Act**”) and investors will not be entitled to the benefits of such registration. This Prospectus has not been filed with or reviewed by the United States Securities and Exchange Commission (the “**SEC**” or the “**Commission**”) or any US state securities administrator or regulator, and neither the Commission nor any US state securities administrator or regulator has approved or disapproved the Shares. The Commission and any US state securities administrator or regulator also have not passed upon or endorsed the merits of an investment in the Company or the accuracy or the adequacy of the information contained in this Prospectus. Any representation to the contrary is a criminal offence. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy Shares in any jurisdiction in which such an offer or solicitation is unlawful. Any resales or transfers of the Shares in the United States or to US Persons may constitute a violation of United States securities laws and each such resale or transfer requires the prior written consent of the Company. **Notwithstanding the foregoing prohibition on offers and sales in the United States or to or for the benefit of US Persons, the Company may make a private placement of its Shares to a limited number or category of US Persons – that are "accredited investors" as defined in Rule 501(a) of Regulation D under the Securities Act and "qualified purchasers" as defined in Section 2(a)(51)**

**under the Investment Company Act.** Each US Person subscribing for Shares must agree that the Company may reject, accept or condition any proposed transfer, assignment or exchange of those Shares. Applicants for Shares will be required to certify whether they are a US Person or US taxpayer and will be required to declare whether they are Irish Residents. The Directors have the power to impose restrictions on the shareholdings by (and consequently to redeem Shares held by), or the transfer of Shares to, any US Person (see the section “**Compulsory Redemption of Shares / Deduction of Tax**”).

### **Reliance on this Prospectus**

Shares are offered only on the basis of the information contained in this Prospectus, the relevant Supplement, the relevant KIID and, as appropriate, after publication of the first semi-annual report of the Company or, after publication of the first audited annual accounts of the Company, the latest audited annual accounts and any subsequent semi-annual report of the Company. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus, the relevant Supplement, the relevant KIID and in any annual accounts or subsequent semi-annual report for the Company, and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, the Management Company, the Investment Manager, the Administrator or the Depositary.

Statements made in this Prospectus and any Supplement are based on the law and practice in force in the Republic of Ireland at the date of the Prospectus or Supplement as the case may be, which may be subject to change. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares in the Company shall under any circumstances constitute a representation that the affairs of the Company have not changed since the date hereof. This Prospectus will be updated by the Company to take into account any material changes from time to time and any such amendments will be notified in advance to the Central Bank.

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. Applicants should read this Prospectus, the relevant Supplement and the relevant KIID in their entirety before making any application for Shares. The KIID provides important information in respect of the relevant Fund, including the applicable risk and reward indicator, charges and where available, historical information. Before subscribing in a Fund, each applicant is required to confirm that they have reviewed the relevant KIID.

You should consult your stockbroker, accountant, solicitor, independent financial adviser or other professional adviser.

The attention of investors is drawn to the potential for above average risk associated with an investment in the Company. Accordingly, such investment should only be undertaken by people in a position to take such a risk.

The price of the Shares as well as any income in the Company may fall as well as rise. The difference at any one time between the sale and repurchase price of Shares means that an investment in the Company should be viewed as medium to long term.

## Redemption Charge

The Directors are empowered to levy a redemption charge not exceeding 1% of the Net Asset Value of Shares being redeemed. Details of any such charge with respect to one or more Funds or Classes will be set out in the relevant Supplement.

## Risk Factors

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

## Translations

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

## CFTC Notice

The following statements are required to be made under applicable regulations of the United States Commodity Futures Trading Commission (the "**CFTC**"). As the Company (and each Fund) is a collective investment vehicle that may execute transactions in commodity interests, it is considered to be a "commodity pool" (a Fund could only obtain exposure to commodities indirectly, for example through derivatives on a commodity derivative exchange or through investment in a collective investment scheme). The Investment Manager is the commodity pool operator ("**CPO**") with respect to the Company (and each Fund). The Company is currently not regulated by the CFTC as a commodity pool under the Commodity Exchange Act.

Pursuant to CFTC Rule 4.13(a)(3), the Investment Manager is not required to register, and is not registered, with the CFTC as a CPO with respect to the Company and therefore, unlike a registered CPO, the Investment Manager is not required to deliver a disclosure document and a certified annual report that comply with certain CFTC requirements to investors in the Company. The Investment Manager is exempt from registration with the CFTC as a CPO pursuant to an exemption that requires it to file a Notice of Exemption with the United States National Futures Association (the "**NFA**"). The Investment Manager qualifies for such exemption based on the following criteria: (i) the interests in the Company (and each Fund) are exempt from registration under the Securities Act and are offered and sold without marketing to the public in the United States; (ii) the Company (and each Fund) meets the trading limitations of either CFTC Rule 4.13(a)(3)(ii)(A) or (B); (iii) the Investment Manager reasonably believes, at the time the investor makes his investment in the Company (or at the time the CPO began to rely on Rule 4.13(a)(3)), that each investor in the Company is (a) an "accredited investor," as defined in Rule 501(a) of Regulation D under the Securities Act, (b) a trust that is not an accredited investor but that was formed by an accredited investor for the benefit of a family member, (c) a "knowledgeable

employee,” as defined in Rule 3c-5 under the Investment Company Act, or (d) a “qualified eligible person,” as defined in CFTC Rule 4.7(a)(2)(viii)(A); and (iv) shares in the Company (and each Fund) are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets. Pursuant to rules of the CFTC, the Investment Manager is not required to register, and is not registered, with the CFTC as a commodity trading advisor (“**CTA**”).

### **Forward Looking Statements**

This Prospectus contains forward looking statements based on the Investment Manager’s experience and expectations about the markets in which the Company invests and the methods by which the Investment Manager expects to cause the Company to invest in those markets. Those statements are sometimes indicated by words such as “expects,” “believes,” “seeks,” “may,” “intends,” “attempts,” “will” and similar expressions. Those forward looking statements are not guarantees of future performance and are subject to many risks, uncertainties and assumptions that are difficult to predict. Therefore, actual returns could be much lower than those expressed or implied in any forward looking statements as a result of various factors. Neither the Company nor the Investment Manager has any obligation to revise or update any forward looking statement for any reason.

## DIRECTORY

### BLACKSTONE SYSTEMATIC CREDIT UMBRELLA FUND PLC

#### Directors

Norbert Bannon (Chairman)  
Jon Bailey  
John Broughan  
Edmond Warner  
Jennifer Fox

#### Management Company

Blackstone Europe Fund  
Management S.à r.l.  
2-4,  
rue Eugène Ruppert,  
L-2453  
Luxembourg  
Grand Duchy of  
Luxembourg

#### Registered Office

George's Court  
54-62 Townsend Street  
Dublin 2  
Ireland

#### Investment Manager and Distributor

Blackstone Credit Systematic  
Strategies LLC  
345 Park Avenue  
New York, NY 10154  
United States of America

#### Directors of the Management Company

Fahrad Karim  
Chris Placca  
Heidi Kniesel  
Kim Percy  
William Gilson  
Thomas Nummer

#### Administrator and Transfer Agent

Northern Trust International Fund  
Administration Services  
(Ireland) Limited  
George's Court  
54-62 Townsend Street  
Dublin 2  
Ireland

#### Depository

Northern Trust Fiduciary  
Services (Ireland) Limited  
George's Court  
54-62 Townsend Street  
Dublin 2  
Ireland

#### Secretary

Northern Trust International Fund  
Administration Services  
(Ireland) Limited  
George's Court  
54-62 Townsend Street  
Dublin 2  
Ireland

#### Auditors

Deloitte  
Earlsfort Terrace  
Dublin 2  
Ireland

#### Legal Advisers

*Ireland*  
Arthur Cox LLP  
10 Earlsfort Terrace  
Dublin 2  
Ireland

*United States*  
*Legal Counsel to the Investment Manager*  
Sidley Austin LLP  
787 7th Avenue  
New York, NY 10019  
United States of America

## TABLE OF CONTENTS

SECTION	PAGE
<b>1. THE COMPANY</b>	<b>20</b>
General	20
Investment Objective and Policies	21
Investment Restrictions	26
Borrowing Powers	26
Adherence to Investment and Borrowing Restrictions	26
Changes to Investment and Borrowing Restrictions	26
Efficient Portfolio Management	27
Financial Derivative Instruments	28
Collateral Management	30
Dividend Policy	33
Publication of Net Asset Value per Share	33
Risk Factors	34
Risks Associated with Market Conditions and the Regulatory Environment	34
BEPS and EU ATAD	36
Risks Associated with the Funds	43
Conflicts of Interest	64
Other Considerations	68
<b>2. MANAGEMENT AND ADMINISTRATION</b>	<b>69</b>
Directors	69
Investment Manager	71
Administrator	72
Depository	73
Paying Agents	73
Sub-Distributors	73
Selection of Brokers	74
<b>3. FEES AND EXPENSES</b>	<b>74</b>
Establishment Expenses	74
Operating Expenses and Fees	74
Management Companies' Fees	75
Administrator's Fees	75
Depository's Fees	76
Investment Managers' Fees	76
Performance Fee	77
Paying Agents' Fees	77
Directors' Fees	77
Allocation of Fees and Expenses	77
Fee Increases	77
Remuneration Policy of the Management Company	77



<b>4. THE SHARES .....</b>	<b>79</b>
General .....	79
Abusive Trading Practices/Market Timing .....	80
Application for Shares .....	81
Redemption of Shares .....	84
Conversion of Shares .....	86
Net Asset Value and Valuation of Assets .....	88
Publication of Net Asset Value per Share .....	92
Suspension of Valuation of Assets .....	93
Dividends and Distributions .....	93
<b>5. TAXATION .....</b>	<b>95</b>
General .....	95
Irish Taxation .....	95
US Taxation .....	101
ERISA Considerations For Employee Plans .....	112
UK Taxation .....	115
<b>6. GENERAL INFORMATION .....</b>	<b>118</b>
1. Incorporation, Registered Office and Share Capital .....	118
2. Variation of Share Rights and Pre-Emption Rights .....	118
3. Voting Rights .....	119
4. Meetings .....	119
5. Reports and Accounts .....	120
6. Communications and Notices to Shareholders .....	120
7. Transfer of Shares .....	121
8. Directors .....	122
9. Directors' Interests .....	123
10. Winding Up .....	124
11. Indemnities and Insurance .....	125
12. General .....	126
13. Material Contracts .....	126
14. Documents Available for Inspection .....	128
<b>Appendix I - Permitted Instruments and Investment Restrictions .....</b>	<b>130</b>
<b>Appendix II - Recognised Exchanges .....</b>	<b>135</b>
<b>Appendix III - Techniques and Instruments for the purpose of Efficient Portfolio Management</b>	<b>140</b>
<b>Appendix IV - Definition of US Person .....</b>	<b>142</b>
<b>Supplement 1 Dated 22 January 2024 .....</b>	<b>145</b>
<b>Supplement 2 Dated 1 January 2024 .....</b>	<b>167</b>
<b>Supplement 3 Dated 1 January 2024 .....</b>	<b>192</b>
<b>Supplement 4 Dated 1 January 2024 .....</b>	<b>217</b>
<b>Supplement 5 Dated 1 January 2024 .....</b>	<b>245</b>
<b>Supplement 6 Dated 1 January 2024 .....</b>	<b>271</b>
<b>Supplement 7 Dated 1 January 2024 .....</b>	<b>300</b>
<b>Country Supplement - Additional Information for Investors in Austria, Denmark, Finland, France, Iceland, Lichtenstein, Luxembourg, Netherlands, Norway, Portugal, Spain and Sweden .....</b>	<b>327</b>
<b>Information for Investors in Belgium Only .....</b>	<b>328</b>
<b>Country Supplement - Additional Information for Investors in Germany .....</b>	<b>332</b>
<b>Country Supplement - Additional Information for Investors in the UK .....</b>	<b>334</b>

## DEFINITIONS

In this Prospectus the following words and phrases have the meanings set forth below:-

All references to a specific time of day are to New York time, unless otherwise specified.

"Accounting Date" means 31 December in each year or such other date as the Directors may from time to time decide.

"Accounting Period" means a period ending on the Accounting Date and commencing, in the case of the first such period on the date of incorporation of the Company and, in subsequent such periods, on the day following expiry of the last Accounting Period.

"Act" means the Companies Act 2014 and every amendment or re-enactment of the same.

"Administrator" means Northern Trust International Fund Administration Services (Ireland) Limited.

"Administration Agreement" means the amended and restated Administration Agreement made between the Management Company, Company and the Administrator dated 1 January 2024 and as amended further from time to time.

"Application Form" means any application form to be completed by subscribers for Shares as prescribed by the Company from time to time.

"Articles of Association" means the Memorandum and Articles of Association of the Company.

"Auditors" means Deloitte, Ireland.

"Base Currency" means the currency of account of a Fund as specified in the relevant Supplement relating to that Fund.

"Benchmarks Regulation" means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 as may be amended, modified, supplemented, re-enacted or replaced

from time to time.

"Beneficial Ownership Regulations"	means the European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2019, as amended.
"Business Day"	means in relation to a Fund such day or days as shall be so specified in the relevant Supplement for that Fund.
"Central Bank"	means the Central Bank of Ireland and any successor thereto.
"Central Bank Regulations"	means regulations made by the Central Bank under Part 8 of the Central Bank (Supervision and Enforcement) Act, 2013.
"Central Bank UCITS Regulations"	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities)) Regulations 2019 as may be amended, constituted or substituted from time to time and any notices or guidance issued by the Central Bank pursuant thereto for the time being in force.
"Class"	means a particular division of Shares in a Fund.
"CFTC"	means the United States Commodity Futures Trading Commission.
"Company"	means Blackstone Systematic Credit Umbrella Fund plc.
"Country Supplement"	means a supplement to this Prospectus specifying certain information pertaining to the offer of Shares of the Company or a Fund or Class in a particular jurisdiction or jurisdictions.
"Dealing Day"	means in relation to a Fund such day or days as shall be specified in the relevant Supplement for that Fund.
"Dealing Deadline"	means in relation to a Fund such time on any Dealing Day as shall be specified in the relevant Supplement for that Fund.
"Depository"	means Northern Trust Fiduciary Services (Ireland) Limited.

"Depository Agreement"	means the Depository Agreement made between the Company, the Management Company and the Depositary as amended and restated on 1 January 2024 and as amended further from time to time.
"Directors"	means the directors of the Company or any duly authorised committee or delegate thereof.
"Distributor"	means Blackstone Credit Systematic Strategies LLC.
"EEA"	means European Economic Area.
"EMIR"	<p>means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on over the counter ("<b>OTC</b>") derivatives, central counterparties and trade repositories; and</p> <p>Regulation (EU) 2019/834 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 648/2012 as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories;</p> <p>and any delegated regulations supplementing any of the above, each as may be amended, consolidated, modified, supplemented, re-acted or replaced from time to time.</p>
"ERISA"	means the Employee Retirement Income Security Act of 1974, as amended.
"ESG"	means environmental, social or governance;
"ESMA"	means the European Securities and Markets Authority and any successor body from time to time carrying out all or any part of the relevant functions thereof;
"ESMA Guidelines"	means ESMA's Guidelines on sound remuneration policies under the UCITS Directive 2009/65/EC (as amended by Directive 2014/91/EU) and the AIFMD, published on 31 March 2016 as may be amended, supplemented, modified, re-enacted or replaced from time to time;

"Euro" or "€"	means the lawful currency of the participating member states of the European Union which have adopted the single currency in accordance with the EC Treaty of Rome dated 25th March 1957 (as amended by the Maastricht Treaty dated 7th February 1992).
"Exchange Act"	means the US Securities Exchange Act of 1934 as amended.
"Exempt Investor"	<p>means an Irish Resident or person ordinarily resident in Ireland who is entitled to hold shares without the deduction of Irish tax provided the Company has in its possession a completed Declaration from the Shareholder and there is no information to suggest that the information contained within the Declaration is not materially correct, including:</p> <ul style="list-style-type: none"> <li>(i) a qualifying management company within the meaning of Section 739B(1) TCA;</li> <li>(ii) a company carrying on life business within the meaning of Section 706 TCA;</li> <li>(iii) a pension scheme which is an exempt approved scheme within the meaning of Section 774 TCA, or a retirement annuity contract or trust scheme to which Section 784 or Section 785 TCA applies;</li> <li>(iv) an investment undertaking as referred to in Section 739B(1) TCA, a common contractual fund within the meaning of Section 739I TCA or an investment limited partnership within the meaning of Section 739J TCA;</li> <li>(v) a special investment scheme within the meaning of Section 737 TCA;</li> <li>(vi) a unit trust of a type referred to in Section 731(5)(a) TCA;</li> <li>(vii) a charity being a person referred to in Section 739D(6)(f)(i) TCA;</li> <li>(viii) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 784A(2) TCA in circumstances where the</li> </ul>

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

- (ix) a qualifying fund manager within the meaning of Section 784A TCA or a qualifying savings manager within the meaning of Section 848B TCA, in respect of Shares which are assets of a special savings incentive account within the meaning of Section 848C TCA;
- (x) a specified company as referred to in Section 734(1) TCA;
- (xi) a person entitled to exemption from income tax and capital gains tax by virtue of Section 787I TCA in circumstances where the shares are assets of a PRSA;
- (xii) a credit union with the meaning of Section 2 of the Credit Union Act, 1997;
- (xiii) the Courts Service;
- (xiv) the National Treasury Management Agency or a sub-fund investment vehicle or the Irish State acting through the National Treasury Management Agency (within the meaning of Section 37 of the National Treasury Management Agency (Amendment) Act 2014);
- (xv) the National Asset Management Agency;
- (xvi) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the Company is a money market fund;
- (xvii) a company within the charge to corporation tax in accordance with Section 110(2) TCA; or
- (xviii) any other person resident in Ireland who is permitted to own Shares under Irish taxation legislation or by practice or concession of the Irish Revenue Commissioners without requiring the Company to deduct appropriate tax in respect of any payment to a Shareholder or the transfer by a Shareholder of any Shares, and in each case

in respect of whom the Company is in possession of a Declaration, as applicable;

"Fund"	means a sub-fund of the Company representing the designation by the Directors of a particular class of Shares as a sub-fund the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the Directors from time to time with the prior approval of the Central Bank.
"Initial Price"	means the initial price payable for a Share as specified in the relevant Supplement for each Fund.
"Investment Company Act"	means the US Investment Company Act of 1940, as amended.
"Investment Manager"	means Blackstone Credit Systematic Strategies LLC to whom the Management Company has delegated discretionary investment management of the Company and each Fund.
"Investment Management Agreement"	means the Amended and Restated Investment Management Agreement made between the Management Company, the Company and the Investment Manager dated 1 January 2024 as may be further amended from time to time.
"Intermediary"	means a person who carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons or holds shares in an investment undertaking on behalf of other persons.
"IOSCO"	means the International Organisation of Securities Commissions.
"Irish Revenue Commissioners"	means the Irish authority responsible for taxation.
"Irish Resident"	means any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the "Taxation" section below for the summary of the concepts of residence and ordinary residence issued by the Irish Revenue Commissioners.

"KIID"	<p>means either</p> <ul style="list-style-type: none"> <li>(i) a key investor information document as may be issued in respect of each relevant class of Shares pursuant to the UCITS Regulations, as may be amended from time to time; or</li> <li>(ii) a key information document issued in respect of each relevant class of Shares pursuant to the Packaged Retail and Insurance-based Investment Products Regulation (EU) No. 1286/2014 and the Delegated Regulation (EU) 2021/2268, as may be amended from time to time.</li> </ul>
"Management Agreement"	means the agreement dated 1 January 2024, between the Company and the Management Company, as may be further amended from time to time.
"Management Company"	means Blackstone Europe Fund Management S.à r.l.
"Marketing Delegation Agreement"	the marketing delegation agreement dated 1 January 2024 between the Company, the Investment Manager and the Management Company, as may be amended and/or supplemented from time to time.
"Member"	means a Shareholder or a person who is registered as the holder of one or more non-participating shares in the Company.
"Member State"	means a member state of the European Union.
"Minimum Holding"	means the minimum number or value of Shares which must be held by Shareholders as specified in the relevant Supplement.
"Minimum Subscription"	means the minimum amount which may be subscribed for Shares in any Fund or Class as specified in the relevant Supplement.
"Net Asset Value"	means the Net Asset Value of a Fund or attributable to a Class (as appropriate) calculated as referred to herein.
"Net Asset Value per Share"	means the Net Asset Value of a Fund divided by the number of Shares in issue in that Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to such number of decimal places as the Directors may determine.



"OECD Member Country"	means each of Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, South Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States and such other members as may be admitted from time to time.
"Paying Agency Agreement"	means one or more Paying Agency Agreements made between the Company and one or more Paying Agents and dated as specified in the relevant Country Supplement.
"Paying Agent"	means one or more paying agents appointed by the Company in certain jurisdictions.
"Prospectus"	the prospectus of the Company and any Supplements and addenda thereto issued in accordance with the requirements of the Central Bank.
"Recognised Cleaning System"	means "Recognised Cleaning System" as defined in the section entitled "Taxation".
"Recognised Exchange"	means the stock exchange or markets set out in Appendix II.
"Securities Act"	means the US Securities Act of 1933, as amended.
"SFDR"	means EU 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, as may be amended, consolidated or replaced from time to time.
"SFTR"	means Regulation EU 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, supplemented, modified or re-enacted from time to time,
"Share"	means a participating share or, save as otherwise provided in this Prospectus, a fraction of a participating share in the capital of the Company.

"Shareholder"	means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the Company.
"Supplement"	means a supplement to this Prospectus specifying certain information in respect of a Fund and/or one or more Classes.
"Sustainability Risk"	means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the Funds.
"Taxonomy Regulation"	means EU Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending SFDR as amended and as may be further amended from time to time.
"TCA"	means the Taxes Consolidation Act 1997, of Ireland (as amended);
"UCITS"	means an Undertaking for Collective Investment in Transferable Securities established pursuant to EC Council Directive 2009/65/EC of 13 July 2009 as may be further amended, consolidated or replaced from time to time.
"UCITS Directive"	means Directive 2009/65/EC of the European Parliament and Council of 13 July 2009 as amended by Directive 2014/911/EU.
"UCITS Regulations"	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 as may be amended, consolidated or substituted from time to time and any regulations, notices or guidance issued by the Central Bank pursuant thereto for the time being in force.
"United States"	means the United States of America (including the States and the District of Colombia) its territories, possessions and all other areas subject to its jurisdiction.

"US Dollar", "USD" or "US\$"

means United States Dollars, the lawful currency for the time being of the United States of America.

"US Person"

means a US Person as defined in Regulation S under the Securities Act and CFTC Rule 4.7, as described in Appendix IV.

"Valuation Point"

means such time as shall be specified in the relevant Supplement for each Fund.

## 1. THE COMPANY

### General

The Company is an open-ended variable capital investment company with segregated liability between Funds, incorporated in Ireland on 28 April 2005 under the Act with registration number 401418. The Company has been authorised by the Central Bank pursuant to the UCITS Regulations.

The Company is structured as an umbrella fund consisting of different Funds each comprising one or more Classes. The Shares of each Class of a Fund will rank *pari passu* with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged, subscription or redemption procedures or the Minimum Subscription and Minimum Holding applicable. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each Class. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement which forms part of and should be read in conjunction with this Prospectus.

Specific details in relation to each Fund of the Company are set out in the relevant Supplement to the Prospectus.

The Base Currency of each Fund is specified in the relevant Supplement. Additional Funds in respect of which a Supplement or Supplements will be issued may be established by the Directors with the prior approval of the Central Bank. Classes in respect of which a Supplement or Supplements will be issued may be established by the Directors and notified to and cleared in advance with the Central Bank or otherwise must be created in accordance with the requirements of the Central Bank.

A Class of Shares may be designated in a currency other than the Base Currency of the relevant Fund as detailed in the relevant Supplement or Supplements. Changes in the exchange rate between the Base Currency of the Fund and such designated currency or between the denominated currency of the assets of the Fund and the designated currency of the Class may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Investment Manager may try to mitigate these risks in respect of certain Classes of Shares, as detailed in the Supplement or Supplements, by using financial instruments, such as currency swaps, as a hedge. It is not the intention to over-hedge or under-hedge positions, but this may occur due to factors outside the control of the Company. Over-hedged positions will not exceed 105% of the Net Asset Value of a hedged Class and under-hedged positions will not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily by the Investment Manager to ensure that over-hedged or under-hedged positions of any hedged Class do not exceed or fall short of the limits outlined above and that any position that is materially in excess of 100% of the Net Asset Value of a Share Class are not carried forward from month to month. If the Investment Manager enters into such transactions then they will each be solely attributable to the relevant Class of Shares and may not be combined or offset against the exposures of other Classes or specific assets. In such circumstances, Shareholders of that Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments and this strategy

may substantially limit holders of the Class from benefiting if the Class currency falls against the base currency of the Fund and/or the currency in which the assets of the Fund are denominated. Where the Investment Manager intends to enter into such hedging transactions it will be disclosed in the relevant Supplement or Supplements.

The assets and liabilities of the Company shall be allocated to each Fund in the following manner:

- (a) for each Fund, the Company shall keep separate records in which all transactions relating to the relevant Fund shall be recorded and to which the proceeds from the issue of Shares in each Fund and the assets and liabilities and income and expenditure attributable to each Fund shall be applied subject to the provisions of the Articles of Association;
- (b) any asset derived from another asset of a Fund shall be applied in the records of the relevant Fund as the asset from which it was derived and on each valuation of an asset, the increase or diminution in value thereof shall be applied to the relevant Fund;
- (c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such liability shall be allocated to that Fund;
- (d) in circumstances in which an asset or liability cannot be considered as being attributable to a particular Fund such assets or liability shall be allocated between all Funds pro-rata to their Net Asset Value at the time of allocation; and
- (e) where hedging strategies are used in relation to a Fund or Class, the financial instruments used to implement such strategies shall be deemed to be assets or liabilities (as the case may be) of the relevant Fund as a whole but the gains/losses on the costs of the relevant financial instruments will accrue solely to the relevant Class.

The Company has been established as an umbrella company with segregated liability between Funds. As a result, neither the Company nor any Director, receiver, examiner, liquidator or other person shall apply nor be obliged to apply, the assets of any one Fund in satisfaction of any liability incurred on behalf or attributable to any other Fund. In addition, although each Fund is not a separate legal person:-

(i) the Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, between the Funds as apply at law in respect of companies; (ii) the property of a Fund is subject to orders of the court as if the Fund were a separate legal person; and (iii) each Fund may be wound-up as if it were a separate legal person, provided always that the appointment of a liquidator and the powers, rights, duties and responsibilities of the liquidator shall be confined to the Fund which is being wound-up.

The Management Company has been appointed to act as UCITS management company to the Company pursuant to the Management Agreement. Please refer to the section entitled "Management and Administration" for further details in relation to the Management Company.

## **Investment Objective and Policies**

The specific investment objective and policies of each Fund will be set out in the relevant Supplement to this Prospectus and will be formulated by the Directors at the time of creation of the relevant Fund. There can be no assurance that any Fund will achieve its investment objective.

Investors should be aware that the performance of certain Funds may be measured against a specified index or benchmark and in this regard, Shareholders are directed towards the relevant Supplement which will refer to any relevant performance measurement criteria. The Company may at any time change that reference index where, for reasons outside its control, that index has been replaced, or another index or benchmark may reasonably be considered by the Company to have become the appropriate standard for the relevant exposure. Such a change would represent a change in policy of the relevant Fund and Shareholders will be advised of any change in a reference index or benchmark (i) if made by the Directors, in advance of such a change and (ii) if made by the Index concerned, in the annual or half-yearly report of the Fund issued subsequent to such change.

Unless as otherwise provided in the relevant Supplement for a Fund pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Fund's assets may be invested in money market instruments, including but not limited to certificates of deposit, floating rate notes and fixed or variable rate commercial paper listed or traded on exchanges and in cash deposits denominated in such currency or currencies as the Investment Manager may determine.

A Fund may be established as a feeder fund pursuant to the provisions of the UCITS Regulations ("Feeder Fund"). A Feeder Fund is a Fund which has been approved by the Central Bank to invest at least 85% of its assets in the units of another UCITS fund, by way of derogation from the provisions of the UCITS Regulations. A Fund may also convert to a Feeder Fund in accordance with the requirements of the Central Bank. Details of any such Feeder Fund established shall be disclosed in the relevant Supplement.

A Fund may also invest in another Fund of the Company, subject to and in accordance with the requirements of the Central Bank provided that investment must not be made in a Fund which itself holds Shares in other Funds of the Company. Where a Fund invests in another Fund of the Company, no subscription or redemption fee may be charged in respect of the investing Fund's investment. Further, the investing Fund may not charge an investment management fee in respect of that portion of its assets invested in the other Fund of the Company in which it invests.

The investment objective of a Fund may not be altered and material changes in the investment policy of a Fund may not be made without approval of Shareholders on the basis of a majority of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held. In accordance with the requirements of the Central Bank, "material" shall be taken to mean, although not exclusively, changes which would significantly alter the asset type, credit quality, borrowing limits or risk profile of a Fund. In the event of a change of the investment objective and/or policy of a Fund, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them to redeem their Shares prior to implementation of such a change.

The list of Recognised Exchanges on which a Fund's investment in securities and financial derivative instruments, (other than permitted investments in unlisted securities and over the counter derivative instruments), will be listed or traded as set out in Appendix II.

## **SFDR Categorisation and Environmental and Social Characteristics**

The following section has been drafted with the intention of complying with Articles 6 and 8 of SFDR.

Certain Funds have been classified pursuant to Articles 8 of the SFDR, as disclosed in the investment objective and policies of the relevant Fund.

### ***Inclusion of environmental and social characteristics in the investment process***

The Investment Manager integrates responsible investment into its investment process in accordance with three foundational pillars as follows:

- Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolios of each Fund.
- Conducting ongoing research into SRI (and ESG) factors.
- Reviewing, monitoring, and risk modelling each Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.

The Investment Manager undertakes an analysis of all proposed investments against the above three foundational pillars, the SRI criteria, prior to a determination being made as to whether to proceed with an investment.

The ongoing research into ESG and SRI factors referenced above may include investigating the role of ESG factors as return drivers and considering such exposures as alpha factors. Examples of ESG and SRI factors which are researched and monitored may include but are not limited to management quality, governance, positive environmental and /or social externalities of issuers (ex: carbon footprint or water resource footprint), superior growth characteristics of issuers, ethics and issuer conduct and an issuer's innovation-oriented research and development. The ESG and SRI factors may change and evolve over time and not all of the ESG factors listed above may be relevant in respect of all issuers.

### ***SRI Exclusion Screen for each Fund portfolio***

The Investment Manager integrates exclusion screening in respect of its' investment selection process. In this regard, it carries out a systematic approach of constructing broad portfolios using fundamentally driven models, with holding periods typically measured in months. As part of its exclusion screen, the Investment Manager seeks to avoid certain issuers, the categories of which will be set out in the Supplement to the relevant Fund.

The Investment Manager does not pursue an activist investment strategy in respect of any of the Funds. However, it is considered appropriate to take account of additional risks that are inherent in socially costly businesses and when possible will seek to avoid them. In this regard, the Investment Manager's policy in selecting investments is not to offer implicit or explicit support for socially irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. In this regard, the Investment Manager will

exclude such businesses from the investment universe and portfolios of the Funds. Details of the investment universe and portfolios of the Funds are set out in the Supplement for each Fund.

The investment process will identify three broad areas of concern about the inherent social costs in the business models of underlying issuers and securities. These areas are categorised according to the following classification:

- ethical reasons
- social responsibility and stewardship
- environmental responsibility and stewardship

Within the above broad categories the Investment Manager applies criterion based on businesses that the Investment Manager does not consider it appropriate to implicitly support. Such businesses are identified using top down and bottoms up research. The criteria are approved (at least) annually by the Investment Manager's research approval committee and reviewed (at least) quarterly.

The potential list for exclusion is sourced from both the Investment Manager's own proprietary research analysis and externally from its' investment partners. The resulting exclusion list is maintained as part of the live portfolio construction process and is included in automatic compliance controls. An exclusion list is available for investors upon request from the Investment Manager.

### ***Ongoing research into SRI (and ESG) factors***

SRI factors, that attempt to measure or classify individual firm's exposures to many of the negative externalities noted above, have been identified and widely researched in both the academic and industry literature. The Investment Manager is an active participant in consuming, evaluating, producing, and testing the application and efficacy of ESG factors in the investment portfolios of the Funds. While it is inconclusive whether these factors offer investment out-performance, the Investment Manager is of the view that the application of both narrow and broad exclusion lists should not negatively bias investment performance. The Investment Manager will continue to research SRI drivers as part of its overall investment process.

### ***Review and monitoring of SRI factors on an ongoing basis***

The risk management framework of the Funds is multi-faceted and dynamic. In this regard, the Investment Manager continually reviews and monitors portfolio risks and emerging threats. Stress testing and scenario analysis is carried out in the context of the risk management framework of each Fund on an ongoing basis. Sensitivity to SRI factors is part of this process. The Investment Manager has a dynamically-updated risk model that accounts for both firm-level and industry-level developments and is calibrated to pick up on SRI exposures.

### ***Sustainability Risks***

Pursuant to the SFDR, the Management Company is required to disclose the manner in which Sustainability Risks are integrated into the investment decision of the Funds and the results of the



assessment of the likely impacts of Sustainability Risks on the returns of the Funds. The Management Company oversees the Investment Manager's governance and sustainability procedures in relation to the integration of sustainability risks in investment decisions for the Funds.

Such risks are principally linked to climate-related events resulting from climate change (the so-called physical risks) or to the society's response to climate change (the so-called transition risks), which may result in unanticipated losses that could affect the Funds' investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

The Investment Manager integrates Sustainability Risks relating to SRI factors as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making and risk monitoring process for the Funds to the extent that they represent potential or actual material risks and/or opportunities to maximising the long-term risk-adjusted returns. Further information on the manner in which Sustainability Risks are integrated into investment decisions is available upon request from the Investment Manager. The Fund may be exposed to certain potential Sustainability Risk, further information on which is available under the heading "Risk Factors".

The Investment Manager's assessment is that integration of Sustainability Risks should help mitigate the potential material negative impact of such Sustainability Risks on the returns of the Funds, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises. Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Company in respect of the Funds, namely currency hedging and cash management activities.

### ***EU Taxonomy Regulation***

The Taxonomy Regulation establishes an EU-wide framework or criteria for environmentally sustainable economic activities in respect of six environmental objectives. It builds on the disclosure requirements under the SFDR by introducing additional disclosure obligations in respect of Article 8 Funds that invest in an economic activity that contributes to an environmental objective. These Funds are required to disclose (a) information on the environmental objective to which the investments underlying a Fund contribute (b) a description of how and to what extent the underlying investments of a Fund are in economic activities that qualify as environmentally sustainable and are aligned with the Taxonomy Regulation (c) the proportion, as a percentage of a Fund's portfolio, of investments in environmentally sustainable economic activities which are aligned with the Taxonomy Regulation (including the proportion, as a percentage of a Fund's portfolio, of enabling and transitional activities, as described in the Taxonomy Regulation).

For Article 8 Funds, information required under the Taxonomy Regulation is disclosed within the relevant investment policy and the annex for the relevant Fund. Where within the relevant investment policy an explicit quantification of taxonomy alignment commitment has been included, this information has been obtained through a combination of third-party data and investment research.

### ***No consideration of Sustainability Adverse Impacts***

At present, the Management Company (and/or its delegate) does not, within the meaning of Article 4(1)(a) of the SFDR, consider the adverse impacts of its investment decisions on sustainability factors. The reasons why the Management Company (and/or its delegate) does not currently do so can be found at <https://www.blackstone.com/european-overview/>.

### **Investment Restrictions**

Investment of the assets of each Fund must comply with the UCITS Regulations. The Management Company may impose further restrictions in respect of any Fund. The specific investment and borrowing restrictions applicable to the Company and each Fund will be set out in Appendix I and in the relevant Supplement.

### **Borrowing Powers**

The Company may only borrow on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of each Fund. Subject to this limit the Investment Manager may exercise all borrowing powers on behalf of the Company and in accordance with the provisions of the UCITS Regulations may charge its assets as security for such borrowings.

A Fund may acquire foreign currency by means of a “back-to-back” loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103(1) of the UCITS Regulations provided that at the date of entry the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding. Where the balance returned to the Fund is in a foreign currency other than the Base Currency, the Fund may be exposed to currency risk such that the amount returned may be less than it would have been if the offsetting balance had been held in the Base Currency.

### **Adherence to Investment and Borrowing Restrictions**

The Investment Manager will, with respect to each Fund, adhere to any investment or borrowing restrictions herein in respect of any Shares or Fund or Class in the Company, subject always to the UCITS Regulations.

### **Changes to Investment and Borrowing Restrictions**

It is intended that the Company shall have the power (subject to the prior approval of the Central Bank) to avail itself of any change in the investment and borrowing restrictions specified in the UCITS Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations.

### **Financial Indices**

Financial indices can be used by a Fund for investment purposes, for performance comparison

purposes or for any of the uses set out in the Benchmarks Regulation. Any such use will be in accordance with the requirements of the Central Bank and will be specifically disclosed in the relevant Supplement.

A Fund may only use a benchmark within the meaning of the Benchmarks Regulation if such benchmark is provided by an administrator located in the EU and included in the register referred to in Article 36 of the Benchmarks Regulation or is a benchmark that is included in the register referred to in Article 36.

If any Fund falls within the scope of the Benchmarks Regulation the Company acting in accordance with Article 28(2) of the Benchmark Regulations, will adopt a robust written plan setting out the actions it will take in the event that a benchmark used by a Fund materially changes or ceases to be provided, including, where feasible and appropriate, the nomination of one or several alternative benchmarks that could be referenced to substitute the benchmark(s) no longer provided.

### **Efficient Portfolio Management**

Subject to the UCITS Regulations and to any additional investment restrictions set forth in the relevant Supplement, a Fund may use techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management purposes. The Company may use derivative instruments including but not limited to forward foreign exchange contracts, currency futures and options thereon, put and call options on securities, indices and interest rate futures and options thereon, securities lending, swaps and any other techniques and instruments as the Investment Manager may consider appropriate. A Fund may utilise derivative instruments to provide protection against exchange risks in the context of the management of its assets and liabilities and for performance enhancement. The techniques and instruments which the Company may use are set out in Appendix III.

A Fund may invest in financial derivative instruments dealt in on a Recognised Exchange and/or in OTC derivative instruments in each case under and in accordance with conditions or requirements imposed by the Central Bank.

A Fund may use financial derivative instruments for investment purposes and/or use derivative instruments traded on a Recognised Exchange and/or on OTC markets to attempt to hedge or reduce the overall risk of its investments, enhance performance and/or to manage risk. A Fund's ability to invest in and use these instruments and strategies may be limited by market conditions, regulatory limits and tax considerations and these strategies may be used only in accordance with the investment objectives of the relevant Fund.

The financial derivative instruments which the Investment Manager may invest in on behalf of each Fund, and the expected effect of investment in such financial derivative instruments on the risk profile of a Fund are set out in the relevant Supplement. The extent to which a Fund may be leveraged through the use of financial derivative instruments will also be disclosed in the relevant Supplement. In addition, the attention of investors is drawn to the section of the Prospectus headed "Efficient Portfolio Management" and the risks described in the Risk Factors Section of the Prospectus and, if applicable to a particular Fund, the relevant Supplement.

Under the UCITS Regulations, "uncovered" positions in derivatives are not permitted. Across the range of FDIs that the Company may use, its policy is to satisfy cover requirements by holding the underlying

assets, holding sufficient liquid assets, or by ensuring that the FDIs are such that the exposure can be adequately covered without holding the underlying assets.

The Investment Manager, on behalf of the Company and the Management Company, employs a risk management process which enables it to accurately measure, monitor and manage various risks associated with the use of financial derivative instruments. The risk management methodology chosen for a specific Fund is set out in the relevant Supplement. Details of this process have been provided to the Central Bank. The Management Company and/or the Investment Manager will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Management Company will provide, upon request by Shareholders, supplementary information relating to the risk management methods employed by the Management Company and/or the Investment Manager including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

Any direct operational costs and/or fees which arise as a result of the use of efficient portfolio management techniques which may be deducted from the revenue delivered to the Fund shall be at normal commercial rates and shall not include any hidden revenue. Such direct costs and fees will be paid to the relevant counterparty of the transaction. All revenues generated through the use of efficient portfolio management techniques, net of direct operational costs and fees, will be returned to the Fund. The counterparties to the relevant transaction will not be related to the Management Company or the Investment Manager but may be related to the Depositary and under such circumstances will be effected on normal commercial terms and negotiated on an arm's length basis. Further, any counterparties who are related to the Depositary will be disclosed in the audited annual accounts and semi-annual accounts of the Company.

### **Financial Derivative Instruments**

Subject to the restrictions set out in the UCITS Regulations and any additional restrictions in its Supplement, a Fund may engage in transactions involving the use of derivative instruments including but not limited to interest rate and credit default swaps, forward foreign exchange contracts, currency futures and options thereon, put and call options on securities, indices and interest rate futures and options thereon, securities lending, swaps, US Treasury and Note futures and other debt obligations as the Investment Manager may deem appropriate for performance enhancement or for efficient portfolio management.

For the purpose of providing margin or collateral in respect of transactions involving derivative instruments, the Company may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund.

### **Securities Financing Transactions**

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

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

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

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

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

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

#### *Total Return Swaps*

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

A total return swap is a derivative contract under which one counterparty transfers the total economic performance, including income from interests and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty. The reference obligation of a total return swap may be any security or other investment in which the relevant Fund is permitted to invest in accordance with its investment objective and policies. The use of total return swaps may expose a Fund to the risks disclosed under the heading *“Risk Factors”-“Risks associated with Securities Financing Transactions”*.

### *Revenues generated from Securities Financing Transactions and Total Return Swaps*

All revenues arising from securities financing transactions and total return swaps, net of direct and indirect operational costs and fees, shall be returned to the relevant Fund. This shall include fees and expenses paid to the counterparties to the relevant transactions/securities lending agents which will be at normal commercial rates plus VAT, if applicable.

Information on the revenues generated under such transactions shall be disclosed in the annual and semi-annual reports of the Company, along with entities to whom direct and indirect operational costs and fees relating to such transactions are paid. Such entities may include the Depositary or entities related to the Depositary.

### *Eligible Counterparties*

Any counterparty to a total return swap or other OTC derivative contract shall fall within one of the following categories:

- (i) a credit institution which falls within any of the categories set down in Regulation 7 of the Central Bank UCITS Regulations (an “Approved Credit Institution”);
- (ii) an investment firm authorised in accordance with MiFID; or
- (iii) a group company of an entity issued with a bank holding company license from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve

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

Save where the relevant counterparty to the relevant securities financing transaction or OTC derivative contract is an Approved Credit Institution, where such counterparty (a) is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Investment Manager on behalf of the Management Company in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Management Company or Investment Manager, on its behalf without delay.

The Investment Manager will provide appropriate reporting to the Management Company of all OTC derivative contracts and securities financing transactions entered into on behalf of the Fund.

### **Collateral Management**

In accordance with the requirements of the Central Bank the Management Company will ensure that

the Investment Manager employs a collateral management policy for and on behalf of the Company and each Fund in respect of collateral received in respect of OTC financial derivative transactions whether used for investment or for efficient portfolio management purposes or efficient portfolio management techniques.

*Types of collateral which may be received by a Fund*

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

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

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

Collateral received from a counterparty shall satisfy the following criteria:

- (i) Non-cash collateral shall be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation;
- (ii) Collateral received by a Fund shall be of high quality. The Investment Manager on behalf of the Company, shall ensure that:
  - (a) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Investment Manager in the credit assessment process; and
  - (b) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (i) this shall result in a new credit assessment being conducted of the issuer by the Investment Manager without delay.
- (iii) The Investment Manager, on behalf of the Company, shall also ensure that:
  - (a) Collateral received shall be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
  - (b) Collateral received by a Fund shall be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer;

- (c) By way of derogation from the above diversification requirement, a Fund may accept collateral which provides exposure of more than 20% of the Net Asset Value of the relevant Fund to securities as set out in Section 2.12 of Appendix 1 to this Prospectus; and
- (d) A Fund may also be fully collateralised in different transferable securities and money market instruments issued or guaranteed by any of the issuers outlined above. In such circumstances, the Fund will receive securities from at least six different issues with securities from any single issue not accounting for more than 30% of the Fund's Net Asset Value.
- (e) Collateral received by the Fund shall be capable of being fully enforced by a Sub-Fund at any time without reference to or approval from the counterparty.

The haircut applied to collateral posted by a counterparty will be negotiated on a counterparty basis and will vary depending on the class of asset received by a Fund, taking into account its credit standing and price volatility, any stress testing carried out to assess the liquidity risk of such asset and, where applicable taking into account the requirements of EMIR.

#### *Valuation of collateral*

Collateral that is received by a Fund will be valued on at least a daily basis and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place. The non-cash collateral received by the Fund will be at mark to market given the required liquid nature of the collateral

#### *Safe-keeping of collateral received by a Fund*

Collateral received by a Fund on a title transfer basis shall be held by the Depositary or a duly appointed sub-depositary of the Depositary. For other types of collateral arrangements, the collateral can be held by the Depositary, a duly appointed sub-depositary of the Depositary or by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

#### *Re-use of collateral by a Fund*

The Investment Manager acting on behalf of the relevant Fund shall not sell, pledge or re-invest any non-cash collateral received by the relevant Fund.

Where a Fund receives cash collateral, such cash may not be invested other than in (i) deposits with relevant institutions; (ii) high quality government bonds; (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to the prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis; (iv) short term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds.

In accordance with the Central Bank UCITS Regulations, invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash



collateral may not be placed on deposit with the counterparty or a related entity.

#### *Posting of collateral by a Fund*

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

In circumstances where a Fund receives collateral for at least 30% of its assets, the Investment Manager will employ an appropriate stress testing policy to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Investment Manager to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will be disclosed in the risk management process employed by the Investment Manager.

#### **Dividend Policy**

The dividend policy and information on the declaration and payment of dividends, if any, for each Fund will be specified in the relevant Supplement. The Articles of Association of the Company empower the Directors to declare dividends in respect of any Shares in the Company out of the ‘net income’ of the Company, defined as the income of the Company from dividends, interest or otherwise and/or net realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses) less accrued expenses of the Company, subject to certain adjustments.

#### **Publication of Net Asset Value per Share**

The Net Asset Value per Share will be published daily on the internet at [www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/) to existing Shareholders and updated following each calculation of Net Asset Value. In addition, the Net Asset Value per Share may be obtained from the Administrator during normal business hours.

## **RISK FACTORS**

### *General*

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. Investment in the Company carries with it a degree of risk. Different risks may apply to different Funds and/or Classes. Details of specific risks attaching to a particular Fund or Class which are additional to those described in this section will be disclosed in the relevant Supplement. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares. Prospective Investors are advised that the value of Shares and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested and an investment should only be made by persons who can sustain a loss on their investment. Past performance of the Company or any Fund should not be relied upon as an indicator of future performance. The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term. The attention of potential investors is drawn to the taxation risks associated with investing in the Company. Please refer to the Section of the Prospectus entitled "Taxation". The securities and instruments in which the Company invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur.

There can be no guarantee that the investment objective of a Fund will actually be achieved.

### **Risks Associated with Market Conditions and the Regulatory Environment**

#### **General Economic and Market Conditions**

The success of the Company's investment activities could be affected by general economic and market conditions, as well as by changes in applicable laws and regulations (including laws relating to taxation of a Fund's investments), trade barriers, currency exchange controls, rate of inflation, currency depreciation, asset re-investment, resource self-sufficiency, energy market volatility and national and international political and socioeconomic circumstances in respect of the countries in which the Fund may invest. These factors will affect the level and volatility of financial instruments' prices and the liquidity of a Fund's investments, which could impair a Fund's profitability or result in losses. General fluctuations in the market prices of financial instruments and interest rates may affect the Company's investment opportunities and the value of a Fund's investments. A Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss. Declines in the performance of national economies or the credit markets in certain jurisdictions have had a negative impact on general economic and market conditions globally, and as a result, could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's financial condition may be adversely affected by a significant general economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could

have a material adverse effect on the Company's businesses and operations. A recession, slowdown and/or sustained downturn in the global economy (or any particular segment thereof) could have a pronounced impact on the Company and could adversely affect the Company's profitability and impair the Investment Manager's ability to effectively deploy the Fund's capital or realise its investments on favourable terms.

Any of the foregoing events could result in substantial or total losses to the Shareholders in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in an issuer's or portfolio company's capital structure.

While the Investment Manager believes that the current environment will yield attractive investment opportunities for the Company, there can be no assurances that conditions in the global financial markets will not worsen and/or adversely affect one or more of a Fund's investments or the Fund's overall performance. Each Fund's investment strategy and the availability of opportunities satisfying each Fund's risk-adjusted return parameters rely in part on the continuation of certain trends and conditions observed in the market for investments and the broader financial markets as a whole, and in some cases the improvement of such conditions. Trends and historical events do not imply, forecast or predict future events and, in any event, past performance is not necessarily indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations currently held by the Investment Manager will prove correct, and actual events and circumstances may vary significantly. Any of the foregoing events could result in substantial or total losses to the Shareholders in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in an issuer's capital structure.

**In addition, economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could adversely affect global economic conditions and world markets and, in turn, could adversely affect the Fund's performance.**

#### **Enhanced Scrutiny and Potential Regulation of the Private Investment Fund Industry and the Financial Services Industry**

A Fund's ability to achieve its investment objectives, as well as the ability of the Investment Manager on behalf of the Company to conduct each Fund's operations, is based on laws and regulations that are subject to change through legislative, judicial or administrative action. Future legislative, judicial or administrative action could adversely affect the Fund's ability to achieve its investment objectives and the Investment Manager's ability to conduct the Fund's operations.

Furthermore, various U.S. federal, state and local agencies have been examining the role of placement agents, finders and other similar service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information, and in connection therewith, new and/or proposed rules and regulations in this arena may increase the possibility that the Investment Manager may be exposed to claims and/or actions that could require a Shareholder to redeem its Units. As a related matter, the Investment Manager may be required to provide certain information regarding some of the investors in the Funds to regulatory agencies and bodies in order to comply with applicable laws and regulations, including the FCPA (as defined below).

In addition, as certain affiliates of the Investment Manager within the Blackstone Group Inc. are publicly traded global alternative asset managers whose broad range of businesses includes the management of direct and secondary private equity funds, hedge funds, real estate equity and credit funds, credit-oriented funds, opportunistic funds, mutual funds, and other private investment funds and products, the Investment Manager's affiliates may from time to time be subject to litigation and claims relating to its businesses, as well as governmental and/or regulatory inquiries, investigations and/or proceedings. Certain regulatory, litigation and other similar matters are disclosed in (i) the Firm's public filings (including its current, periodic and annual reports on Forms 8-K, 10-Q and 10-K) and filings of the Investment Manager on Form ADV, which may be accessed through the website of the SEC ([www.sec.gov](http://www.sec.gov)) and (ii) materials made available through the Investment Manager's investor data site related to the Company and/or certain of the Investment Manager's affiliates. Any such disclosures in the Investment Manager's public filings and/or that are otherwise made available to the Shareholders, including by way of posting to the Investment Manager's investor data site, are incorporated herein by reference, to the extent applicable, including with respect to litigation, investigations, settlements and similar proceedings. The Investment Manager is subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organisations in the jurisdictions in which it operates around the world. These authorities have regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Many of these regulators, including U.S. and non-U.S. government agencies and self-regulatory organisations, as well as state securities commissions in the United States, are also empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions, including censure, the issuance of cease-and-desist orders, the suspension or expulsion of a broker-dealer or investment adviser from registration or memberships or the commencement of a civil or criminal lawsuit against the Investment Manager or its personnel. Moreover, the SEC has specifically focused on the alternative investment industry. The SEC's list of examination priorities includes, among other things, alternative investment firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities and other conflicts of interests. The Investment Manager is regularly subject to requests for information and informal or formal investigations by the SEC and other regulatory authorities, with which the Investment Manager routinely cooperates and even historical practices that have been previously examined are being revisited. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against the Investment Manager or its personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the Investment Manager and the Company. While it is difficult to predict what impact, if any, the foregoing may have, there can be no assurance that any of the foregoing, would not have a material adverse effect on the Shareholders or the Company or otherwise impede the Investment Manager's ability to effectively achieve a Fund's investment objectives.

## **BEPS and EU ATAD**

Fiscal and taxation policy and practice is constantly evolving and a number of changes of law and practice are occurring as a result of the Organisation for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) project.

One of the action points from this project (Action 6) is the prevention of treaty abuse by developing

model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. The OECD recommendations on Action 6 are primarily being implemented into double tax treaties through a multilateral instrument ("MLI"). The MLI has effect for tax treaties that are listed by both participating jurisdictions, after ratification of the MLI under their respective domestic rules and procedures and the deposit of the ratification instrument to the OECD. As a result, the date on which the MLI applies to a specific treaty depends on the two jurisdictions involved and when they adopt the MLI.

The MLI covers the treaty-related minimum standards, and other recommendations, of BEPS Action 6 on treaty abuse and BEPS Action 14 on Dispute Resolution and Arbitration. It also covers some of the best practices of BEPS Action 2 on hybrid mismatches and BEPS Action 7 on permanent establishments. The participating jurisdictions can choose to implement further provisions of the MLI. Ireland signed up to the MLI on 7 June 2017 to the following provisions in relation to:

- (a) Principal purpose test ("**PPT**") from an anti-abuse rule perspective; and
- (ii) Permanent establishment, including specific activity exemptions, anti-fragmentation and splitting of contracts.

The MLI has been signed by over 90 jurisdictions. It entered into force on 1 July 2018 for signatories who deposited their ratification, acceptance or approval on or before 22 March 2018. For signatories who deposited or deposit their ratification, acceptance or approval after 22 March 2018, the MLI comes into force at the start of the month which is three entire calendar months after such deposit takes place. Ireland ratified the MLI on 29 January 2019 and it entered into force in Ireland on 1 May 2019. A number of Covered Tax Agreements ("CTA") are impacted by MLI changes as set out in the ratification document. However, changes only take effect where the CTA is with a country that has also deposited its MLI ratification document with the OECD and such time has elapsed that the MLI is effective in that state. Additionally, only where two states make "matching elections" will the MLI provisions take effect. Upon ratifying the MLI, Ireland deposited a non-provisional list of reservations and notifications to be made pursuant to it. Based on the information contained in these documents and the MLI, Action 6 would be implemented into the double tax treaties Ireland has entered into with other jurisdictions by the inclusion of a PPT.

The introduction of a PPT by way of the MLI will require entities to demonstrate that any transactions entered into are not solely for the purpose of benefitting under applicable double tax treaties. Once in effect, a PPT would deny a treaty benefit where if it is reasonable to conclude, having regard to all relevant facts and circumstances for this purpose, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the treaty.

As part of its anti-tax avoidance package, and to provide a framework for a harmonised implementation of the BEPS conclusions across the EU, the EU Council adopted Council Directive (EU) 2016/1164 (ATAD 1) on 12 July 2016. The EU Council adopted Council Directive (EU) 2017/952 (ATAD 2) on 29 May 2017, amending ATAD 1, to provide for minimum standards for counteracting hybrid mismatches involving EU Member States and third countries.

The anti-hybrid rules were implemented under Finance Act 2019, with the rules generally applying from 1 January 2020 in respect of certain "hybrid" entities and financial instruments which result in either tax

deductions arising in two jurisdictions for the same expense or a tax deduction arising in one jurisdiction for a payment where the receipt of that payment is not taxable in the other jurisdiction. Where an “associated enterprise” relationship exists, the Irish anti-hybrid rules should provide that where an Irish entity is the payor and a payment made results in a deduction with no inclusion or a double deduction with no dual inclusion income, where this outcome is driven by hybridity of the entity and/or financial instrument, the Irish entity making the payment may be denied a deduction to neutralise the hybrid mismatch outcome. These rules are broad and complex and thus require some form of consideration in all cross-border investment structures.

One of the most significant provisions of ATAD 1 is the introduction of a fixed ratio interest limitation rule. The provision operates to deny a deduction in respect of net interest expense (being gross interest expense less interest income) that exceeds 30% of the taxpayer’s EBITDA. ATAD 1 provides for a derogation to 1 January 2024 where the existing rules of an EU Member State are “equally effective” in preventing tax avoidance. While Ireland notified the EU Commission of its intention to avail of this derogation, formal acceptance of this position was not forthcoming and Ireland has agreed to bring forward the implementation date for the ATAD 1 interest limitation provision in Ireland to 1 January 2022. A phased consultation process is currently underway in Ireland with legislation expected to be included in Finance Bill 2021. Pending legislation, the final form and impact of the interest limitation rule in Ireland remains uncertain. The interest limitation rule will need to be monitored in terms of the potential impact to the proposed structure for future financial periods.

### **Market Dislocation**

A prolonged disruption in the credit markets may prevent a Fund from advantageously realising on or disposing of its investments. Moreover, the global credit markets continue to experience disruption. The continued economic instability could adversely affect the financial resources of corporate borrowers in which a Fund invests and result in the inability of such borrowers to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the Fund may suffer a partial or total loss of capital invested in such companies, which would, in turn, have an adverse effect on the Fund’s returns. Such marketplace events also may restrict the ability of the Investment Manager to sell or liquidate investments at favourable times or for favourable prices. In particular, a Fund’s investment strategy relies in part on the stabilisation or improvement of the conditions in the global financial markets generally and credit markets specifically. Absent such a recovery or in the event of a further market deterioration, the value of a Fund’s investments may not appreciate as projected or may suffer a loss.

### **Epidemics/Pandemics**

Certain countries have been susceptible to epidemics, most recently a novel and highly contagious form of coronavirus (“COVID-19”), which may be designated as pandemics by world health authorities. The outbreak of such epidemics, together with any resulting restrictions on travel or quarantines imposed, has a negative impact on the economy and business activity, and therefore can be expected to adversely affect the performance of a Fund’s investments and the ability of a Fund to achieve its investment objectives. See also “*Force Majeure Events*.”

## **Legal, Tax and Regulatory Risk**

Legal, tax and regulatory changes could occur during the term of the Funds that may adversely affect the Shareholders. The regulatory environment for the investment funds industry is evolving, and changes in the regulation of the alternative investment industry may adversely affect the value of investments held by the Funds and the ability of the Investment Manager to effectively employ the Fund's investment and trading strategies. Increased scrutiny and legislative changes applicable to investment funds and accounts and their sponsors may also impose significant administrative burdens on the Company. The Company and the Investment Manager may also be required to implement specific policies and procedures in order to comply with certain regulatory requirements. The development and implementation of such policies and procedures may be resource-intensive, which could negatively impact the Fund's returns. The effect of any future regulatory change on the Company or the Shareholders could be substantial and adverse. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The Central Bank of Ireland, the SEC, other regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action.

## **Non-U.S. Legal Risk**

Many of the laws that govern private and foreign investment, securities transactions, creditors' rights, and other contractual relationships in non-U.S. countries, particularly in developing countries, are new and largely untested. As a result, the Company 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. There can be no assurance that these risks will not have a material adverse effect on the Company and its operations.

## **Withdrawal of the United Kingdom from the European Union**

On 31 January 2020 the United Kingdom (the "UK") formally withdrew and ceased being a member of the European Union (the "EU"). Following this, the UK entered into a transition period which lasted for the remainder of 2020, during which period the UK was subject to applicable EU laws and regulations. The transition period expired on 31 December 2020, and EU law no longer applies in the UK.

On 30 December 2020, the UK and the EU signed an EU-UK Trade and Cooperation Agreement ("UK/EU Trade Agreement"), which applies from 1 January 2021 and sets out the foundation of the economic and legal framework for trade between the UK and the EU. As the UK/EU Trade Agreement is a new legal framework, the implementation of the Agreement may result in uncertainty in its application and periods of volatility in both the UK and wider European markets.

As a result of the continuing uncertainty as to the future trading relationship between the UK and the EU, many businesses may be unable to postpone executing their contingency plans. Contingency planning for some businesses involves re-establishing the business in another member state, moving

personnel and, if applicable, seeking authorisation from the local regulator –all of which are costly and disruptive.

Although it is probable that any adverse effects of the UK's withdrawal from the EU will principally affect the UK (and those having an economic interest in, or connected to, the UK), given the size and global significance of the UK's economy, unpredictability about the terms of its withdrawal and its future legal, political and/or economic relationships with Europe is likely to be an ongoing source of instability, produce significant currency fluctuations, and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). The withdrawal of the UK from the EU could therefore adversely affect the Company. In addition, although it seems less likely now than at the time of Britain's referendum, the withdrawal of the UK from the EU could have a further destabilising effect if any other member states were to consider withdrawing from the EU, presenting similar and/or additional potential risks and consequences to the Fund and its issuers or portfolio companies.

The terms ultimately agreed for a future trading relationship between the UK and the EU may also affect the eligibility of the Funds for certain UK investors if such investors become subject to restrictions on their ability to invest in vehicles established outside the UK and/or managed by a manager situated outside the UK. As a consequence, UK investors may be forced to sell or otherwise dispose of interests in the Funds. Furthermore, investment in the Funds may become less attractive for certain UK investors, for example as a result of increased capital charges or capital requirements or different quota allocations for investors.

### **Force Majeure Events**

Each of the Management Company, Administrator, Depositary, Investment Manager and other service providers to the Company and their delegates may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labour strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies and social instability). Some force majeure events may adversely affect the ability of any such parties to perform their obligations to the Company until they are able to remedy the force majeure event. While it is expected that such service providers will implement contingency plans for addressing force majeure events it is possible that such force majeure events exceed the assumptions of such plans.

Certain force majeure events (such as war or an outbreak of an infectious disease) may also have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Fund may invest specifically. See also *"Epidemics/Pandemics"* and *"Coronavirus and Public Health Emergencies; Legislative & Regulatory Enactments"* herein.

### **European Benchmark Regulation**

Various interest rate benchmarks (including the London Inter-Bank Offered Rate ("LIBOR") and the Euro Interbank Offered Rate ("EURIBOR")) are the subject of recent national and international regulatory



guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

For example, in the EU regulation (EU) 2016/1011 (the “Benchmark Regulation”) on indices used as benchmarks in financial instruments and financial contracts entered into force on 30 June 2016. It is directly applicable law across the EU. The applicable date for the majority of its provisions was 1 January 2018.

Potential effects of the Benchmark Regulation include (among other things): (i) an index which is a “benchmark” could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation (or, if based in a non-EU jurisdiction, the administrator is not otherwise recognised as equivalent); (ii) the methodology or other terms of the “benchmark” could be changed in order to comply with the terms of the Benchmark Regulation; and (iii) an index may be discontinued if it does not comply with the requirements of the Benchmark Regulation, or if its administrator does not obtain authorisation. If the Fund invests in any forms of debt obligations, the returns of which are influenced by an index that relates to interest rates (including loans, notes and bonds), prices of a Fund’s investments may fluctuate due to changes in the relevant index or indices.

In addition, in a speech on 27 July 2017, Andrew Bailey, the Chief Executive of the UK Financial Conduct Authority (the “FCA”), announced the FCA’s intention to cease sustaining LIBOR from the end of 2021. The FCA has statutory powers to compel panel banks to contribute to LIBOR where necessary. The FCA decided not to ask, or to require, that panel banks continue to submit contributions to LIBOR beyond 31 December 2021. Following the end of 2021, it is no longer necessary for the FCA to persuade, or to compel, banks to submit to LIBOR. The FCA have communicated in its announcements that twenty four of the thirty five LIBOR settings have ceased from 1 January 2022 and that six GBP and Yen LIBOR settings will continue for the duration of 2022 on a ‘synthetic’ basis.

As of January 1, 2022, global regulators have stated there can be no new LIBOR-linked origination and/or issuance in any LIBOR currency. The Funds could have LIBOR-based debt instruments and related hedging arrangement requiring amendments or restructuring, which could be difficult, time consuming and costly.

The FCA envisages that market participants will transition away from LIBOR to alternatives such as risk-free rates (RFRs), which are robust alternatives to LIBOR.

Investors should be aware that any of the international, national or other measures or proposals for reform, or general increased regulatory scrutiny of “benchmarks” could have a material adverse effect on the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain “benchmarks,” trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the disappearance of certain “benchmarks.”

Any of these changes or any other changes to a benchmark could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be.

If the applicable rate of interest on any loan, note or bond is calculated with reference to a benchmark (or currency or tenor) which is discontinued or affected by a material disruption or change in methodology: (i) such rate of interest will then be determined by the provisions of the affected obligation, which may include determination by the relevant calculation agent in its discretion; and (ii) there may be a mismatch between the replacement rate of interest applicable to the affected obligation and the

replacement rate of interest which is required to be paid under any hedging transaction. This could lead to an underlying investment receiving amounts from affected obligations which are insufficient to make the due payment under the hedge transaction it has entered into, consequential amendments being made to the terms of the relevant hedging agreement (if so provided for therein) and/or potential termination of the hedge transaction and/or hedge agreement.

If any EURIBOR benchmark referenced in a loan, note or bond is in any applicable case discontinued, interest may have to be calculated on the basis of a fallback mechanism. In general, fallback mechanisms which may govern the determination of interest rates where a benchmark rate is not available are not suitable for long term use. Accordingly, in the event a benchmark rate is permanently discontinued, it may be desirable to amend the applicable interest rate provisions in the affected obligation or hedge agreement. Investors should note that, in certain circumstances, such amendments may not take place without the consent of other creditors and so may be difficult to achieve.

Any of the above or any other discontinuation of, or significant change to, LIBOR, EURIBOR or any other benchmark that relates to interest rates (including loans, notes and bonds) could have a material adverse effect on the Fund's profitability and/or Net Asset Value per Unit.

### **Securitisation Regulation**

EU risk retention and due diligence requirements (the "EU Risk Retention Requirements") have been in effect in Europe since 2011. These requirements are based on the indirect approach that requires various types of EU-regulated investors, including credit institutions, UCITS management companies, authorised AIFMs, investment firms and insurance and reinsurance undertakings (rather than the arrangers or securitisation issuers) to satisfy themselves that certain securitisation transactions they intend to invest in is compliant with the EU Risk Retention Requirements. Among other things, such requirements restrict a relevant investor from investing in securitisations unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its investment position, the underlying assets and (in the case of certain types of investors) the relevant originator, sponsor or original lender and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an ongoing basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the EU Risk Retention Requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the securities acquired by the relevant investor.

The Securitisation Regulation has applied across the EU since 1 January 2019. The Securitisation Regulation replaced the previous sector-specific approach to securitisation regulation with a new set of rules that apply to all securitisations. The Company is within scope of the Securitisation Regulation. The definition of "securitisation" is intended to capture any transaction or scheme where the credit risk associated with an exposure or a pool of exposures is tranching. Essentially, the definition includes any investment with tranches or classes where payments in the transaction or scheme are dependent on the performance of the exposure or of the pool of exposures and the participation in losses differs between the tranches during the life of the transaction or scheme.

Prior to a Fund holding a securitisation position, the Management Company (or its delegate) must, in respect of the relevant Fund, ensure that the originator, sponsor or original lender of such securitisation retains at least a 5% net economic interest in the securitisation. These rules mean that the Management Company (or its delegate) needs to conduct due diligence before the Fund makes an investment in a securitisation position.

## **Risks Associated with the Funds**

### **Investment Risk**

An investment in the Funds involves a high degree of risk. There can be no assurance that the Fund's investment objective will be achieved or that there will be any return of capital. There is no assurance that the Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of investments and transactions described herein. The Fund's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods. Past performance of investment entities associated with the founders and other key employees of the Investment Manager or its affiliates is not necessarily indicative of future results and provides no assurance of future results. There can be no assurance that a Fund will be able to implement its investment strategy and investment approach or achieve its investment objective. There can be no assurance that a Fund will make any distribution to the Shareholders. In addition, there will be occasions when the Investment Manager and its affiliates may encounter potential conflicts of interest in connection with the Fund. See "*Potential Conflicts of Interest*."

The Funds will invest directly or indirectly in a number of derivatives transactions, securities and debt obligations, each of which entail substantial inherent risks. Although the Investment Manager will attempt to manage those risks through careful research, ongoing monitoring of investments and appropriate hedging techniques, there can be no assurance that the securities and other instruments purchased by a Fund will in fact increase in value or that the Fund will not incur significant losses. Shareholders in a Fund who are subject to fiduciary obligations will be asked to represent that their investment in the Fund is being made by them as fiduciaries. In addition, all participants will be asked to represent that they are investing in reliance on their own tax, legal and financial advisors and not on any advice or recommendation of the Company, the Management Company or the Investment Manager.

### **Appropriateness of Investments**

An investment in a Fund is not appropriate for all investors. Investors should consult their professional advisors to assist them in making their own legal, tax, accounting and financial evaluation of the merits and risks of investment in a Fund in light of their own circumstances and financial condition. There can be no assurance that a Fund's investment objective will be achieved and investors should only invest in the Fund if they can withstand a total loss of their investment.

### **Decision Making Authority**

Shareholders have no authority to make decisions on behalf of a Fund. Shareholders must rely solely on the judgment of the Directors and the Investment Manager as delegate of the Management Company, in selecting investments and should not invest in a Fund unless they are willing to entrust all aspects of the portfolio management of the Fund to the Company and other duly authorised agents. In addition, Shareholders will not have an opportunity to evaluate the specific investments made by the Funds or the terms of such investments.

## **Retention and Motivation of Key Employees**

The success of the Funds will depend in large part upon the skill and expertise of the Investment Manager, as well as the Investment Manager's professionals. There is ever-increasing competition among alternative asset firms, financial institutions, private equity firms, investment managers and other industry participants for hiring and retaining qualified investment professionals, and there can be no assurance that such professionals will continue to be associated with the Investment Manager or its affiliates throughout the life of the Fund. Moreover, although the Investment Manager expects to have access to all of the appropriate resources, relationships and expertise of Blackstone, there can be no assurance that such resources, relationships and expertise will be available for every transaction. In addition, investment professionals may be replaced or added at any time. Conflicts of interest will arise in allocating management time, services or functions and the ability of the members of the investment team to access other professionals. See *"Potential Conflicts of Interest – Allocation of Personnel."*

## **Regulatory Oversight**

Although the Investment Manager is registered as an investment adviser under the Advisers Act and while the Company may be considered similar in some ways to an investment company, unless legislation requiring the Company to register with the SEC is enacted, it is not required and does not intend to register as such under the Investment Company Act and, accordingly, Shareholders are not afforded the protections of the Investment Company Act.

The Management Company is authorised as a management company pursuant to Chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment in transferable securities. The Management Company is responsible for, inter alia, the portfolio management, risk management, administration and marketing activities of the Company.

## **Possible Adverse Effects of Substantial Redemptions**

In the event that there are substantial redemptions of Shares within a limited period of time, the Company may find it difficult to adjust its asset allocation and trading strategies to the suddenly reduced amount of assets under management. Under such circumstances, in order to provide funds to pay redemptions, the Company may be required to liquidate positions of the Funds at an inappropriate time or on unfavourable terms, resulting in lower net assets for the remaining Shareholders and a possibly lower redemption price for the redeeming Shareholders.

## **Suspension Events**

The Company may at any time declare a temporary suspension of the issue, transfer, redemption and exchange of Shares during any period during which: (i) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Recognised Exchanges on which the relevant Fund's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; (ii) during the whole or any part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the relevant Fund's investments; (iii) during the whole or any part of any period when for any reason the value of any of the Fund's investments cannot be reasonably, promptly or accurately ascertained; iv) during the whole or any part of any period when subscription proceeds

cannot be transmitted to or from the account of any Fund or the Company is unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange; (v) upon mutual agreement between the Company and the Depositary for the purpose of winding up the Company or terminating any Fund; or (vi) if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the investments of the Company or any Fund.

Notice of any such suspension in respect of Shares will be given to all Shareholders and to any Shareholder or investor applying to subscribe for Shares or tendering its Shares for transfer, redemption or exchange, and notice will be similarly given upon the termination of such suspension. After the commencement of any suspension, the Company shall immediately, and in any event within the same Business Day, notify in writing the Central Bank and, if required, the competent authorities in the jurisdictions in which the relevant Fund markets its Shares that such a suspension has been made, and, where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Applicants may withdraw their applications and requests for issue, transfer, redemption or exchange so long as such suspension continues. Unless withdrawn, applications for subscription, transfer, redemption and exchange will be considered on the first Dealing Day following the termination of suspension.

### **Economic and Trade Sanctions and Anti-Bribery Considerations**

Economic and trade sanctions laws in the United States and other jurisdictions may prohibit the Investment Manager, its professionals and the Company transacting with or in certain countries and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at <http://www.treas.gov/ofac>. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may significantly restrict the Fund's investment activities in certain countries and, in particular, certain emerging market countries. At the same time, the Investment Manager may be obligated to comply with certain anti-boycott laws and regulations, which prevent the Company and the Investment Manager from engaging in certain discriminatory practices that may be allowed or required in certain jurisdictions. The Investment Manager's failure to discriminate in this manner could make it more difficult for the Funds to pursue certain investments and engage in certain business activities.

In some countries, there is a greater acceptance than in the United States and the UK of government involvement in commercial activities and of corruption. The Investment Manager's s professionals and the Fund are committed to complying with the U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which they

are subject. As a result, the Company may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the Investment Manager, on behalf of the Company to act successfully on investment opportunities and for investments to obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the UK, with enactment of the UK Bribery Act, has expanded the reach of its anti-bribery laws significantly. While the Investment Manager and its affiliates have developed and implemented policies and procedures designed to ensure strict compliance with the FCPA, the UK Bribery Act and the sanctions regimes that apply to the Investment Manager, such policies and procedures may not be effective in all instances to prevent violations.

### **Execution Risks and Trade Errors**

In order to seek positive returns in global markets, the Company's trading and investment for the Funds may involve multiple instruments, multiple brokers and counterparties and multiple strategies. As a result, the execution of the trading and investment strategies employed by the Investment Manager, in consultation with the Management Company on behalf of the Funds may often require rapid execution of trades, high volume of trades, complex trades, difficult to execute trades and use of negotiated terms with counterparties. In each case, the Investment Manager, in consultation with the Management Company, seeks best execution and has trained execution and operational staff devoted to executing, settling and clearing such trades. However, in light of the high volumes, complexity and global diversity involved, some slippage, errors and miscommunications with brokers and counterparties may occur and could result in losses to the Fund. In such circumstances, the Investment Manager, in consultation with the Management Company, will evaluate the merits of potential claims for damage against brokers and counterparties who are at fault and, to the extent practicable, may seek to recover losses from those parties. In consultation with the Management Company, the Investment Manager may choose to forego pursuing claims against brokers and counterparties on behalf of the Fund for any reason, including, but not limited to, the cost of pursuing claims relative to the likely amount of any recovery and the maintenance of its business relationships with brokers and counterparties. In addition, the Investment Manager's own execution and operational staff may be solely or partly responsible for errors in placing, processing and settling trades that result in losses to the Funds.

### **Risks Associated with Delays in Providing Complete Customer Due Diligence**

Investors should note that there is a risk that any delay in providing a signed copy of the Application Form and all documents required in connection with the obligations to prevent money laundering and terrorist financing to the Administrator may result in Shares not being issued on a particular Dealing Day.

### **Technological Innovations**

Current trends in the market generally have been toward disrupting a traditional approach to an industry with technological innovation, and multiple young companies have been successful where this trend toward disruption in markets and market practices has been critical to their success. In this period of rapid technological and commercial innovation, new businesses and approaches may be created that will compete with the Company and/or its investments or alter the market practices that a Fund's

strategy has been designed to function within and depend on for investment return. Any of these new approaches could damage a Fund's investments, significantly disrupt the market in which it operates and subject it to increased competition, which could materially and adversely affect its business, financial condition and results of investments.

### **Performance Fee Risk**

The payment of a performance fee to the Investment Manager based on the performance of a Fund may provide the Investment Manager with an incentive to cause the relevant Fund to make more speculative investments than might otherwise be the case. The Investment Manager will have discretion as to the timing and the terms of the Fund's transactions in investments and may therefore have an incentive to arrange such transactions to maximise its fees.

### **Cross-Liability for other Funds**

The Company is established as an umbrella fund with segregated liability between Funds. Under Irish law the assets of one Fund are not available to satisfy the liabilities of or attributable to another Fund. Any liability incurred or attributable to any one Fund may only be discharged solely out of the assets of that Fund. However the Company may operate or have assets in countries other than Ireland which may not recognise segregation between Funds and in the absence of any relevant case law on the matter, there is no guarantee that creditors of one Fund will not seek to enforce one Fund's obligations against another Fund.

### **Duties of Investment Manager as ERISA Fiduciary**

In the event that equity participation in a Fund of the Company by "Benefit Plan Investors" (as defined below) equals or exceeds twenty-five percent (25%) of the total value of any Class of Shares (or any other class of equity interest in such Fund), an undivided portion of the assets of the Fund may be deemed to be "plan assets" under ERISA. In such event, the Investment Manager will be an ERISA fiduciary with respect to the assets of Shareholders who are Benefit Plan Investors. As an ERISA fiduciary, the Investment Manager will be required to conform its decisions and actions in connection with such "plan assets" to the fiduciary duties and limitations imposed on ERISA fiduciaries, notwithstanding anything contained herein to the contrary. In addition, restrictions imposed on the Company under ERISA could limit certain investment opportunities in select circumstances. It is not intended that participation by Benefit Plan Investors in any Class will exceed this 25% threshold but this could change without notice. (See "ERISA" Considerations For Employee Plans").

### **Limitation on liability of Shareholders**

The liability of Shareholders is limited to any unpaid amount on its Shares and all Shares in the Company will only be issued on a fully paid basis. However, under the Application Form and the Memorandum and Articles of Association, investors will be required to indemnify the Company and other parties as stated therein for certain matters including inter alia losses incurred as a result of the holding or acquisition of Shares by an ineligible applicant, any liabilities arising due to any tax the Company is required to account for on an investor's behalf, including any penalties and interest thereon, any losses incurred as a result of a mis-representation by an investor, etc.

## **Controlling Shareholder**

There is no restriction on the percentage of the Company's Shares that may be owned by one person or several connected persons. It is possible, therefore, that one person, including a person or entity related to the Management Company, the Investment Manager, or, a collective investment scheme managed by the Management Company or the Investment Manager, may obtain control of the Company or of a Fund, subject to the limitations noted above regarding control of the operation of the Company.

## **No Independent Counsel**

No independent legal counsel has been retained to represent the interests of the Shareholders. Neither the Memorandum of Association, the Articles of Association, the Management Agreement nor the Investment Management Agreement of the Company have been reviewed by any attorney on behalf of the Shareholders. Each prospective investor is therefore urged to consult its own legal counsel as to the terms and provisions of the Shares and with regard to all other related documents. Legal counsel to the Company, Management Company and the Investment Manager do not represent any Shareholders in the Company.

## **Operational Risk**

The Company is reliant upon the performance of third-party service providers for their executive functions. In particular, the Management Company, the Investment Manager, the Depositary and the Administrator will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, including in circumstances where the service provider has breached the terms of its contract, could have a materially detrimental impact upon the operations of the Company.

A Fund's investments may be adversely affected due to the operational process of the Company, the Management Company, the Investment Manager or other service providers to the Company. A Fund may be subject to losses arising from inadequate or failed internal controls, processes and systems, or from human or external events to the extent that losses are not recoverable under the terms of any contract with service providers.

## **Cyber Security Risk**

The Company and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e. efforts to make services unavailable to intended users). Cyber security incidents affecting the Directors, the Company, the Management Company, the Investment Manager, the Administrator or the Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations,



potentially resulting in financial losses, including by interference with the Company's ability to calculate its Net Asset Value; impediments to trading for a Fund's portfolio; the inability of Shareholders to transact business with the Company; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Fund invests, counterparties with which a Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

### **Umbrella Cash Accounts**

The Company has established subscription cash accounts at umbrella level in the name of the Company for each Fund of the Company, except for Blackstone Market Neutral Systematic Credit Fund (UCITS) in respect of which a separate account will be maintained. Pending payment to the relevant Shareholders, dividends shall also be paid into separate dividend cash accounts at umbrella level in the name of the Company. Each of these cash accounts are defined herein as Umbrella Cash Accounts. All subscriptions, redemptions or dividend payments payable to or from the relevant Fund will be channeled and managed through such Umbrella Cash Accounts. However the Company will ensure that the amounts within the Umbrella Cash Account whether positive or negative can be attributed to the relevant Fund in order to comply with the requirement (as set out in the Articles of Association) that the assets and liabilities of each Fund are kept separate from all other Funds and that separate books and records are maintained for each Fund in which all transactions relevant to a Fund are recorded.

Investors should note that in the event of the insolvency of another Fund of the Company, recovery of any amounts to which a relevant Fund is entitled, but which may have transferred to such other insolvent Fund as a result of the operation of the Umbrella Cash Account(s) will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Accounts. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent may have insufficient funds to repay the amounts due to the relevant Fund.

In circumstances where subscription monies are received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or expected to be, received and are held in an Umbrella Cash Account, any such investor shall rank as an unsecured creditor of the Fund until such time as Shares are issued as of the relevant Dealing Day. Therefore in the event that such monies are lost prior to the issue of Shares as of the relevant Dealing Day to the relevant investor, the Company on behalf of the Fund may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor (in its capacity as a creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund.

Similarly in circumstances where redemption monies are payable to an investor subsequent to a Dealing Day of a Fund as of which Shares of that investor were redeemed or dividend monies are

payable to an investor and such redemption / dividend monies are held in an Umbrella Cash Account, any such investor /Shareholder shall rank as an unsecured creditor of the relevant Fund until such time as such redemption/ dividend monies are paid to the investor/ Shareholder. Therefore in the event that such monies are lost prior to payment to the relevant investor/ Shareholder, the Company on behalf of the Fund may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor/ Shareholder (in its capacity as an unsecured creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund.

### **Net Asset Value Considerations**

The Net Asset Value per Share in respect of each Class is expected to fluctuate over time with the performance of a Fund's investments. As a result, an investment should be viewed as long-term. A Shareholder may not fully recover their initial investment when their Shares are redeemed.

Separately, a Fund may invest some of its assets in unquoted Financial Instruments. Such Financial Instruments will be valued by the Directors or their delegate in good faith as to their probable realisation value. Such Financial Instruments are inherently difficult to value and may be the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such Financial Instruments.

The Subscription Price or Redemption Price may be different from the NAV due to Duties and Charges and other amounts payable/receivable in relation to Performance Fee equalisation. A Fund will pay fees and expenses regardless of whether it experiences any profits.

### **INVESTMENT RISKS**

#### **Certain Risks of Debt Securities**

Debt securities are subject to credit and interest rate risks. "*Credit risk*" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an investment and securities which are rated by rating agencies are often reviewed and may be subject to downgrade. "*Interest rate risk*" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a less degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

## **Investment Grade Debt Securities**

Although debt securities rated in the BBB or equivalent category are commonly referred to as investment grade, they may have speculative characteristics. Such investments may, under certain circumstances, lead to a greater degree of fluctuation in the Net Asset Value of the Company or any Fund than if the Company or Fund only invested in higher-rated investment grade securities with similar maturities. In addition, changes in economic conditions or other circumstances are more likely to lead to a weakened capacity to make principal and interest payments than is the case with higher grade bonds.

## **Non-Investment Grade Debt Securities**

Certain Funds may invest in debt securities that are rated below investment grade (such as BB or lower by Standard & Poor's Corporation and/or Ba or lower by Moody's Investors Service, Inc.) or deemed to be below investment grade by the Investment Manager in its sole discretion. These securities, often referred to as high yield debt securities, are considered speculative and, while generally offering greater income than investments in higher quality securities, involve greater risk of loss of principal and income, including the possibility of default or bankruptcy of the issuers of such securities, especially during periods of economic uncertainty or change. These lower quality bonds tend to be affected by economic changes and short-term corporate and industry developments, as well as public perception of those changes and developments, to a greater extent than higher quality securities, which react primarily to fluctuations in the general level of interest rates.

In addition, the market for lower-rated debt securities may be thinner and less active than that for higher rated debt securities, which can adversely affect the prices at which the lower-rated debt securities are sold. Market quotations may not be available for high yield debt securities, and judgment plays a greater role in valuing high yield corporate debt securities than is the case for securities for which more external sources for quotations and last sale information is available. Adverse publicity and changing investor perception may also affect the availability of outside pricing services to value lower-rated debt securities and the Company's ability to dispose of these securities. In addition, such securities generally present a higher degree of credit risk. Issuers of lower-rated debt securities are often highly leveraged and may not have more traditional method of financing available to them so that their ability to service their obligations during an economic downturn or during sustained periods of rising interest rates may be impaired. The risk of loss due to default by such issuers is significantly greater because below investment grade securities generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness.

Additionally, while the market for high yield debt securities has been in existence for many years and has weathered previous economic downturns, past experience may not provide an accurate indication of future performance of the high yield bond market, especially during periods of economic recession.

## **Interest Rates**

The values of some or all of a Fund's investments may change in response to movements in interest rates. If rates rise, the values of debt securities generally fall. The longer the average duration of a Fund's investment portfolio, the greater the change in value. Duration is a measure of the expected life

of a fixed income security that was developed as a more precise alternative to the concept of “term to maturity.” Duration incorporates a bond’s yield, coupon interest payments, fixed maturity, call and put features and prepayment exposure into one measure. Traditionally, a fixed-income security’s “term to maturity” has been used to determine the sensitivity of the security’s price to changes in interest rates (which is the “interest rate risk” or “volatility” of the security). However, “term to maturity” measures only the time until a fixed-income security provides its final payment, taking no account of the pattern of the security’s payments prior to maturity. Duration is used in the management of the portfolio as a tool to measure interest rate risk. The values of any of a Fund’s investments may also decline in response to events affecting the issuer or its credit rating. The value of some mortgage-backed and asset-backed securities in which a Fund invests also may fall because of unanticipated levels of principal prepayments that can occur when interest rates decline. Principal and interest payments on such securities depend on payment of the underlying loans, though issuers may support creditworthiness via letters of credit or other instruments.

### **Rating Agencies**

Ratings assigned by Moody’s, Standard & Poor’s or Fitch reflect only the views of those agencies and may be subject to certain biases and conflicts of interest. Additionally, no assurance can be given that the ratings assigned to any particular security will not be withdrawn or revised downward in the future.

### **Maturity Risk**

Interest rate risk will generally affect the price of a debt security more if the security has a longer maturity. Debt securities with longer maturities will therefore be more volatile than other fixed income securities with shorter maturities. Conversely, debt securities with shorter maturities will be less volatile but generally provide lower returns than debt securities with longer maturities. The average maturity of each of the Company’s debt security investments will affect the volatility of that Company’s value.

### **Credit Risk**

Credit risk is the risk that the issuer of a debt security will not be able to pay principal and interest when due. Rating agencies assign credit ratings to certain debt securities to indicate their credit risk. The price of a debt security will generally fall if the issuer defaults on its obligation to pay principal or interest, the rating agencies downgrade the issuer’s credit rating or other news affects the market’s perception of the issuer’s credit risk.

A portion or all of a Fund’s holdings may be invested in below investment grade issues which may be subject to greater credit risk. Because not all dealers maintain markets in all lower quality and comparable unrated securities, there is no established retail secondary market for many of these securities. The lack of a liquid secondary market for certain securities may make it more difficult for a Fund to obtain accurate market quotations for purposes of valuing a Fund’s portfolios. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of lower-quality and comparable unrated securities, especially in a thinly traded market.

### **Futures Contracts**

Certain Funds may invest in futures contracts, which may subject them to certain special significant risks as described below:

*Speculative and Volatile.* Futures contracts prices are highly volatile. Price movements of futures contracts are influenced by, among other things, changing supply and demand relationships; government trade, fiscal, monetary and exchange programs and policies; national and international political and economic events; and changes in interest rates. In addition, governments from time to time intervene, directly and by regulation in certain markets, particularly in currencies and gold. Such intervention is often intended to influence price directly. None of these factors can be controlled by the Investment Manager and no assurances can be given that advice will result in profitable trades for the Company or that the Company will not incur substantial losses.

*Highly Leveraged.* The low margin deposits normally required in futures trading permit an extremely high degree of leverage; margin requirements for futures trading being in some cases as little as 2% of the face value of the contracts traded. For example, if at the time of sale 10% of the price of the futures contract is deposited as margin, a 10% decrease in the price of the futures contract would, if the contract was then closed out, result in a total loss of the margin deposit before any deduction for the trading commission. A decrease of more than 10% would result in a loss of more than the total margin deposit. Accordingly, a relatively small price movement in a futures contract may result in immediate and substantial loss to the Company. Like other leveraged investments, any trade may result in losses in excess of the amount invested.

*Illiquidity.* United States commodity exchanges impose “daily limits” on the amount by which the price of most futures contracts traded on such exchanges may vary during a single day. Daily limits prevent trades from being executed during a given trading day at a price above or below the daily limit. Once the price of a futures contract has moved to the limit price, it may be difficult, costly or impossible to liquidate a position. Such limits could prevent the Investment Manager from promptly liquidating unfavourable positions and restrict its ability to exercise or offset commodity options held in the Company’s accounts. In addition, even if futures prices have not moved to the daily limit, the Investment Manager may be unable to execute trades at favourable prices if the liquidity in the market is not adequate. Daily limits have been applicable to bond futures for some time and have recently been imposed on stock index futures. It is also possible for an exchange or the CFTC to suspend trading in a particular contract, order immediate settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only.

*Position limits.* The CFTC and the United States commodities exchanges have established limits referred to as “speculative position limits” on the maximum net long or net short speculative positions that any person may hold or control in any particular futures or options contracts traded on United States commodities exchanges. All accounts (proprietary or client) owned or managed by the Investment Manager will be combined for position limit purposes. The Investment Manager could be required to liquidate positions held for the Company in order to comply with such limits. Any such liquidation could result in substantial costs to the Company.

Certain Funds may also utilise OTC bond futures for investment purposes or for efficient portfolio management. OTC bond futures are subject to counterparty risk, credit risk and interest rate risk

applicable to OTC derivatives in general as more particularly described herein under "**Counterparty Risk**" and "**Substantial Risks are Involved in Trading Financial Derivative Instruments**"

*Correlation.* The use of futures and interest rate swaps for hedging involves a risk of a possible imperfect correlation, or even no correlation, between price movements of derivative instruments and price movements of underlying risk being hedged against.

### **Swap Agreements**

Certain Funds may enter into one or more swap agreements. Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a day to many years. In a standard swap transaction, two parties agree to exchange the returns earned on specific assets, such as the return on, or increase in value of, a particular dollar amount invested at a particular interest rate, in a particular foreign currency, or in a "basket" of securities representing a particular index. A swap contract may not be assigned without the consent of the counter-party, and may result in losses in the event of a default or bankruptcy of the counterparty. Swap agreements are traded in the over-the-counter market and may be considered illiquid.

### **Interest Rate Swaps**

Interest rate swap agreements are a specialized form of a swap agreement, used to obtain or preserve a desired return or spread at a lower cost than through a direct investment in an instrument that yields the desired return or spread. Swaps also may protect against changes in the price of securities that an investor anticipates buying or selling at a later date. In a standard interest rate swap transaction, two parties agree to exchange their respective commitments to pay fixed or floating rates on a predetermined notional amount. The swap agreement notional amount is the predetermined basis for calculating the obligations that the swap counterparties have agreed to exchange. Under most interest rate swap agreements, the obligations of the parties are exchanged on a net basis. The two payment streams are netted out, with each party receiving or paying, as the case may be, only the net amount of the two payments.

Interest rate swap agreements are usually entered into at a zero net market value of the swap agreement commitments. The market values of the underlying commitments will change over time resulting in one of the commitments being worth more than the other and the net market value creating a risk exposure for one counterparty to the other.

Interest rate swap agreements may include embedded interest rate caps, floor and collars. In interest rate cap transactions, in return for a premium, one party agrees to make payments to the other to the extent that interest rates exceed a specified rate, or cap. Interest rate floor transactions require one party, in exchange for a premium to agree to make payments to the other to the extent that interest rates fall below a specified level, or floor. In interest rate collar transactions, one party sells a cap and purchases a floor, or vice versa, in an attempt to protect itself against interest rate movements exceeding given minimum or maximum levels or collar amounts.

Certain Funds will enter into interest rate swap agreements only if the claims-paying ability of the other

party or its guarantor is considered to be investment grade by the Investment Manager. Generally, the unsecured senior debt or the claims-paying ability of the other party or its guarantor must be rated in one of the three highest rating categories of at least one of Moody's, Standard & Poors or Fitch rating agencies at the time of entering into the transaction. If there is a default by the other party to such a transaction, the Company will have to rely on its contractual remedies (which may be limited by bankruptcy, insolvency or similar laws) pursuant to the agreements related to the transaction. In certain circumstances, the Company may seek to minimize counterparty risk by requiring the counterparty to post collateral.

### **Credit Default Swaps**

Certain Funds may enter into credit default swap agreements. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided no event of default has occurred. In the event of default, the seller must pay the buyer the "par value" (full notional value) of the reference obligation in exchange for the reference obligation. The Company may be either the buyer or seller in the transaction. If the Company is a buyer and no event of default occurs, the Company loses its investment and recovers nothing. However, if an event of default occurs, the buyer receives full notional value for a reference obligation that may have little or no value. As a seller, the Company receives a fixed rate of income throughout the term of the contract, provided there is no default event. If an event of default occurs, the seller may pay the notional value of the reference obligation. The value of the reference obligation received by the seller, coupled with the periodic payments previously received may be less than the full notional value it pays to the buyer, resulting in a loss of value to the Company. Credit default swaps involve greater risks than if the Company had invested in the reference obligation directly. In addition to general market risks, credit default swaps are subject to illiquidity risk, counterparty risk and credit risks.

### **Counterparty Risk**

Financial institutions, such as brokerage firms, broker-dealers and banks, may enter into transactions with the Investment Manager on account of a Fund in relation to the Fund's investments. These financial institutions, being a counterparty to the transactions, may also be issuers of other Financial Instruments in which a Fund invests.

A Fund will also have a credit risk on the counterparties with which it trades. In the event of the insolvency, bankruptcy or default of any such counterparty the Fund bears the risk that the counterparty may not settle a transaction in accordance with market practice due to credit or liquidity problems of the counterparty, or due to the insolvency, fraud or regulatory sanction of the counterparty, thus causing the Fund to suffer a loss.

A Fund may have exposure to trading counterparties other than the Custodian. Where a Fund delivers collateral to its trading counterparties under the terms of its trading agreements with such parties, a counterparty may be over-collateralised and the Fund will, therefore, be exposed to the creditworthiness of such counterparties to the extent of the over-collateralisation. Collateral provided to a trading counterparty may be subject to counterparty risk. In addition, the Fund may from time to time have uncollateralised exposure to its trading counterparties in relation to its rights to receive securities and cash under contracts governing its trading positions. In the event of the insolvency of a trading

counterparty, the Fund will rank as an unsecured creditor in relation to amounts equivalent to both any uncollateralised exposure to such trading counterparties and any such over collateralisation, and in such circumstances it is likely that the Fund will not be able to recover any debt in full, or at all.

A Fund's transactions involve counterparty credit risk and will expose the Fund to unanticipated losses to the extent that counterparties are unable or unwilling to fulfil their contractual obligations. With respect to exchange traded derivatives and centrally cleared OTC derivatives, the risk is more complex in that it involves the potential default of the exchange, clearing house or the clearing broker.

The Investment Manager may have contractual remedies upon any default pursuant to the agreements related to the transactions. Such remedies could be inadequate, however, to the extent that the collateral or other assets available are insufficient.

Deposits of securities or cash with a custodian, bank or financial institution ("custodian or depository") will also carry counterparty risk as the custodian or depository may be unable to perform their obligations due to credit-related and other events like insolvency or default by them. In these circumstances, a Fund may be required to exit certain transactions, may encounter delays of some years, and may encounter difficulties with respect to court procedures in seeking recovery of the Fund's assets. Furthermore, in some custody, sub-custody or stock-lending arrangements, a Fund may not have a right to have specific assets returned to it, but rather, the Fund may only have an unsecured claim against the custodian or counterparty, in which case it may lose all or the greater part of the value of the relevant assets.

## **Derivatives and Techniques and Instruments Risk**

Some of the instruments that a Fund may utilise may be referred to as "derivative instruments" because their value depends on (or "derives" from) the value of an underlying such as a security, index, interest rate, money market instrument or currency. These derivative instruments include options, futures, forwards, swaps and similar instruments that may be used in hedging strategies. There is only limited consensus as to what constitutes a derivative instrument. The market value of derivative instruments sometimes is more volatile than that of other investments, and each type of derivative instrument may pose its own special risks. The Investment Manager takes these risks into account in its management of a Fund. The Investment Manager's ability to use these instruments may be limited by market conditions, regulatory limits and tax considerations.

## **Substantial Risks are involved in trading Financial Derivative Instruments**

The prices of derivative instruments, including futures and options prices, may be highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, national and international political and economic events or changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, e.g. markets in currencies or interest rates. Such intervention often is intended directly to influence prices and may, together with other factors, cause markets to move rapidly in the same direction. The use of financial derivative instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices



of Financial Instruments being hedged, (2) imperfect correlation between the hedging instruments and the Financial Instruments or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's other investments, and (4) the possible absence of a liquid market for any particular instrument at any particular time.

## **Legal Risk**

Transactions in general and the use of OTC derivatives will expose the Funds to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties.

The Fund, the Directors, the Investment Manager, the Administrator and other related entities, may be subject to lawsuits or proceedings by government entities or private persons. Besides the risk of interfering with the service provider's ability to perform its duties to the Company, such litigation or proceedings could require the Company to assume the costs incurred by the service provider in its defence.

## **Risks Associated with Securities Financing Transactions**

### *General*

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

### *Securities Lending*

Where disclosed in the relevant Supplement, a Fund may engage in securities lending activities. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to a certain level to ensure that the exposure to a given counterparty does not breach any risk-spreading rules imposed under the UCITS Regulations. However, there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a Fund may invest cash collateral received under a securities lending arrangement in accordance with the requirements set down in the Central Bank UCITS Regulations, a Fund will be exposed to the risk associated with such investments, such as failure or default of the issuer or the relevant security.

### *Repurchase Agreements*

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

### *Reverse Repurchase Agreements*

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

### *Risks Associated with Collateral Management*

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

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

Where collateral is posted to a counterparty or broker by way of a title transfer collateral arrangement or where the Company on behalf of a Fund grants a right of re-use under a security collateral arrangement which is subsequently exercised by the counterparty, the Company on behalf of a Fund will only have an unsecured contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty, the Fund shall rank as an unsecured creditor and may not receive equivalent assets or recover the full value of the assets. Investors should assume that the insolvency

of any counterparty would result in a loss to the relevant Fund, which could be material. In addition, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the Company or its delegates will not have any visibility or control.

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

### **Investments in Other Collective Investment Schemes**

A Fund may purchase shares of other collective investment schemes to the extent that such purchases are consistent with such Fund's investment objective and restrictions and are in accordance with the requirements of the Central Bank. As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its pro rata portion of the other collective investment scheme's expenses, including management fees. These expenses would be in addition to the expenses that a Fund would bear in connection with its own operations.

Also, although intended to protect capital and enhance returns in varying market conditions, certain trading and hedging techniques which may be employed by the other collective investment scheme such as leverage, short selling and investments in options or commodity or financial futures could increase the adverse impact to which the other collective investment scheme may be subject.

There can be no assurance that the Investment Manager can successfully select suitable collective investment schemes or that the Management Companies of the other collective investment schemes selected will be successful in their investment strategies.

### **Feeder Fund Risk**

Certain Funds may be established as feeder funds pursuant to the UCITS Regulations. Feeder funds invest substantially all of their assets in a "Master Fund" (excluding any holding in ancillary liquid assets and derivatives) and accordingly, will not be diversified. There is no assurance that the Master Fund or Fund will achieve their investment objective.

### **Availability of and Ability to Acquire Suitable Investments**

While the Investment Manager believes that many attractive investments of the type in which a Fund may invest are currently available and can be identified, there can be no assurance that such investments will be available when a Fund commences investment operations, or that available investments will meet the Company's investment criteria. Furthermore, a Fund may be unable to find a sufficient number of attractive investment opportunities to meet its investment objective.

### **Leverage Risk**

Leverage may result from certain transactions, including the use of derivatives, borrowing and reverse repurchase agreements. Leverage may exaggerate the effect of a change in the value of a Fund's

portfolio securities, causing a Fund to be more volatile than if leverage was not used. The Company may, but is not required to, reduce leverage risk by either segregating an equal amount of liquid assets or “covering” the transactions that introduce such risk.

### **Trading Derivative Instruments Involves Credit Risk**

Certain Funds may buy and sell derivative securities in “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms because the counterparty has a credit or liquidity problem. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide) because such markets may lack the established rules and procedures for settlement of disputes among market participants available in “exchange-based” markets. These problems may cause a Fund to suffer loss due to adverse market movements while replacement transactions are executed or otherwise. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Company has concentrated its transactions with a single or small group of counterparties.

### **Political, Regulatory, Settlement and Sub-Custodial Risk**

The value of a Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. As some of the Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances in which the Depositary will have no liability.

### **General Sustainability Risks**

The Company, the Management Company, the Investment Manager, the Funds, the issuers in which the Company invests and other parties, such as service providers or Fund counterparties, may be negatively affected by Sustainability Risks.

The Investment Manager undertakes an analysis of all proposed investments against three foundational pillars of responsible investment prior to a determination being made as to whether to proceed with such investment. Further details of the Investment Manager's SRI criteria and the integration of sustainability factors into the investment process is set out in the Prospectus under the heading "*Environmental and Social Characteristics*". However, there can be no guarantee that the information that the Investment Manager relies on to make such determinations accurately reflects the sustainability impacts of an investment as the availability of data required to undertake this analysis may be limited for certain investments.

Use of SRI criteria by the Investment Manager to select investments for a Fund involves a degree of subjectivity on the part of the Investment Manager. There can be no assurance that the criteria taken into account by the Investment Manager will result in the Fund's investments aligning with an investors' specific values or beliefs. The SRI criteria may be amended at any time without prior notice being given to a Fund or its Shareholders. Shareholders will be prior notified if the changes materially change the investment policy of the Fund, however, it is not expected that changes to the SRI criteria would represent a material change to the policy.

### **Liquidity Risk**

Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. In addition, there is uncertainty as to the liquidity available in certain OTC derivatives markets which may be constrained by derivative reform legislation and capital requirements imposed on sell-side firms.

### **Redemption Risk**

Large redemptions of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

### **Share Currency Designation Risk**

A Class of Shares of a Fund may be designated in a currency other than the Base Currency of the Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Fund's Investment Manager may try but is not obliged to mitigate this risk by using financial instruments such as those described in the relevant Supplement. Investors should be aware that this strategy may substantially limit Shareholders of the relevant class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Fund are denominated. In such circumstances Shareholders of the relevant Class of Shares of the Fund may be exposed to fluctuations in the Net Asset value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. Financial instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class of Shares of the Fund.

### **Broad Indemnification of Investment Manager, the Management Company and Directors**

The Management Agreement contains provisions that may provide a broader indemnification of the Management Company and its delegates against claims or lawsuits arising out of the Company's activities than would apply in the absence of such provisions. Under the Management Agreement, the Management Company, its directors, officers, employees, delegates or agents will be indemnified by the Company from and against all actions, proceedings and claims and against all costs, demands, loss and expenses (including legal and professional expenses costs) arising therefrom which may be brought against, suffered or incurred by the Management Company by reason of its performance of its

duties under the terms of the Management Agreement (other than due to the wilful default, fraud, bad faith, negligence or reckless disregard in the performance by the Management Company and any of its directors, officers, employees, delegates or agents) of its obligations or functions under the Management Agreement.

Investment Manager. The amended and restated Investment Management Agreement contains provisions that may provide a broader indemnification of the Investment Manager and its delegates against claims or lawsuits arising out of the Company's activities than would apply in the absence of such provisions. Under the Investment Management Agreement, the Investment Manager, its directors, officers, employees, affiliates delegates or agents will be indemnified by the Company from and against all actions, proceedings and claims and against all costs, demands, loss and expenses (including legal and professional expenses costs) arising therefrom which may be brought against, suffered or incurred by the Investment Manager by reason of its performance of its duties under the terms of the Investment Management Agreement (other than due to the wilful default, fraud, bad faith, negligence or reckless disregard in the performance by the Investment Manager and any of its directors, officers, employees, delegates or agents) of its obligations or functions under the Investment Management Agreement.

Directors. Under the Articles of Association, the Company will indemnify and secure harmless out of the assets of the Company against all actions, costs, debts, claims, demands, suits, proceedings, judgements, decrees, charges, losses, damages, expenses, liabilities or obligations of any kind which any Director may incur by virtue of having been a Director. This indemnity will apply to all claims, actions, suits or proceedings (civil, criminal, administrative, legislative, investigative, or other, including appeals) costs, judgements, amounts paid in settlement, fines, penalties and other liabilities.

The right to indemnification shall not extend to any of the foregoing sustained or incurred as a result of any fraud, negligence or wilful default by a Director in relation to the Company.

### **Valuation Risk**

A Fund may invest some of its assets in illiquid and/or unquoted securities or instruments. Such investments or instruments will be valued by the Directors or their delegate in good faith, in consultation with the Investment Manager as to their probable realisation value. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities.

### **Accounting, Auditing and Financial Reporting Standards**

The accounting, auditing and financial reporting standards of many of the countries in which a Fund may invest may be less extensive than those applicable to US and European Union companies.

### **Securities Lending Risk**

As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However, there is a risk that the

value of the collateral may fall below the value of the securities transferred. In addition, as a Fund may invest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, a Fund investing collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security

### **Institutional Risk**

The institutions, including brokerage firms and banks, with which the Company does business may encounter financial difficulties that impair the operational capabilities or the capital position of the Company. There is a risk that any of such counterparties could become insolvent. The insolvency of the Company's counterparties is likely to impair the operational capabilities or the assets of the Company. Furthermore, if one or more of the Company's counterparties were to become insolvent or the subject of liquidation proceedings, there exists the risk that the recovery of the Company's securities and other assets from such counterparty will be delayed or be of a value less than the value of the securities or assets exposed to such counterparty.

### **Private Offering under the Securities Act**

This offering has not been registered under the Securities Act in reliance on the exemption contained in Rule 506 of Regulation D under the Securities Act ("Regulation D"), which requires that offers are limited to US Persons that are "accredited investors" as defined in Rule 501(a) of Regulation D.

No assurance can be given that this offering currently qualifies or will continue to qualify under the exemptive provisions of Regulation D because of, among other things, the adequacy of disclosure and the manner of distribution, the timeliness of filings, the existence of similar offerings in the past or in the future, or the retroactive change of any securities law or regulation. If the Regulation D exemption is lost, the Company may not be able to avail itself of other offering exemptions and successful claims or suits for rescission may be brought and successfully concluded for failure to register these offerings under applicable US federal and state securities laws.

### **Exclusions from Investment Company Act Regulation**

The Management Company believes that, by virtue of Section 3(c)(1) and/or 3(c)(7) of the Investment Company Act, the Company should not be deemed to be an "investment company" and, accordingly, is not be required to register as such under the Investment Company Act. Accordingly, certain protections provided by the Investment Company Act (which, among other things, require investment companies to have a certain number of disinterested directors and regulate the relationship between the adviser and the investment company) will not apply to the Company.

In general, Section 3(c)(1) of the Investment Company Act excludes from regulation certain private investment companies if its outstanding securities are beneficially owned by not more than one hundred (100) US Persons. Additionally, Section 3(c)(7) of the Investment Company Act excludes from regulation certain private investment companies (i) whose outstanding securities are beneficially owned exclusively (for purposes of Section 3(c)(7)) by persons who, at the time of acquisition of such securities, are "qualified purchasers", and (ii) that are not making and do not presently propose to make a public offering of their securities in the United States.

## **Risk Factors Not Exhaustive**

The investment risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Company or any Fund may be exposed to risks of an exceptional nature from time to time.

## **CONFLICTS OF INTEREST**

The Company has adopted a policy to address conflicts of interest and to seek to ensure, when conflicts of interest cannot be avoided, that the Funds and their Shareholders are fairly treated.

The Directors, the Management Company, the Investment Manager, the Distributor, the Administrator and the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Company and/or their respective roles with respect to the Company. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Company may invest. In particular, the Management Company or the Investment Manager may be involved in advising or managing other investment funds which have similar or overlapping investment objectives to or with the Company or Funds.

Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly.

## **Connected Party Transactions**

**"Connected Person"** means the Management Company or the Depositary, and the delegates or sub-delegates of the Management Company or the Depositary (excluding any non-group company sub-custodians appointed by the Depositary), and any associated or group company of the Management Company, the Depositary, any delegate or sub-delegate.

The Management Company is required to ensure that any transaction between the Company and a Connected Person is conducted at arm's length and is in the best interests of Shareholders.

Provided that the assets of a Fund are not treated as "plan assets" subject to ERISA, there is no prohibition on transactions with the Company by Connected Persons including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the Company and none of them shall have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction and such transaction shall be carried out as if effected on normal commercial terms negotiated at arm's length.



Although not currently anticipated, in the event that the assets of a Fund are treated as “plan assets” subject to ERISA, the Management Company and Investment Manager shall conduct the operations of each Fund in accordance with the fiduciary responsibility and prohibited transaction restrictions set forth in ERISA.

The Management Company may enter into a transaction with a Connected Person if at least one of the conditions in the following paragraphs (a), (b) or (c) is complied with:

- (a) the value of the transaction is certified by either: (i) a person who has been approved by the Depositary as being independent and competent; or (ii) a person who has been approved by the Directors as being independent and competent in the case of transactions involving the Depositary;
- (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or
- (c) the transaction is executed on terms which the Depositary is or, in the case of a transaction involving the Depositary, the Directors are, satisfied conformed to the requirement that transactions with Connected Persons be conducted at arm’s length and in the best interests of Shareholders.

The Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document how it or they complied with the requirements of (a), (b) or (c) above. Where transactions are conducted in accordance with (c) above, the Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document its or their rationale for being satisfied that the transaction conformed to the requirement that transactions with Connected Persons be conducted at arm’s length and in the best interests of Shareholders.

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

### **Other Activities of the Management Company and Investment Manager and their affiliates**

The Management Company, the Investment Manager and their members, partners, officers and employees will devote as much of their time to the activities of the Company as they deem necessary to conduct its business affairs in an appropriate manner. The Management Company or the Investment Manager are not restricted from forming additional investment funds, from entering into other management company / investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Company. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of the Management Company, the Investment Manager, and their officers and employees will not be devoted exclusively to the business of the Company but will be allocated between the business of the Company and the management of other funds and managed accounts. Furthermore, firm personnel derive financial

benefit from these other activities, including fees and performance-based compensation. These and other factors may create conflicts of interest in the allocation of time by the Management Companies or the Investment Manager's personnel.

### **Cross Transactions**

In accordance with applicable regulatory requirements, the Investment Manager will seek to adjust or rebalance client investment accounts or portfolios by effecting cross trades between or among client investment accounts, including accounts of pooled investment vehicles managed by the Investment Manager or an affiliate in which the Investment Manager and affiliates are invested (i.e., causing one or more such client accounts to sell securities to one or more such client accounts). The Investment Manager may utilise "cross" trades to address account funding issues and when it specifically deems the practice to be advantageous for each participant. For example one account is selling securities due to a redemption but another account is buying similar securities because of a subscription. In addition, cross trades may be utilised for risk rebalancing where one account is determined to be over risked in an issuer/sector and another account is under risked in an issuer/sector/etc. In no instance does the Investment Manager receive additional compensation when crossing trades for client accounts. Such transactions may involve the Company. In effecting such cross trades, the Investment Manager seeks to reduce the transaction costs to its clients of such account adjustments. All such cross trades will be consistent with the investment objectives and policies of each client account involved in the trades and will be effected at a current independent market price of the securities involved in the trades determined by the Investment Manager. Client accounts, including the Company, involved in such cross trades will not pay any brokerage commissions or mark ups in connection with the trades, but may pay customary transfer fees (i.e., aggregate ticket charges) that are assessed through any unaffiliated broker dealers through which the trades are effected. In no circumstances will the Investment Manager receive compensation when crossing trades for client accounts including Funds of the Company. Cross trades will not be effected if the holders of a majority of the Shares not held by affiliates of the Investment Manager revoke such authority.

A report will be included in the Company's annual and half-yearly reports describing the Investment Manager's soft commission practices.

### **Material, Non-Public Information**

The Investment Manager or its affiliates may come into possession of confidential information with respect to an issuer. The Investment Manager may be restricted from buying, originating or selling securities, or derivatives with respect to, the issuer on behalf of the Funds until such time as the information becomes public or is no longer deemed material such that it would preclude the Funds from participating in an investment. Disclosure of such information to the Investment Manager's personnel responsible for the affairs of the Funds will be on a need-to-know basis only, and the Investment Manager may not be free to act for the Funds upon any such information. Therefore, the Company may not have access to confidential information in the possession of the Investment Manager that might be relevant to an investment decision to be made for the Funds. In addition, the Investment Manager, in an effort to avoid buying or selling restrictions on behalf of the Funds, may choose to forego an opportunity to receive (or elect not to receive) information that other market participants or counterparties, including those with the same positions in the issuer as the Funds are eligible to receive

or have received, even if possession of such information would otherwise be advantageous to the Funds.

In addition, affiliates of the Investment Manager may come into possession of confidential information with respect to an issuer. The Investment Manager may be restricted from buying or selling securities, or derivatives with respect to, the issuer on behalf of a Fund if the Investment Manager deemed such restriction appropriate. Disclosure of such information to the Investment Manager's personnel responsible for the affairs of the Funds will be on a need-to-know basis only, and the Company may not be free to act upon any such information. Therefore, the Company may not have access to confidential information in the possession of the Investment Manager or its affiliates that might be relevant to an investment decision to be made by the Funds. Accordingly, the Company may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

### **Possible Future Activities**

The Investment Manager and its affiliates may expand the range of services that it provides over time. Except as provided herein, the Investment Manager and its affiliates will not be restricted in the scope of its business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. The Investment Manager and its affiliates have, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with clients who may hold or may have held investments similar to those intended to be made by the Company. These clients may themselves represent appropriate investment opportunities for the Company or may compete with the Company for investment opportunities.

### **Valuation**

The Investment Manager may be consulted by the Administrator in relation to the valuation of investments. There is a conflict of interest between any involvement of the Investment Manager in this valuation process and with the Investment Manager's entitlement to any proportion of the investment management fee or Performance Fee which are calculated on the basis of the Net Asset Value.

### **Additional Potential Conflicts of Interest**

The officers, directors, members, managers and personnel of the Investment Manager can be expected to trade in securities and make personal investments for their own accounts, subject to restrictions and reporting requirements as may be required by law or the Company, the Management Company's or Investment Manager's policies, or otherwise determined from time to time by the Investment Manager, the Management Company or the Company, as applicable. Such personal securities transactions and investments will, in certain circumstances, result in conflicts of interest, including to the extent they relate to (i) a company in which the Company holds or acquires an investment and (ii) entities that have interests which are adverse to those of the Company or pursue similar investment opportunities as the Company. In addition, certain other clients of the Investment Manager or its affiliates ("Other Clients") may be subject to the Investment Company Act or other regulations that, could restrict the ability of the Funds to buy investments from, to sell investments to or to invest in the same securities as, such Other

Clients. Such regulations may have the effect of limiting the investment opportunities available to the Funds.

### **Conflicts of Interest Associated with the Administrator and the Depositary**

The Administrator and the Depositary and their respective affiliates, directors, officers, managers, partners, members, shareholders, employees and agents and delegates appointed in respect of the Company (collectively, the “Northern Trust Service Providers”) are each affiliates of The Northern Trust Group (“Northern Trust”). Northern Trust engages in a broad spectrum of investment management-related services, including fund administration, trust services, investor services, accounting, custody and cash management services. To the extent permitted by applicable law and in accordance with the Company's connected party transaction policy, the Northern Trust Service Providers may enter into transactions with the Company, in respect of the Funds, in which they also serve as the counterparty. The Northern Trust Service Providers will only consider engaging in such transactions to the extent permitted by applicable law and the Company's connected party transaction policy, and all such transactions will be entered into on an arm's-length basis and in the best interests of Shareholders. Each Shareholder will be deemed to have acknowledged the existence of the actual and potential conflicts of interest created by the engagement of the Northern Trust Service Providers and to have waived any claim arising from the existence of any such conflicts of interest. To the extent conflicts arise as a result of the engagement of the Northern Trust Service Providers by the Company, the Investment Manager and each of its affiliates, directors, officers, managers, partners, members, shareholders, employees or agents or the legal or personal representatives of any of them disclaim any responsibility, liability, obligation or otherwise arising from such conflict.

### **Other Considerations**

#### ***Public Disclosure and FOIA***

Some of the Shares will be held by investors, such as public pension plans and listed investment vehicles that are subject to public disclosure requirements. The amount of information about their investments that is required to be disclosed has increased in recent years, and that trend may continue. To the extent that the Company determines in good faith that, as a result of the U.S. Freedom of Information Act (“FOIA”), any governmental public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, a Shareholder or any of its affiliates may be required to disclose information relating to the Company, the Investment Manager, its affiliates, and/or any entity in which an investment is made (other than certain fund-level, aggregate performance information), which disclosure could, for example, affect the Company's competitive advantage in finding attractive investment opportunities, the Management Company may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such Shareholder. Without limiting the foregoing, to the extent that disclosure of information relating to the Company and its Funds results from Shares being held by investors that are subject to public disclosure requirements, the Company may, in its discretion, initiate legal action or otherwise contest such disclosure, which may or may not be successful, and any expenses incurred therewith will be borne by the Funds.

## 2. MANAGEMENT AND ADMINISTRATION

The Directors are responsible for managing the business affairs of the Company and are responsible for the formulation of the investment policy. The Directors have delegated the day-to-day management of the Company to the Management Company, pursuant to the Management Agreement. Portfolio management decisions for the Funds have been delegated by the Management Company to the Investment Manager.

### DIRECTORS

The Company shall be managed and its affairs supervised by the Directors all of whom are non-executive directors of the Company and whose details are set out below:

**Norbert Bannon (Irish)** acts as chairman, non-executive director and advisor to a number of companies in Ireland and the UK including investment firms, pension funds and banks. He is currently the Chairman of AIBUK DB Pension Fund, a large UK defined benefit pension scheme, and a non-executive director of TT International plc. He has extensive experience in international finance having been the CEO of banks in Singapore and New York, was CEO of Ireland's largest venture capital company and was Finance Director and Head of Risk of the investment banking arm of the AIB Group. He has a degree in Economics from Queens University Belfast, studied at Stanford Graduate School of Business and is a Chartered Accountant.

**Jon Bailey (U.S.)** is a Managing Director for Blackstone Credit's Systematic Strategies unit. Prior to Blackstone's acquisition of DCI in 2020, Mr. Bailey was CCO and Head of Operations at DCI, LLC from 2014 to 2020. Before joining DCI, Mr. Bailey was the Head of Multi-Asset and Alternatives Portfolio Analytics at BlackRock in San Francisco. Prior to BlackRock, Mr. Bailey was the Head of Asset Management Operations at Countrywide Alternative Investments and worked for RBC Capital Markets in various roles including as an attorney and as a derivatives middle office manager. Mr. Bailey is a CAIA charter holder and received a J.D. from Brooklyn Law School and a B.A. in English from the University of Delaware.

**John Broughan (Irish)** has over 40 years experience in banking and financial services and currently acts as a non-executive director on the boards of a number of investment funds and special purpose companies based in Ireland. He was Chairman of Intesa Bank (Ireland) Ltd (1999/2008) and prior to that was Head of International Banking at Allied Irish Banks plc. He holds a Bachelor of Commerce degree from University College Dublin, a Master of Science degree in Organisational Behaviour from Trinity College Dublin and is a Fellow of the Association of Chartered Certified Accountants and a Fellow of the Institute of Bankers in Ireland.

**Edmond Warner OBE (U.K.)**. Mr Warner currently provides consultancy services to financial services businesses and holds non-executive roles with financial institutions as well as other enterprises. Mr Warner currently serves as the Chair of HarbourVest Global Private Equity, JLEN Environmental Assets Group, foreign exchange group LMAX and accountants haysmacintyre. He is also Chair of Great Britain Wheelchair Rugby and the Palace for Life Foundation. Mr Warner has extensive prior executive experience in the financial services sector, most recently as Chief Executive of IFX Group PLC (2003-2006).

**Jennifer Fox (Irish)** is a lawyer by professional qualification and has over 20 years executive experience in the investment funds and asset management sector. She was a Partner in the Investment Funds practice of a leading financial services law firm (Dillon Eustace LLP: 2004-2018) and was also a Partner in Investment Funds practice of Walkers Ireland LLP (2018-2022). She has represented some of the world's leading asset management companies, pension fund managers and credit institutions in the establishment and operation of regulated Irish fund structures and management companies. During her time in legal practice, her areas of speciality included the structuring and restructuring of UCITS and AIFs across a diverse range of investment strategies and providing strategic advice to funds and management companies on regulatory issues and corporate governance matters.

Ms. Fox is now a full-time independent non-executive director of a number of UCITS and alternative investment funds. Ms. Fox holds a Bachelor of Arts Degree from Trinity College Dublin (majoring in Modern History) and she qualified as a solicitor from the Law Society of Ireland in 1998. She has been a member of various committees on the Irish Funds Industry Association including the Legal and Regulatory working group, the AIFMD working group and the Irish Limited Partnership reform group.

## **THE MANAGEMENT COMPANY**

Blackstone Europe Fund Management S.à r.l. has been appointed as the Management Company of the Company pursuant to the Management Agreement.

The Management Company is a Luxembourg private limited liability company (société à responsabilité limitée) established in January 2017 that has been authorised by the CSSF as a UCITS management company pursuant to Chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended and as an alternative investment fund manager pursuant to the Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended, whose registered office is located at 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg, and registered with the RCS under number B 212.124.

The Management Company is part of the Blackstone Group and its ultimate parent company is Blackstone Inc, a Delaware corporation listed on the New York Stock Exchange.

The directors of the Management Company are as follows:

**Fahrad Karim** (UK) is the Chief Operating Officer of Blackstone Europe and the Global General Counsel of Blackstone Real Estate. Mr Karim is also Chair of Blackstone's European Environmental, Social and Governance steering group.

**Chris Placca** (US) is the Head of Finance of Blackstone Infrastructure. Before joining Blackstone in 2010, Mr.Placca was the U.S. Controller at Apax Partners, a London based private equity firm, where he was primarily involved in fund management, administration and financial reporting for its U.S. private equity funds.

**Heidi Kniesel** (US) is Head of Compliance and Regulatory Affairs for Blackstone EMEA. Before joining Blackstone in September 2021, Ms. Kniesel was a Managing Director at Goldman Sachs (GS), where

she was International Head of Compliance for their Real Estate division and Head of Compliance for GS offices in Europe and the Middle East. Prior to this, she held a variety of senior compliance roles, including in the Financial Crimes / AML division.

**Kim Percy** (US) is a Managing Director in the Finance Group and the European Head of Finance at Blackstone. Ms. Percy handles all accounting, treasury, corporate and regulatory reporting for Blackstone's European corporate subsidiaries. Before joining Blackstone in 2015, Ms. Percy was the Deputy Controller of BNY Mellon where she oversaw the financial reporting of its investment management business. Prior to that, Ms. Percy held various senior financial controller roles at Man Group plc, BlackRock, and Cargill, both in London and the US. Ms. Percy received a BBA in Accounting from the University of North Dakota and is a member of the American Institute of Certified Public Accountants.

**William Gilson** (Luxembourg / UK) is a certified director at Institut Luxembourgeois des Administrateurs (ILA) with more than 30 years' experience in the financial industry, including extensive experience in UCITS, real estate and private capital. Mr Gilson previously acted as the Head of Operations at Babson Capital Management and was the Global Head of Operations and Luxembourg Country Head at Aviva Investors. From 2016, he acts as an independent director for both UCITS and alternative investment funds as well as management companies.

**Thomas Nummer** (German) is a former investment manager with over twenty years of experience in the financial industry. He acts as an independent director for several Luxembourg and Cayman funds and management companies. Mr Nummer is a seasoned risk manager with specialist knowledge of investment compliance and risk management within UCITS and alternatives investment funds. He was Director and Chief Risk Officer for Allianz Global Investors Luxembourg S.A. for eight years. Mr Nummer was Managing Director of Carne Global Financial Services in Luxembourg where he launched their Management Company business.

As manager of the Company, the Management Company is responsible, under the terms of the Management Agreement for the management and administration of the Company's affairs including oversight of portfolio management, administration and marketing.

### **Investment Manager and Distributor**

The Management Company has delegated its portfolio management function regarding the Company to Blackstone Credit Systematic Strategies LLC, as investment manager with discretionary powers pursuant to the Investment Management Agreement. Under the terms of the Investment Management Agreement the Investment Manager is responsible, subject to the overall supervision and control of the Management Company, for managing the assets and investments of the Company in accordance with the investment objective and policies of each Fund.

The Investment Manager also acts as Distributor of the Company and its Funds in accordance with the Marketing Delegation Agreement.

As Distributor, the Investment Manager agrees to, among other things, manage the Company's relationships with third party distributors engaged by the Investment Manager to participate in the

distribution of Shares. The Investment Manager will also coordinate the Company's marketing and distribution efforts with participating broker-dealers and their registered representatives with respect to communications related to the terms of the offering, investment strategies, material aspects of operations and subscription procedures. The Investment Manager will also coordinate the Company's marketing and distribution efforts with participating broker-dealers and their registered representatives with respect to communications related to the terms of the offering, investment strategies, material aspects of operations and subscription procedures.

The Investment Manager is also the promoter of the Company.

The Investment Manager is a limited liability company established in Delaware on 26 March, 2004 and is registered with the SEC as an investment adviser under the United States Investment Advisers Act of 1940.

The Management Company is part of the Blackstone group and its ultimate parent company is Blackstone Inc, a Delaware corporation listed on the New York Stock Exchange.

### **Sub-Distributors**

The Distributor may appoint sub-distributors or sales agents in one or more jurisdictions with responsibility for marketing and distribution of the Shares of the Company and of each or any Class or Fund. The fees of any sub-distributors or sales agents so appointed will be paid for by the Distributor out of its own fee.

### **Administrator**

Northern Trust International Fund Administration Services (Ireland) Limited has been appointed by the Management Company to act as administrator, registrar and transfer agent under the terms of the Administration Agreement as described in the section headed "Material Contracts".

The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is an indirect wholly owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 June 2019, the Northern Trust Group's assets under custody and administration totalled in excess of US\$11.3 trillion. The principal business activity of the Administrator is the administration of collective investment schemes.

The duties and functions of the Administrator include, *inter alia*, the calculation of the Net Asset Value and the Net Asset Value per Share, the keeping of all relevant records in relation to the Company as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, the preparation and maintenance of the Company's books and accounts, liaising with the Auditor in relation to the audit of the financial statements of the Company and the provision of certain Shareholder registration and transfer agency services in respect of shares in the Company.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Company and is not responsible for the preparation of this document



other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it.

As at the date of this Prospectus, the Administrator is not aware of any conflicts of interest in respect of its appointment as administrator to the Company. If a conflict of interest arises, the Administrator will ensure it is addressed in accordance with the Administration Agreement, applicable laws and in the best interests of the Shareholders.

The Company has also appointed the Administrator as Company Secretary.

## **Depositary**

The Company has appointed Northern Trust Fiduciary Services (Ireland) Limited to act as the depositary to the Company. The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors.

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the Company and each Fund in accordance with the provisions of the Central Bank UCITS Regulations and the UCITS Directive. The Depositary will also provide cash monitoring services in respect of each Funds cash flows and subscriptions.

The Depositary will be obliged, inter alia, to ensure that the sale, issue, redemption and cancellation of Shares in the Company is carried out in accordance with the UCITS Regulations and the Articles of Association. The Depositary will carry out the instructions of the Company, unless they conflict with the UCITS Regulations or the Articles of Association. The Depositary is also obliged to enquire into the conduct of the Company in each financial year and report thereon to Shareholders.

The Depositary Agreement provides that the Depositary shall be liable, (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary, and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.

## **Paying Agents**

Local laws/regulations in European Economic Area countries may require the appointment of Paying Agents and maintenance of accounts by such Paying Agents through which subscription and redemption monies may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies via an intermediate entity rather than directly to the Depositary of the Company (e.g. a sub-distributor or agent in the local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the Company and (b) redemption monies payable by such

intermediate entity to the relevant Shareholder. Fees and expenses payable to a Paying Agent appointed by the Company on behalf of the Company or a Fund, which will be at normal commercial rates, will be borne by the Company or the Fund in respect of which a Paying Agent has been appointed. All Shareholders of the Company or the Fund on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed by or on behalf of the Company.

### **Selection of Brokers**

All orders for the purchase and sale of securities for the Company will be placed in such markets and through such brokers as in the Investment Manager's judgment offer the most favourable price and market for the execution of each transaction under the circumstances. In selecting a broker or dealer for any transaction or series of transactions, the Investment Manager may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, research services provided to the Investment Manager and other matters ordinarily involved in the receipt of brokerage services generally. The Investment Manager will not be under any duty to execute any order in a fashion either preferential to the Company relative to other like accounts managed by the Investment Manager or otherwise materially adverse to such other accounts.

The Investment Manager may effect securities transactions which cause the Company to pay an amount of commission (as that term may be interpreted from time to time by relevant regulatory authorities) or other transaction costs in excess of the amount of commission or other transaction costs another broker or dealer would have charged; provided, however, that the broker agrees to provide best execution and that the Investment Manager determines in good faith that such amount of commission or other transaction costs is reasonable in relation to the value of brokerage and research services provided by such broker, viewed in terms of either the specific transaction or the Investment Manager's overall responsibilities to the accounts for which the Investment Manager exercises investment discretion.

## **3. FEES AND EXPENSES**

### **Establishment Expenses**

All fees and expenses relating to the establishment and organisation of the Company and its initial Funds were borne by the Investment Manager unless otherwise noted in the Fund Supplement.

### **Operating Expenses and Fees**

Other than as set out in the relevant Fund Supplement the Company will pay all its operating expenses and the fees hereinafter described as being payable by the Company. Expenses paid by the Company throughout the duration of the Company, in addition to fees and expenses payable to the Management Company, the Administrator, the Depositary and the Investment Manager appointed by or on behalf of the Company include but are not limited to all investment expenses (including, but not limited to, specific expenses incurred in obtaining, research, data, and other information utilised for portfolio management

purposes), all fees and expenses of transactional and trade-related services (including, for the avoidance of doubt and without limitation, costs incurred related to trade confirmation, affirmation, settlement, trade/cash/position reconciliation, collateral maintenance and monitoring, corporate action monitoring and processing), brokerage and banking commissions and charges, legal and other professional advisory fees, company secretarial fees, Companies Registration Office filings and statutory fees, regulatory and regulatory reporting related fees, auditing fees, translation and accounting expenses, interest on borrowings, taxes and governmental expenses applicable to the Company, costs of preparation, translation, printing and distribution of reports and notices, all marketing material and advertisements and periodic update of the Prospectus, stock exchange listing fees, all expenses in connection with registration, listing and distribution of the Company and Shares issued or to be issued (including distribution platform fees), all expenses in connection with obtaining and maintaining a credit rating for any Funds or Classes or Shares, expenses of Shareholders meetings, Directors' insurance premia, cybersecurity insurance premia, expenses of Directors' meetings, expenses related to carrying out due diligence of certain service providers, expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of Shares, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax. Any such expenses may be deferred and amortised by the Company, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of each Fund. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by all Funds in proportion to the Net Asset Value of the relevant Fund or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Fund or Class shall be borne solely by the relevant Fund or Class. Notwithstanding the foregoing, in the event that the assets of any Fund are treated as "plan assets" subject to ERISA, in no event shall any expenses that constitute overhead expenses of the Company or the Investment Manager be charged to such Fund.

### **Management Company's Fees**

In consideration for its services, the Management Company will be entitled to a fee out of the assets of each Fund, accrued at each Valuation Point and payable monthly in arrears (plus VAT, if any) as set out in the relevant Supplement to this Prospectus. The Management Company shall also be entitled to be repaid out of the assets of the Company or relevant Fund, all of its reasonable, properly vouched out-of-pocket expenses incurred on behalf of the Company or relevant Fund.

### **Administrator's Fees**

#### *Administration Fee*

The Company shall pay to the Administrator out of the assets of the relevant Fund attributable to each Class an annual fee, accrued at each Valuation Point and payable monthly in arrears at the rate (plus VAT, if any) set out in the relevant Supplement to the Prospectus.

The Administrator shall also be entitled to be repaid out of the assets of the Company all of its reasonable, properly vouched out-of-pocket expenses incurred on behalf of the Fund.

Each Fund will bear its proportion of the fees and expenses of the Administrator.

### **Depository's Fees**

The Depository shall be entitled to receive out of the assets of the relevant Fund attributable to each Class an annual fee, accrued at each Valuation Point and payable monthly in arrears at the rate (plus VAT, if any) set out in the relevant Supplement to the Prospectus.

The Depository shall also be entitled to be repaid all of its disbursements out of the assets of the relevant Fund, including legal fees, couriers' fees and telecommunication costs and expenses and the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

Each Fund will bear its proportion of the fees and expenses of the Depository.

### **Investment Managers' Fees**

The Company shall pay the Investment Manager in respect of one or more Funds an annual fee accrued at each Valuation Point and payable monthly in arrears (plus VAT, if any) at the rate as set out in the relevant Supplement to the Prospectus.

The Directors, in their discretion, may differentiate between the Shareholders of a Fund by waiving or reducing the annual investment management fee charged to certain Shareholders. Any such waiver shall be effected by way of a rebate to the relevant Shareholder account. The Investment Manager, in its discretion, may agree with certain Shareholders of a Fund to rebate or otherwise reduce or waive a portion of the annual investment management fee charged to such Shareholders. In the event of such waiver or rebate, the Directors or Investment Manager, at their absolute discretion, may not disclose such waiver or rebate to the other Shareholders.

Shareholders should consult their own independent adviser regarding the implications of any fee waiver, reduction or rebate arrangement.

Each Fund will bear its proportion of the fees and expenses of the Investment Manager.

### ***Voluntary Cap***

The Investment Manager may voluntarily agree to cap the expenses (excluding, for the avoidance of doubt, the Investment Manager's Fees and any Performance Fee) charged to a Fund. Details of the voluntary cap, if any, will be set out in the relevant Supplement.

## **Performance Fee**

Details of the Performance Fee to be charged (if any) can be found in the relevant Supplement.

## **Paying Agents' Fees**

Reasonable fees and expenses of any Paying Agent appointed by the Company which will be at normal commercial rates together with VAT, if any, thereon will be borne by the Company or the relevant Fund in respect of which a Paying Agent has been appointed.

## **Directors' Fees**

The Articles of Association authorise the Directors to charge a fee for their services at a rate determined by the Directors up to a maximum aggregate fee of €300,000 per annum for all Directors and may be entitled to special remuneration if called upon to perform any special or extra services to the Company. Mr. Bailey who is an employee of the Investment Manager, has waived his fee for his services as Director of the Company. However, all Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

## **Allocation of Fees and Expenses**

All fees, expenses, duties and charges will be charged to the relevant Fund and within such Fund to the Classes in respect of which they were incurred. Where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated to all Funds in proportion to the Net Asset Value of the Funds or otherwise on such basis as the Directors deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period.

## **Fee Increases**

The rates of fees for the provision of services to any Fund or Class may be increased within the maximum levels stated in the relevant Supplement so long as at least one month's written notice of the new rate(s) is given to Shareholders of the relevant Fund or Class.

Any increase in the maximum annual fee (including any performance related fee) charged by the Management Company or the Investment Manager, where such annual fee is payable out of the assets of that Fund, may not be effected without prior approval of the Shareholders of such Fund.

## **Remuneration Policy of the Management Company**

The Management Company has established, implemented and maintains a remuneration policy that seeks to meet the requirements of, and comply with, the principles set out in the UCITS Regulations and the ESMA Guidelines (the "Remuneration Policy"). The Remuneration Policy applies to the staff of

the Management Company and some specific rules apply to staff whose professional activities have a material impact on the risk profile of the Management Company or of the funds it manages and therefore covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the funds that it manages ("Identified Staff").

The Remuneration Policy seeks inter alia to be consistent with, and promote, sound and effective risk management and is designed to discourage inappropriate risk-taking or risk taking which is inconsistent with the risk profile of the Company.

The Remuneration Policy will apply to the fixed and variable remuneration received by the Identified Staff. Consistent with the principal of proportionality referred to in Part VII of the Remuneration Guidelines, the "payout process requirements" in the Remuneration Guidelines have been disapplied in the Remuneration Policy at individual level for identified staff whose variable threshold does not exceed a certain set amount. These payout process requirements relate to variable remuneration instruments, retention, deferral and ex post incorporation of risk for variable remuneration. This disapplication has been made following assessment by the Management Company of each of the payout process requirements and takes account of specific facts applicable to the Management Company and is appropriate to the Management Company's current size, internal organisation and the nature, scope and complexity of its activities. The Management Company's internal auditor performs an annual review of adherence to the Remuneration Policy and seeks appropriate assurances to confirm that the policy is being implemented in an appropriate manner.

Further information on the current Remuneration Policy, including a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits is available at upon request at **the Management Company's** registered office.

## 4. THE SHARES

### General

Shares may be issued on any Dealing Day. Shares issued in a Fund or Class will be in registered form and denominated in the Base Currency specified in the relevant Supplement for the relevant Fund or a currency attributable to the particular Class. Shares will have no par value and will first be issued on the first Dealing Day after expiry of the initial offer period specified in the relevant Supplement at the Initial Price as specified in the relevant Supplement. Thereafter Shares shall be issued at the Net Asset Value per Share. Each purchase of Shares will be confirmed with Shareholders within 48 hours of the purchase being settled by the issue of a written confirmation from the Administrator to the relevant Shareholder. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of written instructions from the relevant Shareholder.

As provided in further detail in the section "*IMPORTANT INFORMATION - Restrictions on Distribution and Sale of Shares*", the Directors or the Management Company may decline to accept any application for Shares without giving any reason and may restrict the ownership of Shares by any person, firm or corporation in certain circumstances including where such ownership would be in breach of any regulatory or legal requirement or might affect the tax status of the Company or might result in the Company suffering certain disadvantages which it might not otherwise suffer. Any restrictions applicable to a particular Fund or Class shall be specified in the relevant Supplement for such Fund or Class. Any person who holds Shares in contravention of restrictions imposed by the Directors or the Management Company or, by virtue of his holding, is in breach of the laws and regulations of any applicable jurisdiction or whose holding could, in the opinion of the Directors, cause the Company to incur any liability to taxation or to suffer any pecuniary disadvantage which it or the Shareholders or any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Management Company, the Investment Manager, the Depositary, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

The Directors have power under the Articles of Association to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of any restrictions imposed by them or in breach of any law or regulation.

The Directors may authorise the purchase by or transfer to a US Person in their discretion. The Directors will seek reasonable assurances that such purchase or transfer does not violate United States securities laws, e.g., require the Shares to be registered under the Securities Act or the Company or any Fund to be registered under the Investment Company Act or result in adverse tax consequences to the Company or the non-US Shareholders. Each investor who is a US Person will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue of Shares.

None of the Company, the Management Company, the Investment Manager, the Administrator or the Depositary or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of instructions from Shareholders reasonably believed to be genuine and shall not be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions. The Management Company, the Administrator and the Company shall, however, employ reasonable procedures to confirm that instructions are genuine.

### **Abusive Trading Practices/Market Timing**

The Directors and the Management Company generally encourage investors to invest in the Funds as part of a long-term investment strategy and discourages excessive or short term or abusive trading practices. Such activities, sometimes referred to as “market timing”, may have a detrimental effect on the Funds and Shareholders. For example, depending upon various factors such as the size of the Fund and the amount of its assets maintained in cash, short-term or excessive trading by Shareholders may interfere with the efficient management of the Fund’s portfolio, increase transaction costs and taxes and may harm the performance of the Fund.

The Directors and the Management Company seek to deter and prevent abusive trading practices and to reduce these risks, through several methods, including the following:

- (i) to the extent that there is a delay between a change in the value of a Fund’s portfolio holdings and the time when that change is reflected in the Net Asset Value per Unit, a Fund is exposed to the risk that investors may seek to exploit this delay by purchasing or redeeming Shares at a Net Asset Value which does not reflect appropriate fair value prices. The Directors seek to deter and prevent this activity, sometimes referred to as “stale price arbitrage”, by the appropriate use of its power to adjust the value of any investment having regard to relevant considerations in order to reflect the fair value of such investment.
- (ii) the Directors may monitor Shareholder account activities in order to detect and prevent excessive and disruptive trading practices and reserves the right to exercise their discretion to reject any subscription or conversion transaction without assigning any reason therefore and without payment of compensation if, in their judgement, the transaction may adversely affect the interest of a Fund or its Shareholders. The Directors may also monitor Shareholder account activities for any patterns of frequent purchases and sales that appear to be made in response to short-term fluctuations in the Net Asset Value per Share and may take such action as it deems appropriate to restrict such activities including, if it so determines, levying a redemption fee of up to 1.00% per cent of the Net Asset Value of Shares the subject of a redemption request.

There can be no assurances that abusive trading practices can be mitigated or eliminated. For example, nominee accounts in which purchases and sales of Shares by multiple investors may be aggregated for dealing with the Fund on a net basis, conceal the identity of underlying investors in a Fund which makes it more difficult for the Directors and their delegates to identify abusive trading practices. Further information on methods to deter abusive trading practices for a particular Fund may be set out in the relevant Supplements for that Fund.



## **Application for Shares**

The terms and conditions applicable to an application for the issue of Shares in a Fund and the Initial Price thereof together with subscription and settlement details and procedures and the time for receipt of applications will be specified in the Supplement for the relevant Fund. Application forms may be obtained from the Administrator. The Minimum Subscription, Minimum Holding and minimum transaction size for each class of Shares are set out in the Supplement for each Fund.

The Administrator on behalf of the Company may reject any application in whole or in part without giving any reason for such rejection in which event the subscription monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's risk.

The Company may also from time to time make arrangements for the issue of Shares to any person by way of exchange for investments which are in accordance with the investment objectives, policies and restrictions of the relevant Fund held by him upon such terms as the Company may think fit but subject to and in accordance with the following provisions:

- (i) no Shares shall be issued until the investments shall have been vested in the Depositary to the Depositary's satisfaction;
- (ii) subject to the foregoing any such exchange shall be effected on the terms that the number of Shares to be issued shall be that number (from the calculation of which, at the discretion of the Company, fractions of a Share may be excluded) which would have been issued for cash at the current price against payment of a sum equal to the value of the investments transferred less such sum as the Directors may consider represents any fiscal or other expenses as aforesaid to be paid out of the assets of the relevant Fund in connection with the vesting of the investments;
- (iii) the investments to be transferred to the Fund for the account of the relevant Fund shall be valued on such basis as the Company may decide so long as such value does not exceed the highest amount that would be obtained on the date of the exchange by applying the method of calculating the value of investments as outlined in the Articles of Association and this Prospectus;
- (iv) there may be paid to the incoming Shareholder out of the assets of the relevant Fund a sum in cash equal to the value at the current price of any fraction of a Share excluded from the calculation aforesaid; and
- (v) the Depositary shall be satisfied that the terms of such exchange shall not be such as are likely to result in any prejudice to the existing Shareholders.

In circumstances where subscription monies are received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or expected to be, received and are held in an Umbrella Cash Account, any such investor shall rank as an unsecured creditor of the Fund until such time as Shares are issued as of the relevant Dealing Day. Therefore in the event that such monies are

lost prior to the issue of Shares as of the relevant Dealing Day to the relevant investor, the Company on behalf of the Fund may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor (in its capacity as a creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund.

#### *Timing of Payment*

Save where otherwise disclosed in the relevant Supplement, payment in respect of subscriptions must be received in cleared funds by the Administrator prior to the deadline set out in the relevant Supplement ("Subscription Settlement Cut-Off"). The Company reserves the right to defer the issue of Shares until receipt of cleared subscription monies by the relevant Fund. If payment in cleared funds in respect of a subscription has not been received by the Subscription Settlement Cut-Off, any allotment of Shares made in respect of such application may be cancelled and subject to the requirements of the Act, make any alteration in the register of Shareholders. In the event of the non-clearance of subscription monies or a delay in the settlement of subscription proceeds, the Company may temporarily borrow an amount up to the value of the delayed subscription monies on or after the Subscription Settlement Cut-Off, provided that any temporary borrowing shall be in accordance with the UCITS Regulations and the Central Bank UCITS Regulations. In such circumstances any allotment in respect of an application may be cancelled. In either event and notwithstanding cancellation of the application, the Company may charge the applicant for any expense, interest or cost incurred by it or the relevant Fund as a result of any borrowing or for any loss to the Fund arising out of such non-receipt or non-clearance. In addition, if the relevant applicant fails to reimburse the Company for such losses, the Company will have the right to sell all or part of the applicant's holding of Shares in the relevant class or any other Fund in order to meet those charges and/or to pursue the applicant for such losses and may be required to liquidate assets to repay any shortfall between the redemption proceeds and any amounts borrowed. Whilst the defaulting applicant will be liable for any costs incurred by the Fund in so doing, there is a risk that the Fund may not be able to recover such costs from such applicant.

The Company reserves the right to reverse any allotment of Shares in the event of a failure by the applicant to settle the subscription monies by the Subscription Settlement Cut-Off. In such circumstances, the Company shall compulsorily redeem any Shares issued and the Shareholder shall be liable for any loss suffered by the Company or relevant Fund in the event that the redemption proceeds are less than the amount originally subscribed for. For the avoidance of doubt, the relevant Shareholder shall not be entitled to any profit arising from such a redemption of shares in the event that the redemption proceeds are worth more than the amount originally subscribed for.

#### *Anti-Money Laundering and Counter Terrorist Financing Measures*

As part of the Company's responsibility for the prevention of money laundering and terrorist financing, the Administrator will require a detailed verification of the applicant's identity and of the source of the subscription monies and where applicable the beneficial owner on a risk sensitive basis. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family member, or persons known to close associates of such persons, must also be identified. Depending on the circumstances of each application, a detailed verification might not be required where the application is made through a recognised

intermediary. This exception may only apply if the intermediary referred to above is located within a country recognised by Ireland as having equivalent anti-money laundering and counter terrorist financing regulations to that in place in Ireland and satisfies other applicable conditions such as providing a letter of undertaking confirming the intermediary has carried out the appropriate verification checks on the investor and will retain such information in accordance with the required timeframe and will provide such information on request to the Administrator or the Company. Intermediaries cannot rely on third parties to meet the obligation to monitor the ongoing business relationship with an investor which remains their ultimate responsibility. These exceptions do not affect the right of the Administrator or the Company to request such information as is necessary to verify the identity of an applicant or the source of the subscription monies.

By way of example an individual may be required to produce a copy of a passport or identification card with evidence of his/her address such as a copy of a utility bill or bank statement and proof of tax residence. In the case of corporate applicants this may require production of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business addresses of all directors. Additional information may be required at the Administrator's or the Company's discretion to verify the source of the subscription monies. Amendment to any investor records will only be effected by the Administrator upon receipt of evidencing documentation.

The details given above are by way of example only and the Administrator and the Company each reserves the right to request such information as is necessary to verify the identity of an investor and where applicable the beneficial owner of an investor and to ascertain that there are no risks of money laundering and terrorism financing. In particular, the Administrator and the Company each reserves the right to carry out additional procedures in relation to an investor who is classed as a PEP. Verification of the investor's identity is required to take place before the establishment of the business relationship. Applicants should refer to the Application Form for a more detailed list of requirements for anti-money laundering purposes. In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator or the Company may refuse to accept the application and subscription monies. Each applicant for Shares acknowledges that the Company, the Management Company and their delegates shall be held harmless against any loss arising as a result of a failure to process or a delay in processing his application for Shares or redemption request if such information and documentation as has been requested by the Company or its delegates has not been provided by the applicant.

Any failure to supply the Company, the Management Company or the Administrator with any documentation requested by them for anti-money laundering or anti-fraud purposes, as described above, may result in a delay in the settlement of redemption proceeds. In such circumstances, the Administrator will process any redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the relevant Fund and the Shareholder will rank as a general creditor of the Company until such time as the Administrator is satisfied that its anti-money-laundering and anti-fraud procedures have been fully complied with, following which redemption proceeds will be released.

Further, any Shareholder who does not provide such documentation as the Company or the Administrator shall request within 120 days for anti-money laundering or anti-fraud purposes may have

their holding in the Company compulsorily redeemed.

Any failure to supply the Company, the Management Company or the Administrator with any documentation requested by them for anti-money laundering or anti-fraud purposes, as described above, may result in a delay in the settlement of dividend payments. In such circumstances, any sums payable by way of dividend to Shareholders shall remain an asset of the Fund until such time as the Administrator is satisfied that its anti-money-laundering and anti-fraud procedures have been fully complied with, following which such dividend will be paid.

#### *Data Protection*

Prospective investors should note that by completing the Application Form they are providing personal information to the Company, which may constitute personal data within the meaning of data protection legislation in Ireland. This data will be used for the purposes of client identification, administration, statistical analysis, market research, to comply with any applicable legal or regulatory requirements and, if an applicant's consent is given, for direct marketing purposes. Data may be disclosed to third parties including regulatory bodies, tax authorities, delegates, advisers and service providers of the Company and their or the Company's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including outside the EEA) for the purposes specified. By signing the application form, investors consent to the obtaining, holding, use, disclosure and processing of data for any one or more of the purposes set out in the application form. Investors have a right to obtain a copy of their personal data kept by the Company on payment of a fee and the right to rectify any inaccuracies in personal data held by the Company.

#### *Beneficial Ownership Regulations*

The Company or the Administrator may also request such information (including by means of statutory notices) as may be required for the establishment and maintenance of the Company's beneficial ownership register in accordance with the Beneficial Ownership Regulations. It should be noted that a beneficial owner has, in certain circumstances, obligations to notify the Company in writing of relevant information as to his/her status as a beneficial owner and any changes thereto (including where a Beneficial Owner has ceased to be a beneficial owner).

It should be noted that it is an offence under the Beneficial Ownership Regulations for a beneficial owner to (i) fail to comply with the terms of a beneficial ownership notice received from or on behalf of the Company or (ii) provide materially false information in response to such a notice or (iii) fail to comply with his/her obligations to provide relevant information to the Company as to his/her status as a Beneficial Owner or changes thereto (in circumstances referred to above) or in purporting to comply, provide materially false information.

#### **Redemption of Shares**

Shareholders may redeem their Shares on and with effect from the Dealing Day specified in the relevant Supplement for a Fund at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day in accordance with the procedures specified in the relevant Supplement (save during any period when the calculation of Net Asset Value is suspended). A redemption charge may be payable

by the redeeming Shareholder and any such redemption charge (if any) will be set out in the relevant Supplement to the Prospectus.

If the number of Shares to be redeemed on any Dealing Day equals one tenth or more of the total number of Shares of a Fund in issue on that day the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of one tenth of the total number of Shares in issue as aforesaid and, if they so refuse, the requests for redemption on such Dealing Day shall be reduced pro rata and Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all Shares to which the original request related have been redeemed.

Redemption monies payable to an investor subsequent to a Dealing Day of a Fund as of which Shares of that investor were redeemed (and consequently the investor is no longer a Shareholder of the Fund as of the relevant Dealing Day) will be held in an Umbrella Cash Account, and will be treated as an asset of the Fund until paid to that investor and will not benefit from the application of any investor money protection rules (i.e. the redemption monies in such circumstance will not be held on trust for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Fund with respect to the redemption amount held by the Company until paid to the investor.

#### *Redemptions In Specie*

The Directors may, with the consent of the individual Shareholders, satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of the relevant Fund having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer provided that any Shareholder requesting redemption shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale, the costs of which shall be borne by the relevant Shareholder.

A determination to provide redemption in specie is solely at the discretion of the Company where the redeeming Shareholder requests a redemption that represents 5% or more of the Net Asset Value of the relevant Fund.

The nature and type of assets to be transferred in specie to each Shareholder shall be determined by the Directors or their delegate (subject to the approval of the Depositary as to the allocation of assets) on such basis as the Directors or their delegate in their discretion shall deem equitable. The redemption of Shares on an in-specie basis may only be accepted if the Depositary is satisfied that the terms of the exchange will not be such as are likely to result in any material prejudice to the Shareholders in the applicable Fund.

Shares will not receive or be credited with any dividend declared on or after the Dealing Day on which they were redeemed.

#### *Compulsory Redemption of Shares/Deduction of Tax*

Shareholders are required to notify the Administrator, the Management Company and the Company

immediately if they become US Persons or persons who are otherwise subject to restrictions on ownership imposed by the Directors and such Shareholders may be required to redeem or transfer their Shares. The Company may redeem any Shares which are or become owned, directly or indirectly, by or for the benefit of any person in breach of any restrictions on ownership from time to time specified by the Directors or if the holding of Shares by any person is unlawful or is likely to result or results in any tax, fiscal, legal, regulatory, pecuniary liability or disadvantage or material administrative disadvantage to any of the Company, Shareholders or any Fund or by any person who holds less than the Minimum Holding or does not supply any information or declaration required by the Company within seven days of a request to do so. Any such redemption will be effected on a Dealing Day at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day on which the Shares are to be redeemed. The Company will give at least 10 Business Days prior written notice to Shareholders of any such compulsory redemption. The Company may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon. The attention of investors in relation to the section of the prospectus entitled "Taxation" and in particular the section therein headed "Irish Taxation" which details circumstances in which the Company shall be entitled to deduct from payments to Shareholders who are resident or ordinarily resident in Ireland amounts in respect of liability of Irish taxation including any penalties and interest thereon and/or compulsorily redeem Shares to discharge such liability. Relevant Shareholders will indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of an event giving rise to a charge to taxation.

#### *Total Redemption of Shares*

All of the Shares of any Class or any Fund may be redeemed:

- (a) on the giving by the Company of not less than four nor more than twelve weeks' notice expiring on a Dealing Day to Shareholders of its intention to redeem such Shares; or
- (b) if the holders of 75% in value of the relevant Class or Fund resolve at a meeting of the Shareholders duly convened and held that such Shares should be redeemed.

#### **Conversion of Shares**

Subject to the Minimum Subscription, Minimum Holding and minimum transaction requirements of the relevant Fund or Classes, Shareholders may convert some or all of their Shares in one Fund or Class ("the Original Fund") to Shares in another Fund or Class or another Class in the same Fund ("the New Fund") in accordance with the formula and procedures specified below. Applications for conversion of Shares should be made to the Administrator by facsimile or written communication or such other means as may be permitted by the Directors and should include such information as may be specified from time to time by the Directors or their delegate. Requests for conversion should be received prior to the earlier of the Dealing Deadline for redemptions in the Original Fund and the Dealing Deadline for subscriptions in the New Fund. Any applications received after such time will be dealt with on the next Dealing Day which is a dealing day for the relevant Funds, unless the Company in its absolute discretion otherwise determines provided that applications must at all times, be received prior to the Valuation

Point on the relevant Dealing Day. Conversion requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

Where a conversion request would result in a Shareholder holding a number of Shares of either the Original Fund or the New Fund which would be less than the Minimum Holding for the relevant Fund, the Company, in consultation with the Management Company, may if it thinks fit, convert the whole of the holding in the Original Fund to Shares in the New Fund or refuse to effect any conversion from the Original Fund.

Fractions of Shares which shall not be less than 0.01 of a Share may be issued by the Company on conversion where the value of Shares converted from the Original Fund are not sufficient to purchase an integral number of Shares in the New Fund and any balance representing less than 0.01 of a Share will be retained by the Company in order to defray administration costs.

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

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

where

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

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

NAV is the Net Asset Value per Share of the Original Fund at the Valuation Point on the relevant Dealing Day.

ER is the currency conversion factor (if any) as determined by the Administrator.

F is the conversion charge (if any) of up to 1% of the Net Asset Value of the Shares to be issued in the New Fund.

SP is the Net Asset Value per Share of the New Fund at the Valuation Point on the relevant Dealing Day.

#### *Conversion Fee*

It is not the current intention of the Directors to charge a conversion fee.

#### *Withdrawal of Conversion Requests*

Conversion requests may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of a suspension of calculation of the Net Asset Value of the Funds in respect of which the conversion request was made.

### *Tax Liability*

Depending on the terms of the conversion, the conversion may result in tax liability to the converting Shareholder. Shareholders considering converting their Shares should consult with their own tax advisors with respect to any potential tax liability resulting from the conversion.

### **Swing Pricing**

Swing pricing is a mechanism used to adjust the Net Asset Value per Share for a Fund in order to reduce the effect of dilution on that Fund. Dilution occurs where the actual cost of purchasing or selling the underlying assets of a Fund deviates from the value of these assets in the Fund's assets due to dealing costs, charges and market spread. In order to preserve the value of the Fund and to protect the interest of the Fund's Shareholders from the effect of dilution the Management Company has adopted a swing pricing mechanism as described below.

On any Dealing day where there are net redemption or subscription requests above a threshold as determined by the Management Company the valuation of the underlying assets may switch from a mid-market to a bid basis in the case of net redemptions and from a midmarket to an offer basis in the case of net subscriptions. In such circumstances, the Net Asset Value on that particular Dealing Day may be adjusted by an amount determined by the Management Company (upwards in the case of net subscriptions and downwards in the case of net redemptions) to reflect the dealing costs which may be incurred by the Fund and any anticipated fiscal charges and the estimated bid/offer spread of the underlying assets (the "Swing Factor"). The amount of the Swing Factor on any given Dealing Day is related to the anticipated cost of market dealing for that Fund. In such circumstances the Net Asset Value of the relevant Fund may be adjusted by an amount not exceeding 1.00 % for any Fund, of that Net Asset Value. In accordance with the requirements of the Central Bank, Shareholders will be given reasonable notice of any change to the maximum Swing Factor prior to implementation of such a change.

In each case, the valuation policy selected by the Management Company shall be applied consistently throughout the life of the relevant Fund and will be applied consistently throughout the categories of assets in which the Fund invests.

### **Net Asset Value and Valuation of Assets**

The Net Asset Value of each Fund or, if there are different Classes within a Fund, each Class will be calculated by the Administrator as at the Valuation Point on or with respect to each Dealing Day in accordance with the Articles of Association. The Net Asset Value of a Fund shall be determined as at the Valuation Point for the relevant Dealing Day by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund (including a provision for duties and charges, accrued expenses and fees and other liabilities). The Net Asset Value attributable to a Class shall be determined as at the Valuation Point for the relevant Dealing Day by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class subject to adjustment to take account of assets and/or liabilities attributable to the Class. The Net Asset Value of a Fund will be expressed in the Base Currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case. The Net Asset Value of each Fund shall be available to Shareholders upon request from the Administrator.



The Net Asset Value per Share shall be calculated as at the Valuation Point on or with respect to each Dealing Day by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue in the Fund or Class at the relevant Valuation Point and rounding the resulting total to 2 decimal places.

In determining the Net Asset Value of the Company and each Fund (and subject to subsection (k) hereunder in the event that the assets of any Fund are treated as “plan assets” subject to ERISA):-

- (a) Securities which are quoted, listed or traded on an exchange save as hereinafter provided at (d), (e), (f), (g), (h) and (i) will be valued at closing mid-market prices on the relevant exchange. Where a security is listed or dealt in on more than one exchange the relevant exchange or market shall be the principal stock exchange or market on which the security is listed or dealt on or the exchange or market which the Management Company determines provides the fairest criteria in determining a value for the relevant security. Securities listed or traded on an exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (b) The value of any security which is not quoted, listed or dealt in on an exchange or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be the probable realisation value as estimated with care and good faith by (i) the Management Company or (ii) a competent person, firm or corporation (including the Investment Manager or the Administrator) selected by the Management Company and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. Where reliable market quotations are not available for fixed income securities the value of such securities may be determined using matrix methodology compiled by (i) the Management Company, or (ii) a competent person, firm or corporation (including the Investment Manager or the Administrator) selected by the Management Company, and approved for the purpose by the Depositary, whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- (c) Cash on hand or on deposit will be valued at its nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (d) Derivative contracts which are not traded on a regulated market may be valued either using the counterparty valuation or an alternative valuation such as a valuation calculated by the Management Company, or by an independent pricing vendor. The Management Company must value an OTC derivative on a daily basis. Where the Management Company values an OTC derivative which is not traded on a regulated market and which is not cleared by a clearing counterparty the valuation shall be on the basis of the mark to market value of the derivative contract or if market conditions prevent marking to market, reliable and prudent marking to model may be used. Where the Management Company values an over the counter derivative which is cleared by a clearing counterparty using the clearing counterparty valuation, the

valuation must be approved or verified by a party who is approved for the purpose by the Depositary and who is independent of the counterparty and the independent verification must be carried out at least weekly. The reference to an independent party may include the Investment Manager. It can also include a party related to the counterparty provided the related party constitutes an independent unit within the counterparty's group which does not rely on the same pricing models employed by the counterparty. Where the independent party is related to the OTC counterparty and the risk exposure to the counterparty may be reduced through the provision of collateral, the position must also be subject to verification by an unrelated party to the counterparty on a six monthly basis. Notwithstanding the above, forward foreign exchange contracts and interest rate swap contracts may be valued as above or by reference to freely available market quotations.

- (e) Units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collection investment scheme or, if listed or traded on an exchange, in accordance with (a) above.
- (f) In the case of a Fund which complies with the Central Bank's requirements for short-term money market funds, the Management Company may use the amortised cost method of valuation provided that a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines.
- (g) In the case of a Fund which is not a money market fund, the Management Company may value Money Market Instruments using the amortised cost method of valuation in accordance with the Central Bank's requirements.
- (h) Fixed income securities and derivatives will be valued at the Valuation Point.
- (i) The Management Company may value money market instruments within such Fund on an amortised cost basis provided the money market instruments have a residential maturity of less than 3 months and have no specific sensitivity to market parameters including credit risk.
- (j) The Management Company may, with the approval of the Depositary, adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.
- (k) Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the exchange rate (whether official or otherwise) which the Directors shall determine to be appropriate.
- (l) Where the value of any investment is not ascertainable as described above, the value shall be the probable realisation value estimated by the Management Company with care and in good faith or by a competent person approved for the purpose by the Depositary.
- (m) If the Management Company deems it necessary, a specific investment may be valued under an alternative method of valuation approved by the Depositary.

- (n) Notwithstanding any of the foregoing, in the event that the assets of any Fund are treated as “plan assets” subject to ERISA, the Investment Manager shall not have any discretion with respect to any aspect of the valuation procedures described hereinabove; rather such valuations and the determinations, estimations, and appointments described above shall be made by the Management Company.

Notwithstanding the valuation rules set out above, the Management Company applies swing pricing to adjust the Net Asset Value per Share for a Fund in order to reduce the effect of dilution on that Fund. See "**Swing Pricing**" above.

In calculating the value of assets of the Company and each Fund the following principles will apply:

- (a) Every Share agreed to be issued by the Directors with respect to each Dealing Day shall be deemed to be in issue at the Valuation Point of the relevant Dealing Day and the assets of the relevant Fund shall be deemed to include not only cash and property in the hands of the Depositary but also the amount of any cash or other property to be received in respect of Shares agreed to be issued (if permitted in relation to a relevant Fund) after deducting therefrom (in the case of Shares agreed to be issued for cash) or providing for preliminary charges;
- (b) where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments shall be included or excluded, and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed;
- (c) there shall be added to the assets of the relevant Fund any actual or estimated amount of any taxation of a capital nature which may be recoverable by the Company which is attributable to that Fund;
- (d) there shall be added to the assets of each relevant Fund a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses;
- (e) there shall be added to the assets of each relevant Fund the total amount (whether actual or estimated by the Management Company, or its delegate) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief; and
- (f) where notice of the redemption of Shares has been received by the Company with respect to a Dealing Day and the cancellation of such Shares has not been completed, the Shares to be redeemed shall be deemed not to be in issue at the Valuation Point and the value of the assets of the relevant Fund shall be deemed to be reduced by the amount payable upon such redemption;
- (g) there shall be deducted from the assets of the relevant Fund:

- (i) the total amount of any actual or estimated liabilities properly payable out of the assets of the relevant Fund including any and all outstanding borrowings of the Company in respect of the relevant Fund, interest, fees and expenses payable on such borrowings and any estimated liability for tax and such amount in respect of contingent or projected expenses as the Management Company, considers fair and reasonable as of the relevant Valuation Point;
- (ii) such sum in respect of tax (if any) on income or capital gains realised on the investments of the relevant Fund as in the estimate of the Management Company, will become payable;
- (iii) the amount (if any) of any distribution declared but not distributed in respect thereof;
- (iv) the remuneration of the Management Company, Administrator, the Depositary, the Investment Manager, the Distributor and any other providers of services to the Company accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
- (v) the total amount (whether actual or estimated by the Management Company, or a competent person appointed by the Management Company and approved for the purpose by the Depositary) of any other liabilities properly payable out of the assets of the relevant Fund (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Point;
- (vi) an amount as of the relevant Valuation Point representing the projected liability of the relevant Fund in respect of costs and expenses to be incurred by the relevant Fund in the event of a subsequent liquidation;
- (vii) an amount as of the relevant Valuation Point representing the projected liability of the relevant calls on Shares in respect of any warrants issued and/or options written by the relevant Fund or Class of Shares; and
- (viii) any other liability which may properly be deducted.

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

In this section, reference to the Management Company include, where relevant, references to the Management Company's delegates.

### **Publication of Net Asset Value per Share**

When calculated, the Net Asset Value will be published as specified in the section of the Prospectus entitled "The Company".

## **Suspension of Valuation of Assets**

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

- (a) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Recognised Exchanges on which the relevant Fund's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or
- (b) during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the Company; or
- (c) during the whole or any part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the relevant Fund's investments; or
- (d) during the whole or any part of any period when for any reason the value of any of the Fund's investments cannot be reasonably, promptly or accurately ascertained;
- (e) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of any Fund or the Company is unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (f) upon mutual agreement between the Company and the Depositary for the purpose of winding up the Company or terminating any Fund; or
- (g) if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the investments of the Company or any Fund.

Any suspension of valuation shall be notified to the Central Bank with respect to any Fund or Class and the Depositary without delay and, in any event, within the same Dealing Day. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

The Central Bank may also require that the Company temporarily suspends the determination of the Net Asset Value and the issue and redemption of Shares in a Fund if it decides that it is in the best interests of the general public and the Shareholders to do so.

## **Dividends and Distributions**

The Directors are empowered to declare and pay dividends on Shares issued in any Class or Fund in the Company. The dividend policy for each Fund or Class will be set out in the relevant Supplement.

## 5. TAXATION

### GENERAL

The following statements on taxation are based on advice received by the Company regarding the law and practice in force in the relevant jurisdiction at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely as the bases for, and rates of, taxation can fluctuate.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and realisation of, Shares in the places of their citizenship, residence and domicile.

### IRISH TAXATION

The following is a brief summary relevant to shareholders of the Irish tax system applicable to the Company and details of the withholding taxes or deductions that may be made at source from the income and capital gains paid by the Company to Shareholders who are the beneficial owners of Shares in the Company. It does not purport to deal with all of the tax consequences applicable to the Company or to particular categories of investors, some of whom may be subject to special rules. The tax consequences of an investment in Shares in the Company will depend not only on the nature of the Company's operations and the then applicable tax principles, but also on certain factual determinations which cannot be made at this time. Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting, exchanging or otherwise disposing of Shares under the laws of Ireland and/or their country of incorporation, establishment, citizenship, residence, ordinary residence or domicile or other liability to tax, and in light of their particular circumstances.

The following summary is based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this Prospectus. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position at the time of an investment in the Company will not change.

As Shareholders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore the Directors strongly recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the Company and any investment returns from those Shares.

As a result of the changes introduced by the Finance Act 2016, a new regime applies to Irish real estate funds ("IREFs") which imposes a 20% withholding tax on 'IREF taxable events'. The changes primarily target non-Irish resident investors.

On the basis that the Company has been authorised by the Central Bank as a UCITS, neither the Company nor any of its sub-funds is an IREF and that accordingly Chapter 1B of Part 27 of the TCA will not apply to the Company or to any of its sub-funds.

### Ireland

*The Company*

The Directors have been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking within the meaning of Section 739B TCA so long as the Company is resident in Ireland. Accordingly, the Company is not chargeable to Irish tax on its relevant income or relevant gains.

However, Irish tax (at rates currently ranging from 25% to 60%) may arise for the Company on the happening of a “chargeable event” in the Company. A chargeable event includes:

1. any distributions or payments to a Shareholder by the Company in respect of their Shares;
2. any encashment, repurchase, redemption, cancellation or transfer of Shares; and
3. any deemed disposal by a Shareholder of their Shares arising as a result of holding Shares in the Company for a period of eight years or more.

Where a chargeable event occurs, the Company is required to account for the Irish tax thereon. No Irish tax will arise in respect of a chargeable event where:

- (a) the Shareholder is neither resident nor ordinarily resident in Ireland (“**Non-Irish Resident**”) and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or
- (b) the Shareholder is Non-Irish Resident and has confirmed that to the Company and the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or
- (c) the Shareholder is an Exempt Irish Resident as defined below.

A reference to “**intermediary**” means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the Company at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland (“**Irish Resident**”) or is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:

1. any exchange by a Shareholder, effected by way of a bargain made at arm’s length of Shares in the Company for other Shares in the Company; or
2. any transaction (which might otherwise be a chargeable event) in relation to, or in respect of, Shares which are held in a clearing system recognised by the Irish Revenue Commissioners; or
3. certain transfers of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
4. an exchange of Shares arising on a qualifying scheme of reconstruction or amalgamation (within the meaning of Section 739H TCA) of the Company with another investment undertaking.

On the happening of a chargeable event the Company shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or where applicable, to repurchase and cancel the required number of Shares to meet the tax liability. The relevant Shareholder



shall indemnify and keep the Company indemnified against any loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event.

A deemed disposal of shares will occur on each and every eight anniversary of the acquisition of Shares in the Company held by Irish Resident Shareholders who are not Exempt Irish Residents. The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares held by Shareholders who are Irish Resident and who are not Exempt Investors is 10% or more of the Net Asset Value of the Fund, the Company will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund. However, where the total value of Shares in the Company (or Fund, as applicable) held by such Shareholders is less than 10% of the Net Asset Value of the Fund, the Company may, and it is expected that the Company will, elect not to account for tax on the deemed disposal. In this instance, the Company will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves.

The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, where the Company so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 41% (or in the case of Irish resident corporate Shareholders where a relevant declaration has been made, at the rate of 25%). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Irish Resident Shareholders who have suffered a withholding tax should consult their tax advisers to determine their residual Irish tax liability, if any.

#### *Irish Courts Service*

Where Shares are held by the Irish Courts Service, the Company is not required to account for Irish tax on a chargeable event in respect of those Shares. Rather, where money under the control or subject to the order of any Court is applied to acquire Shares in the Company, the Courts Service assumes, in respect of the Shares acquired, the responsibilities of the Company to, inter alia, account for tax in respect of chargeable events and file returns.

### **Taxation of Shareholders**

#### *1. Non-Irish Residents*

Non-Irish Resident Shareholders will not generally be chargeable to Irish income tax or capital gains tax in respect of their Shares.

Non-Irish Residents Shareholders will not be chargeable to Irish tax on the income or gains arising to them from their investment in the Company and no tax will be deducted on distributions from the Company or payments by the Company in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment generally and will not be liable to Irish tax in respect of income or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Shareholder provided that either:

- a) the Company is in possession of a signed and completed tax declaration in the form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA (the "**Declaration**") from such Shareholder (or an intermediary acting on behalf of the Shareholder) to the effect that the Shareholder is not an Irish Resident; or
- b) the Company is in possession of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to provide a Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn.

If the Company is not in possession of a Declaration or a written notice of approval, or the Company is in possession of information which would reasonably suggest that the information contained in the

Declaration is not or is no longer materially correct, the Company must deduct tax on the happening of a chargeable event in relation to such Shareholders. The tax deducted will generally not be refunded. Where a Non-Irish Resident company holds Shares in the Company which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the Company under the self-assessment system.

## *2. Taxable Irish Residents*

The following section describes the Irish tax treatment of Shareholders who are Irish Residents.

### *(a) Deductions by the Company*

Tax at a rate of 41% will be deducted and remitted to the Revenue Commissioners by the Company in respect of any distributions made by the Company to an Irish Resident Shareholder who is not an Exempt Irish Resident or any gain arising on an encashment, repurchase, redemption, cancellation or other disposal of Shares by such a shareholder. Any gain will be computed as the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where the Shareholder is an Irish resident company and the Company is in possession of a declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the Company from any distributions made by the Company to the Shareholder and from any gains arising on a repurchase, sale, transfer, redemption, repurchase, encashment, cancellation or other disposal of shares by the Shareholder at the rate of 25%.

### *(b) Residual Irish tax Liability*

Where an Irish Resident Shareholder is not a company and is not an Exempt Investor and receives a distribution from which tax has not been deducted or receives a gain on an encashment, repurchase, redemption, cancellation or other disposal from which tax has not been deducted (for example, because the Shares are held in a recognised clearing system), the Shareholder will be liable to account for Irish income tax on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A TCA.

Where an Irish Resident Shareholder is a company which is not an Exempt Investor receives payments from which tax has been deducted, the Shareholder will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25% (or 41% if no Declaration has been made) has been deducted. Subject to the comments below concerning tax on a currency gain, in general, such Shareholder will not be subject to further Irish tax on payments received in respect of their holding from which tax has been deducted. Such corporate Shareholder resident in Ireland which holds the Shares in connection with a trade will be taxable on any income or gains received from the Company as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the Company.

Where a currency gain is made by a Shareholder on the disposal of Shares, the Shareholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Shares are disposed of.

### *(c) Reporting*

Pursuant to Section 891C TCA and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares held by Shareholders to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and, in the case of individual Shareholders, date of birth if on record, the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number or, in the absence of a tax reference number, a marker indicating that this was not provided) and the

investment number associated with and the value of the Shares held by, a Shareholder. These provisions do not require such details are to be reported in respect of Shareholders who are:

- (i) Exempt Investors (as defined above);
- (ii) Non-Irish Resident Shareholders (provided a Declaration has been made); or
- (iii) Shareholders whose Shares are held in a recognised clearing system.

### 3. *Exempt Investors*

The Company will not be required to deduct tax in respect of Shares held by an Exempt Investor where the Company is in possession of a Declaration in relation to such Shares and the Company is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

## **Other Taxes – All Shareholders**

### *Overseas Dividends*

Dividends (if any) and interest which the Company receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the Company will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.

However, in the event that the Company receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

### *Stamp Duty*

Generally no stamp is payable in Ireland on the issue, transfer, redemption or repurchase of Shares on the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B TCA. However, if any subscription for or redemption of Shares is satisfied by an in-kind or in specie transfer of Irish securities or other Irish property, a charge to Irish stamp duty may arise on the transfer of such securities or properties.

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

### *Capital Acquisitions Tax*

#### **Persons Domiciled or Ordinarily Resident in Ireland**

The disposal of Shares by means of a gift or inheritance made by a disponent domiciled or ordinarily resident in Ireland or received by a beneficiary domiciled or ordinarily resident in Ireland may give rise to a charge to Irish Capital Acquisitions Tax for the beneficiary of such a gift or inheritance with respect to those Shares.

#### **Persons Not Domiciled or Ordinarily Resident in Ireland**

On the basis that the Company qualifies as an investment undertaking as defined by Section 739B TCA, the disposal of Shares will not be within the charge to Irish capital acquisitions tax (“**CAT**”) provided that:

- (i) the Shares are comprised in the gift or inheritance at the date of the gift or at the date of the inheritance, and at the relevant valuation date;
- (ii) at the date of the disposition, the Shareholder making the disposition is neither domiciled nor ordinarily resident in Ireland; and
- (iii) at the date of the gift, or at the date of the inheritance, the donee or successor is neither domiciled nor ordinarily resident in Ireland.

## **Residence and Ordinary Residence**

### **Residence – Company**

A company will be resident in Ireland if: (i) its central management and control is in Ireland or (ii) it is incorporated in Ireland except where the company is regarded as resident in a country other than Ireland and not resident in Ireland under a double taxation agreement between Ireland and that other country. For Ireland to be treated as the location of a company’s central management and control this typically means Ireland is the location where all fundamental policy decisions of the company are made.

### **Residence – Individual**

An individual will be regarded as being resident in Ireland for a tax year if that individual is present in Ireland:

- 1) for a period of at least 183 days in any one tax year; or
- 2) for a period of at least 280 days, in any two consecutive tax years provided that the individual is resident in Ireland for at least 31 days in each tax year.

In determining days present in Ireland, an individual is deemed to be present if he / she is present in the country at any time during the day.

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

### **Ordinary Residence – Individual**

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident in Ireland. For example, an individual who is resident and ordinarily resident in Ireland in 2021 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the year in 2024.

### **Residence – Trust**

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

### **Common Reporting Standard**

Ireland has implemented the “Standard for Automatic Exchange of Financial Account Information”, also known as the Common Reporting Standard (“**CRS**”), into Irish law.

The CRS is a single global standard on Automatic Exchange of Information (“**AEOI**”) which was approved by the Council of the Organisation for Economic Cooperation and Development (“**OECD**”) in July 2014. It draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.

Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers. To comply with its obligations under the CRS (or similar information sharing arrangements), the Company may require additional information and documentation from Shareholders. The Company may disclose the information, certifications or other documentation that they receive from or in relation to Shareholders to the Revenue Commissioners who may in turn exchange this information with tax authorities in other territories.

By subscribing for Shares in the Company, each Shareholder is agreeing to provide such information upon request from the Company or its delegate. The non-provision of such information may result in mandatory redemption of Shares or other appropriate action taken by the Company. Shareholders refusing to provide the requisite information to the Company may be reported to the Irish tax authorities or other parties as necessary to comply with the CRS.

The above description is based in part on regulations, guidance from the OECD and the CRS, all of which are subject to change. Each prospective investor should consult their own tax adviser on the requirements applicable to their own situation under these arrangements.

#### **U.S. Foreign Account Tax Compliance Act**

The provisions of the foreign account tax compliance provisions contained in Sections 1471 to 1474 of the United States Internal Revenue Code and the regulations promulgated thereunder (“**FATCA**”) are designed to require certain U.S. persons’ direct and indirect ownership of certain non-U.S. accounts and non-U.S. entities to be reported by foreign financial institutions (“**FFIs**”) to foreign tax authorities who will then provide the information to the IRS.

The Company may be regarded as an FFI for FATCA purposes. FATCA may impose a withholding tax of up to 30% with respect to certain U.S. source income (including dividends and interest).

FATCA compliance is enforced under Irish tax legislation, including the Financial Accounts Reporting (United States of America) Regulations 2014, and reporting rules and practices. The Company may require additional information from Shareholders in order to comply with these provisions. The Company may disclose the information, certificates or other documentation that it receives from (or concerning) its Shareholders to the Revenue Commissioners as necessary to comply with the Irish tax legislation and reporting rules and practices relating to FATCA, related intergovernmental agreements or other applicable law or regulation. The Revenue Commissioners, in turn, report such information to the IRS. If a Shareholder causes (directly or indirectly) the Company to suffer a withholding for or on account of FATCA (“**FATCA Deduction**”) or other financial penalty, cost, expense or liability, the Company may compulsorily repurchase any Shares of such Shareholder and/or take any action required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such shareholder. Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective investor’s own situation. If applicable, investors should contact their intermediary regarding the application of this regime to their investments in the Company.

## **US TAXATION**

### **U.S. Foreign Account Tax Compliance Act**

The foreign account tax compliance provisions contained in Sections 1471 to 1474 of the United States Internal Revenue Code and the regulations promulgated thereunder (“**FATCA**”) impose a reporting regime which may impose a 30% withholding tax on certain U.S. source payments, including interest

(and original issue discounts), dividends, other fixed or determinable annual or periodical gains, profits and income, made on or after 1 July 2014 and the gross proceeds from a disposition of property of a type which can produce U.S. source interest or dividends made on or after 1 January 2019 (collectively, **"Withholdable Payments"**), if paid to certain non-U.S. financial institutions (any such non-U.S. financial institution, an **"FFI"**) that fail to enter into, or fail to comply with once entered into, an agreement with the U.S. Internal Revenue Service to provide certain information about their U.S. accountholders, including certain account holders that are non-U.S. entities with U.S. owners. The Company expects that it will constitute an FFI. Pursuant to recently proposed Treasury Regulations, the U.S. Treasury Department has indicated its intent to eliminate the requirements under FATCA of withholding on gross proceeds from a disposition of property of a type which can produce U.S. source interest or dividends.

The U.S. Treasury Department has indicated that taxpayers may rely on these proposed Treasury Regulations pending their finalization. The United States and the Government of Ireland have entered into an intergovernmental agreement to facilitate the implementation of FATCA (the **"IGA"**). An FFI (such as the Company) that complies with the terms of the IGA, as well as applicable local law requirements will not be subject to withholding under FATCA with respect to Withholdable Payments that it receives. Further, an FFI that complies with the terms of the IGA (including applicable local law requirements) will not be required to withhold under FATCA on Withholdable Payments it makes to accountholders of such FFI (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). Pursuant to the IGA, an FFI is required to report certain information in respect of certain of its accountholders to its home tax authority, whereupon such information will be provided to the U.S. Internal Revenue Service. The Company will undertake to comply with the IGA and any local implementing legislation, but there is no assurance that it will be able to do so.

The Company (or any nominated service provider) shall be entitled to require Shareholders to provide any information regarding their (and, in certain circumstances, their controlling persons') tax status, identity or residency in order to satisfy any reporting requirements which the Company may have as a result of the IGA or any legislation promulgated in connection with the agreement and Shareholders will be deemed by their shareholding to have authorised the automatic disclosure of such information by the Company (or any nominated service provider) or any other person on the Company's behalf to the relevant tax authorities.

The Company (or any nominated service provider) agrees that information (including the identity of any Shareholder) (and its controlling persons (if applicable)) supplied for purposes of FATCA compliance is intended for the Company's (or any nominated service provider) use for purposes of satisfying FATCA requirements and the Company (or any nominated service provider) agrees, to the extent permitted by applicable law, that it will take reasonable steps to treat such information in a confidential manner, except that the Company may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving FATCA compliance, (iii) to any person with the consent of the applicable Shareholder, or (iv) as otherwise required by law or court order or on the advice of its advisors.

Prospective investors should consult their advisors about the potential application of FATCA.

**US**

### ***Certain U.S. Federal Income Tax Considerations***

THE DISCUSSION HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND IS A DISCUSSION PRIMARILY OF THE U.S. TAX CONSEQUENCES TO PROSPECTIVE SHAREHOLDERS. EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT ITS PROFESSIONAL TAX ADVISER WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN THE COMPANY. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE SHAREHOLDER.

The Company has not sought a ruling from the U.S. Internal Revenue Service (the "IRS") or any other U.S. federal, state or local agency with respect to any of the tax issues affecting the Company, nor has it obtained an opinion of counsel with respect to any tax issues.

The following is a summary of certain material U.S. federal income tax consequences which may be relevant to prospective U.S. Holders (as defined below). This discussion is for general information only and does not discuss all of the tax consequences (such as alternative minimum tax considerations, estate and gift tax considerations and the Medicare tax on net investment income) that may be relevant to particular investors or to investors subject to special treatment under the federal income tax law (such as banks, thrifts, insurance companies, accrual method taxpayers subject to special tax accounting rules as a result of their use of certain financial statements, partnerships or other pass-through entities, dealers in securities or currencies, and investors that do not own their Shares as capital assets). Investors who are tax-exempt entities or Non-U.S. Holders (as defined below) are discussed separately below. The actual tax consequences of the purchase, ownership and disposition of Shares may vary depending upon an investor's particular circumstances. The discussion contained herein is not a full description of the complex tax rules involved and is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations (including final, temporary, and proposed regulations) promulgated thereunder, IRS rulings and official pronouncements, court decisions and other applicable authorities, all as in effect as of the date of this Prospectus which are subject to change, retroactively as well as prospectively. No assurance can be given that future legislation, administrative rulings or court decisions will not modify the conclusions set forth in this summary. A decision to invest in the Company should be based upon an evaluation of the merits of the trading program, and not upon any anticipated U.S. tax benefits.

For purposes of this discussion, a "U.S. Holder" means a beneficial owner of Shares that is, for U.S. federal income tax purposes, (1) an individual who is a citizen of the United States or is treated as a resident of the United States, (2) a corporation (or other entity taxable as a corporation) that is created or organized in or under the laws of the United States or any state thereof or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (4) a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust, or (ii) the trust was in existence on August 20, 1996 and properly elected to continue to be treated as a United States person. A "Non-U.S. Holder" is a beneficial owner of Shares that is not an U.S. Holder.

A partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holding Shares should consult their own tax advisers because the tax treatment of a partner generally will

depend upon the status of the partner and the activities of the partnership. This discussion does not constitute tax advice and is not intended to substitute for tax planning.

### ***U.S. Taxation of the Company***

The Company and the Investment Manager will use commercially reasonable efforts to ensure that the Company is not treated as engaged in a trade or business in the United States and therefore does not expect to be generally subject to U.S. federal income tax on a net income basis. However, the determination of whether the Company will be treated as engaged in a U.S. trade or business depends on all of the relevant facts and circumstances and no assurance can be given that the IRS will not assert otherwise or that such assertion would not prevail. No assurance can be given that the activities of the Investment Manager and the Company will not cause the Company to be treated as engaged in a trade or business within the United States, and it is possible that changes to the U.S. federal tax laws or interpretations thereof could cause the Company to be treated as engaged in a U.S. trade or business or result in other adverse tax consequence to investors. If the Company were treated as engaged in a trade or business in the United States for U.S. federal income tax purposes either by reason of its activities or investments, and the Company has taxable income that is treated as “effectively connected” with its U.S. trade or business, the Company would be subject to the regular U.S. corporate income tax and possibly state and local taxes on such effectively connected taxable income (and possibly to a 30% branch profits tax on after-tax income as well).

Prospective investors should consult their own tax advisers with respect to the possibility the Company would be treated as engaged in a trade or business within the United States.

### ***Investment in a Passive Foreign Investment Company***

The Company expects to constitute a “passive foreign investment company” (a “PFIC”) for U.S. federal income tax purposes, and U.S. Holders of the Shares (other than certain U.S. Holders that are subject to the rules pertaining to a “controlled foreign corporation”, described below) will be considered shareholders in a PFIC.

U.S. Holders may desire to make an election to treat the Company as a “qualified electing fund” (a “QEF”) with respect to such U.S. Holder. Generally, a U.S. Holder makes a QEF election on IRS Form 8621, attaching a copy of such form to its U.S. federal income tax return for the first taxable year for which it held its Shares.

If a U.S. Holder makes a timely QEF election with respect to the Company, the electing U.S. Holder will be required in each taxable year to include in gross income (i) as ordinary income, such U.S. Holder’s *pro rata* share of the Company’s ordinary earnings and (ii) as long term capital gain, such U.S. Holder’s *pro rata* share of the Company’s net capital gain, translated into U.S. dollars based on the average exchange rate for the PFIC’s taxable year, whether or not distributed. A U.S. Holder’s *pro rata* share of the Company’s ordinary earnings and net capital gain may exceed the amount payable to a U.S. Holder of Shares, in which case a U.S. Holder of such Shares may be required to report taxable income in excess of the distributions payable to them in respect of such taxable years. A U.S. Holder will not be eligible for the dividends received deduction in respect of such income or gain. In addition, any losses of the Company in a taxable year will not be available to such U.S. Holder and may not be carried back



or forward in computing the Company's ordinary earnings and net capital gain in other taxable years.

If applicable, the rules pertaining to a "controlled foreign corporation", discussed below, generally override those pertaining to a PFIC with respect to which a QEF election is in effect.

In certain cases in which a QEF does not distribute all of its earnings in a taxable year, the electing U.S. Holder may also be permitted to elect to defer payment of some or all of the taxes on the QEF's income, subject to a nondeductible interest charge on the deferred amount. In this respect, prospective purchasers of Shares should be aware that investments by the Company might include high yield debt obligations and such instruments may have substantial "original issue discount", the cash payment of which may be deferred, perhaps for a substantial period of time. In addition, the Company may use proceeds from the sale of investments to purchase substitute investments. As a result, in any given year, the Company may have substantial amounts of earnings for U.S. federal income tax purposes that are not distributed to a U.S. Holder of the Shares. Thus, absent an election to defer payment of taxes, U.S. Holders that make a QEF election with respect to the Company may owe tax on significant "phantom" income.

The Company will provide, upon request, all information and documentation that a U.S. Holder making a QEF election is required to obtain for U.S. federal income tax purposes to the extent available to the Company. The requesting U.S. Holder will be required to reimburse the Company for its costs and expenses incurring in the preparation of such information and documentation.

A U.S. Holder of Shares (other than certain U.S. Holders that are subject to the rules pertaining to a "controlled foreign corporation", described below) that does not make a timely QEF election will be required to report any gain on the disposition of any Shares as ordinary income, rather than capital gain, and to compute the tax liability on such gain and any "Excess Distribution" (as defined below) received in respect of the Shares as if such items had been earned ratably over each day in the U.S. Holder's holding period (or a certain portion thereof) for the Shares. An "Excess Distribution" is the amount by which distributions during a taxable year in respect of the Shares exceed 125% of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the Shares).

A U.S. Holder will be subject to tax on such items at the highest ordinary income tax rate for each taxable year, other than the current year, in which the items were treated as having been earned, regardless of the rate otherwise applicable to the U.S. Holder. Further, such U.S. Holder will also be liable for a nondeductible interest charge as if such income tax liabilities had been due with respect to each such prior year.

For purposes of these rules, gifts, exchanges pursuant to corporate reorganisations and use of the Shares as security for a loan may be treated as a taxable disposition of such Shares. In addition, a stepped up basis in the Shares will generally not be available upon the death of an individual U.S. Holder.

In many cases, the U.S. federal income tax on any gain on disposition or receipt of Excess Distributions is likely to be substantially greater than the tax if a timely QEF election is made.

A U.S. HOLDER OF SHARES SHOULD CONSIDER CAREFULLY WHETHER TO MAKE A QEF ELECTION WITH RESPECT TO SUCH SHARES.

### ***Investment in a Controlled Foreign Corporation***

The Company will constitute a “controlled foreign corporation” (a “CFC”) if more than 50% of the equity interests in the Company, measured by reference to combined voting power or value, is owned directly, indirectly, or constructively by “United States shareholders”. For this purpose, a United States shareholder is any United States person that possesses directly, indirectly, or constructively 10% or more of the combined voting power or total value of all classes of equity in the Company. It is likely that the Shares will be treated as voting securities. In this case, a U.S. Holder of Shares possessing directly, indirectly, or constructively 10% or more by vote or value of the sum of the aggregate outstanding principal amount of the Shares of the Company would be treated as a United States shareholder. If more than 50% of the Shares of the Company, determined with respect to aggregate value or aggregate outstanding principal amount, are owned directly, indirectly, or constructively by such United States shareholders, the Company would be treated as a CFC.

If, for any given taxable year, the Company is treated as a CFC, a United States shareholder of the Company would be required to include as ordinary income an amount equal to that person’s *pro rata* share of the Company’s “subpart F income” and “global intangible low-taxed income” (if any) at the end of such taxable year, translated into U.S. dollars based on the average exchange rate for the CFC’s taxable year, whether or not distributed. Under certain Treasury Regulations, the amount of the Company’s subpart F income attributable to Shares (in order to determine each person’s *pro rata* share) generally is the amount that bears the same ratio to the total subpart F income as the ratio of the earnings and profits which would be distributed with respect to such Shares (if all of the Company’s earnings and profits were distributed on the last day of the Company’s taxable year, on which the Company is a CFC) to the total earnings and profits of the Company for such taxable year. Among other items, and subject to certain exceptions, “subpart F income” includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. If the Company were to constitute a CFC, all or most of its income would be subpart F income.

If the Company is treated as a CFC and a U.S. Holder is treated as a United States shareholder of the Company, the Company would not be treated as a PFIC with respect to such U.S. Holder for the period during which the Company remains a CFC and such U.S. Holder remains a United States shareholder of the Company (the “qualified portion” of the U.S. Holder’s holding period for the Shares). As a result, to the extent the Company’s subpart F income includes net capital gains, such gains would be treated as ordinary income to the United States shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the QEF rules. If the qualified portion of such U.S. Holder’s holding period for the Shares subsequently ceases (either because the Company ceases to be a CFC or the U.S. Holder ceases to be a United States shareholder), then solely for purposes of the PFIC rules, such U.S. Holder’s holding period for the Shares would be treated as beginning on the first day following the end of such qualified portion, unless the U.S. Holder had owned any Shares for any period of time prior to such qualified portion and had not made a QEF election with respect to the Company. In that case, the Company would again be treated as a PFIC which is not a

QEF with respect to such U.S. Holder and the beginning of such U.S. Holder's holding period for the Shares would continue to be the date upon which such U.S. Holder acquired the Shares, unless the U.S. Holder makes an election to recognize gain with respect to the Shares and a QEF election with respect to the Company.

*Indirect Interests in PFICs and CFCs.* If the Company owns an investment issued by a non-U.S. corporation that is treated as equity for U.S. federal income tax purposes, U.S. Holders of Shares could be treated as owning an indirect equity interest in a PFIC or a CFC and could be subject to certain adverse tax consequences.

In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Company, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Company can obtain such statements from a PFIC in which the Company invests, and thus there can be no assurance that a U.S. Holder will be able to make the election with respect to any indirectly-held PFIC. Accordingly, if the U.S. Holder has not made a QEF election with respect to the indirectly-held PFIC, the U.S. Holder would be subject to the adverse consequences described above under "*Investment in a Passive Foreign Investment Company*" with respect to any excess inclusions of such indirectly-held PFIC, any gain indirectly realized by such U.S. Holder on the sale by the Company of such PFIC, and any gain indirectly realized by such U.S. Holder on the sale by the U.S. Holder of its Shares (which may arise even if the U.S. Holder realizes a loss on such sale). Moreover, if the U.S. Holder has made a QEF election with respect to the indirectly-held PFIC, the U.S. Holder would be required to include in income the U.S. Holder's *pro rata* share of the indirectly-owned PFIC's ordinary earnings and net capital gain, translated into U.S. dollars based on the average exchange rate for the indirectly-owned PFIC's taxable year, as if the indirectly-owned PFIC were owned directly, and the U.S. Holder would not be permitted to use any losses or other expenses of the Company to offset such ordinary earnings and/or net capital gains.

Accordingly, if any of the investments of the Company are treated as equity interests in a PFIC, U.S. Holders could experience significant amounts of phantom income with respect to such interests. Other adverse tax consequences may arise for U.S. Holders that are treated as owning indirect interests in CFCs. U.S. Holders should consult their own tax advisers regarding the tax issues associated with such investments in light of their own individual circumstances.

*Distributions on Shares.* The treatment of actual distributions of cash with respect to the Shares, in very general terms, will vary depending on whether a U.S. Holder has made a timely QEF election (as described above). See "*Investment in a Passive Foreign Investment Company*". If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) and to this extent will not be taxable to U.S. Holders. However, foreign currency gain or loss with respect to distributions of previously taxed income of a PFIC or CFC that is attributable to movements in exchange rates between the time of inclusion and actual distribution must be recognized and treated as ordinary income or loss. A U.S. Holder will recognize exchange gain or loss with respect to amounts previously taxed pursuant to the QEF election equal to the difference, if any, between the U.S. dollar value of the payment in foreign currency on the date received (based on the U.S. dollar spot rate for such foreign currency on the date received) and the U.S. dollar value of the previously taxed amount. Any exchange gain or loss will

generally be treated as ordinary income or loss from the same source as the associated income inclusion.

The U.S. dollar value of any distributions in excess of previously taxed amounts, translated into U.S. dollars at the spot rate on the date received will be taxable to U.S. Holders as ordinary income upon receipt, to the extent of any remaining amounts of untaxed current and accumulated earnings and profits of the Company. The U.S. dollar value of distributions in excess of previously untaxed amounts and any remaining current and accumulated earnings and profits of the Company, translated into U.S. dollars at the spot rate on the date received will be treated first as a nontaxable return of capital and then as capital gain.

In the event that a U.S. Holder does not make a timely QEF election then, except to the extent that distributions may be attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions with respect to the Shares may constitute Excess Distributions, taxable as previously described. See “Investment in a Passive Foreign Investment Company”.

*Foreign Currency Dividends.* Payments with respect to Shares made in a currency other than U.S. dollars will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the payments are actually or constructively received by the U.S. Holder, regardless of whether the amount is converted into U.S. dollars. If distributions received in non-U.S. currency are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognize foreign currency gain or loss in respect of the distributed amounts.

*Sale, Redemption, or other Disposition of Shares.* In general, a U.S. Holder of Shares will have a basis in its Shares equal to the U.S. dollar value of the foreign currency paid (based on the U.S. dollar spot rate for the foreign currency on the date of purchase) increased by amounts taxable to such U.S. Holder by reason of a QEF election, or by reason of the CFC rules, as applicable (as described above), and decreased by the U.S. dollar value of actual distributions (based on the U.S. dollar spot rate for the foreign currency on the date of payment) from the Company that are deemed to consist of such previously taxed amounts or are treated as a nontaxable reduction to the U.S. Holder's tax basis for the Shares (as described above). Upon the sale, redemption or other disposition of Shares a U.S. Holder will recognize gain or loss equal to the difference between the U.S. dollar value of the foreign currency received on the date of sale, redemption or other disposition and such U.S. Holder's adjusted tax basis.

Except as discussed below, such gain or loss will be capital gain or loss and will be long term capital gain or loss if the U.S. Holder held the Shares for more than one year at the time of the disposition. In certain circumstances, U.S. Holders who are individuals (or whose income is taxable to U.S. individuals) may be entitled to preferential treatment for net long term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

A U.S. Holder will recognize exchange gain or loss on the sale, redemption, or other disposition of the Shares with respect to previously taxed but undistributed amounts attributable to the Shares. For purposes of determining the exchange gain or loss, any previously taxed but undistributed amounts attributable to the Shares will be treated as distributed to the U.S. Holder immediately prior to the sale, redemption or other disposition. A U.S. Holder's exchange gain or loss is the difference, if any, between the U.S. dollar value of the deemed distribution (based on the U.S. dollar spot rate for the foreign

currency on the date deemed distributed) and the U.S. dollar value of the previously taxed income (computed as determined above). Any exchange gain or loss will generally be treated as U.S. source ordinary income or loss. If a U.S. Holder does not make a timely QEF election as described above, any gain realized on the sale, redemption, or other disposition of Shares (or any gain deemed to accrue prior to the time a non timely QEF election is made) will be taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above. See *“Investment in a Passive Foreign Investment Company”*.

If the Company is treated as a CFC and a U.S. Holder is treated as a “United States shareholder” therein, then any gain realized by such U.S. Holder upon the disposition of Shares, other than gain subject to the PFIC rules, if applicable, would be treated as ordinary income to the extent of the U.S. Holder’s *pro rata* share of the Company’s current and accumulated earnings and profits. In this regard, earnings and profits would not include any amounts previously taxed pursuant to a timely QEF election or pursuant to the CFC rules.

*Transfer and Information Reporting Requirements.* A U.S. Holder (including a tax-exempt entity) that purchases a Shares for cash would be required to file an IRS Form 926 or similar form with the IRS, if (i) such person is treated as owning, directly or by attribution, immediately after the transfer at least 10 % by vote or value of the Company or (ii) if the amount of cash transferred by such person (or any related person) to the Company during the 12 month period ending on the date of such transfer, exceeds \$100,000.

A U.S. Holder that is treated as owning (actually or constructively) at least 10% by vote or value of the equity of the Company for U.S. federal income tax purposes may be required to file an information return on IRS Form 5471, and provide additional information regarding the Company annually on IRS Form 5471 if it is treated as owning (actually or constructively) more than 50% by vote or value of the equity of the Company for U.S. federal income tax purposes.

A U.S. Holder who is shareholder in a PFIC is required to file IRS Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or a Qualified Electing Fund. A U.S. Holder that is tax-exempt may be required to file an IRS form 8621 containing such information as the U.S. Department of the Treasury may require.

Under recently proposed Treasury Regulations, a U.S. Holder that is a United States shareholder may be required to file Form 8992 (U.S. Shareholder Calculation of Global Intangible Low-Taxed Income (GILTI)) with the IRS if the Company is classified as a CFC. A failure to properly file Form 8992 with the IRS may subject such U.S. Holder to a penalty (generally not to exceed \$60,000).

U.S. Holders should consult their own tax advisers with respect to these or any other reporting requirements which may apply with respect to their acquisition or ownership of the Shares.

*Receipt of foreign currency.* Foreign currency received as payment on Shares or on a sale, exchange or retirement of Shares will have a tax basis equal to their U.S. dollar value at the time such payment is received or at the time of such sale, exchange or retirement, as the case may be. Any exchange gain or loss recognized on a sale or exchange of the foreign currency will generally be U.S. source ordinary income or loss.

### ***U.S. Federal Tax Treatment of Tax-Exempt U.S. Holders of Shares***

U.S. Holders that are tax-exempt entities (as defined in the Code) should not be subject to the tax on unrelated business taxable income in respect of the Shares unless the Shares constitute “debt financed property” (as defined in the Code) of that entity. U.S. Holders that are tax-exempt entities should consult their own tax advisers concerning the U.S. tax consequences that may apply with respect to their acquisition or ownership of the Shares.

### ***Reporting Requirements for U.S. Shareholders***

Treasury Regulations require U.S. taxpayers that participate in a “reportable transaction,” to disclose this participation to the IRS. The scope and application of these rules is complex. In the event the acquisition, holding or disposition of Shares or transactions entered into by the Company constitutes participation in a “reportable transaction” for purposes of these rules, a U.S. Holder may be required to disclose its share of the “reportable transaction” by filing an IRS Form 8886 (“Reportable Transaction Disclosure Statement”) with the IRS. In addition, the Company and its advisers may be required to maintain a list of Shareholders, and to furnish this list and certain other information to the IRS upon request. Prospective purchasers are urged to consult their own tax advisers regarding the application of these rules to the acquisition, holding of and disposition of Shares.

Individuals that are U.S. Holders must file certain information with their annual U.S. federal income tax returns regarding interests they hold in foreign entities or accounts worth more than \$50,000 at any time during the year. Certain U.S. entities will also be subject to such reporting, pending IRS guidance. In addition, a U.S. Holder who has a financial interest in or signature authority (or comparable authority) over any foreign financial account, including bank, securities, or other types of financial accounts, in a foreign country, if the aggregate value of these financial accounts exceeds \$10,000 at any time during the calendar year, must report that relationship each calendar year by filing electronically a Financial Crimes Enforcement Network (Fin CEN) Form 114 (Report of Foreign Bank and Financial Accounts). Failure to comply with the FBAR reporting requirements can result in significant civil and/or criminal penalties. Recent guidance by the IRS indicates that the FBAR rules do not currently apply to an investment in the Company. However, the IRS has indicated that it may apply the FBAR rules to entities similar to the Company (for example, hedge funds) in future guidance. Prospective Shareholders are urged to consult their own tax advisers regarding the application of these reporting requirements and potential application of penalties under such rules.

### ***Backup Withholding and Information Reporting***

Payments of dividends and the proceeds from the sale, exchange or redemption of the Shares, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders (including, among others, corporations) are not subject to backup withholding. U.S. Holders should consult their own tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

## **Foreign Account Tax Compliance Act**

Pursuant to the US Foreign Account Tax Compliance Act ("FATCA"), the Company (or each Fund) will be required to comply with reporting and withholding requirements designed to inform the US Department of the Treasury of US-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Company (or each Fund) to US withholding taxes on certain US-sourced income. Pursuant to an intergovernmental agreement between the United States and Ireland, the Company (or each Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports US Taxpayer information directly to the Irish Revenue Commissioners. Investors may be requested to provide additional information to the Company to enable the Company (or each Fund) to satisfy these obligations. Failure to provide requested information or (if applicable) satisfy its own FATCA obligations may subject an investor to liability for any resulting US withholding taxes, US tax information reporting and/or mandatory redemption, transfer or compulsory redemption of the Shareholder's holding in the relevant Fund. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Company or its Funds.

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

PROSPECTIVE SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE IMPLICATIONS OF THIS LEGISLATION ON THEIR INVESTMENT IN THE COMPANY.

### ***Non-U.S. Holders***

Subject to the discussion below, a Non-U.S. Holder generally will not be subject to U.S. federal income tax on any distribution or gain realized upon the sale, redemption or other disposition of its Shares. However, special rules may apply to Non-U.S. Holders that: (i) have an office or fixed place of business in the U.S. to which a distribution or gain in respect of Shares is attributable; (ii) are former citizens or residents of the United States; (iii) are controlled non-U.S. corporations of U.S. shareholders, non-U.S. insurance companies that hold Shares in connection with their U.S. businesses or corporations which accumulate earnings to avoid U.S. federal income tax; or (iv) are non-resident individuals present in the U.S. one hundred eighty-three (183) days or more during a calendar year. Such persons in particular are urged to consult their own tax advisers before investing in the Company.

*Income or Gains Effectively Connected With a U.S. Trade or Business.* If any distribution or gain on the sale, redemption or other disposition is effectively connected with a U.S. trade or business conducted by the Non-U.S. Holder, then the income or gain will be subject to U.S. federal income tax on a net income basis at the regular graduated rates and in the same manner applicable to U.S. Holders. If the Non-U.S. Holder is eligible for the benefits of a tax treaty between the United States and the holder's country of residence, any "effectively connected" income or gain generally will be subject to U.S. federal income tax only if it is also attributable to a permanent establishment or fixed base

maintained by the holder in the United States. If the Non-U.S. Holder is a corporation (or an entity treated as a corporation for U.S. federal income tax purposes), that portion of its earnings and profits that is effectively connected with its U.S. trade or business may also be subject to a “branch profits tax” at a rate of 30% (or lower rate under an applicable income tax treaty). Payments of accrued interest that are effectively connected with a U.S. trade or business will not be subject to the withholding tax provided that the holder claims exemption from withholding. To claim exemption from withholding, the holder must certify its qualification, which can be done by filing a properly executed IRS Form W-8ECI, W-8BEN or W-8BEN-E or appropriate substitute form.

### ***State, Local and Foreign Tax Considerations***

The foregoing discussion does not address the state, local and foreign tax considerations of an investment in the Company. Prospective investors are urged to consult their own tax advisers regarding those matters and all other tax aspects of an investment in the Company. It should be noted that Shareholders may be subject to state, local or foreign income, franchise or withholding taxes in those jurisdictions where the Company is regarded as doing business. It also should be noted that it is possible that the Company itself may be subject to state, local or foreign tax in certain jurisdictions.

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

### **ERISA Considerations For Employee Plans**

General. Most retirement and welfare benefit plans maintained by U.S. employers for employees (“Employee Benefit Plans”) are subject to ERISA. ERISA-covered plans include, among others, individual corporate employer-sponsored pension, profit-sharing, and retirement savings (e.g., “401(k)”) plans, “simplified employee pension” (or “SEP”) plans (which are individual retirement accounts to which employers contribute for the benefit of employees), jointly trustee labor-management Taft-Hartley plans, and plans established or maintained by tax-exempt entities.

ERISA does not cover plans established or maintained by government entities, certain church plans, foreign plans covering non-resident aliens, and certain other plans excluded by statute.

Plans not sponsored and maintained by employers for “employees” also are not subject to ERISA. These include individual retirement accounts (“IRAs”) not sponsored or contributed to by an employer, so-called “Keogh” or “H.R.-10” plans covering only self-employed individuals (i.e., sole proprietors, partners), and corporate-sponsored plans covering only the corporation’s sole shareholder and his or her spouse. These plans, however, (as well as plans subject to ERISA) are subject to the prohibited transaction excise tax provisions of Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “IRC”).

Investment Considerations. The appropriate fiduciary of an Employee Benefit Plan proposing to invest in the Company should consider whether that investment would be consistent with the terms of the plan’s governing instrument and, if applicable, ERISA’s fiduciary responsibility requirements. A fiduciary of a plan subject to ERISA should give appropriate consideration to, among other things, the



role that an investment in the Company would play in the plan's portfolio, taking into consideration whether the investment is designed reasonably to further the plan's purposes, the risk and return factors associated with the investment, the composition of the plan's total investment portfolio with regard to diversification, the liquidity and current return of the plan's portfolio relative to its anticipated cash flow needs, the projected return of the plan's portfolio relative to its objectives, and limitations on the right of Investors to redeem all or any part of their Shares or to transfer their Shares.

In addition, ERISA prohibits a fiduciary from causing the plan to engage in a transaction if the fiduciary knows or should know that such transaction constitutes, among other things, a direct or indirect sale or exchange of property between the plan and a party in interest or a transfer of plan assets to, or use of plan assets by or for the benefit of, a party in interest. Section 4975 of the IRC imposes an excise tax on disqualified persons of plans subject to that Section (as described above) who participate in prohibited transactions substantially similar to those prohibited by ERISA. The Investment Manager believes that the Company itself should not be considered a party in interest (or disqualified person) with respect to investing plans. The Investment Manager (and certain entities affiliated with the Investment Manager), however, may be deemed a party in interest (or disqualified person) of a plan with respect to which it provides investment management, investment advisory, or other services. Since the application of ERISA and Section 4975 of the IRC depends upon the particular facts and circumstances of each plan, the appropriate fiduciary should consult its own advisors to determine whether investment in the Company would be prohibited by ERISA or Section 4975 of the IRC. An authorized fiduciary of each plan subject to the prohibited transaction restrictions of ERISA or Section 4975 of the IRC will be required to represent, and by making an investment in the Company thereby does represent, that such investment will not violate such prohibited transaction restrictions.

The assets of the Company will be invested in accordance with the investment policies and objectives described in this Prospectus. The appropriate fiduciary of each plan is responsible for ensuring that an investment in the Company by such plan meets all applicable requirements of ERISA and Section 4975 of the IRC in the specific context of the particular plan. An authorized fiduciary of each employee benefit plan proposing to invest in the Company will be required to represent, and by making an investment in the Company thereby does represent, that it has been informed of and understands the Company investment objectives, policies, and strategies and that the decision to invest plan assets in the Company is consistent with the provisions of applicable law, including ERISA and Section 4975 of the IRC. Plans should consult their own advisors regarding these matters before investing in the Company.

"Plan Assets". The U.S. Department of Labor (the "Department") has published a regulation, 29 C.F.R. § 2510.3-101 (the "Regulation") describing when the underlying assets of an entity, such as the Company, in which certain "benefit plan investors," as defined in Section 3(42) of ERISA ("Benefit Plan Investors") invest constitute "plan assets" for purposes of ERISA and Section 4975 of the IRC. Benefit Plan Investors include employee benefit plans as defined in and subject to ERISA, IRAs, Keogh plans and entities (such as private investment limited partnerships), the underlying assets of which include plan assets by reason of significant participation therein by Benefit Plan Investors.

The Regulation provides that, as a general rule, when a plan invests assets in another entity, the plan's assets include its investment, but do not, solely by reason of such investment, include any of the underlying assets of the entity. However, when a plan acquires an "equity interest" in an entity that is neither (i) a "publicly offered security," nor (ii) a security issued by an investment company registered

under the Investment Company Act, then the plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that the entity is an "operating company" or that equity participation in the entity by Benefit Plan Investors is not "significant." Equity participation in an entity by Benefit Plan Investors is considered "significant" if twenty-five percent (25%) or more of the total value of any class of equity securities issued by the entity is held by such Benefit Plan Investors.

No Shares of any Fund will be publicly offered securities, the Fund will not register as an investment company under the Investment Company Act, and no Fund will qualify as an "operating company" within the meaning of the Regulation. The Administrator, however, intends to report monthly on investments in each Fund to determine whether equity participation in any Fund by Benefit Plan Investors equals or exceeds twenty-five percent (25%) of the total value of any Class of Shares or any other class of equity interest in such Fund. (The Regulation requires the Company, in making this computation, to disregard the value of equity interests held by the Investment Manager and its affiliates or any other person having discretionary authority or control over a Fund's assets, other than Class of Shares held by any of such persons through a Benefit Plan Investor.) Equity participation by Benefit Plan Investors could, at some point, be considered "significant" under the Regulation and, as a result, the underlying assets of a Fund would be deemed "plan assets" for purposes of ERISA or Section 4975 of the IRC. The Fund and the Investment Manager would thereafter comply with ERISA and Section 4975 of the IRC.

If the assets of any Fund were regarded as "plan assets," the Investment Manager will be a "fiduciary" (as defined in ERISA) with respect to any investor in such Fund that is an employee benefit plan subject to ERISA and would be subject to the obligations and liabilities imposed on fiduciaries by ERISA. In addition, the authorizing fiduciary of each employee benefit plan investing in such Fund will appoint the Investment Manager as an "investment manager" (as defined in Section 3(38) of ERISA) with respect to such employee benefit plan's investment in such Fund. Moreover, such Fund would be subject to various other requirements of ERISA and Section 4975 of the IRC. In particular, the Fund would be subject to prohibitions on transactions with certain parties in interest, disqualified persons, as defined in ERISA and Section 4975 of the IRC, and the Investment Manager, as a plan fiduciary, would be subject to certain restrictions on self dealing and conflicts of interest. In such case, the Fund or the Investment Manager may be precluded from engaging in certain transactions with a "party in interest" (or a "disqualified person for purposes of Section 4957 of the IRC) with respect to one or more investing plans, unless an exemption applies. The Investment Manager may seek to rely on one or more statutory or administrative exemptions from the prohibited transaction restrictions, including without limitation, the Department's Prohibited Transaction Class Exemption No. 84-14 (the "QPAM Exemption"). The QPAM Exemption provides broad exemptive relief from ERISA's prohibited transaction restrictions for many of the transactions in which the Company is expected to engage in the ordinary course.

Considerations for Non-Plan Investors. This summary does not include a discussion of any laws, regulations, or statutes that may apply to prospective Investors that are not Benefit Plan Investors, such as state statutes that impose fiduciary responsibility requirements in connection with the investment of assets of governmental plans and other plans not subject to ERISA. Such Investors should consult their own professional advisors about these matters.

**BENEFIT PLAN INVESTORS ARE URGED TO CONSULT WITH THEIR LEGAL,  
FINANCIAL AND TAX ADVISORS BEFORE INVESTING IN THE COMPANY**

## **UK Taxation**

The following is intended as a general guide to the UK tax treatment of ownership of the Shares under current legislation and published HM Revenue & Customs' (HMRC) practice at the date of this document, both of which are subject to change at any time. It only deals with the general UK tax position of certain Shareholders resident or ordinarily resident in the UK (excluding those who are chargeable to tax on a remittance basis) who hold the Shares as investments, and does not deal with other Shareholders (such as dealers in securities, insurance companies and collective investment schemes) whose tax position might in some cases be different. The information is given by way of general summary only and does not constitute legal or tax advice to any person. Shareholders who are in any doubt about their tax position, or who are taxable in a jurisdiction other than the UK should obtain detailed tax advice.

### ***The Company***

The Directors intend that the affairs of the Company should be managed and conducted so that it does not become resident in the UK for UK taxation purposes. Accordingly, and provided that the Company is not trading in the UK through a fixed place of business or agent situated therein that constitutes a **"permanent establishment"** for UK taxation purposes, the Company will not be subject to UK corporation tax or income tax on income or capital gains arising to it other than certain income deriving from a UK source. The Directors intend that the affairs of the Company are conducted so that no such permanent establishment will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment coming into being will at all times be satisfied.

Interest and other income received by the Company which has a UK source may be subject to withholding taxes in the UK.

## **UK Shareholders**

### **Capital gains**

The Offshore Funds Regulations provide that if a Shareholder who is resident in the UK for taxation purposes holds an interest in an **"offshore fund"** (as defined in Part 8 Taxation (International and Other Provisions) Act 2010), any gain accruing to the Shareholder upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income (**"offshore income gains"**) and not as a capital gain, unless that offshore fund has been a **"reporting fund"** throughout the period during which the Shareholder holds that interest. Each Share Class of each Fund of the Company is an **"offshore fund"** for the purposes of the UK tax legislation.

It is intended that the Company will apply to HMRC for the A Income (Sterling) and B Income (Euro) Share Classes to have **"reporting fund"** status. However, there can be no guarantee that such status will be obtained and maintained for each period of account of the Funds. The effect of obtaining **"reporting fund"** status would be that any gains arising to individual Shareholders resident in the UK on a sale, redemption or other disposal of Shares would be taxed as capital gains and not as offshore income gains at the current rate of 10% for basic rate taxpayers and 20% for higher rate or additional rate taxpayers (noting that this may increase up to 18 per cent and up to 28 per cent respectively where the Company invests into residential property). Shareholders may be entitled to an annual exemption (known as the annual exempt amount) from capital gains (this is £12,300 for the year 2021/22). The effect of obtaining **"reporting fund"** status would be that any gains arising to corporate Shareholders resident in the UK would be subject to corporation tax on gains at the current rate of 19 per cent (increasing to 25% from 01 April 2023).

## Income

Subject to their personal circumstances, persons resident in the UK for taxation purposes will be liable to UK income tax (or corporation tax on income) on their share of a reporting fund's income attributable to their holding in the Fund, whether or not distributed

UK resident or ordinarily resident individual Shareholders who are additional rate taxpayers will be liable to income tax on dividends at 39.35 per cent., higher rate taxpayers will be liable to income tax at 33.75 per cent. and other individual taxpayers will be liable to income tax at 8.75 per cent.

A UK resident corporate Shareholder will be liable to UK corporation tax in respect of their share of the income of the Fund unless the dividend (or deemed dividend) falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. Shareholders within the charge to UK corporation tax are advised to consult their independent professional tax advisers to determine whether dividends received (or deemed to be received) will be subject to UK corporation tax.

## Other UK Taxation Matters

The exchange of Shares in one Fund for Shares in another Fund may amount to a disposal of the original Shares for tax purposes and accordingly a chargeable gain (or taxable income where certification of the original Shares as a **"reporting fund"** has not been obtained) or an allowable capital loss may be realised.

Persons within the charge to UK corporation tax should note that the regime for the taxation of most corporate debt contained in the Corporation Tax Act 2009 (the **"loan relationships regime"**) provides that, if at any time in an accounting period such a person holds an interest in an offshore fund within the meaning of the relevant provisions of the Offshore Fund Regulations and the Taxation (International and Other Provisions) Act 2010, and there is a time in that period when that fund fails to satisfy the **"qualifying investments test"**, the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to satisfy the **"qualifying investments test"** at any time when more than 60 per cent. of its assets by market value comprise government and corporate debt securities or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the **"qualifying investments test"**. On the basis of the investment policies of certain Funds, such a Fund could invest more than 60 per cent. of its assets by market value in government and corporate debt securities or as cash on deposit or certain derivative contracts or holdings in other collective investments schemes which at any time in the relevant accounting period do not themselves satisfy the **"qualifying investments test"**. In that eventuality, the Shares in that Fund will be treated for UK corporation tax purposes as within the loan relationships regime with the result that all returns on the Shares in that Fund in respect of such a person's accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a **"fair value accounting"** basis. Accordingly, such a person who acquires Shares in the Company may, in that eventuality and depending on its own circumstances, incur a charge to UK corporation tax on any unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against UK corporation tax for an unrealised reduction in the value of its holding of Shares).

The attention of individual Shareholders subject to United Kingdom income tax is drawn to section 378A of Income Tax (Trading and Other Income) Act 2005 which provides that certain distributions from offshore funds that are economically similar to payments of yearly interest will be chargeable to tax as if they were yearly interest where the Fund fails to meet the 'Qualifying Investment' test. If over 60 per cent. of the assets of a Fund are invested in interest-bearing investments dividends received by a UK resident or ordinarily resident individual Shareholder will be treated as payments of interest and subject to UK income tax at 20 per cent. for basic rate taxpayers, 40 per cent. for higher rate taxpayers and 45 per cent. for additional rate taxpayers rather than at the dividend rates detailed above.

The attention of individuals in the UK for taxation purposes is drawn to the provisions of Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007. These sections contain anti-avoidance legislation

dealing with the transfer of assets to overseas persons in circumstances which may render such individuals liable to taxation in respect of undistributed profits of the Company.

The attention of companies resident in the UK is drawn to the fact that “**controlled foreign companies**” legislation contained in Part 9A of the United Kingdom Taxation (International and Other Provisions) Act 2010 could apply to any UK resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interest in 25 per cent. or more of any chargeable profits of the Company arising in an accounting period, if at the same time the Company is controlled (as “control” defined in Chapter 18, Part 9A of the United Kingdom Taxation (International and Other Provisions) Act 2010 ) by person or persons (whether companies, individuals or others) who are resident in the UK for taxation purposes and has greater than 50 per cent. of the interests, rights and powers by which those persons control the Company. The “**chargeable profits**” of the Company do not include of any of its capital gains. The effect of these provisions would be to render such companies liable to UK corporation tax in respect of the undistributed income of the Company.

The attention of persons resident in the UK for taxation purposes is drawn to the provisions of section 3 of the Taxation of Chargeable Gains Act 1992 (“section 3”). Section 3 could be material to any such person who has an interest in the Company as a “**participator**” for UK taxation purposes (which term includes a shareholder) at a time when any gain accrues to the Company (such as a disposal of any of its investments) which constitutes a chargeable gain or offshore income gain if, at the same time, the Company is itself controlled by five or fewer participators (or any number of participators who are also directors) so as to render the Company a body corporate that would, were it resident in the UK for taxation purposes, be a “**close**” company. The provisions of section 3 would result in any such person who is a Shareholder being treated for the purposes of UK taxation as if a part of any chargeable gain or offshore income gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Company. No liability under section 3 could be incurred by such a person, however, in respect of a chargeable gain or offshore income gain accruing to the Company if the aggregate proportion of that gain that could be attributed under section 3 both to that person and to any persons connected with him for UK taxation purposes does not exceed one quarter of the gain. Finance Act 2008 extends section 3 to Shareholders who are individuals domiciled outside the UK subject to the remittance basis in particular circumstances.

#### Stamp duty and stamp duty reserve tax

Transfers of Shares will not be liable to UK stamp duty unless the instrument of transfer is executed within, or brought into, the UK when the transfer will be liable to UK ad valorem stamp duty at the rate of 0.5 per cent. of the consideration paid (rounded up where necessary to the nearest £5). No UK stamp duty reserve tax is payable on any transfer of Shares, or agreement to transfer Shares provided the Shares are not registered in any register of the Company kept in the UK.

#### Inheritance Tax

The Shares are assets situated outside the United Kingdom for the purposes of United Kingdom inheritance tax. A liability to United Kingdom inheritance tax may arise in respect of gifts by, or on the death of, individuals domiciled, or deemed to be domiciled, in the United Kingdom.

On the basis the Company’s share register is maintained outside the United Kingdom, the shares in the Company should be classified as a foreign situs asset for the purposes of inheritance tax.

However, the United Kingdom Government extended the scope of United Kingdom inheritance tax, from 6 April 2017, to individuals who have a foreign domicile who hold interests in offshore companies and overseas partnerships which derive value, whether directly or indirectly, from residential property situated in the United Kingdom.

If you are a non-United Kingdom domiciled Shareholder, you should seek tax advice in respect of this.

## **6. GENERAL INFORMATION**

### **1. Incorporation, Registered Office and Share Capital**

- (a) The Company was incorporated in Ireland on 28 April 2005 as an open-ended variable capital investment company with segregated liability between Funds under registration number 401418. The Company has no subsidiaries.
- (b) The registered office of the Company is as stated in the Directory at the front of the Prospectus.
- (c) Clause 3 of the Memorandum of Association of the Company provides that the Company's sole object is the collective investment of its funds in either or both transferable securities and other liquid financial assets referred to in Regulation 45 of the UCITS Regulations of capital raised from the public and the Company operates on the principle of risk spreading.
- (d) The authorised share capital of the Company is €2, divided into 2 redeemable non-participating shares of no par value and 500,000,000,000 Shares of no par value. The minimum issued share capital of the Company is 2 redeemable non-participating shares of no par value. The maximum issued share capital of the Company is 200,000 redeemable non-participating shares of no par value and 500,000,000,000 Shares of no par value. Non-participating shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit. There are two non-participating shares currently in issue which were taken by the subscribers to the Company and are held by nominees of the Investment Manager.
- (e) No share capital of the Company has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.

### **2. Variation of Share Rights and Pre-Emption Rights**

- (a) The rights attaching to the Shares issued in any Class or Fund may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the Shareholders of three-quarters of the issued Shares of that Class or Fund, or with the sanction of an ordinary resolution passed at a general meeting of the Shareholders of that Class or Fund.
- (b) A resolution in writing signed by all the Shareholders and holders of non-participating shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution shall be deemed to be a special resolution.
- (c) The rights attaching to the Shares shall not be deemed to be varied by the creation, allotment or issue of any further Shares ranking *pari passu* with Shares already in issue.

- (d) There are no rights of pre-emption upon the issue of Shares in the Company.

### **3. Voting Rights**

The following rules relating to voting rights apply:-

- (a) Fractions of Shares do not carry voting rights.
- (b) Every Shareholder or holder of non-participating shares present in person or by proxy who votes on a show of hands shall be entitled to one vote.
- (c) The chairman of a general meeting of a Fund or Class or any Shareholder of a Fund or Class present in person or by proxy at a meeting of a Fund or Class may demand a poll. The chairman of a general meeting of the Company or at least two members present in person or by proxy or any Shareholder or Shareholders present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at such meeting may demand a poll.
- (d) On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of non-participating shares shall be entitled to one vote in respect of all non-participating shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (e) Any person (whether a Shareholder or not) may be appointed to act as a proxy; a Shareholder may appoint more than one proxy to attend on the same occasion.
- (f) Any instrument appointing a proxy must be deposited at the registered office, not less than 48 hours before the meeting or at such other place and by such time as is specified in the notice convening the meeting. The Directors may at the expense of the Company send by post or otherwise to the Shareholders instruments of proxy (with or without prepaid postage for their return) and may either leave blank the appointment of the proxy or nominate one or more of the Directors or any other person to act as proxy.
- (h) To be passed, ordinary resolutions of the Company or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Company or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles of Association.

### **4. Meetings**

- (a) The Directors may convene extraordinary general meetings of the Company at any time. The Directors shall convene an annual general meeting within six months of the end of each Accounting Period.

- (b) Not less than twenty one days notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and fourteen days' notice must be given in the case of any other general meeting.
- (c) Two Members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the Class rights of Shares shall be two Shareholders holding or representing by proxy at least one third of the issued Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such Fund or Class the quorum shall be one Shareholder holding Shares of the Fund or Class in question or his proxy. All general meetings will be held in Ireland.
- (d) The foregoing provisions with respect to the convening and conduct of meetings shall save as otherwise specified with respect to meetings of Funds or Classes and, subject to the Act, have effect with respect to separate meetings of each Fund or Class at which a resolution varying the rights of Shareholders in such Fund or Class is tabled.

## 5. Reports and Accounts

The Company will prepare an annual report and audited accounts as of 31 December in each year and a half-yearly report and unaudited accounts as of 30 June in each year. The audited annual report and accounts will be published within four months of the Company's financial year end and its semi-annual report will be published within 2 months of the end of the half year period and in each case will be supplied to subscribers and shareholders free of charge on request and will be available to the public at the offices of the Administrator.

## 6. Communications and Notices to Shareholders

Communications and Notices to Shareholders or the first named of joint Shareholders shall be deemed to have been duly given as follows:

MEANS OF DISPATCH	DEEMED RECEIVED
Delivery by Hand	: The day of delivery or next following working day if delivered outside usual business hours.
Post	: 48 hours after posting.
Fax	: The day on which a positive transmission receipt is received.



Electronically	: The day on which the electronic transmission has been sent to the electronic information system designated by a Shareholder.
Publication of Notice or Advertisement of Notice	: The day of publication in a daily newspaper circulating in the country or countries where shares are marketed.

## **7. Transfer of Shares**

- (a) Transfers of Shares may be effected in writing in any usual or common form, signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee.
- (b) The Directors may from time to time specify a fee for the registration of instruments of transfer provided that the maximum fee may not exceed 1% of the Net Asset Value of the Shares subject to the transfer on the Dealing Day immediately preceding the date of the transfer. Details in relation to any such fee shall be set out in the relevant Supplement to the Prospectus.

The Directors may decline to register any transfer of Shares if:-

- (i) in consequence of such transfer the transferor or the transferee would hold a number of Shares less than the Minimum Holding;
  - (ii) all applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;
  - (i) the instrument of transfer is not deposited at the registered office of the Company or such other place as the Directors may reasonably require, accompanied by the certificate for the Shares to which it relates, such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, information and declarations of the type which may be requested from an applicant for Shares in the Company and such fee as may from time to time be specified by the Directors for the registration of any instrument of transfer; or
  - (iv) they are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares by a person in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the relevant Fund or Class or Shareholders generally.
- (c) The registration of transfers may be suspended for such periods as the Directors may determine provided always that each registration may not be suspended for more than 30 days.

## **8. Directors**

The following is a summary of the principal provisions in the Articles of Association relating to the Directors:

- (a) Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors shall not be less than two nor more than nine.
- (b) A Director need not be a Shareholder.
- (c) The Articles of Association contain no provisions requiring Directors to retire on attaining a particular age or to retire on rotation.
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Company or any company in which the Company is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.
- (e) The Directors of the Company for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in the Prospectus and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the Company or the discharge of their duties and may be entitled to additional remuneration if called upon to perform any special or extra services to or at the request of the Company.
- (f) A Director may hold any other office or place of profit under the Company, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- (g) No Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.
- (h) A Director may not vote in respect of any contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the Company and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise. However, a Director may vote

and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5 per cent or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in respect of the purchase of directors' and officers' liability insurance.

- (i) The office of a Director shall be vacated in any of the following events namely:-
- (a) if he resigns his office by notice in writing signed by him and left at the registered office of the Company;
  - (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (c) if he becomes of unsound mind;
  - (d) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
  - (e) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
  - (f) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
  - (g) if he is removed from office by ordinary resolution of the Company.

## **9. Directors' Interests**

- (a) None of the Directors has or have had any direct interest in the promotion of the Company or in any transaction effected by the Company which is unusual in its nature or conditions or is significant to the business of the Company up to the date of this Prospectus or in any contracts or arrangements of the Company subsisting at the date hereof other than Mr. Bailey who is a principal and employee of the Investment Manager and Distributor. Mr. Bailey will not receive any remuneration for his services as Director.
- (b) No present Director or any connected person has any interests beneficial or non-beneficial in the share capital of the Company.

- (c) None of the Directors has a service contract with the Company nor are any such service contracts proposed.

## **10. Winding Up**

- (a) The Company may be wound up if:
  - (i) At any time after the first anniversary of the incorporation of the Company, the Net Asset Value of the Company falls below US\$1 million on each Dealing Day for a period of six consecutive weeks and the Shareholders resolve by ordinary resolution to wind up the Company;
  - (ii) Within a period of three months from the date on which (a) the Depositary notifies the Company of its desire to retire in accordance with the terms of the Global Custody Agreement and has not withdrawn notice of its intention to so retire, (b) the appointment of the Depositary is terminated by the Company in accordance with the terms of the Global Custody Agreement, or (c) the Depositary ceases to be approved by the Central Bank to act as a Depositary; no new Depositary has been appointed, the Directors shall instruct the Secretary to forthwith convene an extraordinary general meeting of the Company at which there shall be proposed an Ordinary Resolution to wind up the Company. Notwithstanding anything set out above, the Depositary's appointment shall only terminate on revocation of the Company's authorisation by the Central Bank;
  - (iii) The Shareholders resolve by ordinary resolution that the Company by reason of its liabilities cannot continue its business and that it be wound up;
  - (iv) The Shareholders resolve by special resolution to wind up the Company.
- (b) In the event of a winding up, the liquidator shall apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (c) The assets available for distribution among the Shareholders shall be applied in the following priority:-
  - (i) firstly, in the payment to the Shareholders of each Class or Fund of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Class or Fund held by such Shareholders respectively as at the date of commencement of winding up;
  - (ii) secondly, in the payment to the holders of non-participating shares of sums up to the nominal amount paid up thereon out of the assets of the Company not comprised within any Fund provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;

- (iii) thirdly, in the payment to the Shareholders of each Class or Fund of any balance then remaining in the relevant Fund, in proportion to the number of Shares held in the relevant Class or Fund; and
  - (iv) fourthly, any balance then remaining and not attributable to any Fund or Class shall be apportioned between the Funds and Classes pro-rata to the Net Asset Value of each Fund or attributable to each Class immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Fund or Class held by them.
- (d) The liquidator may, with the authority of an ordinary resolution of the Company, divide among the Shareholders (pro rata to the value of their respective shareholdings in the Company) in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the Company may be closed and the Company dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the Company to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the Company shall receive from the Transferee Company shares or units in the Transferee Company of equivalent value to their shareholdings in the Company.
- (e) Notwithstanding any other provision contained in the Memorandum and Articles of Association of the Company, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the Company, the Secretary shall forthwith at the Directors' request convene an extraordinary general meeting of the Company at which there shall be presented a proposal to appoint a liquidator to wind up the Company and if so appointed, the liquidator shall distribute the assets of the Company in accordance with the Memorandum and Articles of Association of the Company.

## **11. Indemnities and Insurance**

The Directors (including alternates), Secretary and other officers of the Company and its former directors and officers shall be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default). The Company acting through the Directors is empowered under the Articles of Association to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the Company insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

## 12. General

- (a) The Company does not have, nor has it had since incorporation, any employees.
- (b) The Company does not intend to purchase or acquire nor agree to purchase or acquire any property.
- (c) The rights conferred on Shareholders by virtue of their shareholdings are governed by the Articles of Association, the general law of Ireland and the Act.
- (d) The Company has no subsidiaries.
- (e) Dividends which remain unclaimed for six years from the date on which they become payable will be forfeited. On forfeiture such dividends will become part of the assets of the Fund to which they relate. No dividend or other amount payable to any Shareholder shall bear interest against the Company.
- (f) No person has any preferential right to subscribe for any authorised but unissued capital of the Company.

## 13. Material Contracts

The following contracts which are or may be material have been entered into otherwise than in the ordinary course of business:-

- (a) **Management Agreement**, between the Company and the Management Company dated 1 January 2024, as amended from time to time, under which the Management Company was appointed to manage and administer the affairs of the Company subject to the overall supervision of the Company. The Management Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the liquidation of either party or of the Management Company ceasing to be authorised by the Commission de Surveillance du Secteur Financier as management company. In the absence of wilful default, fraud, bad faith, negligence or reckless disregard on the part of the Management Company or any of its directors, officers, employees, delegates or agents, neither the Management Company nor any of its directors, officers, employees, delegates or agents shall be liable to the Company or any shareholder for any acts or omissions in the course of, or connected in any way with, rendering the services provided under the Management Agreement or for any losses which may be sustained in the purchase, holding or sale of any of the investments of the Company. The Management Agreement provides that the Management Company, its directors, officers, employees, delegates or agents will be held harmless and indemnified by the Company, out of the assets of the relevant Fund, from and against all actions, proceedings and claims and against all costs, demands, loss and expenses (including legal and professional expenses costs) arising therefrom which may be brought against, suffered or incurred by the Management Company by reason of its performance of its duties under the terms of the Management Agreement (other than due to the wilful default, fraud, bad faith, negligence or reckless disregard in the performance by the Management Company and any of its directors, officers, employees, delegates or agents) of its obligations or functions under the Management Agreement.
- (b) **Amended and Restated Investment Management Agreement** between the Management Company, the Company and the Investment Manager dated 1 January

2024, as amended from time to time, under which the Investment Manager was appointed as investment manager of the Company's assets subject to the overall supervision of the Management Company. The Investment Management Agreement may be terminated by either the Management Company or the Investment Manager on 65 days prior written notice. The Investment Manager has the power to delegate its duties in accordance with the Central Bank's requirements, and subject to the prior written consent of the Management Company under the conditions set forth in the Investment Management Agreement. In the absence of wilful default, fraud, bad faith, negligence or reckless disregard on the part of the Investment Manager or any of its directors, officers, employees, delegates or agents, neither the Investment Manager nor any of its directors, officers, employees, delegates or agents shall be liable to the Management Company for any acts or omissions in the course of, or connected in any way with, rendering the services provided under the Investment Management Agreement or for any losses which may be sustained in the purchase, holding or sale of any of the investments of the Company. The Investment Management Agreement provides that the Management Company undertakes to hold harmless and indemnify the Investment Manager and any of its directors, officers, employees, delegates or agents, against all actions, proceedings and claims and against all costs, demands, loss and expenses (including legal and professional expenses costs) arising therefrom which may be brought against, suffered or incurred by the Investment Manager by reason of its performance of its duties under the terms of the Investment Management Agreement (other than due to the wilful default, fraud, bad faith, negligence or reckless disregard in the performance by the Investment Manager and any of its directors, officers, employees, delegates or agents) of its obligations or functions under the Investment Management Agreement.

- (c) ***Marketing Delegation Agreement dated 1 January 2024*** between the Company, the Investment Manager, acting as Distributor, and the Management Company dated 1 January 2024, as amended from time to time, under which the Distributor was appointed as distributor of the Company's shares subject to the overall supervision of the Management Company. The Marketing Delegation Agreement may be terminated by the Management Company and the Distributor upon mutual consent. The Management Company may terminate the Marketing Delegation Agreement with immediate effect at any time by giving notice to in writing to the Distributor when the termination of the Marketing Delegation Agreement is in the interest of Investors. The Distributor is entitled to delegate the performance of its services subject to, in particular, the prior written consent of the Management Company. In the absence of wilful default, fraud, bad faith, negligence or reckless disregard on the part of the Distributor or any of its directors, officers, employees, delegates or agents, neither the Distributor nor any of its directors, officers, employees, delegates or agents shall be liable to the Management Company for any acts or omissions in the course of, or connected in any way with, rendering the services provided under the Marketing Delegation Agreement. The Marketing Delegation Agreement provides that the Management Company undertakes to hold harmless and indemnify the Distributor and any of its directors, officers, employees, delegates or agents, against all actions, proceedings and claims and against all costs, demands, loss and expenses (including legal and professional expenses costs) arising therefrom which may be brought against, suffered or incurred by the Distributor by reason of its performance of its duties under the terms of the Marketing Delegation Agreement (other than due to the wilful default, fraud, bad faith, negligence or reckless disregard in the performance by the Distributor and any of its directors, officers, employees, delegates or agents) of its obligations or functions under the Marketing Delegation Agreement.
- (d) ***Amended and Restated Administration Agreement*** between the Management Company, the Company and the Administrator dated 1 January 2024, as amended from time to time, under which the latter was appointed as Administrator to manage and administer the affairs of the Company, subject to the terms and conditions of the Administration Agreement and subject to the overall supervision of the Management Company. The Administration Agreement may be terminated by either party on 90 days written notice, or at any time in certain circumstances such as the liquidation of either

party or unremedied breach after notice. The Administrator may delegate its duties, subject to the prior consent in writing of the Management Company in accordance with the requirements of the Central Bank and the terms of the Administration Agreement. The Administration Agreement provides that the Company shall indemnify the Administrator and its officers, employees, agents, sub-contractors and representatives (the “**Indemnitees**”) against and hold them harmless from any liabilities, tax, interest, losses, claims, costs, damages, penalties, fines, obligations or expenses of any kind whatsoever (including reasonable fees and legal expenses) (the “**Liabilities**”) that may be imposed on, incurred by or asserted against the Indemnitees in connection with or arising out of, in particular, the Administrator’s performance in accordance with the terms of the Administration Agreement, provided the Indemnitees have not acted with negligence or engaged in fraud or wilful default in connection with the Liabilities in question.

- (e) **Amended and Restated Depositary Agreement** between the Management Company, the Company and the Depositary dated 1 January 2024, as amended from time to time, under which the Depositary has been appointed as depositary of the Company’s assets subject to the overall supervision of the Directors. The Depositary agreement provides that the appointment of the Depositary will continue unless and until terminated by any party giving to the other parties not less than 90 days’ written notice although in certain circumstances the Depositary Agreement may be terminated immediately by any party. The termination of the Depositary Agreement by any party shall not take effect unless and until, a successor depositary approved for such purpose by the Central Bank shall have been appointed by the Company and provided such successor depositary’s appointment is approved in advance by the Central Bank, or the authorisation of the Company by the Central Bank has been revoked. The Depositary Agreement contains certain indemnities in favour of the Depositary (and each of its directors, officers, and employees) which are restricted to exclude, in particular, matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties.

#### **14. Documents Available for Inspection**

Copies of the following documents, which are available for information only and do not form part of this document, may be inspected at the registered office of the Company in Ireland during normal business hours on any Business Day for a period of at least 14 days from the date of this Prospectus:-

- (a) The Memorandum and Articles of Association of the Company (copies may be obtained free of charge from the Administrator or the Distributor).
- (b) The Act, the UCITS Regulations and the Central Bank UCITS Regulations.
- (c) The material contracts detailed above.
- (d) Once published, the latest annual and half yearly reports of the Company (copies of which may be obtained from the Administrator free of charge); and
- (e) the KIIDs.

Copies of the Prospectus may also be obtained by Shareholders from the Administrator or the Investment Manager.

#### **15. Voting Rights in respect of instruments held by the Company**

The Management Company has developed a strategy for determining when and how voting rights are exercised, which reflects the delegation of authority for the exercise of such voting rights to the Investment Manager. Details of the actions taken on the basis of those voting strategies are available



to Shareholders free of charge upon request. Such information is published for information purposes only and does not form part of this Prospectus.

## **16. Complaints**

For more information on the Company or for any complaint in relation to the operations of the Company, inquiries should be directed to:

**Blackstone Europe Fund Management S.à r.l.** Attn: Conducting Officer - Compliance

2-4, rue Eugène Ruppert

L-2453 Luxembourg Grand Duchy of Luxembourg

Phone: +352 282647 1901

Email: [BEFMCompliance@Blackstone.com](mailto:BEFMCompliance@Blackstone.com)

## Appendix I - Permitted Instruments and Investment Restrictions

<b>1</b>	<b>Permitted Investments</b>
	Investments of a UCITS are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments (and transferable securities), other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFs.
<b>1.6</b>	Deposits with credit institutions.
<b>1.7</b>	Financial derivative instruments.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	<p>Recently Issued Transferable Securities</p> <p>Subject to paragraph 2.1 above, a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply. The above paragraph does not apply to an investment by a responsible person in US Securities known as "Rule 144A securities" provided that:</p> <ul style="list-style-type: none"> <li>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</li> <li>(b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</li> </ul>
<b>2.3</b>	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is

	less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund. To avail of this provision the prior approval of the Central Bank is required.
<b>2.5</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
<b>2.6</b>	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
<b>2.7</b>	A UCITS shall not invest more than 20% of its assets in deposits made with the same body.
<b>2.8</b>	<p>The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of credit institutions authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein) a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998 (Switzerland, Canada, Japan, United States) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>
<b>2.9</b>	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- risk exposures arising from OTC derivatives transactions.</li> </ul>
<b>2.10</b>	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
<b>2.11</b>	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
<b>2.12</b>	A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

	<p>The individual issuers must be listed in the prospectus and may be drawn from the following list:</p> <p>OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
<b>3.1</b>	A UCITS may not invest more than 20% of net assets in any one CIS.
<b>3.2</b>	Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.
<b>3.3</b>	The CIS is prohibited from investing more than 10% of net assets in other CIS
<b>3.4</b>	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
<b>3.4</b>	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the UCITS Regulations and is recognised by the Central Bank
<b>4.2</b>	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>

<b>5.1</b>	An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>5.2</b>	<p>A UCITS may acquire no more than:</p> <p>10% of the non-voting shares of any single issuing body;</p> <p>10% of the debt securities of any single issuing body;</p> <p>25% of the units of any single CIS;</p> <p>10% of the money market instruments of any single issuing body.</p> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
<b>5.3</b>	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</li> <li>(v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</li> </ul>
<b>5.4</b>	UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
<b>5.5</b>	The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

<b>5.7</b>	<p>Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments;</li> <li>- units of CIS; or</li> <li>- financial derivative instruments.</li> </ul>
<b>5.8</b>	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
<b>6.1</b>	The UCITS global exposure relating to FDI must not exceed its total net asset value.
<b>6.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
<b>6.3</b>	<p>UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that</p> <p>The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.</p>
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

## Appendix II - Recognised Exchanges

The following is a list of regulated stock exchanges and markets on which a Fund's investments in securities and financial derivative instruments other than permitted investment in unlisted securities and over the counter derivative instruments, will be listed or traded and is set out in accordance with Central Bank's requirements. With the exception of permitted investments in unlisted securities and over the counter derivative instruments investment in securities and derivative instruments will be restricted to the stock exchanges and markets listed below. The Central Bank does not issue a list of approved stock exchanges or markets.

(i) any stock exchange or market which is:-

- located in any Member State of the European Union; or
  - located in any Member State of the European Economic Area (European Union, Norway, Iceland and Liechtenstein);
  - located in any member state of the OECD; or
  - located in any of the following countries:-
    - Australia
    - Canada
    - Japan
    - Hong Kong
    - New Zealand
    - Switzerland
    - United Kingdom
    - United States of America

(ii) any of the following stock exchanges or markets:-

Abu Dhabi	- Abu Dhabi Securities Exchange
Argentina	- Bolsa de Comercio de Buenos Aires
Argentina	- Bolsa de Comercio de Cordoba
Argentina	- Bolsa de Comercio de La Plata
Argentina	- Bolsa de Comercio de Mendoza
Argentina	- Bolsa de Comercio de Rosario
Bangladesh	- Dhaka Stock Exchange
Bangladesh	- Chittagong Stock Exchange
Bermuda	- Bermuda Stock Exchange
Bosnia and Herzegovina	- Banja Luka Stock Exchange
Bosnia and Herzegovina	- Sarajevo Stock Exchange
Botswana	- Botswana Stock Exchange
Brazil	- Bahia-Sergipe-Alagoas Stock Exchange
Brazil	- BM&F Bovespa
Brazil	- Brasilia Stock Exchange

Brazil	-	Extremo Sul Porto Alegre Stock Exchange
Brazil	-	Minas Esperito Santo Stock Exchange
Brazil	-	Parana Curitiba Stock Exchange
Brazil	-	Pernambuco e Bahia Recife Stock Exchange
Brazil	-	Regional Fortaleza Stock Exchange
Brazil	-	Bolsa de Valores do Rio de Janeiro
Brazil	-	Santos Stock Exchange
China (PRep. of)	-	Fujian Securities Exchange
China (PRep. of)	-	Hainan Securities Exchange
China (PRep. of)	-	Shanghai Securities Exchange
China (PRep. of)	-	Shenzhen Stock Exchange
Colombia	-	Bolsa de Valores de Colombia
Costa Rica	-	Bolsa Nacional de Valores de Costa Rica
Dubai	-	Dubai Financial Market
Ecuador	-	Bolsa de Valores de Quito
Ecuador	-	Bolsa de Valores de Guayaquil
Egypt	-	Egyptian Exchange
Georgia	-	Georgian Stock Exchange
Ghana	-	Ghana Stock Exchange
Hong Kong	-	Hong Kong Stock Exchange
Hong Kong	-	Growth Enterprise Market
India	-	Ahmedabad Stock Exchange
India	-	Bangalore Stock Exchange
India	-	Bombay Stock Exchange
India	-	Calcutta Stock Exchange
India	-	Cochin Stock Exchange
India	-	Delhi Stock Exchange
India	-	Gauhati Stock Exchange
India	-	Hyderabad Stock Exchange
India	-	Ludhiana Stock Exchange
India	-	Madras Stock Exchange
India	-	Magadh Stock Exchange
India	-	Mumbai Stock Exchange
India	-	National Stock Exchange of India
India	-	Pune Stock Exchange
India	-	Uttar Pradesh Stock Exchange
Indonesia	-	Indonesia Stock Exchange
Indonesia	-	Surabaya Stock Exchange
Ivory Coast	-	Bourse Régionale des Valeurs Mobilières (BRVM)
Jordan	-	Amman Financial Market
Kazakhstan	-	Central Asian Stock Exchange
Kazakhstan	-	Kazakhstan Stock Exchange
Kenya	-	Nairobi Stock Exchange
Kuwait	-	Kuwait Stock Exchange
Lebanon	-	Beirut Stock Exchange
Malaysia	-	Bursa Malaysia Berhad



Mauritius	-	Stock Exchange of Mauritius
Morocco	-	Societe de la Bourse des Valeurs de Casablanca
Namibia	-	Namibian Stock Exchange
Nigeria	-	FMDQ
Nigeria	-	Nigerian Stock Exchange
Oman	-	Muscat Securities Market
Pakistan	-	Islamabad Stock Exchange
Pakistan	-	Karachi Stock Exchange
Pakistan	-	Lahore Stock Exchange
Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Qatar	-	Qatar Exchange
Russia	-	Moscow Exchange
Saudi Arabia	-	Saudi Stock Exchange (Tadawul)
Serbia	-	Belgrade Stock Exchange
Singapore	-	Singapore Exchange
South Africa	-	Johannesburg Stock Exchange
Sri Lanka	-	Colombo Stock Exchange
Swaziland	-	Mbaene Stock Exchange
Taiwan (RC)	-	Gre Tei Securities Market
Taiwan (RC)	-	Taiwan Stock Exchange Corporation
Tanzania	-	Dar-es-Salaam Stock Exchange
Thailand	-	Stock Exchange of Thailand
Tunisia	-	Bourse des Valeurs Mobilieres de Tunis
Uganda	-	Uganda Securities Exchange
Uganda	-	ALTX
United Arab Emirates	-	Abu Dhabi Securities Market
United Arab Emirates	-	Dubai Financial Market
United Arab Emirates	-	NASDAQ Dubai
Uruguay	-	Bolsa de Valores de Montevideo
Venezuela	-	Caracas Stock Exchange
Venezuela	-	Maracaibo Stock Exchange
Venezuela	-	Venezuela Electronic Stock Exchange
Vietnam	-	Hanoi Stock Exchange
Vietnam	-	Ho Chi Minh City Securities Trading Center
Zambia	-	Lusaka Stock Exchange

(iii) any of the following markets or affiliates thereof:

the market organised by the International Capital Market Association;

the market conducted by the “listed money market institutions”, as described in the Bank of England publication “The Regulations of the Wholesale Cash and OTC Derivatives Markets in GBP, Foreign Exchange and Bullion” dated April 1988, as amended from time to time;

The UK market (i) conducted by banks and other institutions regulated by the FCA and subject

to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) in non-investment products which are subject to the guidance contained in the "**Non-Investment Products Code**" drawn up by the participants in the London market, including the FCA and the Bank of England (formerly known as "The Grey Paper").

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

The OTC market in Japan regulated by the Securities Dealers Association of Japan.

NASDAQ in the United States;

The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;

The OTC market in the United States regulated by the Financial Industry Regulatory Authority (FINRA) (also described as the OTC market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by FINRA (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

The French market for Titres de Créances Négotiables (OTC market in negotiable debt instruments);

the OTC market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

SESDAQ (the second tier of the Singapore Stock Exchange.)

(iv) the following derivatives exchanges:

All exchanges or markets or affiliates thereof which are listed under (i), (ii) and (iii) on which derivatives trade.

Any derivatives exchanges or derivative market or affiliate thereof which is:

located in any Member State of the European Economic Area excluding Liechtenstein (European Union, Norway and Iceland or the United Kingdom); or

located in any of the member countries of the OECD including their territories covered by the OECD Convention;

- and the following exchanges
- the Shanghai Futures Exchange;
- the Taiwan Futures Exchange;
- Jakarta Futures Exchange;

- the Bolsa de Mercadorias & Futuros, Brazil;
- the South African Futures Exchange;
- the Thailand Futures Exchange;
- the Malaysia Derivatives Exchange;
- Hong Kong Futures Exchange
- OTC Exchange of India
- Singapore Exchange;
- Singapore Commodity Exchange.
- SGXDT

For the purposes only of determining the value of the assets of a Fund, the term “Recognised Exchange” shall be deemed to include, in relation to any derivatives contract utilised by a Fund, any organised exchange or market on which such contract is regularly traded.

## **Appendix III - Techniques and Instruments for the purpose of Efficient Portfolio Management**

The Company may employ techniques and instruments relating to transferable securities which the Directors reasonably believe to be economically appropriate to the efficient portfolio management of the Company in accordance with the investment objective of each Fund. The attention of investors is drawn to the section headed “Risk Factors” of the Prospectus for a description of the relevant risks.

The following techniques and instruments may be used in relation to each Fund for the purposes of hedging or risk reduction or management and/or performance enhancement such as reduction of cost and/or generation of additional capital or income. A Fund’s ability to use these techniques and instruments may be limited by market conditions, regulatory limits and tax considerations and these techniques and instruments may be used only in accordance with the investment objectives of the relevant Fund.

### **Derivative Contracts**

#### **General**

A Fund may use derivative instruments traded on organised exchanges and over-the-counter markets to attempt to hedge or reduce the overall risk of its investments and to manage interest rate risk.

#### **Protection against Exchange Rate Risk**

A Fund may employ techniques and instruments intended to provide protection against exchange rate risks, in the context of the management of its assets and liabilities. In this regard, a Fund may:

- (i) utilise OTC contracts;
- (ii) utilise currency options;
- (iii) hedge exposure to one currency by entering into forward currency transactions in a related currency because of the institutional and expected future correlation between the two currencies.

#### **When Issued/Delayed Delivery Securities**

A Fund may purchase or sell securities on a when-issued or delayed-delivery basis for the purposes of efficient portfolio management. In this instance payment for and delivery of securities takes place in the future at a stated price in order to secure what is considered to be an advantageous price and yield to the Fund at the time of entering into the transaction. Securities are considered “delayed delivery” securities when traded in the secondary market, or “when-issued” securities if they are an initial issuance of securities. Delayed delivery securities (which will not begin to accrue interest until the settlement date) and when-issued securities will be recorded as assets of the Fund and will be subject to risks of market value fluctuations. The purchase price of delayed delivery and when-issued securities will be recorded as a liability of the Fund until settlement date and when issued or delivered as the case may be such securities will be taken into account when calculating the limits set out in Appendix I under

the heading Investment Restrictions.

### **Repurchase/Reverse Repurchase and Stocklending Agreements**

Subject to the conditions and limits set out in the Central Bank UCITS Regulations, a Fund may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements to generate additional income for the relevant Fund. Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. A stocklending agreement is an agreement under which title to the “loaned” securities is transferred by a “lender” to a “borrower” with the borrower contracting to deliver “equivalent securities” to the lender at a later date.

#### **Appendix IV - Definition of US Person**

The Company defines "US Person" to include any "US Person" as set forth in Regulation S promulgated under the US Securities Act of 1933, as amended ("Securities Act") and any person who is not a "non-United States Person" as defined under Rule 4.7 under the US Commodity Exchange Act.

Regulation S currently provides that:

"US person" means:

- (1) any natural person resident in the United States;
- (2) any partnership or corporation organised or incorporated under the laws of the United States;
- (3) any estate of which any executor or administrator is a U.S. person;
- (4) any trust of which any trustee is a U.S. person;
- (5) any agency or branch of a non- U.S. entity located in the United States;
- (6) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (7) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (8) any partnership or corporation if (i) organized or incorporated under the laws of any non- U.S. jurisdiction and (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

"US person" does not include:

- (1) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated or, if an individual, resident in the United States;
- (2) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if (i) an executor or administrator of the estate who is not a US person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by non-U.S. law;
- (3) any trust of which any professional fiduciary acting as trustee is a U.S. person if a trustee

who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;

- (4) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- (5) any agency or branch of a U.S. person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; or
- (6) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

Rule 4.7 of the Commodity Exchange Act Regulations currently provides in relevant part that the following persons are considered "non-United States Persons":

- (1) A natural person who is not a resident of the United States;
- (2) A partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal places of business in a foreign jurisdiction;
- (3) An estate or trust, the income of which is not subject to United States income tax regardless of source;
- (4) An entity organized principally for passive investment such as a pool, investment company or other similar entity; Provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the US Commodity Futures Trading Commission's regulations by virtue of its participants being Non-United States persons.
- (5) A pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside of the United States;

An investor who is considered (i) not to be a US person under Regulation S and (ii) a "non-United States Person" under Rule 4.7 may nevertheless be generally subject to income tax under US federal income tax laws. Any such person should consult his or her tax adviser regarding an investment in the

Company.

"US Taxpayer" means a US citizen or resident alien of the United States (as defined for US federal income tax purposes); any entity treated as a partnership or corporation for US tax purposes that is created or organized in, or under the laws of, the United States or any State thereof; any other partnership that is treated as a US Taxpayer under the US Treasury Department regulations; any estate, the income of which is subject to US income taxation regardless of source; and any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under control of one or more US fiduciaries. Persons who have lost their US citizenship and who live outside the United States may nonetheless in some circumstances be treated as US Taxpayers.

An investor may be a "US Taxpayer" but not a "US Person". For example, an individual who is a US citizen residing outside the United States is not a "US Person" but is a "US Taxpayer".



**SUPPLEMENT 1 DATED 22 JANUARY 2024 to the Prospectus issued for Blackstone  
Systematic Credit Umbrella Fund plc**

**Blackstone Investment Grade Systematic Corporate Fund (UCITS)**

**This Supplement contains information relating specifically to Blackstone Investment Grade Systematic Corporate Fund (UCITS) (the "Fund"), a Fund of Blackstone Systematic Credit Umbrella Fund plc (the "Company"), an open-ended umbrella type variable capital investment company with segregated liability between Funds authorised by the Central Bank on 12th August, 2005 as a UCITS pursuant to the UCITS Regulations. The Company has six other Funds, Blackstone Low Carbon Global Investment Grade Corporate Bond Fund (UCITS), Blackstone Enhanced Global Systematic Credit Fund (UCITS), Blackstone Market Neutral Systematic Credit Fund (UCITS), Blackstone Low Carbon Short Duration Corporate Bond Fund (UCITS), Blackstone Low Carbon High Yield Corporate Bond Fund (Feeder) and Blackstone Emerging Market Systematic Corporate Fund (Feeder).**

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 1 January 2024 (the "Prospectus") which immediately precedes this Supplement and is incorporated herein.

**The Directors of the Company whose names appear in the Prospectus under the heading "Management and Administration" accept responsibility for the information contained in this Supplement and the Prospectus. 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.**

The Fund invests significantly in financial derivative instruments for investment purposes and/or for hedging, in each case subject to the conditions and within the limits laid down by the Central Bank. Transactions in derivative instruments will leverage the Fund and the Fund may establish speculative positions. This may result in a higher level of volatility and risk than would be the case if the Fund did not invest in financial derivative instruments. Due to the Fund's significant investment in financial derivative instruments, a higher degree of risk may attach to this Fund. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Accordingly, such investment should only be undertaken by people in a position to take such a risk.

**Investment in the Fund is not in the nature of a deposit in a bank account, is subject to the risk that the principal invested in the Fund is capable of fluctuation and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.**

**Prospective investors should refer to the annex to this Supplement regarding the Fund's environmental and / or social characteristics.**

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

## **1. INTERPRETATION**

The expressions below shall have the following meanings:

"Business Day"	means any day (except Saturday or Sunday) that is not an Irish bank holiday on which the Federal Reserve Bank of the United States and the New York Stock Exchange are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders.
"Dealing Day"	means each Business Day or such other day or days as may be determined by the Directors provided there are at least two per month and as notified to Shareholders in advance.
"Dealing Deadline"	means 4 p.m., Irish Time on any Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
"FDI"	means financial derivative instruments.
"Initial Price"	means the price at which Shares of a Class are initially on offer during the initial offer period.
"Valuation Point"	means 3 p.m. in New York, US time, on the Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## **2. BASE CURRENCY**

The Base Currency shall be US Dollars.

## **3. CLASSES OF SHARES**

Details of the Share Classes of the Fund are set out in the Share Class table in Appendix 1.

Share Classes in the Fund are distinguished by (i) currency; (ii) the use of financial instruments to hedge against currency risk; (iv) different Minimum Subscription levels; (v) different dividend policies; (vi) different investment management fee arrangements; and (vii) certain Classes may have a sales charge as set out under "Fees and Expenses".

Application for Shares in each Class will be made through the Administrator whose details are set out in the Application Form. The Administrator on behalf of the Company may reject any application for Shares.

Additional classes in the Fund may be established by the Directors as notified and cleared in advance

by the Central Bank. In an effort to mitigate against exchange rate risk, the Investment Manager has a currency overlay for the currency hedged Share Classes and uses currency swaps, spot and forward foreign exchange contracts. In no case will the hedged Share Classes be leveraged as a result of the use of currency derivative transactions. The allocation of gains or costs associated with derivatives employed for hedging purposes will be charged to the hedged Share Classes only.

#### **4. PROFILE OF A TYPICAL INVESTOR**

The Fund is suitable for institutional investors seeking long-term capital appreciation and who are prepared to accept a moderate level of volatility.

#### **5. INVESTMENT OBJECTIVE AND POLICIES**

##### **(a) *Objective of the Fund***

The investment objective of the Fund is to produce returns, net of fees and expenses, above the return of the Barclays U.S. Intermediate Corporate Bond Index (the “Index”). To qualify for inclusion in the Index, securities must be issued by a corporation, US dollar denominated, rated investment grade, have a fixed rate coupon, have a remaining maturity greater than or equal to 1 year and less than 10 years and a minimum issue size of approximately \$250million. The Directors reserve the right to substitute an equivalent index should they consider it appropriate upon obtaining the prior approval from the Shareholders. Details of any alternative index and consequential change of investment objective will be included in a revised Supplement and in the report and accounts of the Company.

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

##### **(b) *Summary of investment policy and strategy***

The Fund seeks to achieve its investments objective by investing in a portfolio of exposures to the credit risk of companies with equity listed on Recognised Exchanges, applying a quantitatively driven approach to asset selection and portfolio constitution. The Fund employs portfolio diversification controlled by active risk assessment and portfolio management. An additional element of return is expected to be achieved by investing in attractively priced corporate credit assets and derivatives and avoiding unattractively priced exposures as identified by the Investment Manager.

The Investment Manager manages the Fund’s investments by investing primarily, at all times, at least two thirds of its total assets in a diversified portfolio of corporate bonds, notes and commercial paper (primarily fixed rate) issued by companies, and credit default swaps on the credit risk of such companies. Further details on such companies are provided in the section below headed “(c) Instruments in which the Fund invests.” The Fund will not invest in credit default swaps referencing sovereign debt. A more detailed description of the investment instruments, FDI and investment strategy of the Fund are set out below.

Long Positions: The Fund seeks to profit by holding Long Positions which have been identified as undervalued (i.e., the market price of credit risk, or “credit spread” is lower than the Investment Manager’s estimate of what is fair value) by the Investment Manager. Such positions will be identified by the Investment Manager’s proprietary analytics, which includes a

default probability measurement and a quantitative analysis of the “fair value” of each exposure. The default probability measurement is based on a proprietary model that has been developed by the Investment Manager and which takes into account a firm’s asset value, liability structure, and volatility. The ‘fair value’ of the exposure is also based on proprietary analytics developed by the Investment Manager, and takes into account other characteristics of the exposure (e.g. rating, sector, and term). The long portfolio is invested in corporate bonds (without using any borrowing for leverage) and also uses CDS by selling protection. In certain circumstances, the Investment Manager may choose to hedge a Long Position by buying CDS protection, which has the effect of offsetting part or all of the risk inherent in the Long Position. The sum of the notional value of the Long Positions is expected to be 100% of the NAV of the Fund, with a maximum exposure of 125%.

The Fund is actively managed with reference to its performance benchmark, i.e. the Index.

(c) ***Instruments in which the Fund invests***

The instruments in which the Fund invests are corporate bonds (fixed or floating rate), notes and paper issued by corporations worldwide, credit default swaps on the credit risk of such companies and asset backed securities. The Fund will not invest in convertible bonds. The corporate bonds, notes and paper in which the Fund invests are issued by firms with equity which is listed or traded on one or more Recognised Exchanges world-wide and at least 75% of such instruments will be rated as investment grade by any of either Moody’s, Standard & Poor’s or Fitch. One hundred percent of the asset-backed securities will be rated as investment grade by at least one of Moody’s, Standard & Poor’s or Fitch.

The limits relating to the rating of securities as referenced above will apply at the time of investment. In the event that a security held by the Fund is downgraded below the limits specified in this Supplement, the Investment Manager will use its discretion to remedy the situation as it considers appropriate in the circumstances with regard to the best interests of the Fund and its Shareholders.

In pursuing its investment policies, the Fund may invest on a temporary basis more than one- third of its assets in monetary papers and bank deposits. The Fund also invests in government securities and futures.

Where market or other factors so warrant, the assets of the Fund may be substantially invested in cash deposits. Such investments will be in accordance with the investment restrictions of the UCITS Regulations and in accordance with the requirements of the Central Bank.

The Fund may also invest in exchange-traded funds (“ETFs”) for liquidity management purposes or as a more efficient way to obtain indirect exposure to an index.

The Fund may also invest up to 10% of its net assets in other open-ended collective investment schemes and ETFs in order to obtain indirect exposure. Any collective investment scheme in which the Fund may invest (with the exception of ETFs) will be authorised by the Central Bank pursuant to the UCITS Regulations.

(d) ***Use of Financial Derivative Instruments***

The Fund also invests in financial derivative instruments ("FDI") including credit default swaps, interest rate swaps and futures for investment purposes, for hedging or for performance enhancement. As of the date of the Supplement, the majority of FDIs will be traded Over-The-Counter ("OTC") other than futures as set out in paragraph (b) below.

*Credit Default Swaps*

The Fund uses credit default swaps ("CDS") in addition to other instruments to implement its strategy. The 'buyer' in a CDS is obligated to pay the 'seller' a periodic stream of payments over the term of the contract provided no event of default has occurred. The Fund may be either a buyer or seller in a CDS transaction. The Management Company and each of its trading counterparties is an adherent to the 2009 ISDA Auction Settlement Supplement. In the event of default of a CDS reference entity, as determined by the ISDA sanctioned Credit Derivatives Determination Committee, the seller must make a cash settlement payment to the buyer in an amount determined via an ISDA sanctioned auction settlement determination for the reference entities' securities.

The Fund's primary use of CDS is as a writer of credit protection, to provide a more efficient and leveraged way to approximate the credit risks that would otherwise exist in a standard cash instrument such as a corporate bond. Each CDS contract will be valued daily by the Administrator and independently valued at least once a month by the Investment Manager. In addition, the risks attached to the CDS will be independently assessed by the Investment Manager on a half-yearly basis and the independent report will be submitted to the Company for review. The Fund may also buy protection in CDS as a more efficient means of offsetting credit risk it holds in its portfolio.

*Index Swaps*

Index-based swaps may be used to gain exposure on a credit default swap index ("CDS indices"). Exposure to CDS indices may be used by the Fund in order to hedge credit exposure, to manage credit risk or to take a position on a basket of credit entities in a more efficient and cost effective way than taking a direct CDS position. The Fund may gain exposure through swaps to the following CDS Indices:

*Markit CDX Indices*

Markit CDX family of indices is the standard North American and Emerging Markets tradeable credit default swap family of indices worldwide. The Markit CDX indices are a family of indices covering multiple sectors. The Markit CDX rebalance semi-annually in March and September. Markit CDX North American Investment Grade (125 names) (rebalanced twice yearly); Markit CDX North American High Yield (100 names) (rebalanced twice yearly). Further information on the indices can be accessed through the following link: <http://www.markit.com/en/products/data/indices/credit-and-loan-indices/cdx/cdx.page>.

*Markit iTraxx Indices*

Markit iTraxx are a family of European, Asian and Emerging tradable credit default swap indices. The iTraxx indices are a family of indices covering multiple sectors. The iTraxx indices rebalance semi-

annually in March and September. The Markit iTraxx Europe index is comprised of one hundred twenty five (125) equally weighted European entities with investment grade credit ratings that trade in the CDS market; The Markit iTraxx Crossover index is comprised of fifty (50) European entities with non-investment grade credit ratings that trade in the CDS market. Further information on the indices can be accessed through the following link: <https://www.markit.com/Product/ITraxx>.

Details of any financial indices used by the Fund, including those set out above will be provided to Shareholders by the Investment Manager on request and will be set out in the ICAV's semi- annual and annual accounts. Any such indices will be cleared by the Central Bank or will meet its requirements.

The indices that the Fund will gain exposure to shall satisfy the criteria set down in the Central Bank UCITS Regulations. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant index is rebalanced.

#### *Futures*

The Fund uses government debt futures instruments for hedging purposes consistent with the Share Class Interest Rate Profile as discussed in Section 6. These instruments will be traded on Recognised Exchanges.

#### *Interest Rate Swaps*

The Fund uses interest rate swaps to hedge the Fund's interest rate exposure.

#### *Use of currency Financial Derivative Instruments*

Although the Fund is denominated in US Dollars, it may invest in securities denominated in other currencies. The Net Asset Value of the Fund as expressed in the base currency will fluctuate in accordance with the changes in the foreign exchange rate between the base currency and the currencies in which the Fund's investments are denominated. The Fund may therefore be exposed to foreign exchange currency risk. Accordingly, the Investment Manager may try to mitigate this risk by using currency swaps and cross currency interest rate swaps.

#### *Financial Derivative Instruments - General*

Investments in FDI may lead to increased volatility, more limited liquidity and a higher than normal risk profile than a UCITS scheme which does not use FDI for investment purposes. Please refer to the Section headed "Risk Factors" in the Prospectus. The Management Company employs a risk management process which will enable it to monitor and measure the risks attached to FDI positions and details of this process have been provided to the Central Bank. The Fund does not utilise FDI which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank. The Management Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Fund including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

(e) ***Leverage***

The Fund uses CDS for investment purposes. All other derivatives described in this Supplement shall only be used for hedging purposes.

The Fund may leverage its positions to generate a notional exposure in excess of the Net Asset Value of the Fund. The leverage used by the Fund will not exceed 250% of the Net Asset Value when FDI used for share class hedging is taken into account. Leverage figures are based on the sum of the notionals of the FDI used. These leverage limits do not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes. Higher leverage limits may arise during times where non-U.S. Dollar subscriptions are made in the Fund and additional hedging is required i.e. to hedge against foreign exchange risk.

**Use of VaR by the Fund as a Risk Measurement Methodology**

The Fund uses VaR which is an advanced risk measurement methodology in order to assess the Fund's market risk volatility and to ensure that the leverage effect of using derivatives is not significant enough to cause disproportionate loss to the overall value of the Fund. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. When the VaR is calculated as a percentage of the Net Asset Value of the Fund (absolute VaR), it may not be greater than 20% of the Net Asset Value of the Fund. The VaR will be calculated daily using a 99% confidence level, twenty (20) day holding period, and the historical observation period will not be less than one year unless a shorter period is justified.

(f) ***Securities Financing Transactions***

As of the date of this Supplement, the Fund does not use total return swaps and do not engage in stocklending repurchase/ reverse repurchase agreements or any securities financing transactions within the meaning of the Securities Financing Regulation (Regulation (EU) 2015/2365).

(g) ***SFDR Categorisation and Environmental and Social Characteristics***

The Management Company, in consultation with the Investment Manager, has categorised the Fund as an Article 8 product for the purposes of the SFDR.

The Investment Manager integrates environmental and social characteristics into the investment process of the Fund and applies exclusion screening to the selection of investments for the portfolio from the instruments in which the Fund invests as detailed under the heading "(c) Instruments in which the Fund invests" above.

Responsible Investment is integrated into the Investment Managers investment process in accordance with three foundational pillars as follows:

- (a) Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolio of the Fund.

- (b) Conducting ongoing research into SRI (and ESG) factors.
- (c) Reviewing, monitoring, and risk modelling the Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.

The Investment Manager integrates exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager seeks to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending, or those investments that are considered to be poor SRI performers by the Investment Manager as further described below. While the Investment Manager does not pursue an activist investment strategy in respect of the Fund, it takes account of additional risks that are inherent in socially and environmentally costly businesses and when possible, will seek to avoid them. In this regard, the Investment Manager's policy aims to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social or environmental cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. Various factors are considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.

As of the date of this Supplement, the Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending. In this regard, the Investment Manager will exclude such businesses from the investment universe as detailed above. The Investment Manager reviews, affirms, and (if needed), modifies the specific exclusion list at least quarterly.

Further details of the Investment Manager's SRI criteria and the integration of sustainability factors into the investment process are set out in the Prospectus under the heading "*The Company*" – *SFDR Categorisation and Environmental and Social Characteristics*".

#### (h) **Taxonomy Regulation**

As of the date of this Supplement, the Fund invests 0% in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

The Taxonomy Regulation sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm Taxonomy Regulation objectives and is accompanied by specific EU criteria. Similarly, any other sustainable investments must also not significantly harm any environmental or social objectives. The "do no significant harm" principle applies only to sustainable investments (if any). Other investments do not take into account the EU criteria for environmentally sustainable economic activities and are not required to apply the "do no significant harm" principle.



## **6. INVESTMENT AND BORROWING RESTRICTIONS**

The Fund may borrow up to 10% of its Net Asset Value. Such borrowing will only be on a temporary basis. The Fund may charge its assets as security for such borrowings.

The Fund may not invest more than 10% of its Net Asset Value at any one time in other open-ended collective investment schemes including ETFs.

## **7. MINIMUM SUBSCRIPTION**

US\$1,000,000 or currency equivalent in respect of each of the Share Classes.

There will be no Minimum Subscription in respect of subsequent subscriptions by the same investor.

The Directors reserve the right to differentiate between Shareholders and waive or reduce the Minimum Subscription in accordance with the requirements of the Central Bank.

The Investment Manager may pay finder or referral fees or commissions at its own expense (including out of its investment management fee) to third parties that introduce investors to the Fund.

## **8. APPLICATION FOR SHARES**

Details of the initial offer period in respect of the Share Classes which are not funded are set out in Appendix 1 (the "Initial Offer Period").

The Initial Offer Period will close as soon as an investor subscribes for Shares in that Share Class and provided that a minimum amount of US\$1 million (or foreign currency equivalent) has been invested in the Class. In the event that a minimum amount of US\$1 million (or currency equivalent) is not reached by the expiry of the Initial Offer Period, the Company will return any subscription amounts to the relevant investor without interest. During the Initial Offer Period, Shares are on offer at the Initial Price of US\$100 (or 100 units of the relevant Share Class currency) in respect of Share Classes which have not funded as of the close of the Initial Offer Period.

Applications for Shares should be made through the Administrator (whose details are set out in the Application Form with this Supplement) on behalf of the Company. Such requests must be received by the Administrator prior to the Dealing Deadline for the relevant Dealing Day. Applications, including initial applications accepted by the Administrator on behalf of the Fund and received by the Administrator no later than the Dealing Deadline will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

Initial applications should be made using the Application Form obtained from the Investment Manager or the Administrator, and may be made by facsimile or such other means as may from time to time be permitted by the Directors and the Administrator and the Central Bank including electronic means subject to prompt transmission to the Administrator of the signed application form and such other papers

(such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of written instructions from the relevant Shareholder.

#### *Fractions*

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than .001 of a Share.

Subscription monies, representing less than .001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs for the relevant Fund.

#### *Method of Payment*

Subscription payments net of all bank charges should be paid by electronic transfer to the bank account specified in the Application Form enclosed with the Prospectus. Other methods of payment are subject to the prior approval of the Directors. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

#### *Currency of Payment*

Subscription monies are payable in the base currency of the applicable Share Class. However, the Company may accept payment in such other currencies as the Directors may agree at the prevailing exchange rate quoted by the Administrator. The cost and risk of converting currency will be borne by the investor.

#### *Timing of Payment*

Payment in respect of subscriptions must be received in cleared funds by the Depositary no more than two Business Days after the relevant Dealing Deadline provided that the Directors reserve the right to defer the issue of Shares until receipt of cleared subscription monies by the Fund.

#### *Confirmation of Ownership*

Each purchase of Shares will be confirmed with Shareholders within 48 hours of the purchase being settled. Title to Shares will be evidenced by the entry of the investor's name in the Company's register of Shareholders and no certificates will be issued.

### **9. REDEMPTION OF SHARES**

Requests for redemption of Shares shall be made to the Administrator on behalf of the Company by facsimile or written communication. Such requests must be received by the Administrator prior to the Dealing Deadline for the relevant Dealing Day and shall include such information as may be specified from time to time. Any requests for redemption received after the aforesaid time will be processed on the next Dealing Day unless the Directors in their absolute discretion determine otherwise and provided

that any such application is received prior to the Valuation Point.

Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. No redemption payment will be made from an investor holding until the subscription application form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received by the Administrator and the anti-money laundering procedures have been completed.

If the number of Shares to be redeemed on any Dealing Day equals one tenth or more of the total number of Shares of the Fund in issue on that day the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of one tenth of the total number of Shares in issue as aforesaid and, if they so refuse, the requests for redemption on such Dealing Day shall be reduced pro rata and Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all Shares to which the original request related have been redeemed. Redemption requests which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

The Directors may, with the consent of the individual Shareholders, satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of the Fund having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer provided that any Shareholder requesting redemption shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale, the costs of which shall be borne by the relevant Shareholder.

The redemption price per Share shall be the Net Asset Value per Share.

#### *Method of Payment*

Redemption payments will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing sent by post. Redemption payments following processing of instruments received by telefax will only be made to the account of record of a Shareholder.

#### *Currency of Payment*

Shareholders will normally be repaid in the Base Currency, or, in the denominated currency of the relevant Class as appropriate. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

#### *Timing of Payment*

Redemption proceeds in respect of Shares will be paid within four Business Days of the relevant Dealing Day provided correct redemption documentation has been received by the Administrator.

#### *Withdrawal of Redemption Requests*

Requests for redemption may not be withdrawn save with the written consent of the Company or its

authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

#### *Compulsory/Total Redemption*

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings "Compulsory Redemption of Shares" and "Total Redemption of Shares".

### **10. CONVERSION OF SHARES**

Subject to the Minimum Subscription, Minimum Holding and minimum transaction requirements of the relevant Fund or Classes, Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

### **11. SUSPENSION OF DEALING**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day, as the case may be, following the ending of such suspension.

### **12. FEES AND EXPENSES**

The Fund bears its attributable portion of the fees and operating expenses of the Company. The fees and operating expenses of the Company are set out in detail under the heading "Fees and Expenses" in the Prospectus. In addition, the following fees and expenses are payable out of the Fund's assets:

#### *The Management Company*

The Management Company will be entitled to receive out of the assets of each Fund an annual management fee of up to 0.10% per annum of the Net Asset Value of the Fund. The management fee shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears. The proposed fee arrangements mean that the actual fee payable by the Fund is anticipated to be materially below 0.10% per annum. The Management Company shall also be entitled to be reimbursed out of the assets of each Fund for its reasonable out-of-pocket expenses.

#### *The Administrator and Depositary:*

The Administrator and Depositary shall each be entitled to receive out of the assets of the Fund an annual fee attributable to each Share Class. The fee payable by the Fund to the Administrator and the Depositary shall be approximately 0.05% per annum of the Net Asset Value attributable to each Share Class. The fee percentage may decrease as the Net Asset Value of the Company increases.

The administration and custody fee will accrue daily and be payable monthly in arrears. The Administrator shall also be entitled to be paid its reasonable and properly vouched out-of-pocket expenses out of the assets of the Fund.

The Depositary shall also be entitled to be repaid all of its disbursements out of the assets of the Fund including the fees and expenses of any sub-custodian which shall be at normal commercial rates.

*The Investment Manager:*

The Investment Manager is entitled to charge a fee of up to 150 basis points (1.50%) per annum of the Net Asset Value of the Fund. Details of the current investment management fee applicable to each Share Class are set out in Appendix 1. The fee payable to the Investment Manager is calculated and accrued daily based on the daily Net Asset Value of the Shares and is paid monthly in arrears. The Investment Manager is also entitled to be repaid its reasonable out-of-pocket expenses out of the assets of the Fund.

The Directors, in their discretion, may differentiate between the Shareholders of the Fund by waiving or reducing the annual investment management fee charged to certain Shareholders or to certain Classes of the Fund. Such waivers or differentiation may be effected by way of a rebate to the relevant Shareholder account or by reducing the fee payable by a Class of Shareholders in the Fund. In addition, the Investment Manager, in its discretion, may agree with certain Shareholders of the Fund to rebate or otherwise reduce or waive a portion of the investment management fee charged to such Shareholders. In the event of any such waiver, rebate or fee reduction, the Directors or Investment Manager, at their absolute discretion, may choose not to disclose such waiver, rebate or fee reduction to the other Shareholders or Classes of Shareholders.

Investors should seek their own independent advice regarding the implications of any fee waiver, reduction or rebate.

*Voluntary Cap*

The Investment Manager has voluntarily agreed to cap the expenses (excluding, for the avoidance of doubt, the Investment Manager's Fees and any Performance Fee) charged to the Fund, as described in the section headed "Fees and Expenses", at approximately 0.15% per annum of the annual average Net Asset Value of the Fund (as calculated by the Administrator) and will pay any excess of such expenses over this amount; provided other extraordinary expenses shall be excluded from such cap. Only those fees and expenses which are actually incurred up to this cap will be payable out of the assets of the Fund. The Investment Manager may, in its absolute discretion, in the future withdraw or amend the voluntary cap.

*Sales Charge*

There will be no sales charge for any Class of this Fund.

*Redemption Charge*

There is no redemption charge for this Fund.

*Conversion Fee*

No conversion fee is charged for any Class of the Fund.

### **13. DIVIDENDS AND DISTRIBUTIONS**

Distributions in respect of the distributing Share Classes listed in the Share Class Table at Appendix 1 are normally paid annually by 30 January each year.

The other Classes of Shares of the Fund are accumulating and therefore, it is not currently intended to distribute dividends to the Shareholders. The income and earnings and gains in respect of the other Classes of Shares of the Fund will be accumulated and reinvested on behalf of Shareholders.

### **14. RISK FACTORS**

The attention of investors is drawn to the “Risk Factors” section in the Section of the Prospectus entitled “The Company”.

## APPENDIX 1

### SHARE CLASS TABLE

<b>Class*</b>	<b>Currency</b>	<b>Currency Hedging</b>	<b>Investment management fees</b>	<b>Initial Offer</b>
A	USD	No	0.25 per cent	N/A
A – Distributing	USD	No	0.25 per cent	N/A
B	EURO	Yes	0.25 per cent	N/A
B - Distributing	EURO	Yes	0.25 per cent	N/A
C	CHF	Yes	0.25 per cent	N/A
C – Distributing	CHF	Yes	0.25 per cent	N/A
D - Distributing	GBP	Yes	0.25 per cent	N/A
E	SGD	Yes	0.25 per cent	N/A
F	AUD	Yes	0.25 per cent	23 January 2024
F - Distributing	AUD	Yes	0.25 per cent	23 January 2024

\*Distributing share classes are compliant with the UK Retail Distribution Review (“RDR”) in that the Company does not pay any inducement or other form of remuneration with respect to the placement of the distributing share classes in the United Kingdom.

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Blackstone Investment Grade Systematic Corporate Fund (UCITS)

**Legal entity identifier:** 8GLK3OCXBIL3XPGFZ75

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



**Yes**



**No**



It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

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

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending.

A current list of applicable exclusion categories is available upon request from the Investment Manager.



A reference benchmark is not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

The ESG-related exclusions referred to above apply at the time of acquisition of the relevant securities and in the event of any subsequent inadvertent holding of securities in breach of these principles or exclusions, the Investment Manager shall dispose of any such securities as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A.

----- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A.

----- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



**Does this financial product consider principal adverse impacts on sustainability factors?**

☐ Yes, \_\_\_\_\_

☒ No



**What investment strategy does this financial product follow?**

The investment objective of the Fund is to produce returns, net of fees and expenses, above the return of the Barclays U.S. Intermediate Corporate Bond Index.

In order to meet the environmental and social characteristics promoted, Responsible Investment is integrated into the Investment Manager's investment process in accordance with three foundational pillars as follows:

- (a) Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolio of the Fund.
- (b) Conducting ongoing research into SRI (and ESG) factors.
- (c) Reviewing, monitoring, and risk modelling the Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.

The Investment Manager integrates exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager seeks to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending, or those investments that are considered to be poor SRI performers by the Investment Manager. While the Investment Manager does not pursue an activist investment strategy in respect of the Fund, it takes account of additional risks that are inherent in socially and environmentally costly businesses and when possible, will seek to avoid them. In this regard, the Investment Manager's policy aims to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social or environmental cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. Various factors are considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.

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

In order to meet the environmental and social characteristics promoted, the Investment

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

Manager applies binding criteria to the selection of underlying assets as part of its investment decisions making process.

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of its investment strategy.

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

The Investment Manager considers the "good governance" practices of the investee company issuer (the "Issuer") in accordance with established governance requirements applicable to the securities (including liquid, public and secondary securities) (the "Securities") in which the Fund invests. This will include those good governance criteria established under the SFDR, specifically: sound management structures, employee remuneration, employee relations and tax compliance ("Good Governance Criteria").

The Investment Manager's assessment of "good governance practices" will consider a range of criteria, methodologies and assumptions as part of pre-investment and ongoing monitoring processes (including but not limited to factors such as the market, size, sector or geographic location of the Issuer). As a minimum, meeting the criteria for public listing on a main market, and continuing public listing eligibility of the Issuer (including the regulatory oversight of the same) is considered to set a presumption of good governance processes in the absence of evidence to the contrary. The Investment Manager's assessment will also involve a review of information in support of (or, alternatively, which disrupts) that presumption. This will be done via the use of quarterly ESG screening tools, such as ESG ratings and controversies screening tools or public searches carried out by the Investment Manager's Research Committee (the "Research Committee") or information garnered by the same as part of the Investment Manager's research-driven investment-process.

Where there are material good governance disruptors which the Investment Manager considers to be a material breach of the Good Governance Criteria, absent immediate action taken by the Issuer to remediate such a breach, this would result in either an exclusion against investing in the relevant Securities or a divestment of the same within a reasonable time period. Examples of good governance disruptors include but are not limited to: (1) de-listing of the underlying issuer for breaches of applicable listing rules and/ or requirements relating to Good Governance Criteria; (2) quarterly screening undertaken by Research Committee (using ESG screening tools, such as ESG ratings) revealing material adverse results; and (3) any business found (by the Research Committee using controversies screening tools or public searches) to have been involved in controversies or material breaches (such as material and ongoing breaches of labour laws) that would suggest a material and ongoing failure of good governance at the issuer level, where in each case there is no evidence that the Issuer has taken steps to remediate, mitigate and manage the same.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Note that no single good governance indicator or disruptor will be determinative on its own and some judgement will be required to consider these both in the round and in the wider context of the investment when making a determination as to good governance practices at the issuer level. This judgement will be exercised in good faith. Where any investment(s) are determined to not sufficiently meet the applicable Good Governance Criteria, a decision will be made not to invest in the securities of the Issuer or if securities of the Issuer are an existing investment to divest it within a reasonable period taking into consideration factors such as market liquidity.

Note that the good governance assessment process described above is applicable to corporate credit investments only and is not applicable to any of the Fund's investments in government bonds, other securities issue by sovereigns or supranational entities or derivatives such as interest rate futures.

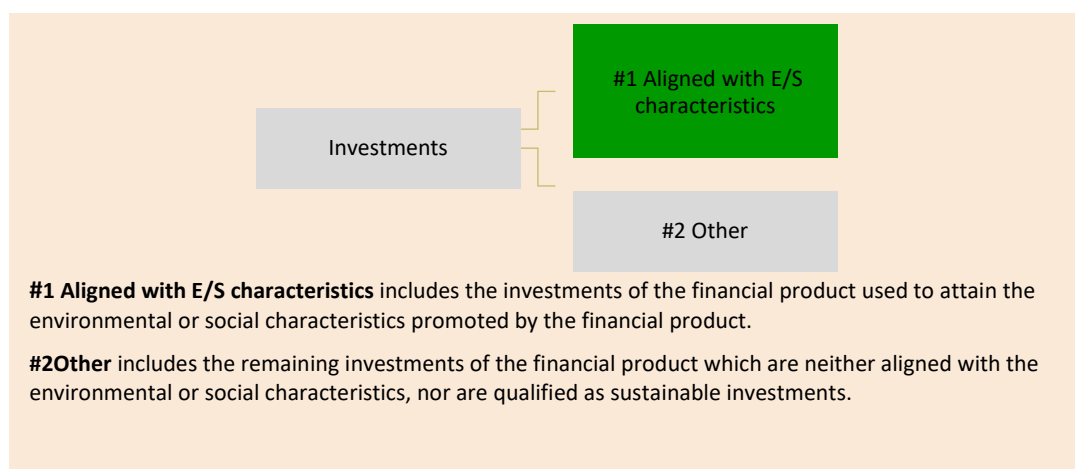


## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets. Taxonomy-aligned

The Fund intends to invest a minimum of 66% of the Fund's assets in investments which attain the environmental and social characteristics promoted by the Fund. To achieve this, the Fund invests in a portfolio of corporate bonds, notes and commercial paper (primarily fixed rate) issued by companies, and credit default swaps on the credit risk of such companies.

The remaining percentage of the Fund's investments will be in investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.



### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Whilst the Fund does use derivatives as part of its investment strategy, the use of derivatives is not with a view to attaining the environmental or social characteristics promoted by the Fund.



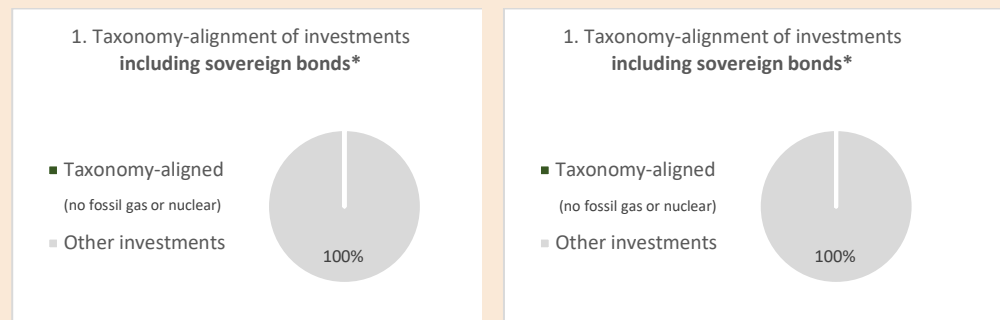
### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not commit to make investments that contribute to the environmental objectives identified in the Taxonomy Regulation.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?



Yes:



In fossil gas



In nuclear energy



No

● What is the minimum share of investments in transitional and enabling activities?

N/A.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.



What is the minimum share of socially sustainable investments?

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

“#2 Other” comprises investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

N/A.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A.

- ***How does the designated index differ from a relevant broad market index?***

N/A.

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

[www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/).

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**SUPPLEMENT 2 DATED 1 JANUARY 2024 to the Prospectus issued for Blackstone Systematic Credit Umbrella Fund plc**

**Blackstone Low Carbon Global Investment Grade Corporate Bond Fund (UCITS)**

**This Supplement contains information relating specifically to Blackstone Low Carbon Global Investment Grade Corporate Bond Fund (UCITS) (the "Fund"), a Fund of Blackstone Systematic Credit Umbrella Fund plc (the "Company"), an open-ended umbrella type variable capital investment company with segregated liability between Funds authorised by the Central Bank on 12th August, 2005 as a UCITS pursuant to the UCITS Regulations. The Company has six other Funds, Blackstone Investment Grade Systematic Corporate Fund (UCITS), Blackstone Enhanced Global Systematic Credit Fund (UCITS), Blackstone Market Neutral Systematic Credit Fund (UCITS), Blackstone Low Carbon Short Duration Corporate Bond Fund (UCITS), Blackstone Low Carbon High Yield Corporate Bond Fund (Feeder) and Blackstone Emerging Market Systematic Corporate Fund (Feeder).**

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 1 January 2024 (the "Prospectus") which immediately precedes this Supplement and is incorporated herein.

The Directors of the Company whose names appear in the Prospectus under the heading "Management and Administration" accept responsibility for the information contained in this Supplement and the Prospectus. 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**The Fund invests significantly in financial derivative instruments for investment purposes and/or for hedging, in each case subject to the conditions and within the limits laid down by the Central Bank. Transactions in derivative instruments will leverage the Fund and the Fund may establish speculative positions. This may result in a higher level of volatility and risk than would be the case if the Fund did not invest in financial derivative instruments. Due to the Fund's significant investment in financial derivative instruments, a higher degree of risk may attach to this Fund. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Accordingly, such investment should only be undertaken by people in a position to take such a risk.**

Investment in the Fund is not in the nature of a deposit in a bank account, is subject to the risk that the principal invested in the Fund is capable of fluctuation and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.

Prospective investors should refer to the annex to this Supplement regarding the Fund's environmental and / or social characteristics.

## **1. INTERPRETATION**

The expressions below shall have the following meanings:

"Business Day"	means any day (except Saturday or Sunday) that is not an Irish bank holiday on which the Federal Reserve Bank of the United States and the New York Stock Exchange are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders.
"Dealing Day"	means each Business Day or such other day or days as may be determined by the Directors provided there are at least two per month and as notified to Shareholders in advance.
"Dealing Deadline"	means 4 p.m., Irish Time on any Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
"FDI"	means financial derivative instruments.
"Index"	means the Barclays Global Aggregate Corporate Bond Index hedged to US Dollars (the "Index"). The Index provides a representation of corporate credit exposures across developed markets. To qualify for inclusion in the Index, securities must be issued by a corporation, rated investment grade, have a fixed rate coupon, have a remaining maturity of at least one year and a minimum issue size of approximately \$300 million.
"Initial Price"	means the price at which Shares of a Class are initially on offer during the initial offer period.
"Valuation Point"	means 3 p.m. in New York, US time, on the Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## **2. BASE CURRENCY**

The Base Currency shall be US Dollars.

## **3. CLASSES OF SHARES**

Share Classes in the Fund are distinguished by (i) currency;(ii) the use of financial instruments to hedge against currency risk; (iii) different Minimum Subscription levels; (iv) different investment management



fee arrangements; and (v) dividend policy.

Application for Shares in each Class will be made through the Administrator whose details are set out in the Application Form. The Administrator on behalf of the Company may reject any application for Shares.

Additional classes in the Fund may be established by the Directors as notified and cleared in advance by the Central Bank. In an effort to mitigate against exchange rate risk, the Investment Manager has a currency overlay for the currency hedged Share Classes and uses currency swaps, spot and forward foreign exchange contracts. In no case will the hedged Share Classes be leveraged as a result of the use of currency derivative transactions. The Class I Shares will be quoted in Euro but will seek to hedge its currency risk to the currency exposure of a basket of currencies, namely USD, EUR, GBP and JPY. The allocation of gains or costs associated with derivatives employed for hedging purposes will be charged to the hedged Share Classes only.

#### **4. PROFILE OF A TYPICAL INVESTOR**

The Fund is suitable for investors seeking long-term capital appreciation and who are prepared to accept a moderate level of volatility.

#### **5. INVESTMENT OBJECTIVE AND POLICIES**

##### **(a) *Objective of the Fund***

The investment objective of the Fund is to produce returns, net of fees and expenses above the performance of the Barclays Global Aggregate Corporate Bond Index hedged to US Dollars (the "Index"). The Fund also aims to constrain carbon intensity in respect of its corporate bond portfolio by targeting at least 50% lower weighted carbon intensity than the Index. Certain environmental, social or governance criteria will be used to determine whether investments are eligible for the Fund as described further in this Supplement. The Fund's objective to constrain carbon intensity relative to the Index is not performed with a view to achieving the long-term global warming objectives of the Paris Agreement<sup>1</sup>.

The Index provides a broad-based measure of the global investment grade corporate fixed-rate debt market and is comprised of the corporate issues from three major components: the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Index. In respect of the criteria for selection of securities in the Index, in order to qualify for inclusion in the Index, securities must be issued by a corporation, rated investment grade, have a fixed rate coupon, have a remaining maturity of at least one year and a minimum issue size of approximately \$300 million or the foreign exchange equivalent. As of September 30, 2021, the percentage allocation based on the largest currencies in the Index is as follows: USD 66.6%, EUR, 23.8%, GBP 4.6% and JPY 1%. The percentage allocation based on currency of investment is not predetermined and may fluctuate over time. The Directors reserve the right to substitute an equivalent index should they consider it appropriate upon obtaining prior approval from the Shareholders. Details of any alternative index and consequent change of investment objective

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<sup>1</sup> The Paris Agreement is an international legally binding international treaty on climate change adopted on 12 December 2015 and entered into force on 4 November 2016.

will be included in the revised Supplement and in the report and accounts of the Company.

The returns of each particular Share Class will be impacted by its currency hedging.

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

**(b) *Summary of investment policy and strategy***

The Fund seeks to achieve its investment objective by investing in a portfolio of exposures to the credit risk of companies with equity listed on Recognised Exchanges, applying a quantitatively driven approach to asset selection and portfolio constitution. The Fund employs portfolio diversification controlled by active risk assessment and portfolio management. An additional element of return is expected to be achieved by investing in long exposures to attractively priced corporate credit assets and derivatives.

The Investment Manager manages the Fund's investments by investing primarily, at all times, at least two thirds of its total assets in a diversified portfolio of corporate bonds, notes and commercial paper (primarily fixed rate) issued by companies and credit default swaps on the credit risk of such companies. Further detail on such companies is provided in the section below headed "(c) Instruments in which the Fund invests."

The limits relating to the rating of securities as referenced above will apply at the time of investment. In the event that a security held by the Fund is downgraded below the limits specified in this Supplement, the Investment Manager will use its discretion to remedy the situation as it considers appropriate in the circumstances with regard to the best interests of the Fund and its Shareholders.

The Fund seeks to profit by holding positions which have been identified as undervalued (i.e., the market price of credit risk, or "credit spread" is lower than the Investment Manager's estimate of what is fair value) by the Investment Manager. Such positions will be identified by the Investment Manager's proprietary analytics, which includes a default probability measurement and a quantitative analysis of the "fair value" of each exposure. The default probability measurement is based on a proprietary model that has been developed by the Investment Manager and which takes into account a firm's asset value, liability structure, and volatility. The 'fair value' of the exposure is also based on proprietary analytics developed by the Investment Manager, and takes into account other characteristics of the exposure (e.g. rating, sector, and term). The long portfolio is invested in corporate bonds (without using any borrowing for leverage) and also uses CDS by selling protection. In certain circumstances, the Investment Manager may choose to hedge a Long Position by buying CDS protection, which has the effect of offsetting part or all of the risk inherent in the Long Position. The sum of the notional value of the positions is expected to be 100% of the NAV of the Fund, with a maximum exposure of 125% (and 300% where FDI for hedging purposes are taken into account). Higher level of leverage may arise during times where subscriptions are made in the Fund and additional hedging is required.

The Fund seeks to achieve at least 50% lower weighted carbon intensity than the Index. The weighted average carbon intensity of the Fund is the exposure to carbon intensive companies.

The carbon intensity of the Fund is determined by measuring direct CO<sub>2</sub> emissions from the individual corporate bond issuers in the Fund as well as emissions from purchased energy relative to their corporate revenues. The Investment Manager utilises a proprietary system to measure the carbon intensity of the individual investments. The Investment Manager relies on third-party data for carbon emissions and potential carbon emissions from fossil fuel reserves which are measured based on an issuer's reported data from annual reports, corporate social responsibility reports, the CDP (carbon disclosure project), oil and gas industry bodies, and data derived from other relevant third-party sources. As part of the investment selection process, the Investment Manager systematically down-weights individual issuers with high carbon intensity but does not exclude any particular sector or industry solely based on carbon intensity.

The Investment Manager utilises carbon intensity data that covers approximately 90% or more of the Net Asset Value of the Fund. This coverage rate excludes bonds and other debt securities issued by sovereign or quasi-sovereign issuers, cash or cash equivalent instruments held for ancillary purposes and any derivative instruments used to hedge currency or interest rate risk. The coverage rate for the carbon intensity data in respect of issuers within the Index can vary at any given time but as of September 30, 2021 is approximately 85%. Where carbon intensity is not available for an Index constituent the Investment Manager uses the subsector carbon intensity, which is the ratio of the total emissions of the subsector over the total revenue in the subsector as of that date. If there is an insufficient number of issuers with data in the relevant subsector, the Investment Manager uses the sector carbon intensity, which is the ratio of the total emissions of the sector over the total revenue in the sector as of that date.

The Investment Manager also applies an exclusion screen prior to investment as described in further detail under the heading "*SFDR Categorisation and Environmental and Social Characteristics*".

The Fund is actively managed with reference to its performance benchmark, i.e. the Index.

**(c) *Instruments in which the Fund invests***

The instruments in which the Fund invests are amongst others, corporate bonds (fixed and floating rate), notes and paper issued by corporations worldwide, and credit default swaps on the credit risk of such companies. The Fund will not invest in convertible bonds. The corporate bonds, notes and paper in which the Fund invests are issued by firms with equity which is listed or traded on one or more Recognised Exchanges world- wide and at least 75% of such instruments will be rated as investment grade by one of either Moody's, Standard & Poor's or Fitch.

In pursuing its investment policies, the Fund may invest on a temporary basis more than one-third of its total assets in monetary papers and bank deposits. The Fund also invests in US Treasuries or Notes, and US Agency issued securities.

Where market or other factors so warrant, the assets of the Fund may be substantially invested in cash deposits. Such investments will be in accordance with the investment restrictions of the UCITS Regulations and in accordance with the requirements of the Central Bank.

The Fund may also invest in exchange-traded funds (“ETFs”) for liquidity management purposes or as a more efficient way to obtain indirect exposure to an index.

The Fund may also invest up to 10% of its net assets in other open-ended collective investment schemes and ETFs in order to obtain indirect exposure. Any collective investment scheme in which the Fund may invest (with the exception of ETFs) will be authorised by the Central Bank pursuant to the UCITS Regulations.

**(d) *Use of Financial Derivative Instruments***

The Fund also invests in financial derivative instruments (“FDIs”) including credit default swaps, interest rate swaps and futures for investment purposes, for hedging or for performance enhancement. As of the date of the Supplement, the majority of FDIs will be traded Over-The-Counter (“OTC”) other than futures as set out in paragraph (b) below.

***Credit Default Swaps***

The Fund uses credit default swaps (“CDS”) in addition to other instruments to implement its strategy. The ‘buyer’ in a CDS is obligated to pay the ‘seller’ a periodic stream of payments over the term of the contract provided no event of default has occurred. The Fund may be either a buyer or seller in a CDS transaction. The Management Company and each of its trading counterparties is an adherent to the 2009 ISDA Auction Settlement Supplement. In the event of default of a CDS reference entity, as determined by the ISDA sanctioned Credit Derivatives Determination Committee, the seller must make a cash settlement payment to the buyer in an amount determined via an ISDA sanctioned auction settlement determination for the reference entities’ securities.

The Fund’s primary use of CDS is as a writer of credit protection, to provide a more efficient and leveraged way to approximate the credit risks that would otherwise exist in a standard cash instrument such as a corporate bond. Each CDS contract will be valued daily by the Administrator and independently valued at least once a month by the Investment Manager. In addition, the risks attached to the CDS will be independently assessed by the Investment Manager on a half-yearly basis and the independent report will be submitted to the Company for review. The Fund may also buy protection in CDS as a more efficient means of offsetting credit risk it holds in its portfolio.

***Index Swaps***

Index-based swaps may be used to gain exposure on a credit default swap index (“CDS indices”). Exposure to CDS indices may be used by the Fund in order to hedge credit exposure, to manage credit risk or to take a position on a basket of credit entities in a more efficient and cost effective way than taking a direct CDS position. The Fund may gain exposure through swaps to the following CDS Indices:

***Markit CDX Indices***

Markit CDX family of indices is the standard North American and Emerging Markets tradeable credit default swap family of indices worldwide. The Markit CDX indices are a family of indices covering multiple sectors. The Markit CDX rebalance semi-annually in March and September. Markit CDX North American Investment Grade (125 names) (rebalanced twice yearly); Markit CDX North American High Yield (100 names) (rebalanced twice yearly). Further information on the indices can be accessed through the following link: <http://www.markit.com/en/products/data/indices/credit-and-loan->

[indices/cdx/cdx.page.](#)

#### *Markit iTraxx Indices*

Markit iTraxx are a family of European, Asian and Emerging tradable credit default swap indices. The iTraxx indices are a family of indices covering multiple sectors. The iTraxx indices rebalance semi-annually in March and September. The Markit iTraxx Europe index is comprised of one hundred twenty five (125) equally weighted European entities with investment grade credit ratings that trade in the CDS market; The Markit iTraxx Crossover index is comprised of fifty (50) European entities with non-investment grade credit ratings that trade in the CDS market. Further information on the indices can be accessed through the following link: <https://www.markit.com/Product/ITraxx>.

Details of any financial indices used by the Fund, including those set out above will be provided to Shareholders by the Investment Manager on request and will be set out in the Company's semi-annual and annual accounts. Any such indices will be cleared by the Central Bank or will meet its requirements.

The indices that the Fund will gain exposure to shall satisfy the criteria set down in the Central Bank UCITS Regulations. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant index is rebalanced.

#### *Futures*

The Fund uses US Treasury Futures and Notes Futures as well as the futures instruments on the securities of other governments included in the Index. These instruments will only be used for hedging purposes and will be traded on Recognised Exchange

#### *Interest Rate Swaps*

The Fund uses interest rate swaps to hedge the Fund's interest rate exposure.

#### *Use of Currency Financial Derivative Instruments*

Although the Fund is denominated in US Dollars, it may invest in securities denominated in other currencies. The Net Asset Value of the Fund as expressed in the base currency will fluctuate in accordance with the changes in the foreign exchange rate between the base currency and the currencies in which the Fund's investments are denominated. The Fund may therefore be exposed to foreign exchange currency risk. Accordingly, the Investment Manager may try to mitigate this risk by using currency swaps and cross currency interest rate swaps.

#### *Financial Derivative Instruments – General*

Investments in FDI may lead to increased volatility, more limited liquidity and a higher than normal risk profile than a UCITS scheme which does not use FDI for investment purposes. Please refer to the Section headed "Risk Factors" in the Prospectus. The Management Company employs a risk management process which will enable it to monitor measure and manage the risks attached to FDI positions and details of this process have been provided to the Central Bank. The Fund does not utilise FDI which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Management Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Fund including the quantitative limits that are applied and any

recent developments in the risk and yield characteristics of the main categories of investments.

(e) ***Leverage***

The Fund uses CDS for investment purposes. All other derivatives described in this Supplement shall only be used for hedging purposes.

The Fund may leverage its positions to generate a notional exposure in excess of the Net Asset Value of the Fund. The Fund will be leveraged by up to 325% of the Net Asset Value of the Fund when FDI used for share class hedging is taken into account. Leverage figures are based on the sum of the notionals of the FDI used. These leverage limits do not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes. Higher levels of leverage may arise in the Fund at times of non-US Dollar subscription into the Fund where additional hedging is required i.e. to hedge against foreign exchange risk.

***Use of VaR by the Fund as a Risk Measurement Methodology***

The Fund uses VaR which is an advanced risk measurement methodology in order to assess the Fund's market risk volatility and to ensure that the leverage effect of using derivatives is not significant enough to cause disproportionate loss to the overall value of the Fund. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. When the VaR is calculated as a percentage of the Net Asset Value of the Fund (absolute VaR), it may not be greater than 20% of the Net Asset Value of the Fund. The VaR will be calculated daily using a one-tailed 99% confidence level, twenty (20) day holding period, and the historical observation period will not be less than one year unless a shorter period is justified(vi)

(f) ***Securities Financing Transactions***

As of the date of this Supplement, the Fund does not use total return swaps and do not engage in stocklending repurchase/ reverse repurchase agreements or any securities financing transactions within the meaning of the Securities Financing Regulation (Regulation (EU) 2015/2365).

(g) ***SFDR Categorisation and Environmental and Social Characteristics***

The Management Company, in consultation with the Investment Manager, has categorised the Fund as an Article 8 product for the purposes of the SFDR. One of the Fund's aims is to constrain carbon intensity in respect of its corporate bond portfolio by targeting at least 50% lower weighted carbon intensity than the Index.

The Investment Manager integrates environmental and social characteristics into the investment process of the Fund and applies exclusion screening to the selection of investments for the portfolio from the instruments in which the Fund invests as detailed under the heading "(iii) Instruments in which the Fund invests" above.

Responsible Investment is integrated into the Investment Managers investment process in accordance with three foundational pillars as follows:

- (a) Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolio of the Fund.
- (b) Conducting ongoing research into SRI (and ESG) factors.
- (c) Reviewing, monitoring, and risk modelling the Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.

The Investment Manager integrates exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager seeks to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry, or those investments that are considered to be poor SRI performers by the Investment Manager as further described below. While the Investment Manager does not pursue an activist investment strategy in respect of the Fund, it takes account of additional risks that are inherent in socially and environmentally costly businesses and when possible, will seek to avoid them. In this regard, the Investment Manager's policy aims to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social or environmental cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. Various factors are considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.

As of the date of this Supplement, the Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry. In this regard, the Investment Manager will exclude such businesses from the investment universe as detailed above. The Investment Manager reviews, affirms, and (if needed), modifies the specific exclusion list at least quarterly.

Further details of the Investment Manager's SRI criteria and the integration of sustainability factors into the investment process is set out in the Prospectus under the heading "SFDR Categorisation and Environmental and Social Characteristics".

(h) ***Taxonomy Regulation***

As of the date of this Supplement, the Fund invests 0% in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

The Taxonomy Regulation sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm Taxonomy objectives and is accompanied by specific EU criteria. Similarly, any other sustainable investments must also not significantly harm any environmental or social objectives. The "do no significant harm" principle applies only to

sustainable investments (if any). Other investments do not take into account the EU criteria for environmentally sustainable economic activities and are not required to apply the “do no significant harm” principle.

## **6. INVESTMENT AND BORROWING RESTRICTIONS**

The Fund may borrow up to 10% of its Net Asset Value. Such borrowing will only be on a temporary basis. The Fund may charge its assets as security for such borrowings.

The Fund may not invest more than 10% of its Net Asset Value at any one time, in other open-ended collective investment schemes including ETFs.

## **7. MINIMUM SUBSCRIPTION**

US\$1 million or currency equivalent in respect of each Class of Shares.

There will be no Minimum Subscription in respect of subsequent subscriptions by the same investor.

The Directors reserve the right to differentiate between Shareholders and waive or reduce the Minimum Subscription in accordance with the requirements of the Central Bank.

## **8. APPLICATION FOR SHARES**

Details of the initial offer period in respect of unlaunched Share Classes are set out in Appendix 1 (the “Initial Offer Period”). The Initial Offer Period in respect to any unlaunched Classes of Shares will close as soon as an investor subscribes for Shares in that Share Class and provided that a minimum amount of US\$1 million (or currency equivalent) has been invested in that Share Class. In the event that a minimum amount of US\$1 million (or currency equivalent) is not reached by the expiry of the Initial Offer Period, the Company will return any subscription amounts to the relevant investor without interest. During the Initial Offer Period, the Initial Price of Shares will be US\$100 (or 100 units of the relevant Share Class currency).

Applications for Shares should be made through the Administrator (whose details are set out in the Application Form with this Supplement) on behalf of the Company. Such requests must be received by the Administrator prior to the Dealing Deadline for the relevant Dealing Day. Applications, including initial applications accepted by the Administrator on behalf of the Fund and received by the Administrator no later than the Dealing Deadline will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

Initial applications should be made using the Application Form obtained from the Investment Manager or Administrator, and may be made by facsimile or such other means as may from time to time be permitted by the Directors and the Administrator and the Central Bank including electronic means subject to prompt transmission to the Administrator of the signed application form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate. Amendments to a Shareholder’s registration details and payment



instructions will only be made following receipt of written instructions from the relevant Shareholder.

#### *Fractions*

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than .001 of a Share.

Subscription monies, representing less than .001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs for the relevant Fund.

#### *Method of Payment*

Subscription payments net of all bank charges should be paid by electronic transfer to the bank account specified in the Application Form enclosed with the Prospectus. Other methods of payment are subject to the prior approval of the Directors. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

#### *Currency of Payment*

Subscription monies are payable in the currency denomination of the relevant Share Class. However, the Company may accept payment in such other currencies as the Directors may agree at the prevailing exchange rate quoted by the Administrator. The cost and risk of converting currency will be borne by the investor.

#### *Timing of Payment*

Payment in respect of subscriptions must be received in cleared funds by the Depositary no more than two Business Days after the relevant Dealing Deadline provided that the Directors reserve the right to defer the issue of Shares until receipt of cleared subscription monies by the Fund.

#### *Confirmation of Ownership*

Each purchase of Shares will be confirmed with Shareholders within 48 hours of the purchase being settled. Title to Shares will be evidenced by the entry of the investor's name in the Company's register of Shareholders and no certificates will be issued.

### **9. REDEMPTION OF SHARES**

Requests for redemption of Shares shall be made to the Administrator on behalf of the Company by facsimile or written communication. Such requests must be received by the Administrator prior to the Dealing Deadline for the relevant Dealing Day and shall include such information as may be specified from time to time. Any requests for redemption received after the Dealing Deadline will be processed on the next Dealing Day. However, the Directors may in their absolute discretion determine that applications may be accepted after the Dealing Deadline provided that any such application is received prior to the Valuation Point.

Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. No redemption payment will be made from an investor holding until the subscription application form and all documentation required by or on behalf of the Company (including

any documents in connection with anti-money laundering procedures) has been received by the Administrator and the anti-money laundering procedures have been completed.

If the number of Shares to be redeemed on any Dealing Day equals one tenth or more of the total number of Shares of the Fund in issue on that day the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of one tenth of the total number of Shares in issue as aforesaid and, if they so refuse, the requests for redemption on such Dealing Day shall be reduced pro rata and Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all Shares to which the original request related have been redeemed. Redemption requests which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

The Directors may, with the consent of the individual Shareholders, satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of the Fund having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer provided that any Shareholder requesting redemption shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale, the costs of which shall be borne by the relevant Shareholder. The selection of assets to satisfy any such in-specie redemptions shall be subject to the approval of the Depositary.

The redemption price per Share shall be the Net Asset Value per Share.

#### *Method of Payment*

Redemption payments will be made to the bank account detailed on the Application Form with this Supplement or as subsequently notified to the Administrator in writing sent by post. Redemption payments following processing of instruments received by telefax will only be made to the account of record of a Shareholder.

#### *Currency of Payment*

Shareholders will normally be repaid in the Base Currency, or, in the denominated currency of the relevant Class as appropriate. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

#### *Timing of Payment*

Redemption proceeds in respect of Shares will be paid within four Business Days of the relevant Dealing Day provided correct redemption documentation has been received by the Administrator.

#### *Withdrawal of Redemption Requests*

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

#### *Compulsory/Total Redemption*

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings "Compulsory Redemption of

Shares” and “Total Redemption of Shares”.

## **10. CONVERSION OF SHARES**

Subject to the Minimum Subscription, Minimum Holding and minimum transaction requirements of the relevant Fund or Classes, Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading “Conversion of Shares”.

## **11. SUSPENSION OF DEALING**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading “Suspension of Valuation of Assets”. Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day, as the case may be, following the ending of such suspension.

## **12. FEES AND EXPENSES**

The Fund bears its attributable portion of the fees and operating expenses of the Company which are set out in detail under the heading “Fees and Expenses” in the Prospectus. In addition, the following fees and expenses are payable out of the Fund’s assets:

### *The Management Company*

The Management Company will be entitled to receive out of the assets of each Fund an annual management fee of up to 0.10% per annum of the Net Asset Value of the Fund. The management fee shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears. The proposed fee arrangements mean that the actual fee payable by the Fund is anticipated to be materially below 0.10% per annum. The Management Company shall also be entitled to be reimbursed out of the assets of each Fund for its reasonable out-of-pocket expenses.

### *The Administrator and Depositary:*

The Administrator and Depositary shall each be entitled to receive out of the assets of the Fund an annual fee attributable to each Class. The fee payable by the Fund to the Administrator and the Depositary shall be approximately 0.05% per annum of the Net Asset Value attributable to each Share Class. The fee percentage may decrease as the Net Asset Value of the Company increases.

The administration and custody fee will accrue daily and be payable monthly in arrears. The Administrator shall also be entitled to be paid its reasonable and properly vouched out-of-pocket expenses out of the assets of the Fund.

The Depositary shall also be entitled to be repaid all of its disbursements out of the assets of the Fund including the fees and expenses of any sub-custodian which shall be at normal commercial rates.

### *Investment Manager:*

The Investment Manager is entitled to charge a fee of up to 0.75% per annum of the Net Asset Value of the Fund (the “Investment Management Fee”). The rates applicable to each Share Class are set out

in Appendix 1. The Investment Management Fee payable to the Investment Manager is calculated and accrued daily based on the Net Asset Value of the Shares at the Valuation Point and the number of Shares outstanding on that Dealing Day (before taking into account subscriptions and redemptions of Shares of each Class made on that Dealing Day) and will be paid monthly in arrears. The Investment Manager is also entitled to be repaid its reasonable out-of-pocket expenses out of the assets of the Fund.

The Directors, in their discretion, may differentiate between the Shareholders of the Fund by waiving or reducing the annual investment management fee charged to certain Shareholders or to certain Classes of the Fund. Such waivers or differentiation may be effected by way of a rebate to the relevant Shareholder account or by reducing the fee payable by a Class of Shareholders in the Fund. In addition, the Investment Manager, in its discretion, may agree with certain Shareholders of the Fund to rebate or otherwise reduce or waive a portion of the investment management fee charged to such Shareholders. In the event of any such waiver, rebate or fee reduction, the Directors or Investment Manager, at their absolute discretion, may choose not to disclose such waiver, rebate or fee reduction to the other Shareholders or Classes of Shareholders.

Investors should seek their own independent advice regarding the implications of any fee waiver, reduction or rebate.

#### *Voluntary Cap*

The Investment Manager has voluntarily agreed to cap the expenses (excluding, for the avoidance of doubt, the Investment Manager's Fees and any Performance Fee) charged to the Fund, as described in the section headed "Fees and Expenses", at approximately 0.15% per annum of the annual average Net Asset Value of the Fund (as calculated by the Administrator) and will pay any excess of such expenses over this amount; provided other extraordinary expenses shall be excluded from such cap. Only those fees and expenses which are actually incurred up to this cap will be payable out of the assets of the Fund. The Investment Manager may, in its absolute discretion, in the future withdraw or amend the voluntary cap.

#### *Sales Charge*

There is no sales charge for any Class of Shares.

#### *Redemption Charge*

There is no redemption charge for this Fund.

#### *Conversion Fee*

No conversion fee is charged for any Class of the Fund.

### **13. DIVIDENDS AND DISTRIBUTIONS**

Distributions if any, in respect of the distributing Share Classes listed in Appendix 1 are normally paid annually by 30 January each year. In respect of accumulating Share Classes, the income, earnings and

gains will be accumulated and reinvested.

#### **14. RISK FACTORS**

The attention of investors is drawn to the "Risk Factors" section in the Section of the Prospectus entitled "The Company" in addition to the risk factors set out herein

##### ***Weighted Average Carbon Intensity***

As described in Section 5(b) of this Supplement, the Fund seeks to achieve a weighted carbon intensity ("WACI") which is at least 50% lower than the Index. In seeking to achieve this objective, the Investment Manager relies on third-party data for both actual and potential carbon emissions from fossil fuel reserves for a particular issuer, sector or subsector. Achieving an accurate WACI will depend on third-party data providers ability to properly assess the carbon intensity of issuers. There can be no assurance that the strategy or techniques employed will be successful or that the information and data provided by the third-party data provider will be complete, accurate or provided in a timely manner. In addition, there are various providers of carbon intensity data and the measurement of carbon intensity may vary from provider to provider. As a result, the Investment Manager's selection of any particular data provider may result in a different composition of the Fund and/or a different WACI measurement for the portfolio and/or Index.

##### ***Sustainable Investments***

Should the Investment Manager seek to make a 'sustainable investment' as defined in SFDR, additional regulatory obligations will apply. In such circumstances, the Investment Manager will be required to undertake an analysis on whether such investment (i) does no significant harm to environmental and social objectives as described in the SFDR and, (ii) where applicable, aligns with the technical screening criteria of the EU Taxonomy. The interpretation of the legislative instruments and guidance forming the EU Sustainable Finance regime is, as a whole, evolving rapidly. The Investment Manager's process on considering significant harm will be inherently subjective and tailored to the investments which are particular to the Fund. There can be no assurance that the Investment Manager's processes and methodologies will align with the approach used by other asset managers or prospective investors, or indeed, future regulatory expectations or market trends.

**APPENDIX 1**

**SHARE CLASS TABLE**

<b>Class*</b>	<b>Currency</b>	<b>Currency Hedging</b>	<b>Investment management fees</b>	<b>Initial Offer Period</b>
A Ordinary	USD	No	.50 per cent	N/A
A Ordinary Distributing	USD	No	.50 per cent	N/A
A Institutional	USD	No	.25 per cent	N/A
A Institutional Distributing	USD	No	.25 per cent	N/A
A Founder	USD	No	.25 per cent	N/A
A Founder Distributing	USD	No	.25 per cent	To 22 March 2022
B Ordinary	EUR	Yes	.50 per cent	N/A
B Ordinary Distributing	EUR	Yes	.50 per cent	N/A
B Institutional	EUR	Yes	.25 per cent	N/A
B Institutional Distributing	EUR	Yes	.25 per cent	N/A
B Founder	EUR	Yes	.25 per cent	To 22 March 2022
B Founder Distributing	EUR	Yes	.25 per cent	To 22 March 2022
C Ordinary	CHF	Yes	.50 per cent	N/A
C Ordinary Distributing	CHF	Yes	.50 per cent	
C Institutional	CHF	Yes	.25 per cent	N/A
C Institutional Distributing	CHF	Yes	.25 per cent	To 22 March 2022
C Founder	CHF	Yes	.25 per cent	To 22 March 2022
C Founder Distributing	CHF	Yes	.25 per cent	To 22 March 2022
D Ordinary	SEK	Yes	.50 per cent	To 22 March 2022
D Ordinary Distributing	SEK	Yes	.50 per cent	To 22 March 2022
D Institutional	SEK	Yes	.25 per cent	To 22 March 2022
D Institutional Distributing	SEK	Yes	.25 per cent	To 22 March 2022
D Founder	SEK	Yes	.25 per cent	To 22 March 2022
D Founder Distributing	SEK	Yes	.25 per cent	To 22 March 2022
E Ordinary	NOK	Yes	.50 per cent	To 22 March 2022
E Ordinary Distributing	NOK	Yes	.50 per cent	To 22 March 2022
E Institutional	NOK	Yes	.25 per cent	To 22 March 2022
E Institutional Distributing	NOK	Yes	.25 per cent	To 22 March 2022
E Founder	NOK	Yes	.25 per cent	To 22 March 2022
E Founder Distributing	NOK	Yes	.25 per cent	To 22 March 2022
F Ordinary	GBP	Yes	.50 per cent	To 22 March 2022
F Ordinary Distributing	GBP	Yes	.50 per cent	To 22 March 2022
F Institutional	GBP	Yes	.25 per cent	To 22 March 2022
F Institutional Distributing	GBP	Yes	.25 per cent	N/A
F Founder	GBP	Yes	.25 per cent	To 22 March 2022
F Founder Distributing	GBP	Yes	.25 per cent	To 22 March 2022
G Ordinary	SGD	Yes	.50 per cent	To 22 March 2022
G Ordinary Distributing	SGD	Yes	.50 per cent	To 22 March 2022
G Institutional	SGD	Yes	.25 per cent	N/A
G Institutional Distributing	SGD	Yes	.25 per cent	To 22 March 2022
G Founder	SGD	Yes	.25 per cent	To 22 March 2022

<b>Class*</b>	<b>Currency</b>	<b>Currency Hedging</b>	<b>Investment management fees</b>	<b>Initial Offer Period</b>
G Founder Distributing	SGD	Yes	.25 per cent	To 22 March 2022
H Ordinary	JPY	Yes	.50 per cent	To 22 March 2022
H Ordinary Distributing	JPY	Yes	.50 per cent	To 22 March 2022
H Institutional	JPY	Yes	.25 per cent	To 22 March 2022
H Institutional Distributing	JPY	Yes	.25 per cent	To 22 March 2022
H Founder	JPY	Yes	.25 per cent	To 22 March 2022
H Founder Distributing	JPY	Yes	.25 per cent	To 22 March 2022
I Ordinary	EUR	Yes	.50 per cent	To 22 March 2022
I Ordinary Distributing	EUR	Yes	.50 per cent	To 22 March 2022
I Institutional	EUR	Yes	.25 per cent	To 22 March 2022
I Institutional Distributing	EUR	Yes	.25 per cent	To 22 March 2022
I Founder	EUR	Yes	.25 per cent	To 22 March 2022
I Founder	EUR	Yes	.25 per cent	To 22 March 2022

\*Institutional share classes are compliant with the UK Retail Distribution Review ("RDR") in that the Company does not pay any inducement or other form of remuneration with respect to the placement of the institutional share classes in the United Kingdom.

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

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

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Blackstone Low Carbon Global Investment Grade Corporate Bond Fund (UCITS)

**Legal entity identifier:** TRL4GTICNI70AHJ6FL89

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



**Yes**



**No**



It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

The Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry.

A current list of applicable exclusion categories is available upon request from the Investment Manager.



A reference benchmark is not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

The ESG-related exclusions referred to above apply at the time of acquisition of the relevant securities and in the event of any subsequent inadvertent holding of securities in breach of these principles or exclusions, the Investment Manager shall dispose of any such securities as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A.

----- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A.

----- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



### Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes, \_\_\_\_\_

☒ No



### What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the Fund is to produce returns, net of fees and expenses above the performance of the Barclays Global Aggregate Corporate Bond Index hedged to US Dollars (the "Index"). The Fund also aims to constrain carbon intensity in respect of its corporate bond portfolio by targeting at least 50% lower weighted carbon intensity than the Index.

The weighted average carbon intensity of the Fund is the exposure to carbon intensive companies. The carbon intensity of the Fund is determined by measuring direct CO<sub>2</sub> emissions from the individual corporate bond issuers in the Fund as well as emissions from purchased energy relative to their corporate revenues. The Investment Manager utilises a proprietary system to measure the carbon intensity of the individual investments. The Investment Manager relies on third-party data for carbon emissions and potential carbon emissions from fossil fuel reserves which are measured based on an issuer's reported data from annual reports, corporate social responsibility reports, the CDP (carbon disclosure project), oil and gas industry bodies, and data derived from other relevant third-party sources. As part of the investment selection process, the Investment Manager systematically down-weights individual issuers with high carbon intensity but does not exclude any particular sector or industry solely based on carbon intensity.

In order to meet the environmental and social characteristics promoted, Responsible Investment is integrated into the Investment Manager's investment process in accordance with three foundational pillars as follows:

- (a) Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolio of the Fund.
- (b) Conducting ongoing research into SRI (and ESG) factors.
- (c) Reviewing, monitoring, and risk modelling the Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.

The Investment Manager integrates exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager seeks to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry or those investments that are considered to be poor SRI performers by the Investment Manager. While the Investment Manager does not pursue an activist investment strategy in respect of the Fund, it takes account of additional risks that are inherent in socially and environmentally costly

businesses and when possible, will seek to avoid them. In this regard, the Investment Manager's policy aims to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social or environmental cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. Various factors are considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

In order to meet the environmental and social characteristics promoted, the Investment Manager applies binding criteria to the selection of underlying assets as part of its investment decisions making process.

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry.

The investment objective of the Fund is to produce returns, net of fees and expenses above the performance of the Index. The Fund also aims to constrain carbon intensity in respect of its corporate bond portfolio by targeting at least 50% lower weighted carbon intensity than the Index.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of its investment strategy.

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

The Investment Manager considers the "good governance" practices of the investee company issuer (the "Issuer") in accordance with established governance requirements applicable to the securities (including liquid, public and secondary securities) (the "Securities") in which the Fund invests. This will include those good governance criteria established under the SFDR, specifically: sound management structures, employee remuneration, employee relations and tax compliance ("Good Governance Criteria").

The Investment Manager's assessment of "good governance practices" will consider a range of criteria, methodologies and assumptions as part of pre-investment and ongoing monitoring processes (including but not limited to factors such as the market, size, sector or geographic location of the Issuer). As a minimum, meeting the criteria for public listing on a main market, and continuing public listing eligibility of the Issuer (including the regulatory oversight of the same) is considered to set a presumption of good governance

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

processes in the absence of evidence to the contrary. The Investment Manager's assessment will also involve a review of information in support of (or, alternatively, which disrupts) that presumption. This will be done via the use of quarterly ESG screening tools, such as ESG ratings and controversies screening tools or public searches carried out by the Investment Manager's Research Committee (the "Research Committee") or information garnered by the same as part of the Investment Manager's research-driven investment-process.

Where there are material good governance disruptors which the Investment Manager considers to be a material breach of the Good Governance Criteria, absent immediate action taken by the Issuer to remediate such a breach, this would result in either an exclusion against investing in the relevant Securities or a divestment of the same within a reasonable time period. Examples of good governance disruptors include but are not limited to: (1) de-listing of the underlying issuer for breaches of applicable listing rules and/ or requirements relating to Good Governance Criteria; (2) quarterly screening undertaken by Research Committee (using ESG screening tools, such as ESG ratings) revealing material adverse results; and (3) any business found (by the Research Committee using controversies screening tools or public searches) to have been involved in controversies or material breaches (such as material and ongoing breaches of labour laws) that would suggest a material and ongoing failure of good governance at the issuer level, where in each case there is no evidence that the Issuer has taken steps to remediate, mitigate and manage the same.

Note that no single good governance indicator or disruptor will be determinative on its own and some judgement will be required to consider these both in the round and in the wider context of the investment when making a determination as to good governance practices at the issuer level. This judgement will be exercised in good faith. Where any investment(s) are determined to not sufficiently meet the applicable Good Governance Criteria, a decision will be made not to invest in the securities of the Issuer or if securities of the Issuer are an existing investment to divest it within a reasonable period taking into consideration factors such as market liquidity.

Note that the good governance assessment process described above is applicable to corporate credit investments only and is not applicable to any of the Fund's investments in government bonds, other securities issued by sovereigns or supranational entities or derivatives such as interest rate futures.



## What is the asset allocation planned for this financial product?

### Asset allocation

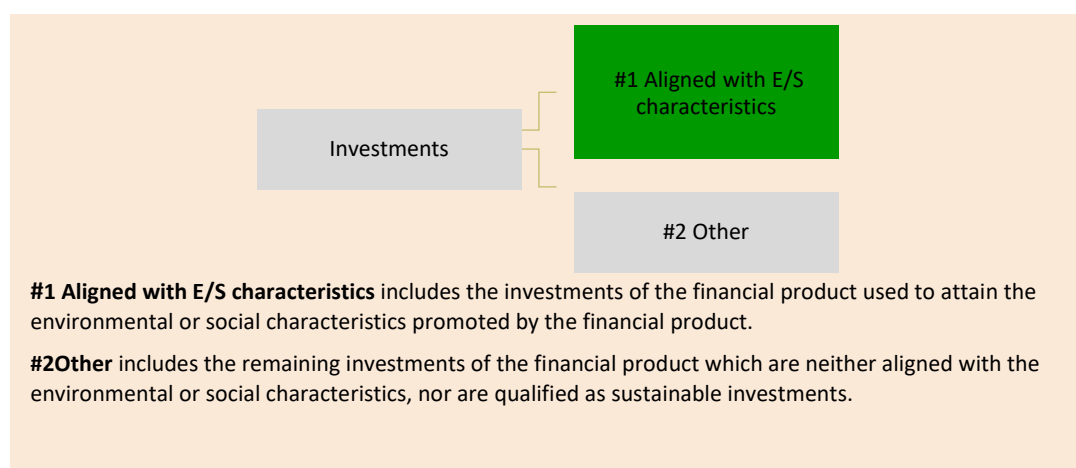
describes the share of investments in specific assets. Taxonomy-aligned activities are expressed as a share of:

**turnover** reflecting The share of revenue from green activities of investee companies  
**capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

The Fund intends to invest a minimum of 66% of the Fund's assets in investments which attain the environmental and social characteristics promoted by the Fund. To achieve this, the Fund invests in a portfolio of corporate bonds, notes and paper (primarily fixed rate) issued by companies, and credit default swaps on the credit risk of such companies.

The remaining percentage of the Fund's investments will be in investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Whilst the Fund does use derivatives as part of its investment strategy, the use of derivatives is not with a view to attaining the environmental or social characteristics promoted by the Fund.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

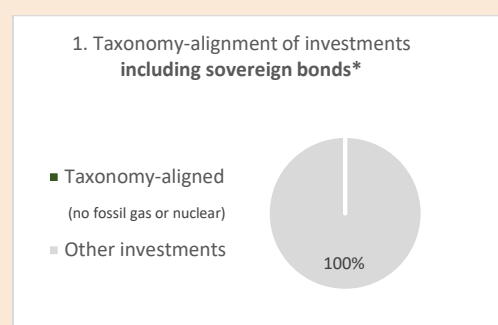
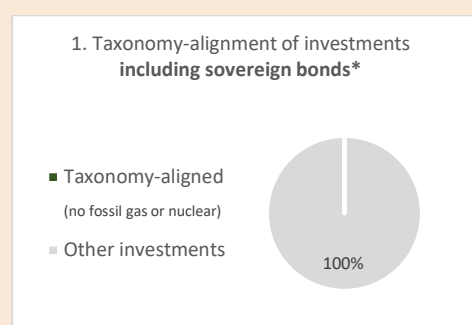
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**


The Fund does not commit to make investments that contribute to the environmental objectives identified in the Taxonomy Regulation.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

☐

Yes:

☐

In fossil gas

☐

In nuclear energy

☒

No

● **What is the minimum share of investments in transitional and enabling activities?**

N/A.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.



**What is the minimum share of socially sustainable investments?**

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

“#2 Other” comprises investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

N/A.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A.

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A.

● **How does the designated index differ from a relevant broad market index?**

N/A.

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

[www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/).

**SUPPLEMENT 3 DATED 1 JANUARY 2024 to the Prospectus issued for Blackstone Systematic Credit Umbrella Fund plc**

**Blackstone Enhanced Global Systematic Credit Fund (UCITS)**

This Supplement contains information relating specifically to Blackstone Enhanced Global Systematic Credit Fund (UCITS) (the "Fund"), a Fund of Blackstone Systematic Umbrella Fund plc (the "Company"), an open-ended umbrella type variable capital investment company with segregated liability between Funds authorised by the Central Bank on 12 August, 2005 as a UCITS pursuant to the UCITS Regulations. The Company has six other Funds, Blackstone Investment Grade Systematic Corporate Fund (UCITS), Blackstone Low Carbon Global Investment Grade Corporate Bond Fund (UCITS), Blackstone Market Neutral Systematic Credit Fund (UCITS), Blackstone Low Carbon Short Duration Corporate Bond Fund (UCITS), Blackstone Low Carbon High Yield Corporate Bond Fund (Feeder) and Blackstone Emerging Market Systematic Corporate Fund (Feeder).

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 1 January 2024 (the "Prospectus") which immediately precedes this Supplement and is incorporated herein.

The Directors of the Company whose names appear in the Prospectus under the heading "Management and Administration" accept responsibility for the information contained in this Supplement and the Prospectus. 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The Fund invests significantly in financial derivative instruments for investment purposes and/or for hedging, in each case subject to the conditions and within the limits laid down by the Central Bank. Transactions in derivative instruments will leverage the Fund and the Fund may establish speculative positions. This may result in a higher level of volatility and risk than would be the case if the Fund did not invest in financial derivative instruments. Due to the Fund's significant investment in financial derivative instruments, a higher degree of risk may attach to this Fund. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Accordingly, such investment should only be undertaken by people in a position to take such a risk. Investment in the Fund is not in the nature of a deposit in a bank account, is subject to the risk that the principal invested in the Fund is capable of fluctuation and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.

Prospective investors should refer to the annex to this Supplement regarding the Fund's environmental and / or social characteristics.



## 1. INTERPRETATION

The expressions below shall have the following meanings:

"Bloomberg Barclays Global Aggregate Corporate Total Return Index Hedged USD"	<p>The Bloomberg Barclays Global Aggregate Corporate Index Hedged USD (Bloomberg Ticker: LGCPTRUH Index</p> <p><a href="https://www.bloomberg.com/quote/LGCPTRUH:IND">https://www.bloomberg.com/quote/LGCPTRUH:IND</a>) provides a broad-based measure of the global investment grade corporate fixed-rate debt market and is comprised of the corporate issues from three major components: the U.S. Aggregate, the Pan- European Aggregate, and the Asian-Pacific Aggregate Index. In respect of the criteria for selection of securities in the Index, in order to qualify for inclusion in the Index, securities must be issued by a corporation, rated investment grade, have a fixed rate coupon, have a remaining maturity of at least one year and a minimum issue size of approximately \$300 million or the foreign exchange equivalent. Additional information on the Bloomberg Barclays Global Aggregate Corporate Index can be found at <a href="http://www.bloombergindices.com/bloomberg-barclays-indices/#/ucits">www.bloombergindices.com/bloomberg-barclays-indices/#/ucits</a>.</p>
"Bloomberg Barclays Global High Yield Corporate Index Hedged USD"	<p>The Bloomberg Barclays Global High Yield Corporate Index Hedged USD (Bloomberg Ticker: H230559US Index) provides a broad-based measure of the global high yield corporate debt market and is comprised of the corporate issues from three major components: the U.S. High Yield, the Pan-European High Yield, and the corporate sector of the Emerging Markets (EM) Hard Currency High Yield Indices. In respect of the criteria for selection of securities in the Index, in order to qualify for inclusion in the Index, securities must be issued by a corporation, rated high yield, have a remaining maturity of at least one year and a minimum issue size of approximately \$150 million or the foreign exchange equivalent. Additional information on the Bloomberg Barclays Global High Yield Corporate Index can be found at <a href="http://www.bloombergindices.com/bloomberg-barclays-indices/#/ucits">www.bloombergindices.com/bloomberg-barclays-indices/#/ucits</a></p>
"Business Day"	<p>means any day (except Saturday or Sunday) that is not an Irish bank holiday on which the Federal Reserve Bank of the United States and the New York Stock Exchange are generally open for business or such</p>

other day or days as may be determined by the Directors and notified to Shareholders.

"Dealing Day"	means each Business Day or such other day or days as may be determined by the Directors provided there are at least two per month and as notified to Shareholders in advance.
"Dealing Deadline"	means 4 p.m., Irish Time on any Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
"Index"	The Bloomberg Barclays Global Corporate Custom Weighted Index (index ID is 33681) is an index constructed by Bloomberg Barclays comprised of 67% of the Bloomberg Barclays Global Aggregate Corporate Total Return Index Hedged USD (Bloomberg Ticker: LGCPTRUH Index) and 33% of the Bloomberg Barclays Global High Yield Corporate Index Hedged USD (Bloomberg Ticker: H230559USIndex). The daily Index price is calculated and published by Bloomberg Barclays.
"FDI"	means financial derivative instruments.
"Initial Price"	means the price at which Shares of a Class are initially on offer during the initial offer period.
"Valuation Point"	means 3 p.m. in New York, US time, on the Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

As at the date of this Supplement, the administrator of the above indices, namely Bloomberg is availing of the grandfathering arrangements afforded under Regulation (EU) 2016/1011 (the "Benchmark Regulation") and accordingly does not appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation

## **2. BASE CURRENCY**

The Base Currency shall be US Dollars.

## **3. CLASSES OF SHARES**

Details of the Share Classes of the Fund are set out in the Share Class table in Appendix 1.

The Share Classes in the Fund are distinguished by (i) currency; (ii) the use of financial instruments to hedge against currency risk; (iii) different investment management fee arrangements; and (iv) dividend policy.

Application for Shares in each Class will be made through the Administrator whose details are set out in the Application Form. The Administrator on behalf of the Company may reject any application for Shares.

Additional classes in the Fund may be established by the Directors as notified and cleared in advance by the Central Bank. In an effort to mitigate against exchange rate risk, the Investment Manager has a currency overlay for the currency hedged Share Classes and uses currency swaps, spot and forward foreign exchange contracts. In no case will the hedged Share Classes be leveraged as a result of the use of currency derivative transactions. The allocation of gains or costs associated with derivatives employed for hedging purposes will be charged to the hedged Share Classes only.

#### **4. PROFILE OF A TYPICAL INVESTOR**

The Fund is suitable for investors seeking long-term capital appreciation and who are prepared to accept a moderate level of volatility.

#### **5. INVESTMENT OBJECTIVE AND POLICIES**

##### **(a) *Objective of the Fund***

The investment objective of the Fund is to produce returns, net of fees and expenses above the return of the Index.

The returns of each particular Share Class will be impacted by its currency denomination.

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

##### **(b) *Summary of investment policy and strategy***

The Fund seeks to achieve its investment objective by investing in certain assets and related financial derivative instruments ("FDI") to employ a "net long, long-short" credit strategy as described further below. The Investment Manager pursues the Fund's investment objective by investing in a portfolio of exposures to the credit risk of companies with equity listed on Recognised Exchanges, applying a quantitatively driven approach to asset selection and portfolio construction.

**Long Positions:** The Fund seeks to profit by holding Long Positions which have been identified as undervalued (i.e., the market price of credit risk, or "credit spread" is lower than the Investment Manager's estimate of what is fair value) by the Investment Manager. Such positions will be identified by the Investment Manager's proprietary analytics, which includes a default probability measurement and a quantitative analysis of the "fair value" of each exposure. The default probability measurement is based on a proprietary model that has been developed by the Investment Manager and which takes into account a firm's asset value, liability structure,

and volatility. The 'fair value' of the exposure is also based on proprietary analytics developed by the Investment Manager, and takes into account other characteristics of the exposure (e.g. rating, sector, and term). The long portfolio is invested in corporate bonds (without using any borrowing for leverage) and also uses CDS or credit default swap indices by selling protection. As a seller of protection, the Fund will receive payments under the CDS contract until the maturity date of the contract. In return, the Fund as seller agrees that in the event that the issuer (i.e. the underlying reference entity to the CDS or one of the issuers in a basket in the case of a credit default swap indices)) defaults or experiences a credit event, the Fund must make a cash settlement payment to the buyer in an amount determined via an ISDA sanctioned auction settlement determination for the referenced entities' securities. This is a process whereby the buyer and seller in a CDS contract formally agree to cash settle their contract in respect of a credit event of a reference entity via a market standard protocol determined by ISDA. In certain circumstances, the Investment Manager may choose to hedge a Long Position by buying CDS protection, which has the effect of offsetting part or all of the risk inherent in the Long Position. The sum of the notional value of the Long Positions is expected to be 150% to 200% of the NAV of the Fund, with a maximum exposure of 300%.

**Short Positions:** The Fund will take short positions through CDS. The Fund seeks to profit from short credit exposure positions by buying protection using CDS or by buying protection of credit default swap indices ("Short Positions") or taking short positions in corporate bond indices through the use of Total Return Swaps ("TRS") Such positions attempt to realise profit potential through widening credit spreads of the underlying credit risk (i.e. market value of credit risk has decreased). As a buyer of protection, the Fund will make payments under the CDS contract until the maturity date of the contract. In return, the seller agrees that in the event that the issuer (i.e. the underlying reference entity to the CDS or one of the issuers in a basket in the case of a credit default swap indices) defaults or experiences a credit event, the seller must make a cash settlement payment to the buyer in an amount determined via an ISDA sanctioned auction settlement determination for the referenced entities' securities. This is a process whereby the buyer and seller in a CDS contract formally agree to cash settle their contract in respect of a credit event of a reference entity via a market standard protocol determined by ISDA. In certain circumstances, the Investment Manager may choose to hedge a Short Position in such securities and financial instruments through positions in bonds, futures, CDS or index or interest rate swaps that have the effect of offsetting part of one or more of the risk components inherent in a Short Position in such securities and financial instruments. The sum of the notional value of the Short Positions is expected to be 50% to 100% of the NAV of the Fund with a maximum exposure of 200%.

Although the objective of certain offsetting positions may be to hedge Short or Long positions there is no guarantee that such positions will be fully hedged.

The Fund is actively managed with reference to its performance benchmark, namely, the Index.

(c) ***Instruments in which the Fund invests***

The instruments in which the Fund invests are amongst others, corporate bonds (fixed or floating rate), notes and paper issued by corporations worldwide, and CDS on the credit risk of such companies. The underlying reference entities (i.e. companies) for CDS will be domiciled

predominately in North America and Western Europe and there may be long or short exposure to any industry or sector. The corporate bonds, notes and paper in which the Fund invests are issued by firms world-wide. The Fund expects at least half of such instruments will be rated as investment grade by any of either Moody's, Standard & Poor's or Fitch.

To select investments, the Investment Manager applies a proprietary, quantitative credit model based on measuring default risk that assists it in identifying exposures that are overvalued (Short Positions) (i.e. the credit risk or "credit spread" is lower than the Investment Manager's estimate of what is fair value) or undervalued (Long Positions) (i.e. the credit risk or "credit spread" is higher than the Investment Manager's estimate of what is fair value). See "Summary of Investment Policy and Strategy" at Section 5 (b) above.

The targets relating to the rating of securities as referenced above will apply at the time of investment and may vary over time. In the event that one or more securities held by the Fund is downgraded below the limits specified in this Supplement resulting in a material deviation from the rating targets, the Investment Manager will use its discretion to remedy the situation as it considers appropriate in the circumstances with regard to the best interests of the Fund and its Shareholders.

In pursuing its investment policies, the Fund may invest on a temporary basis more than one-third of its total assets in monetary papers and bank deposits. The Fund also invests in US Treasuries or Notes, and US Agency issued securities (e.g. GNMA and FNMA MBS) for cash management purposes.

Where market or other factors so warrant, the assets of the Fund may be substantially invested in cash or deposits. Such investments will be in accordance with the investment restrictions of the UCITS Regulations and in accordance with the requirements of the Central Bank.

The Fund also invests in financial derivative instruments ("FDIs"), namely credit default swaps, total return swaps, interest rate swaps, index-based swaps and futures for investment purposes, for hedging or for performance enhancement. As of the date of the Supplement, the majority of FDIs will be traded Over-The-Counter ("OTC").

The Fund may also invest up to 10% of its net assets in other open-ended collective investment schemes and ETFs in order to obtain indirect exposure to the strategies and asset classes in which the Fund invests. Any collective investment scheme in which the Fund may invest (with the exception of ETFs) will be authorised by the Central Bank pursuant to the UCITS Regulations. ETFs are used for cash management purposes and as a means to obtain exposure to reference entities (i.e. companies) on an index in a more efficient and cost effective way than obtaining a direct CDS exposure. Any ETF in which the Fund will invest will be meet with the requirements of the Central Bank in respect of investment in collective investment schemes.

(d) ***Use of Financial Derivative Instruments***

*Credit Default Swaps*

The Fund uses CDS in addition to other instruments to implement its strategy. The 'buyer' in a CDS is obligated to pay the 'seller' a periodic stream of payments over the term of the contract provided no event of default has occurred. The Fund may be either a buyer or seller in a CDS transaction. The Fund and each of its trading counterparties is an adherent to the 2009 ISDA Auction Settlement Supplement. In the event of default of a CDS reference entity, as determined by the ISDA sanctioned Credit Derivatives Determination Committee, the seller must make a cash settlement payment to the buyer in an amount determined via an ISDA sanctioned auction settlement determination for the reference entities' securities.

The Fund writes protection in CDS to take "Long" credit risk. The Fund also buys protection in CDS to take Short Positions on the credit risk of firms or to offset the credit risk of a Long Position. There can be significant differences in the risks between cash instruments and CDS, and market prices of such risks can vary substantially. When Long Positions are hedged by buying protection using CDS on the same issues, there can be no guarantee that such positions will be fully hedged as market prices for cash and the corresponding CDS position may vary substantially depending on market conditions. Further detail in relation to the Long and Short positions are set out above under "*Summary of Investment Policy and Strategy*".

*Index Swaps*

Index-based swaps may be used to gain exposure on a credit default swap index ("CDS indices"). Exposure to CDS indices may be used by the Fund in order to hedge credit exposure, to manage credit risk or to take a position on a basket of reference entities (i.e. companies) in a more efficient and cost effective way than taking a direct CDS position. The Fund may gain exposure through swaps to the following CDS Indices:

*Markit CDX Indices*

Markit CDX family of indices is the standard North American and Emerging Markets tradeable credit default swap family of indices worldwide. The Markit CDX indices are a family of indices covering multiple sectors. The Markit CDX rebalance semi-annually in March and September.

Markit CDX North American Investment Grade (125 names) (rebalanced twice yearly); Markit CDX North American High Yield (100 names) (rebalanced twice yearly). Further information on the indices can be accessed through the following link:

<http://www.markit.com/en/products/data/indices/credit-and-loan-indices/cdx/cdx.page>.

*Markit iTraxx Indices*

Markit iTraxx are a family of European, Asian and Emerging tradable credit default swap indices. The iTraxx indices are a family of indices covering multiple sectors. The iTraxx indices rebalance semi-annually in March and September. The Markit iTraxx Europe index is comprised of one hundred twenty

five (125) equally weighted European entities with investment grade credit ratings that trade in the CDS market; The Markit iTraxx Crossover index is comprised of fifty (50) European entities with non-investment grade credit ratings that trade in the CDS market. Further information on the indices can be accessed through the following link: <https://www.markit.com/Product/ITraxx>.

Details of any financial indices used by the Fund, including those set out above will be provided to Shareholders by the Investment Manager on request and will be set out in the ICAV's semi-annual and annual accounts. Any such indices will be cleared by the Central Bank or will meet its requirements.

The indices that the Fund will gain exposure to shall satisfy the criteria set down in the Central Bank UCITS Regulations. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant index is rebalanced.

#### *Total Return Swaps*

A total return swap is an OTC derivative contract under which one counterparty transfers the total economic performance, including income from interests and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty (i.e. the Fund). The reference obligation in this context are bond indices and CDS indices. TRS are used by the Fund to gain exposure to the composition and performance of a financial index in a more efficient and cost effective way than taking a direct position. The counterparty to any TRS will not have any discretion over the portfolio composition or management of the Fund.

Details of any financial indices used by the Fund in respect of Index based swaps or TRS will be provided to Shareholders by the Investment Manager on request and will be set out in the semi-annual and annual accounts. Any such indices will be cleared by the Central Bank or will meet its requirements.

The indices that the Fund will gain exposure to shall satisfy the criteria set down in the UCITS Regulations and the Central Bank UCITS Regulations. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant index is rebalanced. Where the weighting of a particular constituent in the financial index exceeds the UCITS investment restrictions, the Investment Manager will as a priority objective look to remedy the situation taking into account the interests of Shareholders and the Fund.

#### *Futures*

The Fund uses US Treasury Futures and Notes Futures. These instruments will be used only for hedging purposes. US Treasury Futures and Notes will be traded on the Chicago Board of Trade or other Recognised Exchanges.

#### *Interest Rate Swaps*

The Fund uses interest rate swaps to hedge the Fund's interest rate exposure and to target the interest rate profile of the Index. This is explained below.

The Index is comprised of a number of cash flows associated with its constituent holdings. By assuming

that the yield of each of the cash flows of the Index is equivalent to the yield of an equivalent point on the interest rate curve for the currency of the cash flow an interest rate profile can be created. The Fund models its interest rate profile in a similar fashion using its constituent holdings and compares its interest rate profile to the interest rate profile of the Index

#### *Use of currency Financial Derivative Instruments*

Although the Fund is denominated in US Dollars, it will invest in securities denominated in other currencies. The Net Asset Value of the Fund as expressed in the base currency will fluctuate in accordance with the changes in the foreign exchange rate between the base currency and the currencies in which the Fund's investments are denominated. The Fund may therefore be exposed to foreign exchange currency risk. Accordingly, the Investment Manager may try to mitigate this risk by using currency swaps and cross currency interest rate swaps.

#### *Financial Derivative Instruments – General*

Investments in FDI may lead to increased volatility, more limited liquidity and a higher than normal risk profile than a UCITS scheme which does not use FDI for investment purposes. Please refer to the Section headed "Risk Factors" in the Prospectus. The Management Company employs a risk management process which will enable it to monitor measure and manage the risks attached to FDI positions and details of this process have been provided to the Central Bank. The Fund does not utilise FDI which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Management Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Fund including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

#### **(e) Leverage**

The Fund uses CDS for investment purposes. All other derivatives described in this Supplement shall only be used for hedging purposes.

In summary the maximum level of leverage in the Fund is 900% of the Net Asset Value of the Fund when FDI used for hedging purposes are taken into account. Leverage figures are based on the sum of the absolute value of the notionals of the FDI used. These leverage limits do not take into account any netting, offsetting positions and hedging arrangements that the Fund has in place at any time even though these netting, offsetting positions and hedging arrangements are used for risk reduction purposes. Higher levels of leverage may arise during times when non-US Dollar subscriptions are made into the Fund and additional hedging is required, i.e. to hedge against foreign exchange risk. Higher levels of leverage may also arise semi-annually when the CDS contracts are rolled. During this period offsetting positions are entered which has the effect of offsetting the risk inherent in an existing positions and new positions in the on-the-run maturity are established. The offsetting positions are compressed shortly thereafter. The sum of the gross notional value of the positions during the roll period is not expected to exceed 1,500% of the NAV of the Fund.

In accordance with the requirements of the Central Bank, the Fund is required to disclose a figure for leverage based on the sum of the notionals of the derivatives used. It should be noted that this figure is



not an indicator of economic leverage within the Fund. A figure for leverage based on the sum of the absolute value of the notionals of the derivatives used may appear high, as it does not take into account the effect of any offsetting risks within the FDI which reduce exposure and volatility that the Fund has in place even though these netting and hedging arrangements reduce exposure. It should also be noted that often the economic exposure under a derivative will not be the notional value but a significantly lower mark-to-market or daily margin value.

Although the strategy is expected to be net long marketwide risk, the Fund is constructed such that the marketwide risks in the long and short portfolios are intended to significantly offset, with the net returns being generated by the performance of the assets selected in the long portfolio relative to the performance of the assets selected in the short portfolio. The high level of leverage may be necessary to achieve the investment objective of the Fund as stated above.

#### Use of VaR by the Fund as a Risk Measurement Methodology

The Fund uses VaR which is an advanced risk measurement methodology in order to assess the Fund's market risk volatility and to ensure that the leverage effect of using derivatives is not significant enough to cause disproportionate loss to the overall value of the Fund. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. When the VaR is calculated as a percentage of the Net Asset Value of the Fund (absolute VaR), it may not be greater than 20% of the Net Asset Value of the Fund. The VaR will be calculated daily using a one-tailed 99% confidence level, twenty (20) day holding period, and the historical observation period will not be less than one year unless a shorter period is justified.

Investors should note the limitations associated with using VaR as a risk measurement method. In particular, although diversification benefits may exist in non-derivative positions in the Funds, the VaR is calculated as a measure of exposure to derivatives and does not necessarily reflect the aggregate risks of the Fund. Additionally, although VaR is used to measure market risk as further set out below, investors should be aware that VaR is a measure of the maximum potential loss due to market risk and does not measure leverage. More particularly, the VaR approach may use a historical observation period which captures calm market conditions and thus the VaR result may be biased if abnormal market conditions are not prevalent or are omitted from the historical observation period. Accordingly, investors could suffer significant losses in abnormal market conditions. The Investment Manager will attempt to minimize such risks by conducting regular back testing and stress testing of the VaR model in accordance with Central Bank requirements.

Investors should also note that owing to the fact that the Fund may employ high leverage that shareholders may suffer serious financial consequences under abnormal market conditions. The Fund will strive to mitigate these risks and generate low volatility returns by dynamically managing the long and the short portfolios to significantly offset the market risk associated with either portfolio, as described in further detail above.

#### (f) ***Securities Financing Transactions***

As set out in Section 5 (d) above, the Fund may utilise TRS to gain exposure to bond or CDS indices.

The expected and maximum proportion of the Sub-Fund's assets which can be subject to total return

swaps is 100% of the Net Asset Value of the Fund. The proportion of the Fund's assets which are subject to TRS at any given time will depend on prevailing market conditions and the value of the relevant investments. The amount of assets engaged in TRS, expressed as an absolute amount and as a proportion of the Sub-Fund's assets, as well as other relevant information relating to the use of TRS shall be disclosed in the annual report and semi-annual report of the Company.

Further information relating to securities financing transactions and TRS is set out in the Prospectus at the sections entitled "*Securities Financing Transactions*" and "*Total Return Swaps*".

(g) ***SFDR Categorisation and Environmental and Social Characteristics***

The Management Company, in consultation with the Investment Manager, has categorised the Fund as an Article 8 product for the purposes of the SFDR.

The Investment Manager integrates environmental and social characteristics into the investment process of the Fund and applies exclusion screening to the selection of investments for the portfolio from the instruments in which the Fund invests as detailed under the heading "(iii) Instruments in which the Fund invests" above.

Responsible Investment is integrated into the Investment Managers investment process in accordance with three foundational pillars as follows:

- (a) Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolio of the Fund.
- (b) Conducting ongoing research into SRI (and ESG) factors.
- (c) Reviewing, monitoring, and risk modelling the Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.

The Investment Manager integrates exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager seeks to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending, or those investments that are considered to be poor SRI performers by the Investment Manager as further described below. While the Investment Manager does not pursue an activist investment strategy in respect of the Fund, it takes account of additional risks that are inherent in socially and environmentally costly businesses and when possible, will seek to avoid them. In this regard, the Investment Manager's policy aims to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social or environmental cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. Various factors are considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.

As of the date of this Supplement, the Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending. In this regard, the Investment Manager will exclude such businesses from the investment universe as detailed above. The Investment Manager reviews, affirms, and (if needed), modifies the specific exclusion list at least quarterly.

Further details of the Investment Manager's SRI criteria and the integration of sustainability factors into the investment process are set out in the Prospectus under the heading "*The Company*" – *SFDR Categorisation and Environmental and Social Characteristics*".

(h) **Taxonomy Regulation**

As of the date of this Supplement, the Fund invests 0% in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

The Taxonomy Regulation sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm Taxonomy objectives and is accompanied by specific EU criteria. Similarly, any other sustainable investments must also not significantly harm any environmental or social objectives. The "do no significant harm" principle applies only to sustainable investments (if any). Other investments do not take into account the EU criteria for environmentally sustainable economic activities and are not required to apply the "do no significant harm" principle.

## **6. INVESTMENT AND BORROWING RESTRICTIONS**

The Fund may borrow up to 10% of its Net Asset Value. Such borrowing will only be on a temporary basis. The Fund may charge its assets as security for such borrowings.

## **7. MINIMUM SUBSCRIPTION**

US\$1million or currency equivalent in respect of each of the Share Classes.

There will be no Minimum Subscription in respect of subsequent subscriptions by the same investor.

The Directors reserve the right to differentiate between Shareholders and waive or reduce the Minimum Subscription in accordance with the requirements of the Central Bank.

## **8. APPLICATION FOR SHARES**

Details of the initial offer period in respect of unlaunched Share Classes are set out in Appendix 1 (the "Initial Offer Period"). The Initial Offer Period in respect to any unlaunched Classes of Shares will close as soon as an investor subscribes for Shares in that Share Class and provided that a minimum amount of US\$1 million (or currency equivalent) has been invested in that Share Class. In the event that a minimum amount of US\$1 million (or currency equivalent) is not reached by the expiry of the Initial Offer Period, the Company will return any subscription amounts to the relevant investor without interest. During the Initial Offer Period, the Initial Price for Shares will be US\$100 (or 100 units of the relevant

Share Class currency).

Applications for Shares should be made through the Administrator (whose details are set out in the Application Form with this Supplement) on behalf of the Company. Such requests must be received by the Administrator prior to the Dealing Deadline for the relevant Dealing Day. Applications, including initial applications accepted by the Administrator on behalf of the Fund and received by the Administrator no later than the Dealing Deadline will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

Initial applications should be made using the Application Form obtained from the Investment Manager or Administrator, and may be made by facsimile or such other means as may from time to time be permitted by the Directors and the Administrator and the Central Bank including electronic means subject to prompt transmission to the Administrator of the signed application form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of written instructions from the relevant Shareholder.

#### *Fractions*

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than .001 of a Share.

Subscription monies, representing less than .001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs for the relevant Fund.

#### *Method of Payment*

Subscription payments net of all bank charges should be paid by electronic transfer to the bank account specified in the Application Form enclosed with the Prospectus. Other methods of payment are subject to the prior approval of the Directors. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

#### *Currency of Payment*

Subscription monies are payable in the currency of denomination of the relevant Share Class. However, the Company may accept payment in such other currencies as the Directors may agree at the prevailing exchange rate quoted by the Administrator. The cost and risk of converting currency will be borne by the investor.

#### *Timing of Payment*

Payment in respect of subscriptions must be received in cleared funds by the Depositary no more than two Business Days after the relevant Dealing Deadline provided that the Directors reserve the right to defer the issue of Shares until receipt of cleared subscription monies by the Fund.

### *Confirmation of Ownership*

Each purchase of Shares will be confirmed with Shareholders within 48 hours of the purchase being settled. Title to Shares will be evidenced by the entry of the investor's name in the Company's register of Shareholders and no certificates will be issued.

## **9. REDEMPTION OF SHARES**

Requests for redemption of Shares shall be made to the Administrator on behalf of the Company by facsimile or written communication. Such requests must be received by the Administrator prior to the Dealing Deadline for the relevant Dealing Day and shall include such information as may be specified from time to time. Any requests for redemption received after the Dealing Deadline will be processed on the next Dealing Day. However, the Directors may in their absolute discretion determine that applications may be accepted after the Dealing Deadline provided that any such application is received prior to the Valuation Point.

Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. No redemption payment will be made from an investor holding until the subscription application form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received by the Administrator and the anti-money laundering procedures have been completed.

If the number of Shares to be redeemed on any Dealing Day equals one tenth or more of the total number of Shares of the Fund in issue on that day the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of one tenth of the total number of Shares in issue as aforesaid and, if they so refuse, the requests for redemption on such Dealing Day shall be reduced pro rata and Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all Shares to which the original request related have been redeemed. Redemption requests which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

The Directors may, with the consent of the individual Shareholders, satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of the Fund having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer provided that any Shareholder requesting redemption shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale, the costs of which shall be borne by the relevant Shareholder. The selection of assets to satisfy any such in-specie redemptions shall be subject to the approval of the Depositary.

The redemption price per Share shall be the Net Asset Value per Share.

### *Method of Payment*

Redemption payments will be made to the bank account detailed on the Application Form with this

Supplement or as subsequently notified to the Administrator in writing sent by post. Redemption payments following processing of instruments received by telefax will only be made to the account of record of a Shareholder.

#### *Currency of Payment*

Shareholders will normally be repaid in the Base Currency, or, in the denominated currency of the relevant Class as appropriate. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

#### *Timing of Payment*

Redemption proceeds in respect of Shares will be paid within four Business Days of the relevant Dealing Day provided correct redemption documentation has been received by the Administrator.

#### *Withdrawal of Redemption Requests*

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

#### *Compulsory/Total Redemption*

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings "Compulsory Redemption of Shares" and "Total Redemption of Shares".

### **10. CONVERSION OF SHARES**

Subject to the Minimum Subscription, Minimum Holding and minimum transaction requirements of the relevant Fund or Classes, Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

### **11. SUSPENSION OF DEALING**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day, as the case may be, following the ending of such suspension.

### **12. FEES AND EXPENSES**

The Fund bears its attributable portion of the fees and operating expenses of the Company which are set out in detail under the heading "Fees and Expenses" in the Prospectus. In addition, the following fees and expenses are payable out of the Fund's assets:

### *The Management Company*

The Management Company will be entitled to receive out of the assets of each Fund an annual management fee of up to 0.10% per annum of the Net Asset Value of the Fund. The management fee shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears. The proposed fee arrangements mean that the actual fee payable by the Fund is anticipated to be materially below 0.10% per annum. The Management Company shall also be entitled to be reimbursed out of the assets of each Fund for its reasonable out-of-pocket expenses.

### *The Administrator and Depositary:*

The Administrator and Depositary shall each be entitled to receive out of the assets of the Fund an annual fee attributable to each Class. The fee payable by the Fund to the Administrator and the Depositary shall be approximately 0.05% per annum of the Net Asset Value attributable to each Share Class. The fee percentage may decrease as the Net Asset Value of the Company increases.

The administration and custody fee will accrue daily and be payable monthly in arrears. The Administrator shall also be entitled to be paid its reasonable and properly vouched out-of-pocket expenses out of the assets of the Fund.

The Depositary shall also be entitled to be repaid all of its disbursements out of the assets of the Fund including the fees and expenses of any sub-custodian which shall be at normal commercial rates.

### *The Investment Manager:*

The Investment Manager is entitled to charge a fee of up to 100 basis points (1.00 %) per annum of the Net Asset Value of the Fund (the "Investment Management Fee"). Details of the current investment management fee applicable to each Share Class are set out in Appendix 1. The Investment Management Fee payable to the Investment Manager is calculated and accrued daily based on the Net Asset Value of the Shares at the Valuation Point (before deduction of the applicable fees and the application of Performance Fee Accrual or Deficit) and the number of Shares outstanding on that Dealing Day (before taking into account subscriptions and redemptions of Shares of each Class made on that Dealing Day) and will be paid monthly in arrears. The Investment Manager is also entitled to be repaid its reasonable out-of-pocket expenses out of the assets of the Fund.

The Directors, in their discretion, may differentiate between the Shareholders of the Fund by waiving or reducing the annual investment management fee charged to certain Shareholders or to certain Classes of the Fund. Such waivers or differentiation may be effected by way of a rebate to the relevant Shareholder account or by reducing the fee payable by a Class of Shareholders in the Fund. In addition, the Investment Manager, in its discretion, may agree with certain Shareholders of the Fund to rebate or otherwise reduce or waive a portion of the investment management fee charged to such Shareholders. In the event of any such waiver, rebate or fee reduction, the Directors or Investment Manager, at their absolute discretion, may choose not to disclose such waiver, rebate or fee reduction to the other Shareholders or Classes of Shareholders.

As a condition to any such waiver, reduction or rebate of the investment management fee, the Directors or the Investment Manager, as the case may be, will require such Shareholders to confirm in writing that the waiver, reduction or rebate does not violate any law or regulation applicable to such Shareholders and that the Shareholders have provided disclosure of the waiver, reduction or rebate to, and have obtained all consents regarding the waiver, reduction or rebate from, all persons that they are legally required to provide such disclosure to or obtain such consents from.

#### *Voluntary Cap*

The Investment Manager has voluntarily agreed to cap the expenses (excluding, for the avoidance of doubt, the Investment Manager's Fees and any Performance Fee) charged to the Fund, as described in the section headed "Fees and Expenses", at approximately 0.15% per annum of the annual average Net Asset Value of the Fund (as calculated by the Administrator) and will pay any excess of such expenses over this amount; provided other extraordinary expenses shall be excluded from such cap. Only those fees and expenses which are actually incurred up to this cap will be payable out of the assets of the Fund. The Investment Manager may, in its absolute discretion, in the future withdraw or amend the voluntary cap.

#### *Sales Charge*

There is no sales charge for any Class of Shares.

#### *Redemption Charge*

There is no redemption charge for this Fund.

#### *Conversion Fee*

No conversion fee is charged for any Class of the Fund.

### **13. DIVIDENDS AND DISTRIBUTIONS**

Distributions if any, in respect of the distributing Share Classes listed in Appendix 1 are normally paid annually by 30 January each year. In respect of accumulating Share Classes, the income, earnings and gains will be accumulated and reinvested.

### **14. RISK FACTORS**

The attention of investors is drawn to the "Risk Factors" section in the Section of the Prospectus entitled "The Company".



## APPENDIX 1

### SHARE CLASS TABLE

Class	Currency	Currency Hedging	Investment management fees	Initial Offer Period
A Accumulating	USD	No	0.40 per cent	N/A
A Distributing	USD	No	0.40 per cent	To 22 March 2022
A Ordinary Accumulating	USD	No	0.90 per cent	N/A
A Ordinary Distributing	USD	No	0.90 per cent	To 22 March 2022
B Accumulating	EUR	Yes	0.40 per cent	N/A
B Distributing	EUR	Yes	0.40 per cent	To 22 March 2022
B Ordinary Accumulating	EUR	Yes	0.90 per cent	N/A
B Ordinary Distributing	EUR	Yes	0.90 per cent	To 22 March 2022
C Accumulating	CHF	Yes	0.40 per cent	N/A
C Distributing	CHF	Yes	0.40 per cent	To 22 March 2022
C Ordinary Accumulating	CHF	Yes	0.90 per cent	To 22 March 2022
C Ordinary Distributing	CHF	Yes	0.90 per cent	To 22 March 2022
D Accumulating	GBP	Yes	0.40 per cent	N/A
D Distributing	GBP	Yes	0.40 per cent	To 22 March 2022
D Ordinary Accumulating	GBP	Yes	0.90 per cent	To 22 March 2022
D Ordinary Distributing	GBP	Yes	0.90 per cent	To 22 March 2022
G Accumulating	SGD	Yes	0.40 per cent	To 22 March 2022
G Distributing	SGD	Yes	0.40 per cent	To 22 March 2022
G Ordinary Accumulating	SGD	Yes	0.90 per cent	To 22 March 2022
G Ordinary Distributing	SGD	Yes	0.90 per cent	To 22 March 2022
H Accumulating	JPY	Yes	0.40 per cent	To 22 March 2022
H Distributing	JPY	Yes	0.40 per cent	To 22 March 2022
H Ordinary Accumulating	JPY	Yes	0.90 per cent	To 22 March 2022
H Ordinary Distributing	JPY	Yes	0.90 per cent	To 22 March 2022

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Blackstone Enhanced Global Systematic Credit Fund (UCITS)

**Legal entity identifier:** KSOCNIUM6C07J3G3SK38

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



**Yes**



**No**



It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

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

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

A reference benchmark is not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

The ESG-related exclusions referred to above apply at the time of acquisition of the relevant securities and in the event of any subsequent inadvertent holding of securities in breach of these principles or exclusions, the Investment Manager shall dispose of any such securities as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A.

----- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A.

----- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



### Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes, \_\_\_\_\_

☒ No



### What investment strategy does this financial product follow?

The investment objective of the Fund is to produce returns, net of fees and expenses above the performance of the Bloomberg Barclays Global Corporate Custom Weighted Index.

In order to meet the environmental and social characteristics promoted, Responsible Investment is integrated into the Investment Manager's investment process in accordance with three foundational pillars as follows:

- (a) Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolio of the Fund.
- (b) Conducting ongoing research into SRI (and ESG) factors.
- (c) Reviewing, monitoring, and risk modelling the Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.

The Investment Manager integrates exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager seeks to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending, or those investments that are considered to be poor SRI performers by the Investment Manager. While the Investment Manager does not pursue an activist investment strategy in respect of the Fund, it takes account of additional risks that are inherent in socially and environmentally costly businesses and when possible, will seek to avoid them. In this regard, the Investment Manager's policy aims to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social or environmental cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. Various factors are considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.

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

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to meet the environmental and social characteristics promoted, the Investment Manager applies binding criteria to the selection of underlying assets as part of its investment decisions making process.

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of its investment strategy.

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

The Investment Manager considers the "good governance" practices of the investee company issuer (the "Issuer") in accordance with established governance requirements applicable to the securities (including liquid, public and secondary securities) (the "Securities") in which the Fund invests. This will include those good governance criteria established under the SFDR, specifically: sound management structures, employee remuneration, employee relations and tax compliance ("Good Governance Criteria").

The Investment Manager's assessment of "good governance practices" will consider a range of criteria, methodologies and assumptions as part of pre-investment and ongoing monitoring processes (including but not limited to factors such as the market, size, sector or geographic location of the Issuer). As a minimum, meeting the criteria for public listing on a main market, and continuing public listing eligibility of the Issuer (including the regulatory oversight of the same) is considered to set a presumption of good governance processes in the absence of evidence to the contrary. The Investment Manager's assessment will also involve a review of information in support of (or, alternatively, which disrupts) that presumption. This will be done via the use of quarterly ESG screening tools, such as ESG ratings and controversies screening tools or public searches carried out by the Investment Manager's Research Committee (the "Research Committee") or information garnered by the same as part of the Investment Manager's research-driven investment-process.

Where there are material good governance disruptors which the Investment Manager considers to be a material breach of the Good Governance Criteria, absent immediate action taken by the Issuer to remediate such a breach, this would result in either an exclusion against investing in the relevant Securities or a divestment of the same within a reasonable time period. Examples of good governance disruptors include but are not limited to: (1) de-listing of the underlying issuer for breaches of applicable listing rules and/ or requirements relating to Good Governance Criteria; (2) quarterly screening undertaken by Research Committee (using ESG screening tools, such as ESG ratings) revealing material adverse results; and (3) any business found (by the Research Committee using controversies screening tools or public searches) to have been involved in controversies or material breaches (such as material and ongoing breaches of labour laws) that would suggest a material and ongoing failure of good governance at the issuer level, where in each case there is no evidence that the Issuer has taken steps to

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

remediate, mitigate and manage the same.

Note that no single good governance indicator or disruptor will be determinative on its own and some judgement will be required to consider these both in the round and in the wider context of the investment when making a determination as to good governance practices at the issuer level. This judgment will be exercised in good faith. Where any investment(s) are determined to not sufficiently meet the applicable Good Governance Criteria, a decision will be made not to invest in the securities of the Issuer or if securities of the Issuer are an existing investment to divest it within a reasonable period taking into consideration factors such as market liquidity.

Note that the good governance assessment process described above is applicable to corporate credit investments only and is not applicable to any of the Fund's investments in government bonds, other securities issued by sovereigns or supranational entities or derivatives such as interest rate futures.

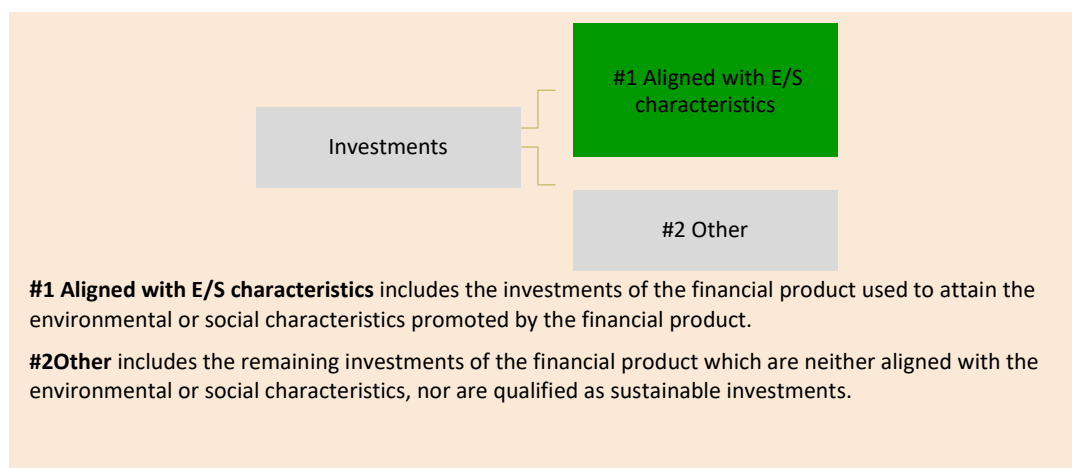


### What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific

The Fund intends to invest a minimum of 80% of the Fund's assets in investments which attain the environmental and social characteristics promoted by the Fund. To achieve this, the Fund invests in a portfolio of corporate bonds (fixed or floating rate), notes and paper issued by corporations worldwide, and credit default swaps on the credit risk of such companies.

The remaining percentage of the Fund's investments will be in investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.



### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

The Fund through the use of credit default swaps will gain indirect exposure to credit risk of companies worldwide so the credit default swaps will be assisting in attaining the environmental or social characteristics promoted by the Fund.



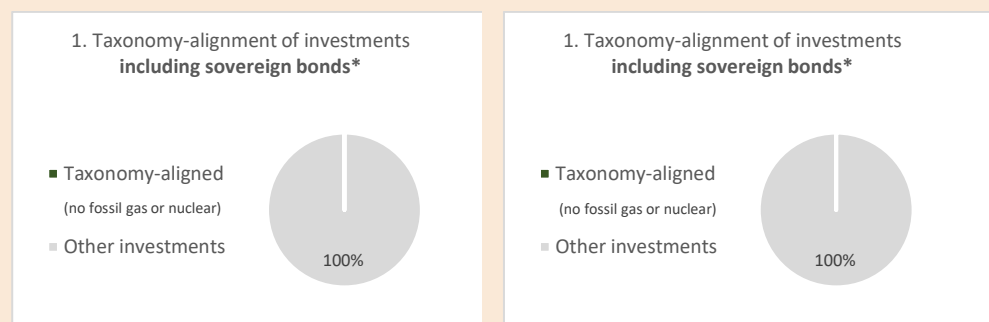
### **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not commit to make investments that contribute to the environmental objectives identified in the Taxonomy Regulation.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?



Yes:



In fossil gas



In nuclear energy



No

● What is the minimum share of investments in transitional and enabling activities?

N/A.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.



What is the minimum share of socially sustainable investments?

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

“#2 Other” comprises investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.



Is a specific index designated as a reference benchmark to determine whether

**this financial product is aligned with the environmental and/or social characteristics that it promotes?**

N/A.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A.

- ***How does the designated index differ from a relevant broad market index?***

N/A.

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

[www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/).



**SUPPLEMENT 4 DATED 1 JANUARY 2024 to the Prospectus issued for  
Blackstone Systematic Credit Umbrella Fund plc**

**Blackstone Market Neutral Systematic Credit Fund (UCITS)**

This Supplement contains information relating specifically to Blackstone Market Neutral Credit Fund (UCITS) (the "Fund"), a Fund of Blackstone Systematic Credit Umbrella Fund plc (the "Company"), an open-ended umbrella type variable capital investment company with segregated liability between Funds authorised by the Central Bank on 12<sup>th</sup> August, 2005 as a UCITS pursuant to the UCITS Regulations. The Company has six other Funds, Blackstone Investment Grade Systematic Corporate Fund (UCITS), Blackstone Low Carbon Global Investment Grade Corporate Bond Fund (UCITS), Blackstone Enhanced Global Systematic Credit Fund (UCITS), Blackstone Low Carbon Short Duration Corporate Bond Fund (UCITS), Blackstone Low Carbon High Yield Corporate Bond Fund (Feeder) and Blackstone Emerging Market Systematic Corporate Fund (Feeder).

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 1 January 2024 (the "Prospectus") which immediately precedes this Supplement and is incorporated herein.**

The Directors of the Company whose names appear in the Prospectus under the heading "Management and Administration" accept responsibility for the information contained in this Supplement and the Prospectus. 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**The Fund invests significantly in financial derivative instruments for investment purposes and/or for hedging, in each case subject to the conditions and within the limits laid down by the Central Bank. Transactions in derivative instruments will leverage the Fund and the Fund may establish speculative positions. This may result in a higher level of volatility and risk than would be the case if the Fund did not invest in financial derivative instruments. Due to the Fund's significant investment in financial derivative instruments, a higher degree of risk may attach to this Fund. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Accordingly, such investment should only be undertaken by people in a position to take such a risk.**

**Investment in the Fund is not in the nature of a deposit in a bank account, is subject to the risk that the principal invested in the Fund is capable of fluctuation and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.**

**Prospective investors should refer to the annex to this Supplement regarding the Fund's environmental and / or social characteristics.**

## **1. Interpretation**

The expressions below shall have the following meanings:

"Business Day"	means any day (except Saturday or Sunday) that is not an Irish bank holiday on which the Federal Reserve Bank of the United States and the New York Stock Exchange are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders.
"Dealing Day"	means each Business Day or such other day or days as the Directors may from time to time determine and as notified to Shareholders in advance, provided that there will be at least one dealing Day per fortnight.
"Subscription Dealing Deadline"	in respect of subscriptions means 4 p.m., Irish Time on any Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
"FDI"	means financial derivative instruments.
"Initial Price"	means the price at which Shares are initially offered for sale during the initial offer period for the relevant Share Class.
"Performance Fee Period"	in relation to the calculation of the Investment Manager's performance fee, means a period ending on the last Business Day in each calendar year.
"First Performance Fee Period"	The First Performance Fee Period which ended on 31 December 2012.
"Redemption Dealing Deadline"	in respect of redemptions, means five Business Days prior to the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
"Valuation Point"	means 3 p.m. in New York, US time, on the Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## **2. Base Currency**

The Base Currency shall be US Dollars.

### 3. **Classes of Shares**

Details of the Share Classes of the Fund which are available for subscription are set out in the Share Class Table at Appendix 1.

Application for Shares in each Class will be made through the Administrator whose details are set out in the Application Form. The Administrator on behalf of the Company may reject any application for Shares.

Additional classes in the Fund may be established by the Directors as notified and cleared in advance by the Central Bank. In an effort to mitigate against exchange rate risk, the Investment Manager has a currency overlay for the currency hedged Share Classes and uses currency swaps, spot and forward foreign exchange contracts. In no case will the hedged Share Classes be leveraged as a result of the use of currency derivative transactions. The allocation of gains or costs associated with derivatives employed for hedging purposes will be charged to the hedged Share Classes only. Details of which Share Classes are hedged are set out in Appendix 1.

### 4. **Profile of a Typical Investor**

The Fund is suitable for institutional investors seeking long-term capital appreciation and who are prepared to accept a moderate level of volatility.

### 5. **Investment Objective and Policies**

#### (a) ***Objective of the Fund***

The investment objective of the Fund is to produce returns, net of fees (excluding performance fees) and expenses above the performance of the ICE BofAML 0-3 Month US Treasury Bill Index (Bloomberg Ticker: G0B1 Index) (the "Index") (hedged to the Share Class designated currency). For the avoidance of doubt, the foregoing is the investment objective of the Fund; Share Classes do not have a separate objective.

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

The Fund uses the Index to measure the performance of the Fund and in the context of calculating the Performance Fee in accordance with the Benchmark Regulation. The administrator of the Index, ICE Benchmark Administration Limited is registered with ESMA pursuant to Article 34 of the Benchmark Regulation. The Company has a contingency policy in place setting out the actions that will be taken in the event that the Index materially changes or ceases to be provided, a copy of which is available on request.

The Fund is actively managed with reference to its performance benchmark, i.e. the Index.

#### (b) ***Summary of investment policy and strategy***

The Fund seeks to achieve its investment objective by buying and selling protection in credit default swaps ("CDS") to employ a "long-short" credit strategy. The CDS will have underlying exposure to the credit risk of companies worldwide. Further details on such companies are

provided in the section below headed “**(c) Instruments in which the Fund invests**”. The Fund does not invest in CDS referencing sovereign contracts. A more detailed description of the investment instruments, FDI and investment strategy of the Fund are set out below.

The Investment Manager manages the Fund’s investments by creating long and short credit exposure as described in further detail below.

The Fund seeks to achieve its investment objective by investing in a portfolio of exposures to the credit risk of companies with equity listed on Recognised Exchanges, applying a quantitatively driven approach to asset selection and portfolio construction. This is achieved by holding Long Positions which have been identified as undervalued (i.e. the market price of credit risk, or “credit spread” is higher than the Investment Manager’s estimate of what is fair value) and holding Short Positions which have been identified as overvalued (i.e. the market price of credit risk, or “credit spread” is lower than the Investment Manager’s estimate of what is fair value) by the Investment Manager. Such positions will be identified by the Investment Manager’s proprietary analytics, which includes a default probability measurement and a quantitative analysis of the “fair value” of each exposure. The Long portfolio uses CDS by selling protection. The Short portfolio uses CDS by buying protection. The Long and Short portfolios are constructed with the aim of having offsetting exposures to market wide credit spread movements. The Fund seeks to generate a low volatility return by dynamically managing the Long and the Short portfolios.

#### *Long Positions:*

The Fund seeks to profit by holding Long Positions which have been identified as undervalued (i.e., the market price of credit risk, or “credit spread” is lower than the Investment Manager’s estimate of what is fair value) by the Investment Manager. Such positions will be identified by the Investment Manager’s proprietary analytics, which includes a default probability measurement and a quantitative analysis of the “fair value” of each exposure. The default probability measurement is based on a proprietary model that has been developed by the Investment Manager and which takes into account a firm’s asset value, liability structure, and volatility. The ‘fair value’ of the exposure is also based on proprietary analytics developed by the Investment Manager, and takes into account other characteristics of the exposure (e.g. rating, sector, and term). The long portfolio uses CDS by selling protection. In certain circumstances, the Investment Manager may choose to hedge a Long Position by buying CDS protection, which has the effect of offsetting part or all of the risk inherent in the Long Position. The sum of the notional value of the Long Positions is expected to be 300% to 500% of the NAV of the Fund, with a maximum exposure of 500%.

#### *Short Positions:*

Such positions will be synthetic only and comprised of exposures to the credit risk of companies which the Investment Manager determines have a lower market spread than is warranted and are therefore deemed overpriced. In certain circumstances, the Investment Manager may choose to hedge a Short Position by selling CDS protection, which has the effect of offsetting part or all of the risk inherent in a Short Position. The sum of the notional value of the Short Positions is expected to be 300% to 600% of the NAV of the Fund with a maximum exposure of 600%.

Although the objective of certain offsetting positions may be to hedge Short or Long positions there is no guarantee that such positions will be fully hedged.

**(c) Instruments in which the Fund invests**

The Fund buys and sells CDS on the credit risk of companies worldwide. The underlying reference entities (i.e. companies) will be domiciled predominately in North America and Western Europe and there may be long or short exposure to any industry or sector. The underlying reference entities will be companies with public equity and debt rated by Moody's, Fitch or Standard & Poor's at the time of investment. There will be no exposure to CDS referencing sovereign entities. The Investment Manager does not target a particular rating profile

To select investments, the Investment Manager applies a proprietary, quantitative credit model based on measuring default risk that assists it in identifying exposures that are overvalued (short positions) or undervalued (long positions).

The Fund also invests in US and European Treasury Bonds or Notes, US and European agency issued securities and commercial paper.

Where market or other factors so warrant, the assets of the Fund may be substantially invested in cash or deposits. Such investments will be in accordance with investment restrictions of the UCITS Regulations and in accordance with the requirements of the Central Bank.

The Fund may also invest in exchange-traded funds ("ETFs") for liquidity management purposes or as a more efficient way to obtain an indirect exposure to an index.

The Fund may also invest up to 10% of its net assets in other open-ended collective investment schemes and ETFs in order to obtain indirect exposure. Any collective investment scheme in which the Fund may invest (with the exception of ETFs) will be authorised by the Central Bank pursuant to the UCITS Regulations.

**(d) Where instruments are listed or traded**

The U.S. Treasury or Agency bonds, bills or notes in which the Fund may invest will be listed or traded on Recognised Exchanges listed in the Prospectus and the majority of FDI will be traded Over-The-Counter ("OTC").

**(e) Use of Financial Derivative Instruments**

*Credit Default Swaps*

The principle FDI used by the Fund to implement its strategy are CDS. The 'buyer' in a CDS is obligated to pay the 'seller' a periodic stream of payments over the term of the contract provided no event of default has occurred. The Fund may be either a buyer or seller in a CDS transaction. The Fund and each of its trading counterparties is an adherent to the 2009 ISDA Auction Settlement Supplement. In the event of default of a CDS reference entity, as determined by the ISDA sanctioned Credit Derivatives Determination Committee, the seller must make a cash

settlement payment to the buyer in an amount determined via an ISDA sanctioned auction settlement determination for the reference entities' securities.

The Fund sells CDS protection to create "Long" credit risk positions or to offset the credit risk of a Short Position. The Fund also buys CDS protection to create "Short" credit risk positions or to offset the credit risk of a Long Position. The Fund will have Long exposure of up to 5 times its Net Asset Value and Short exposures of up to 5 times its Net Asset Value.

Further detail in relation to the Long and Short positions are set out above under "*Summary of Investment Policy and Strategy*".

#### *Index Swaps*

Index-based swaps may be used to gain exposure on a credit default swap index ("CDS indices"). Exposure to CDS indices may be used by the Fund in order to hedge credit exposure, to manage credit risk or to take a position on a basket of credit entities in a more efficient and cost effective way than taking a direct CDS position. The Fund may gain exposure through swaps to the following CDS Indices:

#### *Markit CDX Indices*

Markit CDX family of indices is the standard North American and Emerging Markets tradeable credit default swap family of indices worldwide. The Markit CDX indices are a family of indices covering multiple sectors. The Markit CDX rebalance semi-annually in March and September. Markit CDX North American Investment Grade (125 names) (rebalanced twice yearly); Markit CDX North American High Yield (100 names) (rebalanced twice yearly). Further information on the indices can be accessed through the following link:  
<http://www.markit.com/en/products/data/indices/credit-and-loan-indices/cdx/cdx.page>.

#### *Markit iTraxx Indices*

Markit iTraxx are a family of European, Asian and Emerging tradable credit default swap indices. The iTraxx indices are a family of indices covering multiple sectors. The iTraxx indices rebalance semi-annually in March and September. The Markit iTraxx Europe index is comprised of one hundred twenty five (125) equally weighted European entities with investment grade credit ratings that trade in the CDS market; The Markit iTraxx Crossover index is comprised of fifty (50) European entities with non-investment grade credit ratings that trade in the CDS market. Further information on the indices can be accessed through the following link:  
<https://www.markit.com/Product/iTraxx>.

Details of any financial indices used by the Fund, including those set out above will be provided to Shareholders by the Investment Manager on request and will be set out in the Company's semi-annual and annual accounts. Any such indices will be cleared by the Central Bank or will meet its requirements.

The indices that the Fund will gain exposure to shall satisfy the criteria set down in the Central

Bank UCITS Regulations. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant index is rebalanced.

#### *Use of currency Financial Derivative Instruments*

Although the Fund is denominated in US Dollars, it may invest in CDS denominated in Euros, European Treasury Bonds or Notes, or European agency issued securities. The Net Asset Value of the Fund as expressed in the base currency will fluctuate in accordance with the changes in the foreign exchange rate between the base currency and the currencies in which the Fund's investments are denominated. The Fund may therefore be exposed to foreign exchange currency risk. Accordingly, the Investment Manager may try to mitigate this risk by using currency swaps.

In an effort to mitigate against exchange rate risk for the various currency Share Classes, the Investment Manager has a currency overlay for any Share Classes which may be created where the designated currency is not the U.S. dollar. In addition, the Investment Manager will hedge non- US Dollar exposure of the US Dollar Classes back to US Dollars. The Fund uses currency swaps, spot and forward foreign exchange contracts for currency Share Class hedging. In no case will these hedged Share Classes be leveraged as a result of the use of currency derivative transactions. The allocation of gains or costs associated with derivatives employed for hedging purposes will be charged to the hedged Share Classes only. The expected effect of Share Class hedging strategies is that the return of the Share Classes will differ over time. This is an expected consequence of the Share Class hedging program.

#### *Futures*

The Fund may also take long or short exposure to corporate bonds through the use of bond futures. Bond futures may be utilised to generate positive returns for the Fund or to manage the Fund's interest rate and/or credit exposure. Bond futures will be traded OTC.

#### *Financial Derivative Instruments – General*

Investment in FDI may lead to increased volatility, more limited liquidity and a higher than normal risk profile than a UCITS scheme which does not use FDI for investment purposes. Please refer to the Section headed "Risk Factors" in the Prospectus. The Management Company employs a risk management process which will enable it to accurately monitor measure and manage the risks attached to FDI positions and details of this process have been provided to the Central Bank. The Fund does not utilise FDI which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Management Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Fund including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

#### **(f) Leverage**

The Fund uses CDS for investment purposes. All other derivatives described in this Supplement shall only be used for hedging purposes.

In summary the maximum level of leverage in the Fund is 1,100% of the Net Asset Value of the Fund when FDI used for hedging purposes are taken into account. Leverage figures are based on the sum of the notionals of the FDI used. These leverage limits do not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes. Higher levels of leverage may arise during times when non-US Dollar subscriptions are made into the Fund and additional hedging is required i.e. to hedge against foreign exchange risk. Higher levels of leverage may also arise semiannually when the CDS contracts are rolled. During this period offsetting positions are entered which has the effect of offsetting the risk inherent in an existing positions and new positions in the on-the-run maturity are established. The offsetting positions are compressed shortly thereafter. The sum of the gross notional value of the positions during the roll period is not expected to exceed 1,600% of the NAV of the Fund.

In accordance with the requirements of the Central Bank, the Fund is required to disclose a figure for leverage based on the sum of the notionals of the derivatives used. It should be noted that this figure is not an indicator of economic leverage within the Fund. A figure for leverage based on the sum of the notionals of the derivatives used may appear high, as it does not take into account the effect of any offsetting risks within the FDI which reduce exposure and volatility that the Fund has in place even though these netting and hedging arrangements reduce exposure. It should also be noted that often the economic exposure under a derivative will not be the notional value but a significantly lower mark-to-market or daily margin value.

The Fund is constructed such that the marketwide risks in the Long and Short portfolios are intended to significantly offset, with the net returns being generated by the performance of the CDS selected in the Long portfolio relative to the performance of the CDS selected in the Short portfolio. The high level of notional exposure may be necessary to achieve the investment objective of the Fund as stated above.

#### ***Use of VaR by the Fund as a risk measurement methodology***

The Fund uses VaR which is an advanced risk measurement methodology in order to assess the Fund's market risk volatility and to ensure that the leverage effect of using derivatives is not significant enough to cause disproportionate loss to the overall value of the Fund. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. When the VaR is calculated as a percentage of the Net Asset Value of the Fund (absolute VaR), it may not be greater than 20% of the Net Asset Value of the Fund. The VaR will be calculated daily using a one-tailed 99% confidence level, twenty (20) day holding period, and the historical observation period will not be less than one year unless a shorter period is justified.

Investors should note the limitations associated with using VaR as a risk measurement method. While VaR will be used to measure market risk as further set out below, investors should be aware that VaR is a measure of the maximum potential loss due to market risk and does not measure leverage. More particularly, the VaR approach may use a historical observation period which captures calm market conditions and thus the VaR result may be biased if abnormal market



conditions are not prevalent or are omitted from the historical observation period. Accordingly, investors could suffer significant losses in abnormal market conditions. The Investment Manager will attempt to minimize such risks by conducting regular back testing and stress testing of the VaR model in accordance with Central Bank requirements.

Investors should also note that owing to the fact that the Fund may employ high levels of leverage that shareholders may suffer serious financial consequences under abnormal market conditions. The Fund will strive to mitigate these risks and generate low volatility returns by dynamically managing the long and the short portfolios to significantly offset the market risk associated with either portfolio, as described in further detail above.

**(g) *Securities Financing Transactions***

As of the date of this Supplement, the Fund does not use total return swaps and do not engage in stocklending repurchase/ reverse repurchase agreements or any securities financing transactions within the meaning of the Securities Financing Regulation (Regulation (EU) 2015/2365).

**(h) *SFDR Categorisation and Environmental and Social Characteristics***

The Management Company, in consultation with the Investment Manager, has categorised the Fund as an Article 8 product for the purposes of the SFDR.

The Investment Manager integrates exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager seeks to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending, or those investments that are considered to be poor SRI performers by the Investment Manager as further described below. While the Investment Manager does not pursue an activist investment strategy in respect of the Fund, it takes account of additional risks that are inherent in socially and environmentally costly businesses and when possible, will seek to avoid them. In this regard, the Investment Manager's policy aims to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social or environmental cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. Various factors are considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.

As of the date of this Supplement, the Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending. In this regard, the Investment Manager will exclude such businesses from the investment universe

as detailed above. The Investment Manager reviews, affirms, and (if needed), modifies the specific exclusion list at least quarterly.

Further details of the Investment Manager's SRI criteria and the integration of sustainability factors into the investment process is set out in the Prospectus under the heading "SFDR Categorisation and Environmental and Social Characteristics".

(i) ***Taxonomy Regulation***

As of the date of this Supplement, the Fund invests 0% in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

The Taxonomy Regulation sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm Taxonomy objectives and is accompanied by specific EU criteria. Similarly, any other sustainable investments must also not significantly harm any environmental or social objectives. The "do no significant harm" principle applies only to sustainable investments (if any). Other investments do not take into account the EU criteria for environmentally sustainable economic activities and are not required to apply the "do no significant harm" principle.

**6. Investment and Borrowing Restrictions**

The Fund may borrow up to 10% of its Net Asset Value. Such borrowing will only be on a temporary basis. The Fund may charge its assets as security for such borrowings.

**7. Minimum Subscription**

US\$1million or equivalent in the relevant Share Class.

There will be no Minimum Subscription in respect of subsequent subscriptions by the same investor.

The Directors reserve the right to differentiate between Shareholders and waive or reduce the Minimum Subscription in accordance with the requirements of the Central Bank.

**8. Application for Shares**

Details of the initial offer period in respect of unlaunched Share Classes in the Fund are set out in Appendix 1 (the "Initial Offer Period"). The Initial Offer Period in respect to any unlaunched Classes of Shares will close as soon as an investor subscribes for Shares in that Share Class. In the event that a minimum amount of US\$1 million (or currency equivalent) is not reached by the expiry of the Initial Offer Period, the Company may return any subscription amounts to the relevant investor without interest. During the Initial Offer Period, Shares are on offer at the Initial Price of US\$100 for Class A Shares (or 100 units of the relevant Share Class currency).

Applications for Shares should be made through the Administrator (whose details are set out in the Application Form with this Supplement) on behalf of the Company. Such requests must be

received by the Administrator prior to the Dealing Deadline for the relevant Dealing Day. Applications, including initial applications accepted by the Administrator on behalf of the Fund and received by the Administrator no later than the Dealing Deadline will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

Initial applications should be made using the Application Form obtained from the Investment Manager or Administrator, and may be made by facsimile or such other means as may from time to time be permitted by the Directors, the Administrator and the Central Bank including electronic means subject to prompt transmission to the Administrator of the signed application form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of written instructions from the relevant Shareholder.

#### *Fractions*

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than .001 of a Share.

Subscription monies, representing less than .001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs for the relevant Fund.

#### *Method of Payment*

Subscription payments net of all bank charges should be paid by electronic transfer to the bank account specified in the Application Form enclosed with the Prospectus. Other methods of payment are subject to the prior approval of the Directors. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

#### *Currency of Payment*

Subscription monies are payable in the currency of denomination of the relevant Share Class. However, the Company may accept payment in such other currencies as the Directors may agree at the prevailing exchange rate quoted by the Administrator. The cost and risk of converting currency will be borne by the investor.

#### *Timing of Payment*

Payment in respect of subscriptions must be received in cleared funds by the Depositary no more than two Business Days after the relevant Dealing Deadline provided that the Directors reserve the right to defer the issue of Shares until receipt of cleared subscription monies by the Fund.

### **Confirmation of Ownership**

Each purchase of Shares will be confirmed with Shareholders within 48 hours of the purchase being settled. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued.

## **9. Redemption of Shares**

Requests for redemption of Shares shall be made to the Administrator on behalf of the Company by facsimile or written communication. Such requests must be received by the Administrator prior to the Redemption Dealing Deadline for the relevant Dealing Day and shall include such information as may be specified from time to time. Any requests for redemption received after the Redemption Dealing Deadline will be processed on the next Dealing Day. However, the Directors may in their absolute discretion determine that applications may be accepted after the Redemption Dealing Deadline provided that any such application is received prior to the Valuation Point.

Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. No redemption payment will be made from an investor holding until the subscription application form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received by the Administrator and the anti-money laundering procedures have been completed.

If the number of Shares to be redeemed on any Dealing Day equals one tenth or more of the total number of Shares of the Fund in issue on that day the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of one tenth of the total number of Shares in issue as aforesaid (the "Redemption Limit") and, if they so refuse, the requests for redemption on such Dealing Day shall be reduced pro rata and Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all Shares to which the original request related have been redeemed. The Directors will only impose a Redemption Limit to the extent that, at its reasonable discretion, such Redemption Limit is necessary under prevailing market conditions to protect the interest of the investors in the Fund. The Directors will use commercially reasonable efforts to prevent or limit the imposition of a Redemption Limit. Furthermore, no investment management or performance fee will be payable so long as such Redemption Limit is in effect. If the Directors have exercised their discretion to apply a Redemption Limit for a period of 12 months, the Directors will suspend all dealing and terminate the Fund and all Shareholders will be redeemed on the termination date which has been determined by the Directors. Notwithstanding the foregoing, the Directors may resolve to terminate the Fund at any time and suspend all dealing in the Fund while any redemption requests are pending, in which case all Shareholders in the Fund will be redeemed on the termination date which has been determined by the Directors.

The Directors may, with the consent of the individual Shareholders, satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of the Fund having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer provided that any Shareholder requesting redemption shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale, the costs of which shall be borne by the relevant Shareholder. The selection of assets to satisfy any such in-specie redemptions shall be subject to the approval of the Depositary.

The redemption price per Share shall be the Net Asset Value per Share.

#### *Method of Payment*

Redemption payments will be made to the bank account detailed on the Application Form with this Supplement or as subsequently notified to the Administrator in writing sent by post. Redemption payments following processing of instruments received by telefax will only be made to the account of record of a Shareholder.

#### *Currency of Payment*

Shareholders will normally be repaid in the Base Currency, or, in the denominated currency of the relevant Class as appropriate. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

#### *Timing of Payment*

Redemption proceeds in respect of Shares will be paid within two Business Days of the relevant Dealing Day provided correct redemption documentation has been received by the Administrator.

#### *Withdrawal of Redemption Requests*

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

#### *Compulsory/Total Redemption*

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings "Compulsory Redemption of Shares" and "Total Redemption of Shares".

## **10. Conversion of Shares**

Subject to the Minimum Subscription, Minimum Holding and minimum transaction requirements of the relevant Fund or Classes, Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

## **11. Suspension of Dealing**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day, as the case may be, following the ending of such suspension.

## **12. Fees and Expenses**

The Fund bears its attributable portion of the fees and operating expenses of the Company which are set out in detail under the heading "Fees and Expenses" in the Prospectus. In addition, the following fees and expenses are payable out of the Fund's assets:

### *The Management Company*

The Management Company will be entitled to receive out of the assets of each Fund an annual management fee of up to 0.10% per annum of the Net Asset Value of the Fund. The management fee shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears. The proposed fee arrangements mean that the actual fee payable by the Fund is anticipated to be materially below 0.10% per annum. The Management Company shall also be entitled to be reimbursed out of the assets of each Fund for its reasonable out-of-pocket expenses.

### *The Administrator and Depositary:*

The Administrator and Depositary shall each be entitled to receive out of the assets of the Fund an annual fee attributable to each Share Class. The fee payable by the Fund to the Administrator and the Depositary shall be approximately 0.05% per annum of the Net Asset Value attributable to each Share Class. The fee percentage may decrease as the Net Asset Value of the Company increases.

The administration and custody fee will accrue daily and be payable monthly in arrears. The Administrator shall also be entitled to be paid its reasonable and properly vouched out-of-pocket expenses out of the assets of the Fund.

The Depositary shall also be entitled to be repaid all of its disbursements out of the assets of the Fund including the fees and expenses of any sub-custodian which shall be at normal commercial rates.

### *The Investment Manager:*

The Investment Manager is entitled to charge a fee of up to 1.50% per annum of the Net Asset Value of the Fund (the "Investment Management Fee"). The fee applicable to each Share Class are detailed in Appendix 1. The Investment Management Fee payable to the Investment Manager is calculated and accrued daily based on the Net Asset Value of the Shares at the Valuation Point (before deduction of the applicable fees and the application of Performance Fee Accrual or Deficit) and the number of Shares outstanding on that Dealing Day (before taking into account subscriptions and redemptions of Shares of each Class made on that Dealing Day) and will be paid monthly in arrears. The Investment Manager is also entitled to be repaid its reasonable out-of-pocket expenses out of the assets of the Fund.

### *Performance Fee*

#### Overview

The Investment Manager is also entitled to a performance fee which shall be accrued in respect of each Share Class in issue during a Performance Fee Period. Such performance fee will be accrued daily but will only become payable (i.e. crystallize) at the end of the relevant Performance Fee Period or *pro rata* upon redemption (such accrued or crystallized performance fee, the "Performance Fee").

A Performance Fee accrual is calculated on a daily basis as twenty per cent (20%) of the daily return of the Fund above the Hurdle Rate. If the daily return of the Fund is below the Hurdle Rate, such underperformance will offset the Performance Fee accrual, if any, for that Performance Fee Period. Despite the Hurdle Rate, performance fees may accrue as the result of market movements rather than due to the performance of the Investment Manager.

Effective January 1, 2020 the "Hurdle Rate" is the ICE BofAML 0-3 Month U.S. Treasury Bill Index (Bloomberg Ticker: GOB1 Index) (hedged to the Share Class designated currency) and is subject to a maximum of 10 per cent. per annum. The Directors reserve the right to substitute an equivalent Hurdle Rate in the event that the Index ceases to exist or be published.

To the extent that no Performance Fee is accrued during a Performance Fee Period, the corresponding underperformance (the "Underperformance Carry Forward") shall offset any subsequent Performance Fee accruals during the next Performance Fee Period so that the Investment Manager shall not be entitled to a Performance Fee until such Underperformance Carry Forward is offset by subsequent Performance Fee accruals.

In the event of a subscription prior to the end of a Performance Fee Period, the total accrued amount of the Performance Fee accrual will not be affected by such subscription. However, the Performance Fee accrual per Share will be diluted to reflect the increase in the number of Shares outstanding. A subscription will have a corresponding effect on the Underperformance Carry Forward per Share.

In the event of a redemption prior to the end of a Performance Fee Period, if there is a Performance Fee accrual, such reduction will equal the amount of accrued Performance Fee crystallized. If the performance was negative, such redemption will have a similar effect and reduce, *pro rata*, the Underperformance Carry Forward.

At the end of the Performance Fee Period, the accrued Performance Fee is 'crystallized' and the Performance Fee accrual is reset to 0, or to reflect any Underperformance Carry Forward, as appropriate.

Such crystallized Performance Fee shall be payable in arrears within 14 days of the end of each Performance Fee Period.

#### Performance Fee Periods

The first Performance Fee Period for any Share that is subsequently issued as of a date other than the last Business Day of any calendar year will be the period commencing on the effective date of such issuance and ending on the last Business Day of that calendar year. The last Calculation Period respecting a Share that is redeemed as of any date other than the last Business Day of any calendar year will be the period commencing upon the termination of the prior Performance Fee Period for such Share and ending on the effective date of such redemption.

For the avoidance of doubt, the first Net Asset Value per Share in respect of the First Performance Fee Period shall be the initial offer price per Share of each Class during the Initial Offer Period.

The performance fee is calculated by the Administrator and verified by the Depositary. The calculation of the performance fee is not open to manipulation.

A worked example of the performance fee period is included at Appendix 2.

**Where a performance fee is payable out of the Fund it shall be calculated upon the increase in the Net Asset Value per Share during the Performance Fee Period. As a consequence, net realised and unrealised capital gains and net realised and unrealised capital losses will be included in the Performance Fee calculation as of the end of the Performance Fee Period. As a result a performance fee may be paid on unrealised gains which may subsequently never be realised. Investors should also note that a performance fee could be payable in circumstances where the Fund has outperformed the Hurdle Rate but has an overall negative performance during the Performance Fee Period.**

**In the event of a redemption prior to the end of a Performance Fee Period, the crystallization of part of the accrued Performance Fee resulting from such redemption may under certain circumstances cause a Performance Fee to be paid on unrealised gains which may subsequently never be realised by the non-redeeming Shareholders at the end of the Performance Fee Period.**

**Subscriptions will have the effect of diluting the Performance Fee accrual among all the**



**Shares (including the newly subscribed Shares). Accordingly, if there is a Performance Fee accrual before the subscription, the existing Shares will benefit from a lower Performance Fee accrual per Share after the subscription. Reciprocally, if there is an Underperformance Carry Forward, the initial Shares will be allocated a lower Underperformance Carry Forward per Share after such subscription.**

The Directors, in their discretion, may differentiate between the Shareholders of the Fund by waiving or reducing the annual investment management fee charged to certain Shareholders or to certain Classes of the Fund. Such waivers or differentiation may be effected by way of a rebate to the relevant Shareholder account or by reducing the fee payable by a Class of Shareholders in the Fund. In addition, the Investment Manager, in its discretion, may agree with certain Shareholders of the Fund to rebate or otherwise reduce or waive a portion of the investment management fee charged to such Shareholders. In the event of any such waiver, rebate or fee reduction, the Directors or Investment Manager, at their absolute discretion, may choose not to disclose such waiver, rebate or fee reduction to the other Shareholders or Classes of Shareholders.

Shareholders should consult their own independent adviser regarding the implications of any fee waiver, reduction or rebate arrangement.

#### *Voluntary Cap*

The Investment Manager has voluntarily agreed to cap the expenses (excluding, for the avoidance of doubt, the Investment Manager's Fees and any Performance Fee) charged to the Fund, as described in the section headed "Fees and Expenses", at approximately 0.15% per annum of the annual average Net Asset Value of the Fund (as calculated by the Administrator) and will pay any excess of such expenses over this amount; provided other extraordinary expenses shall be excluded from such cap. Only those fees and expenses which are actually incurred up to this cap will be payable out of the assets of the Fund. The Investment Manager may, in its absolute discretion, in the future withdraw or amend the voluntary cap.

#### *Sales Charge*

There is no sales charge for any Class of Shares.

#### *Redemption Charge*

There is no redemption charge for this Fund.

#### *Conversion Fee*

No conversion fee is charged for any Class of the Fund.

### **13. Dividends and Distributions**

Each Share Class is accumulating and the income earnings and gains will be accumulated and

reinvested.

#### **14. Risk Factors**

The attention of investors is drawn to the “Risk Factors” section in the Section of the Prospectus entitled “The Company”.

## APPENDIX 1

### SHARE CLASS TABLE

Class* **	Currency	Currency Hedging	Investment management fees	Initial Offer Period
A Founder	USD	No	0.25 per cent	N/A
A Institutional	USD	NO	0.50 per cent	N/A
A Ordinary	USD	No	0.80 per cent	N/A
B Founder	EUR	Yes	0.25 per cent	N/A
B Institutional	EUR	Yes	0.50 per cent	N/A
B Ordinary	EUR	Yes	0.80 per cent	To 22 March 2022
C Founder	CHF	Yes	0.25 per cent	To 22 March 2022
C Institutional	CHF	Yes	0.50 per cent	To 22 March 2022
C Ordinary	CHF	Yes	0.80 per cent	To 22 March 2022
D Founder	SEK	Yes	0.25 per cent	N/A
D Institutional	SEK	Yes	0.50 per cent	To 22 March 2022
D Ordinary	SEK	Yes	0.80 per cent	To 22 March 2022
E Founder	NOK	Yes	0.25 per cent	N/A
E Institutional	NOK	Yes	0.50 per cent	To 22 March 2022
E Ordinary	NOK	Yes	0.80 per cent	To 22 March 2022
F Founder	GBP	Yes	0.25 per cent	N/A
F Institutional	GBP	Yes	0.50 per cent	N/A
F Ordinary	GBP	Yes	0.80 per cent	To 22 March 2022
G Founder	SGD	Yes	0.25 per cent	To 22 March 2022
G Institutional	SGD	Yes	0.50 per cent	To 22 March 2022
G Ordinary	SGD	Yes	0.80 per cent	To 22 March 2022
H Founder	JPY	Yes	0.25 per cent	N/A
H Institutional	JPY	Yes	0.50 per cent	N/A
H Ordinary	JPY	Yes	0.80 per cent	To 22 March 2022

\*Founder share classes are compliant with the UK Retail Distribution Review ("RDR") in that the Company does not pay any inducement or other form of remuneration with respect to the placement of the founder share classes in the United Kingdom. The Institutional Classes will also be RDR compliant.

\*\* Founder share classes are no longer open for subscription to new investors.

## **APPENDIX 2**

### **Worked Examples of the Performance Fee**

#### **Example 1:**

Index:	ICE BofAML 0-3 Month U.S. Treasury Bill Index (the "Index")
Performance Fee:	10%
Scenario:	NAV increases during the initial performance period by a greater amount than the increase of the Index over the same period. The scenario assumes no subscription/redemption activities for the period.
Result:	Performance fee is paid during the performance period.
Detail:	<p>In this example:</p> <ul style="list-style-type: none"><li>• An investor purchases 1000 Shares at an opening NAV per share of 100p at the beginning of the initial performance period (at which point the Share class NAV becomes £1000);</li><li>• In the performance period the closing GAV per share increases to 110p (so the Fund has risen 10%)</li><li>• Hypothetically, the respective Index for the performance period has risen 5%.</li></ul> <p>In this situation, a performance fee is payable on the 5% outperformance of the Index (10% of (110p-105p) x weighted average shares) £0.005 of performance fee per weighted average share is crystallised.</p> <p>The Fund's closing NAV is £1095 and the NAV per share is 109.5p.</p>

#### **Example 2:**

Index:	ICE BofAML 0-3 Month U.S. Treasury Bill Index (the "Index")
Performance Fee:	10%
Scenario:	NAV increases during the initial performance period by a lesser amount than the increase of the Index over the same period. The scenario assumes no subscription/redemption activities for the period.
Result:	Performance fee is not paid during the performance period.
Detail:	<p>In this example:</p> <ul style="list-style-type: none"><li>• An investor purchases 1000 Shares at an opening NAV per share of 100p at the beginning of the initial performance period (at which point the Share class NAV becomes £1000);</li><li>• In the performance period the closing GAV per share increases to 110p (so the Fund has risen 10%)</li><li>• Hypothetically, the respective Index for the performance period has risen 15%.</li></ul> <p>In this situation, a performance fee is not payable because the Index has risen by a greater amount than the NAV increase of the Fund.</p>

### Example 3:

Index:	ICE BofAML 0-3 Month U.S. Treasury Bill Index (the "Index")
Performance Fee:	10%
Scenario:	NAV decreases during the initial performance period by a lesser amount than the decrease of the Index over the same period. The scenario assumes no subscription/redemption activities for the period.
Result:	Performance fee is paid during the performance period.
Detail:	<p>In this example:</p> <ul style="list-style-type: none"><li>• an investor purchases 1000 Shares at an opening NAV per share of 100p at the beginning of the initial performance period (at which point the Share class NAV becomes £1000);</li><li>• In the performance period the closing GAV per share decreases to 90p (so the Fund has fallen 10%)</li><li>• Hypothetically, the respective Index for the performance period has fallen 15%.</li></ul> <p>In this situation, a performance fee is payable on the 5% outperformance of the Index. (10% of (90p-85p) x weighted average shares) £0.005 of performance fee per weighted average share is crystallised</p> <p>The Fund's closing NAV is £895 and the NAV per share is 89.5p.</p>

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name: Blackstone Market Neutral Systematic Credit Fund (UCITS)**

**Legal entity identifier: ALX8Q6ZUH7G2NKZPG373**

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



**Yes**



**No**



It will make a minimum of **sustainable investments with an environmental objective: \_\_\_\_%**



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective: \_\_\_\_%**



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

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

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

A reference benchmark is not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

The ESG-related exclusions referred to above apply at the time of acquisition of the relevant securities and in the event of any subsequent inadvertent holding of securities in breach of these principles or exclusions, the Investment Manager shall dispose of any such securities as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A.

----- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A.

----- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



### Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes, \_\_\_\_\_

☒ No



### What investment strategy does this financial product follow?

The investment objective of the Fund is to produce returns, net of fees (excluding performance fees) and expenses above the performance of the ICE BofAML 0-3 Month US Treasury Bill Index (Bloomberg Ticker: GOB1 Index).

In order to meet the environmental and social characteristics promoted, Responsible Investment is integrated into the Investment Manager's investment process in accordance with three foundational pillars as follows:

- (a) Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolio of the Fund.
- (b) Conducting ongoing research into SRI (and ESG) factors.
- (c) Reviewing, monitoring, and risk modelling the Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.

The Investment Manager integrates exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager seeks to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending, or those investments that are considered to be poor SRI performers by the Investment Manager. While the Investment Manager does not pursue an activist investment strategy in respect of the Fund, it takes account of additional risks that are inherent in socially and environmentally costly businesses and when possible, will seek to avoid them. In this regard, the Investment Manager's policy aims to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social or environmental cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. Various factors are considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.

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

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



In order to meet the environmental and social characteristics promoted, the Investment Manager applies binding criteria to the selection of underlying assets as part of its investment decisions making process.

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of its investment strategy.

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

The Investment Manager considers the "good governance" practices of the investee company issuer (the "Issuer") in accordance with established governance requirements applicable to the securities (including liquid, public and secondary securities) (the "Securities") in which the Fund invests. This will include those good governance criteria established under the SFDR, specifically: sound management structures, employee remuneration, employee relations and tax compliance ("Good Governance Criteria").

The Investment Manager's assessment of "good governance practices" will consider a range of criteria, methodologies and assumptions as part of pre-investment and ongoing monitoring processes (including but not limited to factors such as the market, size, sector or geographic location of the Issuer). As a minimum, meeting the criteria for public listing on a main market, and continuing public listing eligibility of the Issuer (including the regulatory oversight of the same) is considered to set a presumption of good governance processes in the absence of evidence to the contrary. The Investment Manager's assessment will also involve a review of information in support of (or, alternatively, which disrupts) that presumption. This will be done via the use of quarterly ESG screening tools, such as ESG ratings and controversies screening tools or public searches carried out by the Investment Manager's Research Committee (the "Research Committee") or information garnered by the same as part of the Investment Manager's research-driven investment-process.

Where there are material good governance disruptors which the Investment Manager considers to be a material breach of the Good Governance Criteria, absent immediate action taken by the Issuer to remediate such a breach, this would result in either an exclusion against investing in the relevant Securities or a divestment of the same within a reasonable time period. Examples of good governance disruptors include but are not limited to: (1) de-listing of the underlying issuer for breaches of applicable listing rules and/ or requirements relating to Good Governance Criteria; (2) quarterly screening undertaken by Research Committee (using ESG screening tools, such as ESG ratings) revealing material adverse results; and (3) any business found (by the Research Committee using controversies screening tools or public searches) to have been involved in controversies or material breaches (such as material and ongoing breaches of labour laws) that would suggest a material and ongoing failure of good governance at the issuer level, where in each case there is no evidence that the Issuer has taken steps to

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

remediate, mitigate and manage the same.

Note that no single good governance indicator or disruptor will be determinative on its own and some judgement will be required to consider these both in the round and in the wider context of the investment when making a determination as to good governance practices at the issuer level. This judgement will be exercised in good faith. Where any investment(s) are determined to not sufficiently meet the applicable Good Governance Criteria, a decision will be made not to invest in the securities of the Issuer or if securities of the Issuer are an existing investment to divest it within a reasonable period taking into consideration factors such as market liquidity.

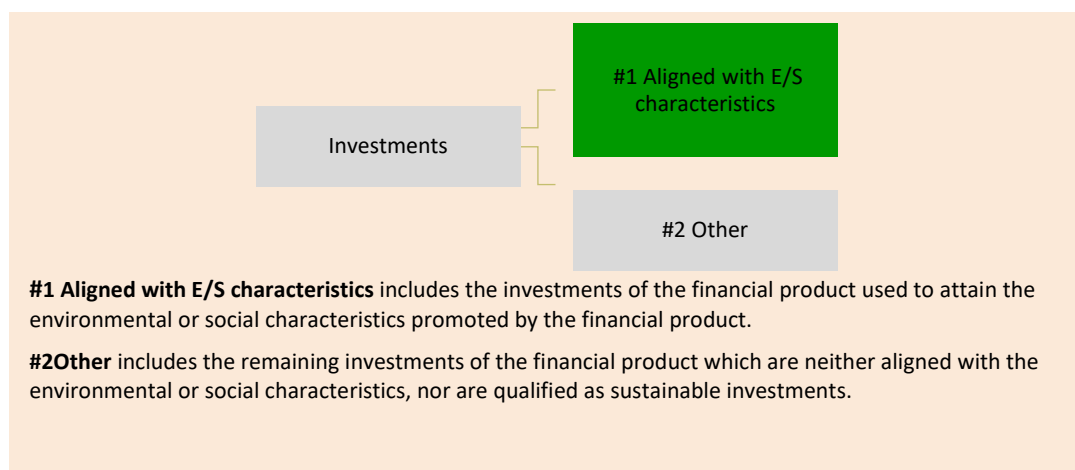
Note that the good governance assessment process described above is applicable to corporate credit investments only and is not applicable to any of the Fund's investments in government bonds, other securities issued by sovereigns or supranational entities or derivatives such as interest rate futures.



### What is the asset allocation planned for this financial product?

The Fund intends to invest a minimum of 80% of the Fund's assets in investments which attain the environmental and social characteristics promoted by the Fund by gaining indirect exposure to the credit risk of companies worldwide. To achieve this, the Fund will buy and sell protection in credit default swaps and will also hold sovereign/agency bonds/notes.

The remaining percentage of the Fund's investments will be in investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.



### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

The Fund through the use of credit default swaps will gain indirect exposure to credit risk of companies worldwide so the credit default swaps will be assisting in attaining the environmental or social characteristics promoted by the Fund.



### **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not commit to make investments that contribute to the environmental objectives identified in the Taxonomy Regulation.

**Asset allocation** describes the share of investments in specific assets. Taxonomy-aligned activities are expressed as a share

**operational expenditure (OpEx)** reflecting green operational activities of investee companies (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

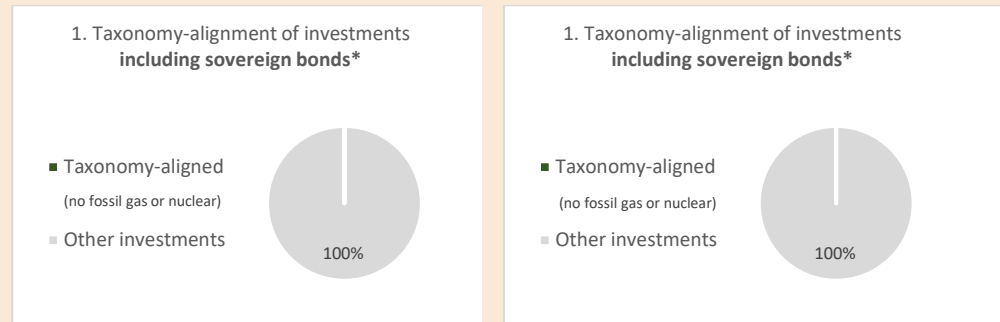
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**



Yes:



In fossil gas



In nuclear energy



No

● **What is the minimum share of investments in transitional and enabling activities?**

N/A.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.



**What is the minimum share of socially sustainable investments?**

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

“#2 Other” comprises investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

N/A.

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

N/A.

- *How does the designated index differ from a relevant broad market index?*

N/A.

- *Where can the methodology used for the calculation of the designated index be found?*

N/A.



Where can I find more product specific information online?

More product-specific information can be found on the website:

[www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/).

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**SUPPLEMENT 5 DATED 1 JANUARY 2024 to the Prospectus issued for  
Blackstone Systematic Credit Umbrella Fund plc**

**Blackstone Low Carbon Short Duration Corporate Bond Fund (UCITS)**

This Supplement contains information relating specifically to Blackstone Low Carbon Short Duration Corporate Bond Fund (UCITS) (the "Fund"), a Fund of Blackstone Systematic Credit Umbrella Fund plc (the "Company"), an open-ended umbrella type variable capital investment company with segregated liability between Funds authorised by the Central Bank on 12<sup>th</sup> August, 2005 as a UCITS pursuant to the UCITS Regulations. The Company has six other Funds, Blackstone Investment Grade Systematic Corporate Fund (UCITS), Blackstone Low Carbon Global Investment Grade Corporate Bond Fund (UCITS), Blackstone Market Neutral Systematic Credit Fund (UCITS), Blackstone Enhanced Global Systematic Credit Fund (UCITS), Blackstone Low Carbon High Yield Corporate Bond Fund (Feeder) and Blackstone Emerging Market Systematic Corporate Fund (Feeder).

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 1 January 2024 (the "Prospectus") which immediately precedes this Supplement and is incorporated herein.**

The Directors of the Company whose names appear in the Prospectus under the heading "Management and Administration" accept responsibility for the information contained in this Supplement and the Prospectus. 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**The Fund may invest significantly in financial derivative instruments for investment purposes and/or for hedging, in each case subject to the conditions and within the limits laid down by the Central Bank. Transactions in derivative instruments will leverage the Fund and the Fund may establish speculative positions. This may result in a higher level of volatility and risk than would be the case if the Fund did not invest in financial derivative instruments. Due to the Fund's potential significant investment in financial derivative instruments, a higher degree of risk may attach to this Fund. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Accordingly, such investment should only be undertaken by people in a position to take such a risk.**

**Investment in the Fund is not in the nature of a deposit in a bank account, is subject to the risk that the principal invested in the Fund is capable of fluctuation and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.**

**Prospective investors should refer to the annex to this Supplement regarding the Fund's environmental and / or social characteristics.**

## 1. Interpretation

The expressions below shall have the following meanings:

“Bloomberg Barclays Global Aggregate Corporate Total Return Index Hedged USD”

The Bloomberg Barclays Global Aggregate Corporate Index Hedged USD (Bloomberg Ticker: LGCPTRUH Index <https://www.bloomberg.com/quote/LGCPTRUH:IND>) provides a broad-based measure of the global investment grade corporate fixed-rate debt market and is comprised of the corporate issues from three major components: the U.S. Aggregate, the Pan- European Aggregate, and the Asian-Pacific Aggregate Index. In respect of the criteria for selection of securities in the Index, in order to qualify for inclusion in the Index, securities must be issued by a corporation, rated investment grade, have a fixed rate coupon, have a remaining maturity of at least one year and a minimum issue size of approximately \$300 million or the foreign exchange equivalent. Additional information on the Bloomberg Barclays Global Aggregate Corporate Index can be found at [www.bloombergindices.com/bloomberg-barclays-indices/#/ucits](http://www.bloombergindices.com/bloomberg-barclays-indices/#/ucits).

“Bloomberg Barclays Global High Yield Corporate Index Hedged USD”

The Bloomberg Barclays Global High Yield Corporate Index Hedged USD (Bloomberg Ticker: H230559US Index) provides a broad-based measure of the global high yield corporate debt market and is comprised of the corporate issues from three major components: the U.S. High Yield, the Pan-European High Yield, and the corporate sector of the Emerging Markets (EM) Hard Currency High Yield Indices. In respect of the criteria for selection of securities in the Index, in order to qualify for inclusion in the Index, securities must be issued by a corporation, rated high yield, have a remaining maturity of at least one year and a minimum issue size of approximately \$150 million or the foreign exchange equivalent. Additional information on the Bloomberg Barclays Global High Yield Corporate Index can be found at [www.bloombergindices.com/bloomberg-barclays-indices/#/ucits](http://www.bloombergindices.com/bloomberg-barclays-indices/#/ucits)

"Business Day"

means any day (except Saturday or Sunday) that is not an Irish bank holiday on which the Federal Reserve Bank of the United States and the New York Stock Exchange are

generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders.

"Dealing Day"	means each Business Day or such other day or days as the Directors may from time to time determine and as notified to Shareholders in advance, provided that there will be at least one dealing Day per fortnight.
"Dealing Deadline"	in respect of subscriptions and redemptions, means 12noon, Irish Time on any Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
"FDI"	means financial derivative instruments.
"Initial Price"	means the price at which Shares are initially offered for sale.
"Index"	The Bloomberg Barclays Global Corporate Custom Weighted Index (index ID is 33681) is an index constructed by Bloomberg Barclays comprised of 67% of the Bloomberg Barclays Global Aggregate Corporate Total Return Index Hedged USD (Bloomberg Ticker: LGCPTRUH Index) and 33% of the Bloomberg Barclays Global High Yield Corporate Index Hedged USD (Bloomberg Ticker: H230559USIndex).
"Valuation Point"	means 3 p.m. in New York, US time, on the Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## **2. Base Currency**

The Base Currency shall be the Euro.

## **3. Classes of Shares**

Details of the Share Classes of the Fund are set out in the Share Class table in Appendix 1.

The Share Classes in the Fund are distinguished by (i) currency; (iii) the use of financial instruments to hedge against currency risk; (iv) different investment management fee arrangements; and (v) dividend policy.

Application for Shares in each Class will be made through the Administrator whose details are set out in the Application Form. The Administrator on behalf of the Company may reject any application for Shares without giving any reason for such rejection.

Additional classes in the Fund may be established by the Directors as notified and cleared in

advance by the Central Bank. In an effort to mitigate against exchange rate risk, the Investment Manager has a currency overlay for the currency hedged Share Classes and uses currency swaps, spot and forward foreign exchange contracts. The allocation of gains or costs associated with derivatives employed for hedging purposes will be charged to the hedged Share Classes only.

#### **4. Profile of a Typical Investor**

The Fund is suitable for investors seeking long-term capital appreciation and who are prepared to accept a moderate level of volatility.

#### **5. Investment Objective and Policies**

##### **(a) *Objective of the Fund***

The investment objective of the Fund is to produce returns, net of fees and expenses. The Fund also aims to constrain carbon intensity in respect of its corporate bond portfolio by targeting at least 50% lower weighted carbon intensity than the Index. Certain environmental, social or governance criteria will be used to determine whether investments are eligible for the Fund as described further in this Supplement. The Fund's objective to constrain carbon intensity relative to its Index is not performed with a view to achieving the long-term global warming objectives of the Paris Agreement<sup>1</sup>. The Fund is actively managed and the Index is used for weighted carbon intensity benchmarking only. The Index is not used for asset allocation or performance measurement and the Fund's investment policy is not constrained by the extent to which the weightings in the portfolio differ to the Index and the degree of deviation from the Index may be significant.

The returns of each particular Share Class will be impacted by its currency denomination.

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

##### **(b) *Summary of investment policy and strategy***

The Fund seeks to achieve its investment objective by investing in certain assets described further in Section 5 (c) and related financial derivative instruments ("FDI"). The Investment Manager pursues the Fund's investment objective by investing in a portfolio of exposures to the credit risk of companies with equity listed on Recognised Exchanges (i.e. by investing in bonds, notes and paper, and CDS on the credit risk of such companies as described further in Section 5 (c) below), applying a quantitatively driven approach to asset selection and portfolio construction.

The Fund seeks to profit by holding long positions which have been identified as undervalued (i.e., the market price of credit risk, or "credit spread" is lower than the Investment Manager's estimate of fair value) by the Investment Manager. Such positions will be identified by the Investment Manager's proprietary analytics, which includes a default probability measurement

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<sup>1</sup> The Paris Agreement is an international legally binding international treaty on climate change adopted on 12 December 2015 and entered into force on 4 November 2016.



and a quantitative analysis of the “fair value” of each exposure. The default probability measurement is based on a proprietary model that has been developed by the Investment Manager and which takes into account a firm’s asset value, liability structure, and volatility. The “fair value” of the exposure is also based on proprietary analytics developed by the Investment Manager, and takes into account other characteristics of the exposure (e.g. rating, sector, and term). The portfolio is invested in corporate bonds (without using any borrowing for leverage) and also may use CDS by selling protection. In certain circumstances, the Investment Manager may choose to hedge a bond position by buying CDS protection, which has the effect of offsetting part or all of the risk inherent in the position. The sum of the notional value of the positions is expected to be 90-100% of the NAV of the Fund, with a maximum exposure of 125%.

The Fund seeks to achieve at least 50% lower weighted carbon intensity than the Index. The weighted average carbon intensity of the Fund is the exposure to carbon intensive companies. The carbon intensity of the Fund is determined by measuring direct CO<sub>2</sub> emissions from the individual corporate bond issuers in the Fund as well as emissions from purchased energy relative to their corporate revenues. The Investment Manager utilises a proprietary system to measure the carbon intensity of the individual investments. The Investment Manager relies on third-party data for carbon emissions and potential carbon emissions from fossil fuel reserves which are measured based on an issuer’s reported data from annual reports, corporate social responsibility reports, the CDP (carbon disclosure project), oil and gas industry bodies, and data derived from other relevant third-party sources. As part of the investment selection process, the Investment Manager systematically down-weights individual issuers with high carbon intensity but does not exclude any particular sector or industry solely based on carbon intensity.

The Investment Manager utilises the carbon intensity data that covers approximately at least 90% or more of the Net Asset Value of the Fund. This coverage rate excludes bonds and other debt securities issued by sovereign or quasi-sovereign issuers, cash or cash equivalent instruments held for ancillary purposes and any derivative instruments used to hedge currency or interest rate risk. The coverage rate for the carbon intensity data in respect of issuers within the Index can vary at any given time but as of September 30, 2021 is approximately 80%. Where carbon intensity is not available for an Index constituent the Investment Manager uses the subsector carbon intensity, which is the ratio of the total emissions of the subsector over the total revenue in the subsector as of that date. If there is an insufficient number of issuers with data in the relevant subsector, the Investment Manager uses the sector carbon intensity, which is the ratio of the total emissions of the sector over the total revenue in the sector as of that date.

The Investment Manager also applies a socially responsible investing (“SRI”) exclusion screen as part of the portfolio construction process as described in further detail under the heading “*SFDR Categorisation and Environmental and Social Characteristics*”.

**(c) Instruments in which the Fund invests**

The instruments in which the Fund invests are EUR, USD and GBP denominated corporate bonds (fixed or floating rate), notes and paper issued by corporations worldwide, and CDS on the credit risk of such companies. The corporate bonds, notes and paper in which the Fund invests are issued by firms with equity which is listed or traded on one or more Recognised Exchanges world-wide and at least 50% of such instruments will be rated at or above Bbb3/ BBB- by the highest of Moody’s, S&P or Fitch, or if unrated, determined by the Investment Manager to

be of comparable quality. The underlying reference entities (i.e. companies) for CDS will be domiciled predominately in North America and Western Europe and there may be exposure to any industry or sector. The Fund generally targets an average duration of no more than 3.5 years. The limits relating to the rating of securities as referenced above will apply at the time of investment. In the event that a security held by the Fund is downgraded below the limits specified in this Supplement, the Investment Manager will use its discretion to remedy the situation as it considers appropriate in the circumstances with regard to the best interests of the Fund and its Shareholders.

For CDS, the underlying reference entities will be companies with public equity and debt rated by Moody's, Fitch or Standard & Poor's at the time of investment.

To select investments, the Investment Manager applies a proprietary, quantitative credit model based on measuring default risk that assists it in identifying exposures that are undervalued.

In pursuing its investment policies, the Fund may invest on a temporary basis more than one-third of its total assets in monetary papers and bank deposits.

The Fund also invests in US and European Treasury Bonds or Notes, and US and European Agency issued securities.

Where market or other factors so warrant, the assets of the Fund may be substantially invested in cash deposits. Such investments will be in accordance with the investment restrictions of the UCITS Regulations and in accordance with the requirements of the Central Bank.

The Fund may also invest in exchange-traded funds ("ETFs") for liquidity management purposes or as a more efficient way to obtain indirect exposure to an index.

The Fund may also invest up to 10% of its net assets in other open-ended collective investment schemes including ETFs in order to obtain indirect exposure. Any collective investment scheme in which the Fund may invest (with the exception of ETFs) will be authorised by the Central Bank pursuant to the UCITS Regulations.

#### **(d) *Use of Financial Derivative Instruments***

The Fund also invests in financial derivative instruments ("FDIs") including CDS, interest rate swaps and futures. CDS may be used for investment purposes, for hedging or for performance enhancement whilst all other FDI referenced in this Supplement will be used for hedging purposes. The majority of FDIs will be traded Over-The-Counter ("OTC") other than futures as set out in paragraph (b) below.

##### ***Credit Default Swaps ("CDS")***

The Fund may use CDS in addition to other instruments to implement its strategy. The 'buyer' in a CDS is obligated to pay the 'seller' a periodic stream of payments over the term of the contract provided no event of default has occurred. The Fund may be either a buyer or seller in a CDS transaction. The Fund and each of its trading counterparties is an adherent to the 2009 ISDA

Auction Settlement Supplement. In the event of default of a CDS reference entity, as determined by the ISDA sanctioned Credit Derivatives Determination Committee, the seller must make a cash settlement payment to the buyer in an amount determined via an ISDA sanctioned auction settlement determination for the reference entities' securities.

The Fund may write protection in CDS to take "Long" credit risk. The Fund may also buy protection in CDS to offset the credit risk of a corporate bond position. There can be significant differences in the risks between cash instruments and CDS, and market prices of such risks can vary substantially. When bond positions are hedged by buying protection using CDS referencing the same issuers, there can be no guarantee that such positions will be fully hedged as market prices for corporate bonds and the corresponding CDS position may vary substantially depending on market conditions. Further detail in relation to the positions are set out above under "*Summary of Investment Policy and Strategy*".

#### *Index Swaps*

Index-based swaps may be used to gain exposure on a credit default swap index ("CDS indices"). Exposure to CDS indices may be used by the Fund in order to hedge credit exposure, to manage credit risk or to take a position on a basket of credit entities in a more efficient and cost effective way than taking a direct CDS position. The Fund may gain exposure through swaps to the following CDS Indices:

#### *Markit CDX Indices*

Markit CDX family of indices are the standard North American and Emerging Markets tradeable credit default swap family of indices worldwide. The Markit CDX indices are a family of indices covering multiple sectors. The Markit CDX rebalance semi-annually in March and September. Markit CDX North American Investment Grade (125 names) (rebalanced twice yearly); Markit CDX North American High Yield (100 names) (rebalanced twice yearly). Further information on the indices can be accessed through the following link:

<http://www.markit.com/en/products/data/indices/credit-and-loan-indices/cdx/cdx.page>.

#### *Markit iTraxx Indices*

Markit iTraxx are a family of European, Asian and Emerging tradable credit default swap indices. The iTraxx indices are a family of indices covering multiple sectors. The iTraxx indices rebalance semi-annually in March and September. The Markit iTraxx Europe index is comprised of one hundred twenty five (125) equally weighted European entities with investment grade credit ratings that trade in the CDS market; The Markit iTraxx Crossover index is comprised of fifty (50) European entities with non-investment grade credit ratings that trade in the CDS market. Further information on the indices can be accessed through the following link:

<https://www.markit.com/Product/ITraxx>.

Details of any financial indices used by the Fund, including those set out above will be provided to Shareholders by the Investment Manager on request and will be set out in the Company's semi-annual and annual accounts. Any such indices will be approved by the Central Bank or will meet its requirements.

The indices that the Fund will gain exposure to shall satisfy the criteria set down in the Central Bank UCITS Regulations. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant index is rebalanced.

#### *Futures*

The Fund may use US treasury futures and notes futures as well as the futures instruments on the debt securities of other governments. These instruments will only be used for hedging purposes and will be traded on Recognised Exchanges.

#### *Interest Rate Swaps*

The Fund may use interest rate swaps to hedge the Fund's interest rate exposure.

#### *Use of currency Financial Derivative Instruments*

Although the Fund is denominated in Euro, it may invest in securities denominated in other currencies. The Net Asset Value of the Fund as expressed in the base currency will fluctuate in accordance with the changes in the foreign exchange rate between the base currency and the currencies in which the Fund's investments are denominated. The Fund may therefore be exposed to foreign exchange currency risk. Accordingly, the Investment Manager may try to mitigate this risk by using currency swaps and cross currency interest rate swaps.

#### *Financial Derivative Instruments – General*

Investments in FDI may lead to increased volatility, more limited liquidity and a higher than normal risk profile than a UCITS scheme which does not use FDI for investment purposes. Please refer to the Section headed "Risk Factors" in the Prospectus. The Investment Manager, on behalf of the Management Company and the Company, employs a risk management process which will enable it to monitor measure and manage the risks attached to FDI positions and details of this process have been provided to the Central Bank. The Fund does not utilise FDI which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Management Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Fund including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

#### **(e) Leverage**

The Fund may use CDS for investment purposes. All other derivatives described in this Supplement shall only be used for hedging purposes.

In summary, the maximum level of leverage in the Fund is 300% of the Net Asset Value when FDI used for hedging purposes are taken into account. Leverage figures are based on the sum of the absolute value of the notionals of the derivatives used. These leverage limits do not take into account any netting, offsetting positions and hedging arrangements that the Fund has in

place at any time even though these nettings, offsetting positions and hedging arrangements are used for risk reduction purposes. Higher levels of leverage may arise during times when non-Euro subscriptions are made into the Fund and additional hedging is required (i.e. to hedge against foreign exchange risk).

In accordance with the requirements of the Central Bank, the Fund is required to disclose a figure for leverage based on the sum of the absolute value of the notionals of the derivatives used. It should be noted that this figure is not an indicator of economic leverage within the Fund. A figure for leverage based on the sum of the notionals of the derivatives used may appear high, as it does not take into account the effect of any offsetting risks within the FDI which reduce exposure and volatility that the Fund has in place even though these nettings and hedging arrangements reduce exposure. It should also be noted that often the economic exposure under a derivative will not be the notional value but a significantly lower mark-to-market or daily margin value.

#### *Use of VaR by the Fund as a Risk Measurement Methodology*

The Fund uses VaR which is an advanced risk measurement methodology in order to assess the Fund's market risk volatility and to ensure that the leverage effect of using derivatives is not significant enough to cause disproportionate loss to the overall value of the Fund. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. When the VaR is calculated as a percentage of the Net Asset Value of the Fund (absolute VaR), it may not be greater than 20% of the Net Asset Value of the Fund. The VaR will be calculated daily using a one-tailed 99% confidence level, twenty (20) day holding period, and the historical observation period will not be less than one year unless a shorter period is justified.

Investors should note the limitations associated with using VaR as a risk measurement method. In particular, although diversification benefits may exist in non-derivative positions in the Funds, the VaR is calculated as a measure of exposure to derivatives and does not necessarily reflect the aggregate risks of the Fund. Additionally, although VaR is used to measure market risk as further set out below, investors should be aware that VaR is a measure of the maximum potential loss due to market risk and does not measure leverage. More particularly, the VaR approach may use a historical observation period which captures calm market conditions and thus the VaR result may be biased if abnormal market conditions are not prevalent or are omitted from the historical observation period. Accordingly, investors could suffer significant losses in abnormal market conditions. The Investment Manager will attempt to minimize such risks by conducting regular back testing of the VaR model and stress testing of the Fund's positions in accordance with Central Bank requirements.

#### **(f) Securities Financing Transactions**

As of the date of this Prospectus, the Fund does not use total return swaps and do not engage in stocklending repurchase / reverse repurchase agreements or any securities financing transactions within the meaning of the Securities Financing Regulation (Regulation (EU) 2015/2365).

(g) ***SFDR Categorisation and Environmental and Social Characteristics***

The Management Company, in consultation with the Investment Manager, has categorised the Fund as an Article 8 product for the purposes of the SFDR. One of the Fund's aims is to constrain carbon intensity in respect of its corporate bond portfolio by targeting at least 50% lower weighted carbon intensity than the Index.

The Investment Manager integrates environmental and social characteristics into the investment process of the Fund and applies exclusion screening to the selection of investments for the portfolio from the instruments in which the Fund invests as detailed under the heading "(iii) Instruments in which the Fund invests" above.

Responsible Investment is integrated into the Investment Managers investment process in accordance with three foundational pillars as follows:

- (a) Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolio of the Fund;
- (b) Conducting ongoing research into SRI (and ESG) factors; and
- (c) Reviewing, monitoring, and risk modelling the Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.

The Investment Manager integrates exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager seeks to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry or those investments that are considered to be poor SRI performers by the Investment Manager as further described below. While the Investment Manager does not pursue an activist investment strategy in respect of the Fund, it takes account of additional risks that are inherent in socially and environmentally costly businesses and when possible, will seek to avoid them. In this regard, the Investment Manager's policy aims to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social or environmental cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. Various factors are considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.

As of the date of this Supplement, the Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry. In this regard, the Investment Manager will exclude such businesses from the investment universe as detailed above. The Investment Manager reviews, affirms, and (if needed), modifies the specific exclusion list at least quarterly.

Further details of the Investment Manager's SRI criteria and the integration of sustainability factors into the investment process are set out in the Prospectus under the heading "*SFDR Categorisation and Environmental and Social Characteristics*".

(h) **EU Taxonomy Regulation**

As of the date of this Supplement, the Fund invests 0% in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

The Taxonomy Regulation sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm Taxonomy objectives and is accompanied by specific EU criteria. Similarly, any other sustainable investments must also not significantly harm any environmental or social objectives. 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 this Fund do not take into account the EU criteria for environmentally sustainable economic activities.

**6. Investment and Borrowing Restrictions**

The Fund may borrow up to 10% of its Net Asset Value. Such borrowing will only be on a temporary basis. The Fund may charge its assets as security for such borrowings.

**7. Minimum Subscription**

US\$1million or currency equivalent in respect of each Class of Shares.

There will be no Minimum Subscription in respect of subsequent subscriptions by the same investor.

The Directors reserve the right to differentiate between Shareholders and waive or reduce the Minimum Subscription in accordance with the requirements of the Central Bank.

**8. Application for Shares**

Details of the initial offer period in respect of the Share Classes which are not funded are set out in Appendix 1 (the "Initial Offer Period").

The Initial Offer Period will close as soon as an investor subscribes for Shares in that Share Class and provided that a minimum amount of US\$1 million (or currency equivalent) has been invested in that Share Class. In the event that a minimum amount of US\$1 million (or currency equivalent) is not reached by the expiry of the Initial Offer Period, the Company will return any subscription amounts to the relevant investor without interest. During the Initial Offer Period, Shares are on offer at the Initial Price of US\$100 (or 100 units of the relevant Share Class currency) in respect of Share Classes which have not funded as of the Closing Date.

Applications for Shares should be made through the Administrator (whose details are set out in

the Application Form with this Supplement) on behalf of the Company. Such requests must be received by the Administrator prior to the Dealing Deadline for the relevant Dealing Day. Applications, including initial applications accepted by the Administrator on behalf of the Fund and received by the Administrator no later than the Dealing Deadline will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day. However, the Directors in their absolute discretion and in exceptional circumstances only, may determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

Initial applications should be made using the Application Form obtained from the Investment Manager or Administrator, and may be made by facsimile or such other means as may from time to time be permitted by the Directors (or their delegate) and the Administrator and the Central Bank including electronic means subject to prompt transmission to the Administrator of the signed application form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of written instructions from the relevant Shareholder.

#### *Fractions*

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than .001 of a Share.

Subscription monies, representing less than .001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs for the relevant Fund.

#### *Method of Payment*

Subscription payments net of all bank charges should be paid by electronic transfer to the bank account specified in the Application Form enclosed with the Prospectus. Other methods of payment are subject to the prior approval of the Directors. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

#### *In-specie Subscriptions*

The Company may accept payment for Shares by way of in-specie subscription for Shares in accordance with the terms of the Articles of Association and as summarised in the main Prospectus under the heading "Application for Shares".

#### *Currency of Payment*

Subscription monies are payable in the currency of denomination of the relevant Share Class.



However, the Company may accept payment in such other currencies as the Directors may agree at the prevailing exchange rate quoted by the Administrator. The cost and risk of converting currency will be borne by the investor.

#### *Timing of Payment*

Payment in respect of subscriptions must be received in cleared funds by the Depositary no more than two Business Days after the relevant Dealing Deadline provided that the Directors reserve the right to defer the issue of Shares until receipt of cleared subscription monies by the Fund.

#### **Confirmation of Ownership**

Each purchase of Shares will be confirmed with Shareholders within 48 hours of the purchase being settled. Title to Shares will be evidenced by the entry of the investor's name in the Company's register of Shareholders and no certificates will be issued.

### **9. Redemption of Shares**

Requests for redemption of Shares shall be made to the Administrator on behalf of the Company by facsimile or written communication. Such requests must be received by the Administrator prior to the Dealing Deadline for the relevant Dealing Day and shall include such information as may be specified from time to time. Any requests for redemption received after the Dealing Deadline will be processed on the next Dealing Day. However, the Directors may in their absolute discretion determine that applications may be accepted after the Dealing Deadline provided that any such application is received prior to the Valuation Point.

Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. No redemption payment will be made from an investor holding until the subscription application form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received by the Administrator and the anti-money laundering procedures have been completed.

If the number of Shares to be redeemed on any Dealing Day equals one tenth or more of the total number of Shares of the Fund in issue on that day the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of one tenth of the total number of Shares in issue as aforesaid and, if they so refuse, the requests for redemption on such Dealing Day shall be reduced pro rata and Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all Shares to which the original request related have been redeemed. Redemption requests which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

The Directors may, with the consent of the individual Shareholders, satisfy any request for redemption of Shares by the transfer in-specie to those Shareholders of assets of the Fund having a value equal to the redemption price for the Shares redeemed as if the redemption

proceeds were paid in cash less any redemption charge and other expenses of the transfer provided that any Shareholder requesting redemption shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale, the costs of which shall be borne by the relevant Shareholder. The selection of assets to satisfy any such in-specie redemptions shall be subject to the approval of the Depositary.

The redemption price per Share shall be the Net Asset Value per Share.

#### *Method of Payment*

Redemption payments will be made to the bank account detailed on the Application Form with this Supplement or as subsequently notified to the Administrator in writing sent by post. Redemption payments following processing of instruments received by telefax will only be made to the account of record of a Shareholder.

#### *Currency of Payment*

Shareholders will normally be repaid in the Base Currency, or, in the denominated currency of the relevant Class as appropriate. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

#### *Timing of Payment*

Redemption proceeds in respect of Shares will be paid within four Business Days of the relevant Dealing Day provided correct redemption documentation has been received by the Administrator.

#### *Withdrawal of Redemption Requests*

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

#### *Compulsory/Total Redemption*

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings "Compulsory Redemption of Shares" and "Total Redemption of Shares".

## **10. Conversion of Shares**

Subject to the Minimum Subscription, Minimum Holding and minimum transaction requirements of the relevant Fund or Classes, Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

## **11. Suspension of Dealing**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day, as the case may be, following the ending of such suspension.

## **12. Fees and Expenses**

The Fund bears its attributable portion of the fees and operating expenses of the Company which are set out in detail under the heading "Fees and Expenses" in the Prospectus. In addition, the following fees and expenses are payable out of the Fund's assets:

### *The Management Company*

The Management Company will be entitled to receive out of the assets of each Fund an annual management fee of up to 0.10% per annum of the Net Asset Value of the Fund. The management fee shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears. The proposed fee arrangements mean that the actual fee payable by the Fund is anticipated to be materially below 0.10% per annum. The Management Company shall also be entitled to be reimbursed out of the assets of each Fund for its reasonable out-of-pocket expenses.

### *The Administrator and Depositary:*

The Administrator and Depositary shall each be entitled to receive out of the assets of the Fund an annual fee attributable to each Class. The fee payable by the Fund to the Administrator and the Depositary shall be approximately 0.05% per annum of the Net Asset Value attributable to each Share Class. There are additional Administrator's fees for the processing and pricing of OTC derivatives that are estimated to be approximately 0.05% per annum of the Net Asset Value attributable to each Share Class. The fee percentage may decrease as the Net Asset Value of the Company increases and may increase as the Net Asset Value of the Company decreases.

The administration and custody fee will accrue daily and be payable monthly in arrears. The Administrator shall also be entitled to be paid its reasonable and properly vouched out-of-pocket expenses out of the assets of the Fund.

The Depositary shall also be entitled to be repaid all of its disbursements out of the assets of the

Fund including the fees and expenses of any sub-custodian which shall be at normal commercial rates.

*The Investment Manager:*

The Investment Manager is entitled to charge a fee of up to 0.75% per annum of the Net Asset Value of the Fund (the "Investment Management Fee"). The rates applicable to each Share Class are set out in Appendix 1. The Investment Management Fee payable to the Investment Manager is calculated and accrued daily based on the Net Asset Value of the Shares at the Valuation Point (before deduction of the applicable fees) and the number of Shares outstanding on that Dealing Day (before taking into account subscriptions and redemptions of Shares of each Class made on that Dealing Day) and will be paid monthly in arrears. The Investment Manager is also entitled to be repaid its reasonable out-of-pocket expenses out of the assets of the Fund.

*Voluntary Cap*

The Investment Manager has voluntarily agreed to cap the expenses (excluding, for the avoidance of doubt, the Investment Manager's Fees and any Performance Fee) charged to the Fund, as described in the section headed "Fees and Expenses", at approximately 0.15% per annum of the annual average Net Asset Value of the Fund (as calculated by the Administrator) and will pay any excess of such expenses over this amount; provided other extraordinary expenses shall be excluded from such cap. Only those fees and expenses which are actually incurred up to this cap will be payable out of the assets of the Fund. The Investment Manager may, in its absolute discretion, in the future withdraw or amend the voluntary cap.

*Sales Charge*

There is no sales charge for any Class of Shares.

*Redemption Charge*

There is no redemption charge for this Fund.

*Conversion Fee*

No conversion fee is charged for any Class of the Fund.

**13. Dividends and Distributions**

Distributions if any, in respect of the distributing Share Classes listed in Appendix 1 are normally paid annually by 30 January each year. In respect of accumulating Share Classes, the income, earnings and gains will be accumulated and reinvested.

**14. Risk Factors**

The attention of investors is drawn to the "Risk Factors" section in the Section of the Prospectus entitled

“The Company” in addition to the risk factors set out herein.

### ***Weighted Average Carbon Intensity***

As described in Section 5(b) of this Supplement, the Fund seeks to achieve a weighted carbon intensity (“WACI”) which is at least 50% lower than the Index. In seeking to achieve this objective, the Investment Manager relies on third-party data for both actual and potential carbon emissions from fossil fuel reserves for a particular issuer, sector or subsector. Achieving an accurate WACI will depend on third-party data providers ability to properly assess the carbon intensity of issuers. There can be no assurance that the strategy or techniques employed will be successful or that the information and data provided by the third-party data provider will be complete, accurate or provided in a timely manner. In addition, there are various providers of carbon intensity data and the measurement of carbon intensity may vary from provider to provider. As a result, the Investment Manager’s selection of any particular data provider may result in a different composition of the Fund and/or a different WACI measurement for the portfolio and/or Index.

### ***Sustainable Investments***

Should the Investment Manager seek to make a ‘sustainable investment’ as defined in SFDR, additional regulatory obligations will apply. In such circumstances, the Investment Manager will be required to undertake an analysis on whether such investment (i) does no significant harm to environmental and social objectives as described in the SFDR and, (ii) where applicable, aligns with the technical screening criteria of the EU Taxonomy. The interpretation of the legislative instruments and guidance forming the EU Sustainable Finance regime is, as a whole, evolving rapidly. The Investment Manager’s process on considering significant harm will be inherently subjective and tailored to the investments which are particular to the Fund. There can be no assurance that the Investment Manager’s processes and methodologies will align with the approach used by other asset managers or prospective investors, or indeed, future regulatory expectations or market trends.

## APPENDIX 1

### SHARE CLASS TABLE

Class*	Currency	Currency Hedging	Investment management fees	Initial Offer Period
A Ordinary	USD	Yes	.75 per cent	N/A
A Ordinary Distributing	USD	Yes	.75 per cent	N/A
A Institutional	USD	Yes	.40 per cent	N/A
A Institutional Distributing	USD	Yes	.40 per cent	To 7 October 2022
B Ordinary	EUR	No	.75 per cent	N/A
B Ordinary Distributing	EUR	No	.75 per cent	7 October 2022
B Institutional	EUR	No	.40 per cent	N/A
B Institutional Distributing	EUR	No	.40 per cent	To 7 October 2022
C Ordinary	CHF	Yes	.75 per cent	To 7 October 2022
C Ordinary Distributing	CHF	Yes	.75 per cent	To 7 October 2022
C Institutional	CHF	Yes	.40 per cent	To 7 October 2022
C Institutional Distributing	CHF	Yes	.40 per cent	To 7 October 2022
D Ordinary	SEK	Yes	.75 per cent	N/A
D Ordinary Distributing	SEK	Yes	.75 per cent	To 7 October 2022
D Institutional	SEK	Yes	.40 per cent	To 7 October 2022
D Institutional Distributing	SEK	Yes	.40 per cent	To 7 October 2022
E Ordinary	NOK	Yes	.75 per cent	N/A
E Ordinary Distributing	NOK	Yes	.75 per cent	To 7 October 2022
E Institutional	NOK	Yes	.40 per cent	To 7 October 2022
E Institutional Distributing	NOK	Yes	.40 per cent	To 7 October 2022
F Ordinary	GBP	Yes	.75 per cent	To 7 October 2022
F Ordinary Distributing	GBP	Yes	.75 per cent	To 7 October 2022
F Institutional	GBP	Yes	.40 per cent	To 7 October 2022
F Institutional Distributing	GBP	Yes	.40 per cent	To 7 October 2022
G Ordinary	SGD	Yes	.75 per cent	To 7 October 2022
G Ordinary Distributing	SGD	Yes	.75 per cent	To 7 October 2022
G Institutional	SGD	Yes	.40 per cent	To 7 October 2022
G Institutional Distributing	SGD	Yes	.40 per cent	To 7 October 2022
H Ordinary	JPY	Yes	.75 per cent	To 7 October 2022
H Ordinary Distributing	JPY	Yes	.75 per cent	To 7 October 2022
H Institutional	JPY	Yes	.40 per cent	To 7 October 2022
H Institutional Distributing	JPY	Yes	.40 per cent	To 7 October 2022

\*Institutional share classes are compliant with the UK Retail Distribution Review (“RDR”) in that the Company does not pay any inducement or other form of remuneration with respect to the placement of the institutional share classes in the United Kingdom

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

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

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Blackstone Low Carbon Short Duration Corporate Bond Fund (UCITS)

**Legal entity identifier:** 549300P0BJ1LKGF54E09

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

The Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

A reference benchmark is not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

The ESG-related exclusions referred to above apply at the time of acquisition of the relevant securities and in the event of any subsequent inadvertent holding of securities in breach of these principles or exclusions, the Investment Manager shall dispose of any such securities as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A.

----- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A.

----- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.





### Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes, \_\_\_\_\_

☒ No



### What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the Fund is to produce returns, net of fees and expenses above the performance of the Bloomberg Barclays Global Corporate Custom Weighted Index (the "Index"). The Fund also aims to constrain carbon intensity in respect of its corporate bond portfolio by targeting at least 50% lower weighted carbon intensity than the Index.

The weighted average carbon intensity of the Fund is the exposure to carbon intensive companies. The carbon intensity of the Fund is determined by measuring direct CO<sub>2</sub> emissions from the individual corporate bond issuers in the Fund as well as emissions from purchased energy relative to their corporate revenues. The Investment Manager utilises a proprietary system to measure the carbon intensity of the individual investments. The Investment Manager relies on third-party data for carbon emissions and potential carbon emissions from fossil fuel reserves which are measured based on an issuer's reported data from annual reports, corporate social responsibility reports, the CDP (carbon disclosure project), oil and gas industry bodies, and data derived from other relevant third-party sources. As part of the investment selection process, the Investment Manager systematically down-weights individual issuers with high carbon intensity but does not exclude any particular sector or industry solely based on carbon intensity.

In order to meet the environmental and social characteristics promoted, Responsible Investment is integrated into the Investment Manager's investment process in accordance with three foundational pillars as follows:

- (a) Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolio of the Fund.
- (b) Conducting ongoing research into SRI (and ESG) factors.
- (c) Reviewing, monitoring, and risk modelling the Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.

The Investment Manager integrates exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager seeks to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry or those investments that are considered to be poor SRI performers by the Investment Manager. While the Investment Manager does not pursue an activist investment strategy in respect of the Fund, it takes account of additional risks that are inherent in socially and environmentally costly

businesses and when possible, will seek to avoid them. In this regard, the Investment Manager's policy aims to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social or environmental cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. Various factors are considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

In order to meet the environmental and social characteristics promoted, the Investment Manager applies binding criteria to the selection of underlying assets as part of its investment decisions making process.

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry.

The investment objective of the Fund is to produce returns, net of fees and expenses above the performance of the Index. The Fund also aims to constrain carbon intensity in respect of its corporate bond portfolio by targeting at least 50% lower weighted carbon intensity than the Index.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of its investment strategy.

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

The Investment Manager considers the "good governance" practices of the investee company issuer (the "Issuer") in accordance with established governance requirements applicable to the securities (including liquid, public and secondary securities) (the "Securities") in which the Fund invests. This will include those good governance criteria established under the SFDR, specifically: sound management structures, employee remuneration, employee relations and tax compliance ("Good Governance Criteria").

The Investment Manager's assessment of "good governance practices" will consider a range of criteria, methodologies and assumptions as part of pre-investment and ongoing monitoring processes (including but not limited to factors such as the market, size, sector or geographic location of the Issuer). As a minimum, meeting the criteria for public listing on a main market, and continuing public listing eligibility of the Issuer (including the regulatory oversight of the same) is considered to set a presumption of good governance

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

processes in the absence of evidence to the contrary. The Investment Manager's assessment will also involve a review of information in support of (or, alternatively, which disrupts) that presumption. This will be done via the use of quarterly ESG screening tools, such as ESG ratings and controversies screening tools or public searches carried out by the Investment Manager's Research Committee (the "Research Committee") or information garnered by the same as part of the Investment Manager's research-driven investment-process.

Where there are material good governance disruptors which the Investment Manager considers to be a material breach of the Good Governance Criteria, absent immediate action taken by the Issuer to remediate such a breach, this would result in either an exclusion against investing in the relevant Securities or a divestment of the same within a reasonable time period. Examples of good governance disruptors include but are not limited to: (1) de-listing of the underlying issuer for breaches of applicable listing rules and/ or requirements relating to Good Governance Criteria; (2) quarterly screening undertaken by Research Committee (using ESG screening tools, such as ESG ratings) revealing material adverse results; and (3) any business found (by the Research Committee using controversies screening tools or public searches) to have been involved in controversies or material breaches (such as material and ongoing breaches of labour laws) that would suggest a material and ongoing failure of good governance at the issuer level, where in each case there is no evidence that the Issuer has taken steps to remediate, mitigate and manage the same.

Note that no single good governance indicator or disruptor will be determinative on its own and some judgement will be required to consider these both in the round and in the wider context of the investment when making a determination as to good governance practices at the issuer level. This judgement will be exercised in good faith. Where any investment(s) are determined to not sufficiently meet the applicable Good Governance Criteria, a decision will be made not to invest in the securities of the Issuer or if securities of the Issuer are an existing investment to divest it within a reasonable period taking into consideration factors such as market liquidity.

Note that the good governance assessment process described above is applicable to corporate credit investments only and is not applicable to any of the Fund's investments in government bonds, other securities issued by sovereigns or supranational entities or derivatives such as interest rate futures.



## What is the asset allocation planned for this financial product?

### Asset allocation

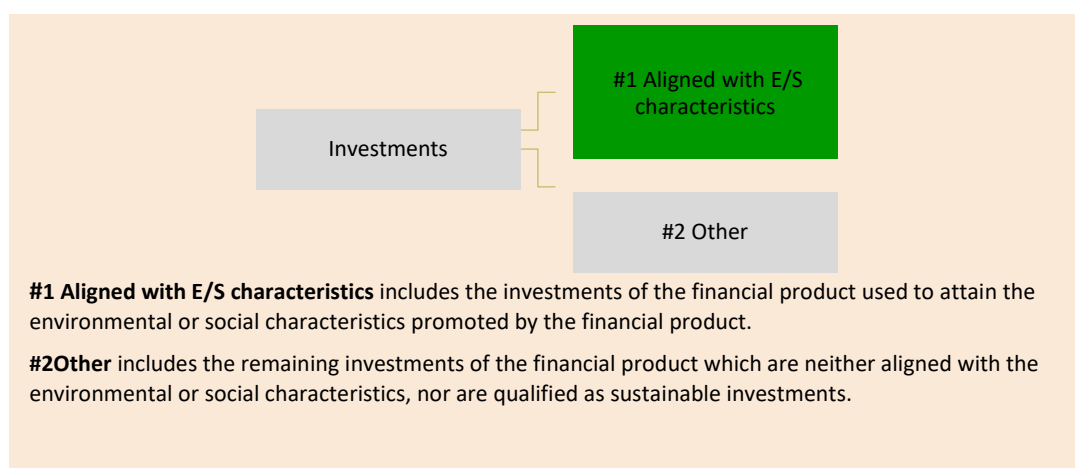
describes the share of investments in specific assets. Taxonomy-aligned activities are expressed as a share of:

**turnover** reflecting The share of revenue from green activities of investee companies  
**capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

The Fund intends to invest a minimum of 75% of the Fund's assets in investments which attain the environmental and social characteristics promoted by the Fund. To achieve this, the Fund invests in a portfolio of corporate bonds (fixed or floating rate), notes and paper issued by corporations worldwide, and credit default swaps on the credit risk of such companies.

The remaining percentage of the Fund's investments will be in investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Whilst the Fund does use derivatives as part of its investment strategy, the use of derivatives is not with a view to attaining the environmental or social characteristics promoted by the Fund.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

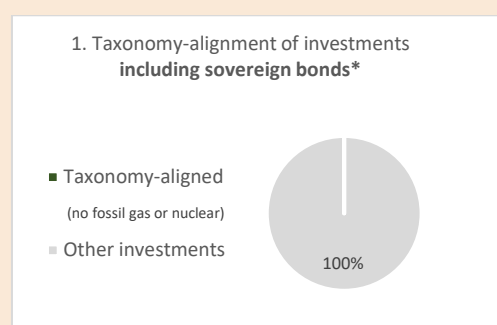
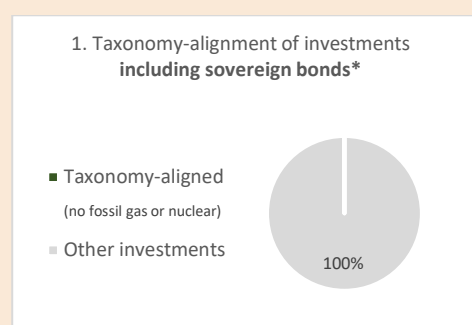
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**


The Fund does not commit to make investments that contribute to the environmental objectives identified in the Taxonomy Regulation.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

☐

Yes:

☐

In fossil gas

☐

In nuclear energy

☒

No

- ***What is the minimum share of investments in transitional and enabling activities?***

N/A.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.



**What is the minimum share of socially sustainable investments?**

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

“#2 Other” comprises investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

N/A.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A.

- ***How does the designated index differ from a relevant broad market index?***

N/A.

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

[www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/).

**SUPPLEMENT 6 DATED 1 JANUARY 2024 to the Prospectus issued for BLACKSTONE  
SYSTEMATIC CREDIT UMBRELLA FUND PLC**

**Blackstone Low Carbon High Yield Corporate Bond Fund (Feeder)**

This Supplement contains information relating specifically to Blackstone Low Carbon High Yield Corporate Bond Fund (Feeder) (the "Fund"), a Fund of Blackstone Systematic Credit Umbrella Fund plc (the "Company"), an open-ended umbrella type investment company with limited liability and with segregated liability between Funds authorised by the Central Bank on 12th August 2005 as a UCITS pursuant to the UCITS Regulations. The Company has six other Funds, Blackstone Investment Grade Systematic Corporate Fund (UCITS), Blackstone Low Carbon Global Investment Grade Corporate Bond Fund (UCITS), Blackstone Market Neutral Systematic Credit Fund (UCITS), Blackstone Low Carbon Short Duration Corporate Bond Fund (UCITS), Blackstone Enhanced Global Systematic Credit Fund and Blackstone Emerging Market Systematic Corporate Fund (Feeder).

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 1 January 2024 (the "Prospectus") which precedes this Supplement and is incorporated herein.

The Directors of the Company whose names appear in the Prospectus under the heading "Management and Administration" accept responsibility for the information contained in this Supplement and the Prospectus. 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The Fund has been established as a feeder fund in accordance with the UCITS Regulations and invests at least 85% of its assets on a permanent basis in Blackstone Low Carbon High Yield Corporate Bond Fund (UCITS), a sub-fund of Blackstone Systematic Credit UCITS ICAV.

Prospective investors should refer to the annex to this Supplement regarding the Fund's environmental and / or social characteristics.

**1. INTERPRETATION**

The expressions below shall have the following meanings:

"Business Day"	means any day (except Saturday or Sunday) that is not an Irish bank holiday on which the Federal Reserve Bank of the United States and the New York Stock Exchange are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders.
"Central Bank UCITS Regulations"	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities)) Regulations

2015 as may be amended, constituted or substituted from time to time and any notices or guidance issued by the Central Bank pursuant thereto for the time being in force.

"Credit Risk"	means the risk of loss due to the uncertainty in a debtor's ability to meet its financial obligation. Typically, the risk that a debtor will default on the principal and/or interest payments it owes to its lenders.
"Dealing Day"	means each Business Day or such other day or days as may be determined by the Directors provided there are at least two per month and as notified to Shareholders in advance.
"Dealing Deadline"	means 4 p.m., Irish Time on any Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
"FDI"	means financial derivative instruments.
"High Yield"	means an instrument that is not rated above Bb1/BB+ based on an average of Moody's Investor Services ("Moody's"), Standard & Poor's Rating Services ("S&P") or Fitch Inc. ("Fitch"), or if unrated, determined by the Investment Manager to be of comparable quality.
"Initial Price"	means the price at which Shares of a Class are initially on offer during the initial offer period.
"Master Fund"	means Blackstone High Yield Systematic Corporate Fund (UCITS), a sub-fund of Blackstone Systematic Credit UCITS ICAV.
"Redemption Dealing Deadline"	in respect of redemptions, means five Business Days prior to the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
"Subscription Dealing Deadline"	in respect of subscriptions means 4 p.m., Irish Time on any Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
"Valuation Point"	means 3 p.m. in New York, US time, on the Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.



## **2. BASE CURRENCY**

The Base Currency shall be US Dollars.

## **3. CLASSES OF SHARES**

Details of the Share Classes of the Fund are set out in the Share Class table in Appendix 1. Share Classes are distinguished by (i) currency; (ii) the use of financial instruments to hedge against currency risk; (iii) different Minimum Subscription levels; (iv) different investment management fee arrangements; and (v) dividend policy.

Application for Shares in each Class will be made through the Administrator whose details are set out in the Application Form. The Administrator on behalf of the Company may reject any application for Shares.

Additional classes in the Fund may be established by the Directors as notified and cleared in advance by the Central Bank. In an effort to mitigate against exchange rate risk, the Investment Manager has a currency overlay for the currency hedged Share Classes at the Master Fund and uses currency swaps, spot and forward foreign exchange contracts. Hedged currency Share Classes are identified in Appendix 1. Over- hedged or under-hedged positions may arise due to factors outside of the control of the Master Fund. Such over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the currency hedged share class and hedged positions will be kept under review to ensure that positions in excess of 100% of Net Asset Value will not be carried forward from month to month. To the extent that hedging is successful for hedged share class the performance of the currency hedged share class is likely to move in line with the performance of the underlying assets with the result that investors in the relevant hedged share class may not gain if the currency of the hedged class falls against the Base Currency and/or the currency in which the assets of the Master Fund are denominated. The allocation of gains or costs associated with derivatives employed for hedging purposes will be charged to the hedged Share Classes only.

## **4. PROFILE OF A TYPICAL INVESTOR**

The Fund and the Master Fund are suitable for investors seeking long-term capital appreciation and who are prepared to accept a moderate level of volatility.

## **5. INVESTMENT OBJECTIVE AND POLICIES**

### **(a) *Objective of the Fund and the Master Fund***

The investment objective of the Fund is to invest at least 85% of its assets in the Master Fund and to produce returns, net of fees and expenses approximating the net performance of the Master Fund.

The investment objective of the Master Fund is to produce returns, net of fees and expenses above the performance of the BofA Merrill Lynch US High Yield Constrained Index (the "Index")

(Bloomberg HUC0 Index)<sup>1</sup>. The Master Fund also aims to constrain carbon intensity in respect of its corporate bond portfolio by targeting at least 50% lower weighted carbon intensity than the Index. Certain environmental, social or governance criteria will be used to determine whether investments are eligible for the Fund as described further in this Supplement. The Fund's objective to constrain carbon intensity relative to its Index is not performed with a view to achieving the long-term global warming objectives of the Paris Agreement.<sup>2</sup>

The Index contains all securities in The BofA Merrill Lynch US High Yield Index but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the Index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the Index. The Index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. Issues that meet the qualifying criteria are included in the Index for the following month. Issues that no longer meet the criteria during the course of the month remain in the Index until the next month-end rebalancing at which point they are removed from the Index.

Qualifying securities of the Index must have a below investment grade rating (based on the average of Moody's, S&P or Fitch), and have at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date of the Index, a fixed coupon schedule and a minimum amount outstanding of \$100 million. The Directors reserve the right to substitute an equivalent index should they consider it appropriate upon prior written notice to Shareholders and will publish the details of such alternative index in the report and accounts of the ICAV.

For the avoidance of doubt the Master Fund does not intend to replicate the Index. A more detailed description of the instruments that the Master Fund may invest in is provided below in Section 5 (c).

The returns of each particular Share Class will be impacted by its currency denomination.

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

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<sup>1</sup> Inception date: December 31, 1996. Source Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofAML"), used with permission. BofAML permits use of the BofAML Indices and related data on an "as is" basis, makes no warranties regarding same, does not guarantee the suitability, quality, accuracy, timelines and/or completeness of the BofAML indices or any data included in, related to or derived therefrom, assumes no liability in connection with the use of the foregoing, and does not sponsor, endorse, or recommend BLACKSTONE, or any of its products or services.

<sup>2</sup> The Paris Agreement is an international legally binding international treaty on climate change adopted on 12 December 2015 and entered into force on 4 November 2016.

(b) ***Summary of investment policy and strategy of the Master Fund***

The Master Fund seeks to achieve its investment objective by investing in a portfolio of corporate bonds (primarily High Yield), and credit default swaps referencing the Credit Risk of companies that are issuers of corporate bonds, as described further in Section 5 (c) below, by applying a quantitatively driven approach to asset selection and portfolio constitution. The investment strategy is expected to be net long Credit Risk of firms that have instruments traded on Recognized Exchanges worldwide. The Master Fund employs portfolio diversification controlled by active risk assessment and portfolio management.

Long positions: The Master Fund will seek to profit by holding long positions which have been identified as undervalued by the Investment Manager (i.e., the market price of Credit Risk, or “credit spread” is lower than the Investment Manager’s estimate of fair value) (“Long Positions”). Such positions will be identified by the Investment Manager’s proprietary analytics, which includes a default probability measurement and a quantitative analysis of the “fair value” of each exposure. The default probability measurement is based on a proprietary model that has been developed by the Investment Manager and which takes into account a firm’s asset value, liability structure, and volatility. The ‘fair value’ of the exposure is also based on proprietary analytics developed by the Investment Manager, and takes into account other characteristics of the exposure (e.g. rating, sector, and term). The long portfolio is invested in corporate bonds, primarily rated High Yield, and CDS on the Credit Risk of issuers of corporate bonds (as described further in Section (d) below). In certain circumstances, the Investment Manager may choose to hedge a Long Position by buying CDS protection, which has the effect of offsetting part or all of the risk inherent in the Long Position. The sum of the notional value of the Long Positions is expected to be approximately 80% to 125% of the NAV of the Fund.

The Master Fund seeks to achieve at least 50% lower weighted carbon intensity than the Index. The weighted average carbon intensity of the Master Fund is the exposure to carbon intensive companies. The carbon intensity of the Master Fund is determined by measuring direct CO<sub>2</sub> emissions from the individual corporate bond issuers in the Master Fund as well as emissions from purchased energy relative to their corporate revenues. The Investment Manager utilises a proprietary system to measure the carbon intensity of the individual investments. The Investment Manager relies on third-party data for carbon emissions and potential carbon emissions from fossil fuel reserves which are measured based on an issuer’s reported data, from annual reports, corporate social responsibility reports, the CDP (carbon disclosure project) oil and gas industry bodies, and data derived from other relevant third-party sources. As part of the investment selection process, the Investment Manager systematically down-weights individual issuers with high carbon intensity but does not exclude any particular sector or industry solely based on carbon intensity.

The Investment Manager utilises carbon intensity data that covers approximately 90% or more of the Net Asset Value of the Master Fund. This coverage rate excludes bonds and other debt securities issued by sovereign or quasi-sovereign issuers, cash or cash equivalent instruments held for ancillary purposes and any derivative instruments used to hedge currency or interest rate risk. The coverage rate for the carbon intensity data in respect of issuers within the Index can vary at any given time but as of September 30, 2021 is approximately 75%. Where carbon intensity is not available for an Index constituent the Investment Manager uses the subsector

carbon intensity, which is the ratio of the total emissions of the subsector over the total revenue in the subsector as of that date. If there is an insufficient number of issuers with data in the relevant subsector, the Investment Manager uses the sector carbon intensity, which is the ratio of the total emissions of the sector over the total revenue in the sector as of that date.

The Investment Manager also applies a socially responsible investing ("SRI") exclusion screen as part of the portfolio construction process as described in further detail under the heading "*SFDR Categorisation and Environmental and Social Characteristics*".

**(c) *Instruments in which the Master Fund invests***

The instruments in which the Master Fund invests are amongst others, High Yield bonds and credit default swaps on the Credit Risk of companies. The instruments in which the Master Fund invests are primarily issued by firms that have instruments traded on one or more Recognised Exchanges worldwide and under normal market conditions at least 75% of the bond portfolio will be rated High Yield, or if unrated, determined by the Investment Manager to be of comparable quality.

To add additional diversification and return to risk, the Master Fund may also invest in bonds rated investment grade although under normal market conditions it is anticipated that such investments will be less than 25% of the corporate bonds in which the Master Fund invests. The Master Fund will not invest in convertible bonds. The limits relating to the rating of the instruments as referenced above will apply at the time of investment.

To select investments, the Investment Manager applies its proprietary, quantitative credit model based on measuring default risk that assists it in identifying exposures that are undervalued (long positions) or overvalued (short positions). The fair value of an exposure is based on a proprietary model that has been developed by the Investment Manager and which takes into account a firm's default probability (essentially a function of a firm's asset value, liability structure, and volatility) as well as other characteristics of the exposure (e.g. rating, sector, and term).

In pursuing its investment policies, the Master Fund may invest on a temporary basis more than one-third of its total assets in monetary papers and bank deposits. The Master Fund also invests in US Treasuries or Notes, and US Agency issued securities.

Where market or other factors so warrant, the assets of the Master Fund may be substantially invested in cash deposits. Such investments will be in accordance with the investment restrictions of the UCITS Regulations, the Central Bank UCITS Regulations and in accordance with the requirements of the Central Bank.

The Master Fund may also invest up to 10% of its net assets in other open-ended collective investment schemes and in ETFs.

**(d) *Use of Financial Derivative Instruments by the Master Fund***

The Master Fund also invests in financial derivative instruments ("FDIs") including credit default

swaps, total return swaps, interest rate swaps, index-based swaps and futures for investment purposes, for hedging or for performance enhancement. As of the date of the Supplement, the majority of FDIs will be traded Over-The-Counter (“OTC”).

#### *Credit Default Swaps*

The Master Fund may use CDS in addition to other instruments to implement its strategy. The ‘buyer’ in a CDS is obligated to pay the ‘seller’ a periodic stream of payments over the term of the contract provided no event of default has occurred. The Master Fund may be either a buyer or seller in a CDS transaction. The Master Fund and each of its trading counterparties is an adherent to the 2009 ISDA Auction Settlement Supplement. In the event of default of a CDS reference entity, as determined by the ISDA sanctioned Credit Derivatives Determination Committee, the seller must make a cash settlement payment to the buyer in an amount determined via an ISDA sanctioned auction settlement determination for the reference entities’ securities.

The Master Fund may write protection in CDS to take “Long” Credit Risk. The Master Fund may also buy protection in CDS to offset the Credit Risk of a Long Position. There can be significant differences in the risks between cash instruments and CDS, and market prices of such risks can vary substantially. When Long Positions are hedged by buying protection using CDS on the same issues, there can be no guarantee that such positions will be fully hedged as market prices for cash and the corresponding CDS position may vary substantially depending on market conditions. Further detail in relation to the Long positions are set out above under “*Summary of Investment Policy and Strategy*”.

#### *Index Swaps*

Index-based swaps may be used to gain exposure on a credit default swap index (“CDS indices”). Exposure to CDS indices may be used by the Master Fund in order to hedge credit exposure, to manage credit risk or to take a position on a basket of credit entities in a more efficient and cost effective way than taking a direct CDS position. The Master Fund may gain exposure through swaps to the following CDS Indices:

#### *Markit CDX Indices*

Markit CDX family of indices is the standard North American and Emerging Markets tradeable credit default swap family of indices worldwide. The Markit CDX indices are a family of indices covering multiple sectors. The Markit CDX rebalance semi-annually in March and September. Markit CDX North American Investment Grade (125 names) (rebalanced twice yearly); Markit CDX North American High Yield (100 names) (rebalanced twice yearly). Further information on the indices can be accessed through the following link: <http://www.markit.com/en/products/data/indices/credit-and-loan-indices/cdx/cdx.page>.

#### *Markit iTraxx Indices*

Markit iTraxx are a family of European, Asian and Emerging tradable credit default swap

indices. The iTraxx indices are a family of indices covering multiple sectors. The iTraxx indices rebalance semi-annually in March and September. The Markit iTraxx Europe index is comprised of one hundred twenty five (125) equally weighted European entities with investment grade credit ratings that trade in the CDS market; The Markit iTraxx Crossover index is comprised of fifty (50) European entities with non-investment grade credit ratings that trade in the CDS market. Further information on the indices can be accessed through the following link: <https://www.markit.com/Product/ITraxx>.

Details of any financial indices used by the Master Fund will be provided to Shareholders by the Investment Manager on request and will be set out in the Company's semi-annual and annual accounts. Any such indices will be cleared by the Central Bank or will meet its requirements.

The indices that the Master Fund will gain exposure to shall satisfy the criteria set down in the UCITS Notices. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant index is rebalanced.

#### *Futures*

The Master Fund uses US Treasury Futures and Notes Futures as well as the futures instruments on the securities of other governments included in the Index. These instruments will only be used for hedging purposes and will be traded on Recognised Exchanges.

#### *Total Return Swaps*

Total return swaps may be used to attain or reduce exposure to returns of portfolios of high yield corporate bonds (high yield bond indices). Specifically the Master Fund may utilise total return swap contracts where the Fund may exchange floating interest rate cash flows for fixed cash flows based on the total return of a fixed income or high yield corporate bond portfolio or fixed cash flow based on the total return of a fixed income portfolio for floating interest rate cash flows. These contracts allow the Master Fund to manage its exposures to interest rate and credit risks. Transactions in over-the-counter derivatives, such as swap agreements, may involve additional risk as there is no exchange market on which to close out an open position.

Swap agreements may be used either individually or in combinations. The Master Fund will only enter into swap agreements with counterparties who are eligible institutions within the meaning of the Central Bank UCITS Regulations. Alternatively, an unrated counterparty is acceptable where the Master Fund is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A1 or equivalent. The counterparties to such swap contracts will not have any discretion over the portfolio of the Fund or over the underlying exposures and counterparty approval will not be required for any portfolio transaction of the Master Fund.

#### *Use of Currency Financial Derivative Instruments*

Although the Fund is denominated in US Dollars, it may invest in securities denominated in

other currencies. The Net Asset Value of the Master Fund as expressed in the base currency will fluctuate in accordance with the changes in the foreign exchange rate between the base currency and the currencies in which the Master Fund's investments are denominated. The Master Fund may therefore be exposed to foreign exchange currency risk. Accordingly, the Investment Manager may try to mitigate this risk by using currency swaps and cross currency interest rate swaps.

(e) ***Investments by the Fund in Ancillary Liquid Assets***

The Fund may also hold cash assets for defensive purposes up to a maximum of 15% of its net assets.

As a result of the use of ancillary liquid assets as outlined above, the performance of the Fund and the Master Fund may not be identical.

(f) ***Financial Derivative Instruments – General***

Investments in FDI may lead to increased volatility, more limited liquidity and a higher than normal risk profile than a UCITS scheme which does not use FDI for investment purposes. Please refer to the Section headed "Risk Factors" in the Prospectus. The Management Company employs a risk management process which will enable it to monitor measure and manage the risks attached to FDI positions and details of this process have been provided to the Central Bank. The Master Fund will not utilise FDI which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Management Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Master Fund including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

(g) ***Leverage***

Because the Fund does not have any direct exposure to FDI, the global exposure of the Fund to FDI shall be calculated as the actual exposure of the Master Fund in proportion to its investment in the Master Fund.

The Fund will invest 85-99% of its assets in the Master Fund. The aggregate leverage of the Master Fund (calculated using the sum of the notional of the FDI) is not expected to exceed 350% of the Master Fund NAV for any extended period when FDI used for hedging purposes are taken into account. Leverage figures are based on the sum of the notionals of the FDI used. These leverage limits do not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes.

Higher levels of leverage may arise in the Master Fund at times of non-US Dollar subscription into the Master Fund where additional hedging is required i.e. to hedge against foreign exchange risk.

(h) ***Use of VaR by the Fund as a Risk Measurement Methodology***

The Master Fund uses VaR which is an advanced risk measurement methodology in order to assess the Fund's market risk volatility and to ensure that the leverage effect of using derivatives is not significant enough to cause disproportionate loss to the overall value of the Master Fund. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a twenty day period under normal market conditions. When the VaR is calculated as a percentage of the Net Asset Value of the Master Fund (absolute VaR), it may not be greater than 20% of the Net Asset Value of the Master Fund. The VaR will be calculated daily using a one-tailed 99% confidence level, twenty (20) day holding period, and the historical observation period will not be less than one year unless a shorter period is justified.

(i) ***Efficient Portfolio Management - Collateral***

The Master Fund may receive cash and high quality government bonds to the extent deemed necessary by the Investment Manager in respect of over-the-counter derivative transactions or efficient portfolio management techniques employed for the Master Fund.

A documented haircut policy is in place for the Master Fund detailing the policy in respect of each class of assets received and which takes into account the characteristics of the assets and the results of any stress tests conducted as required. Any re-investment of cash collateral shall be diversified in accordance with the requirements of the Central Bank. Re-invested cash collateral exposes the Master Fund to certain risks such as the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. Investors should consult the **"General Risk Factors"** of the Prospectus for information on counterparty risk and Credit Risk in this regard.

(j) ***SFDR Categorisation and Environmental and Social Characteristics***

The Management Company, in consultation with the Investment Manager, has categorised the Fund as an Article 8 product for the purposes of the SFDR. One of Master Fund's aims is to constrain carbon intensity in respect of its corporate bond portfolio by targeting at least 50% lower weighted carbon intensity than the index.

The Investment Manager integrates environmental and social characteristics into the investment process of the Master Fund and applies exclusion screening to the selection of investments for the portfolio from the instruments in which the Master Fund invests as detailed under the heading "(iii) Instruments in which the Master Fund invests" above.

Responsible Investment is integrated into the Investment Managers investment process in accordance with three foundational pillars as follows:

- (a) Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolio of the Fund.
- (b) Conducting ongoing research into SRI (and ESG) factors.
- (c) Reviewing, monitoring, and risk modelling the Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.



The Investment Manager integrates exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager seeks to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry, or those investments that are considered to be poor SRI performers by the Investment Manager as further described below. While the Investment Manager does not pursue an activist investment strategy in respect of the Fund, it takes account of additional risks that are inherent in socially and environmentally costly businesses and when possible, will seek to avoid them. In this regard, the Investment Manager's policy aims to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social or environmental cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. Various factors are considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.

As of the date of this Supplement, the Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry. In this regard, the Investment Manager will exclude such businesses from the investment universe as detailed above. The Investment Manager reviews, affirms, and (if needed), modifies the specific exclusion list at least quarterly.

Further details of the Investment Manager's SRI criteria and the integration of sustainability factors into the investment process are set out in the Prospectus under the heading "The Company" – SFDR Categorisation and Environmental and Social Characteristics".

(k) ***Taxonomy Regulation***

As of the date of this Supplement, the Fund invests 0% in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

The Taxonomy Regulation sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm Taxonomy objectives and is accompanied by specific EU criteria. Similarly, any other sustainable investments must also not significantly harm any environmental or social objectives. The "do no significant harm" principle applies only to sustainable investments (if any). Other investments do not take into account the EU criteria for environmentally sustainable economic activities and are not required to apply the "do no significant harm" principle.

## **6. INVESTMENT AND BORROWING RESTRICTIONS**

The Fund may borrow up to 10% of its Net Asset Value. Such borrowing will only be on a temporary basis. The Fund may charge its assets as security for such borrowings.

## **7. ADDITIONAL INFORMATION IN RESPECT OF THE MASTER FUND**

The Master Fund is a sub-fund of Blackstone Systematic Credit UCITS ICAV which is authorised by the Central Bank pursuant to the UCITS Regulations. The Investment Manager also acts as investment manager of the Master Fund.

A copy of the Supplement relating to the Master Fund ("Master Fund Prospectus") and further information in relation to the Master Fund is available free of charge upon request from Blackstone Systematic Credit Strategies LLC, the Investment Manager at 101 California Street 44th Floor, San Francisco, CA 94111. Details of the tax implications of investment in the Master Fund are set out in the Master Fund Prospectus under the heading "Taxation".

The Company on behalf of the Fund and the ICAV on behalf of the Master Fund have entered into a Master-Feeder Agreement which *inter alia* covers the basis of investment and divestment by the Fund, dealing arrangements and arrangements for the preparation of the audit reports of the Master Fund and the Fund. Copies of the Master-Feeder Agreement can be obtained free of charge from the Management Company of the Master Fund.

## **8. MINIMUM SUBSCRIPTION**

US\$1million or currency equivalent in respect of each Class of Shares.

There will be no Minimum Subscription in respect of subsequent subscriptions by the same investor.

The Directors reserve the right to differentiate between Shareholders and waive or reduce the Minimum Subscription in accordance with the requirements of the Central Bank.

## **9. APPLICATION FOR SHARES**

Details of the initial offer period in respect of the Share Classes are set out in Appendix 1 (the "Initial Offer Period").

The Initial Offer Period will close as soon as an investor subscribes for Shares in that Share Class and provided that a minimum amount of US\$1 million (or currency equivalent) has been invested in that Share Class. During the Initial Offer Period, Shares are on offer at the Initial Price of US\$100 (or the equivalent in relevant Share Class currency).

Applications for Shares should be made through the Administrator (whose details are set out in the Application Form with this Supplement) on behalf of the Company. Such requests must be received by the Administrator prior to the Subscription Dealing Deadline for the relevant Dealing Day. Applications, including initial applications accepted by the Administrator on behalf of the Fund and received by the Administrator no later than the Subscription Dealing Deadline will be

processed on that Dealing Day. Any applications received after the Subscription Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine (in exceptional circumstances only) to accept one or more applications received after the Subscription Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

Initial applications should be made using the Application Form obtained from the Investment Manager or Administrator, and may be made by facsimile or such other means as may from time to time be permitted by the Directors and the Administrator and the Central Bank including electronic means subject to prompt transmission to the Administrator of the signed application form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of written instructions from the relevant Shareholder.

### *Fractions*

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than  $\frac{1}{1000}$  of a Share.

Subscription monies, representing less than  $\frac{1}{1000}$  of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs for the relevant Fund.

### *Method of Payment*

Subscription payments net of all bank charges should be paid by electronic transfer to the bank account specified in the Application Form enclosed with the Prospectus. Other methods of payment are subject to the prior approval of the Directors. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

### *Currency of Payment*

Subscription monies are payable in the currency denomination of the relevant Share Class. However, the Company may accept payment in such other currencies as the Directors may agree at the prevailing exchange rate quoted by the Administrator. The cost and risk of converting currency will be borne by the investor.

### *Timing of Payment*

Payment in respect of subscriptions must be received in cleared funds by the Depositary no more than two Business Days after the relevant Dealing Deadline provided that the Directors

reserve the right to defer the issue of Shares until receipt of cleared subscription monies by the Fund.

#### *Confirmation of Ownership*

Each purchase of Shares will be confirmed with Shareholders within 48 hours of the purchase being settled. Title to Shares will be evidenced by the entry of the investor's name in the Company's register of Shareholders and no certificates will be issued.

### **10. REDEMPTION OF SHARES**

Requests for redemption of Shares shall be made to the Administrator on behalf of the Company by facsimile or written communication. Such requests must be received by the Administrator prior to the Redemption Dealing Deadline for the relevant Dealing Day and shall include such information as may be specified from time to time. Any requests for redemption received after the Redemption Dealing Deadline will be processed on the next Dealing Day. However, the Directors may in their absolute discretion determine (in exceptional circumstances only) that applications may be accepted after the Redemption Dealing Deadline provided that any such application is received prior to the Valuation Point.

Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. No redemption payment will be made from an investor holding until the subscription application form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received by the Administrator and the anti-money laundering procedures have been completed.

If the number of Shares to be redeemed on any Dealing Day equals one tenth or more of the total number of Shares of the Fund in issue on that day the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of one tenth of the total number of Shares in issue as aforesaid (the "Redemption Limit") and, if they so refuse, the requests for redemption on such Dealing Day shall be reduced pro rata and Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all Shares to which the original request related have been redeemed.

The Directors may, with the consent of the individual Shareholders, satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of the Fund having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer provided that any Shareholder requesting redemption shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale, the costs of which shall be borne by the relevant Shareholder. The selection of assets to satisfy any such in-specie redemptions shall be subject to the approval of the Depositary.

The redemption price per Share shall be the Net Asset Value per Share.

#### *Method of Payment*

Redemption payments will be made to the bank account detailed on the Application Form with this Supplement or as subsequently notified to the Administrator in writing sent by post. Redemption payments following processing of instruments received by telefax will only be made to the account of record of a Shareholder.

#### *Currency of Payment*

Shareholders will normally be repaid in the Base Currency, or, in the denominated currency of the relevant Class as appropriate. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

#### *Timing of Payment*

Redemption proceeds in respect of Shares will be paid within four Business Days of the relevant Dealing Day provided correct redemption documentation has been received by the Administrator.

#### *Withdrawal of Redemption Requests*

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

#### *Compulsory/Total Redemption*

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings "Compulsory Redemption of Shares" and "Total Redemption of Shares".

## **11. CONVERSION OF SHARES**

Subject to the Minimum Subscription, Minimum Holding and minimum transaction requirements of the relevant Fund or Classes, Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

## **12. SUSPENSION OF DEALING**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the

Prospectus under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day, as the case may be, following the ending of such suspension.

### **13. FEES AND EXPENSES**

The establishment expenses of the Fund which are not expected to exceed US\$20,000 will be borne by the Fund and will be amortised over the first five account periods of the Fund or such other period as the Directors determine as fair and equitable. The Fund bears its attributable portion of the fees and operating expenses of the Company which are set out in detail under the heading "Fees and Expenses" in the Prospectus.

No administration, investment management or custody fees will be payable by the Fund. The Fund will reimburse the reasonable out-of-pocket expenses of the Administrator, Investment Manager and Depositary necessarily incurred in the performance of their duties.

The following fees and expenses are payable by the Master Fund:

No initial fee will be payable by the Fund when subscribing for Shares in the Master Fund.

If any commission distribution fee or other monetary benefit is received by the Investment Manager by virtue of the Fund's investments in the Master Fund, such commission will be paid into the assets of the Fund. The Investment Manager does not anticipate that it will receive any such commission.

In addition, the following fees and expenses are payable out of the Master Fund's assets:

#### **The Management Company**

The Management Company will be entitled to receive out of the assets of each Fund an annual management fee of up to 0.10% per annum of the Net Asset Value of the Fund. The management fee shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears. The proposed fee arrangements mean that the actual fee payable by the Fund is anticipated to be materially below 0.10% per annum. The Management Company shall also be entitled to be reimbursed out of the assets of each Fund for its reasonable out-of-pocket expenses.

#### **The Administrator and Depositary:**

The Administrator and Depositary shall each be entitled to receive out of the assets of the Master Fund an annual fee attributable to each Class. The fee payable by the Master Fund to the Administrator and the Depositary shall be approximately 0.05% per annum of the Net Asset Value attributable to each Share Class. The fee percentage may decrease as the Net Asset Value of the Company increases.

The administration and custody fee will accrue daily and be payable monthly in arrears. The Administrator shall also be entitled to be paid its reasonable and properly vouched out-of-pocket expenses out of the assets of the Master Fund.

The Depositary shall also be entitled to be repaid all of its disbursements out of the assets of the Master Fund including the fees and expenses of any sub-custodian which shall be at normal commercial rates.

#### *The Investment Manager:*

The Investment Manager is entitled to charge a fee of up to 1.5% per annum of the Net Asset Value of the Master Fund (the "Investment Management Fee"). The rates applicable to each Share Class are set out in Appendix 1. The Investment Management Fee payable to the Investment Manager is calculated and accrued daily based on the Net Asset Value of the Shares at the Valuation Point and the number of Shares outstanding on that Dealing Day (before taking into account subscriptions and redemptions of Shares of each Class made on that Dealing Day) and will be paid monthly in arrears. The Investment Manager is also entitled to be repaid its reasonable out-of-pocket expenses out of the assets of the Master Fund.

The Directors, in their discretion, may differentiate between the Shareholders of the Fund by waiving or reducing the annual investment management fee charged to certain Shareholders or to certain Classes of the Fund. Such waivers or differentiation may be effected by way of a rebate to the relevant Shareholder account or by reducing the fee payable by a Class of Shareholders in the Fund. In addition, the Investment Manager, in its discretion, may agree with certain Shareholders of the Fund to rebate or otherwise reduce or waive a portion of the investment management fee charged to such Shareholders. In the event of any such waiver, rebate or fee reduction, the Directors or Investment Manager, at their absolute discretion, may choose not to disclose such waiver, rebate or fee reduction to the other Shareholders or Classes of Shareholders.

Investors should seek their own independent advice regarding the input of any fee waiver, reduction or rebate.

#### *Voluntary Cap*

The Investment Manager has voluntarily agreed to cap the expenses (excluding, for the avoidance of doubt, the Investment Manager's Fees and any Performance Fee) charged to the Fund, as described in the section headed "Fees and Expenses", at approximately 0.15% per annum of the annual average Net Asset Value of the Fund (as calculated by the Administrator) and will pay any excess of such expenses over this amount; provided other extraordinary expenses shall be excluded from such cap. Only those fees and expenses which are actually incurred up to this cap will be payable out of the assets of the Fund. The Investment Manager may, in its absolute discretion, in the future withdraw or amend the voluntary cap.

#### *Sales Charge*

There is no sales charge for any Class of Shares.

#### *Redemption Charge*

There is no redemption charge for this Fund.

#### *Conversion Fee*

No conversion fee is charged for any Class of the Fund.

### **14. DIVIDENDS AND DISTRIBUTIONS**

Distributions if any, in respect of the distributing Share Classes listed in Appendix 1 are normally paid annually by 30 January each year. In respect of accumulating Share Classes, the income, earnings and gains will be accumulated and reinvested.

### **15. RISK FACTORS**

The attention of investors is drawn to the "Risk Factors" section in the Section of the Prospectus entitled "The Company" in addition to the risk factors set out herein.

#### ***Weighted Average Carbon Intensity***

As described in Section 5 (b) of this Supplement, the Master Fund seeks to achieve a weighted carbon intensity ("WACI") which is at least 50% lower than the Index. In seeking to achieve this objective, the Investment Manager relies on third-party data for both actual and potential carbon emissions from fossil fuel reserves for a particular issuer, sector or subsector. Achieving an accurate WACI will depend on third-party data providers ability to properly assess the carbon intensity of issuers. There can be no assurance that the strategy or techniques employed will be successful or that the information and data provided by the third-party data provider will be complete, accurate or provided in a timely manner. In addition, there are various providers of carbon intensity data and the measurement of carbon intensity may vary from provider to provider. As a result, the Investment Manager's selection of any particular data provider may result in a different composition of the Master Fund and/or a different WACI measurement for the portfolio and/or Index.

#### ***Sustainable Investments***

Should the Investment Manager seek to make a 'sustainable investment' as defined in SFDR, additional regulatory obligations will apply. In such circumstances, the Investment Manager will be required to undertake an analysis on whether such investment (i) does no significant harm to environmental and social objectives as described in the SFDR and, (ii) where applicable, aligns with the technical screening criteria of the EU Taxonomy Regulation. The interpretation of the legislative instruments and guidance forming the EU Sustainable Finance regime is, as a whole, evolving rapidly. The Investment Manager's process on considering significant harm will be inherently subjective and tailored to the investments which are particular to the Master Fund. There can be no assurance that the Investment Manager's processes and methodologies



will align with the approach used by other asset managers or prospective investors, or indeed, future regulatory expectations or market trends.

## APPENDIX 1

### SHARE CLASS TABLE

Class* **	Currency	Currency Hedging (Master Fund level)	Investment management fees (Master Fund level)	Initial Offer Period
A Ordinary	USD	No	.80 per cent	To 22 March 2022
A Ordinary Distributing	USD	No	.80 per cent	N/A
A Institutional	USD	No	.40 per cent	To 22 March 2022
A Institutional Distributing	USD	No	.40 per cent	To 22 March 2022
A Founder	USD	No	.25 per cent	N/A
A Founder Distributing	USD	No	.25 per cent	N/A
B Ordinary	EUR	Yes	.80 per cent	To 22 March 2022
B Ordinary Distributing	EUR	Yes	.80 per cent	To 22 March 2022
B Institutional	EUR	Yes	.40 per cent	To 22 March 2022
B Institutional Distributing	EUR	Yes	.40 per cent	To 22 March 2022
B Founder	EUR	Yes	.25 per cent	To 22 March 2022
B Founder Distributing	EUR	Yes	.25 per cent	To 22 March 2022
C Ordinary	CHF	Yes	.80 per cent	To 22 March 2022
C Ordinary Distributing	CHF	Yes	.80 per cent	To 22 March 2022
C Institutional	CHF	Yes	.40 per cent	To 22 March 2022
C Institutional Distributing	CHF	Yes	.40 per cent	To 22 March 2022
C Founder	CHF	Yes	.25 per cent	N/A
C Founder Distributing	CHF	Yes	.25 per cent	To 22 March 2022
D Ordinary	SEK	Yes	.80 per cent	To 22 March 2022
D Ordinary Distributing	SEK	Yes	.80 per cent	To 22 March 2022
D Institutional	SEK	Yes	.40 per cent	To 22 March 2022
D Institutional Distributing	SEK	Yes	.40 per cent	To 22 March 2022
D Founder	SEK	Yes	.25 per cent	To 22 March 2022
D Founder Distributing	SEK	Yes	.25 per cent	To 22 March 2022
E Ordinary	NOK	Yes	.80 per cent	To 22 March 2022
E Ordinary Distributing	NOK	Yes	.80 per cent	To 22 March 2022
E Institutional	NOK	Yes	.40 per cent	To 22 March 2022
E Institutional Distributing	NOK	Yes	.40 per cent	To 22 March 2022
E Founder	NOK	Yes	.25 per cent	N/A
E Founder Distributing	NOK	Yes	.25 per cent	To 22 March 2022
F Ordinary	GBP	Yes	.80 per cent	To 22 March 2022
F Ordinary Distributing	GBP	Yes	.80 per cent	To 22 March 2022
F Institutional	GBP	Yes	.40 per cent	To 22 March 2022
F Institutional Distributing	GBP	Yes	.40 per cent	To 22 March 2022
F Founder	GBP	Yes	.25 per cent	To 22 March 2022
F Founder Distributing	GBP	Yes	.25 per cent	To 22 March 2022
G Ordinary	SGD	Yes	.80 per cent	To 22 March 2022
G Ordinary Distributing	SGD	Yes	.80 per cent	To 22 March 2022
G Institutional	SGD	Yes	.40 per cent	To 22 March 2022
G Institutional Distributing	SGD	Yes	.40 per cent	To 22 March 2022
G Founder	SGD	Yes	.25 per cent	To 22 March 2022
G Founder Distributing	SGD	Yes	.25 per cent	To 22 March 2022
H Ordinary	JPY	Yes	.80 per cent	To 22 March 2022
H Ordinary Distributing	JPY	Yes	.80 per cent	To 22 March 2022
H Institutional	JPY	Yes	.40 per cent	To 22 March 2022
H Institutional Distributing	JPY	Yes	.40 per cent	To 22 March 2022
H Founder	JPY	Yes	.25 per cent	To 22 March 2022
H Founder Distributing	JPY	Yes	.25 per cent	To 22 March 2022

*\*Institutional share classes are compliant with the UK Retail Distribution Review (“RDR”) in that the Company does not pay any inducement or other form of remuneration with respect to the placement of the institutional share classes in the United Kingdom.*

*\*\*Founder share classes are no longer open for subscription to new investors.*

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

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

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Blackstone Low Carbon High Yield Corporate Bond Fund (Feeder)

Legal entity identifier: 635400CWENCMWG5O4W64

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

The Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

A reference benchmark is not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

The ESG-related exclusions referred to above apply at the time of acquisition of the relevant securities and in the event of any subsequent inadvertent holding of securities in breach of these principles or exclusions, the Investment Manager shall dispose of any such securities as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A.

----- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A.

----- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



### Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes, \_\_\_\_\_

☒ No



### What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the Fund is to invest at least 85% of its assets in Blackstone High Yield Systematic Corporate Fund (UCITS) (the “Master Fund”) and to produce returns, net of fees and expenses approximating the net performance of the Master Fund. The investment objective of the Master Fund is to produce returns, net of fees and expenses above the performance of the BofA Merrill Lynch US High Yield Constrained Index (the “Index”).

The weighted average carbon intensity of the Fund is the exposure to carbon intensive companies. The carbon intensity of the Fund is determined by measuring direct CO<sub>2</sub> emissions from the individual corporate bond issuers in the Fund as well as emissions from purchased energy relative to their corporate revenues. The Investment Manager utilises a proprietary system to measure the carbon intensity of the individual investments. The Investment Manager relies on third-party data for carbon emissions and potential carbon emissions from fossil fuel reserves which are measured based on an issuer’s reported data from annual reports, corporate social responsibility reports, the CDP (carbon disclosure project), oil and gas industry bodies, and data derived from other relevant third-party sources. As part of the investment selection process, the Investment Manager systematically down-weights individual issuers with high carbon intensity but does not exclude any particular sector or industry solely based on carbon intensity.

In order to meet the environmental and social characteristics promoted, Responsible Investment is integrated into the Investment Manager’s investment process in accordance with three foundational pillars as follows:

- (a) Application of a socially responsible investing (“SRI”) exclusion screen in respect of the portfolio of the Fund.
- (b) Conducting ongoing research into SRI (and ESG) factors.
- (c) Reviewing, monitoring, and risk modelling the Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.

The Investment Manager integrates exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager seeks to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry or those investments that are considered to be poor SRI performers by the Investment Manager. While the Investment Manager does not pursue an activist investment strategy in respect of the Fund, it takes

account of additional risks that are inherent in socially and environmentally costly businesses and when possible, will seek to avoid them. In this regard, the Investment Manager's policy aims to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social or environmental cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. Various factors are considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

In order to meet the environmental and social characteristics promoted, the Investment Manager applies binding criteria to the selection of underlying assets as part of its investment decisions making process.

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry.

The investment objective of the Fund is to produce returns, net of fees and expenses above the performance of the Index. The Fund also aims to constrain carbon intensity in respect of its corporate bond portfolio by targeting at least 50% lower weighted carbon intensity than the Index.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of its investment strategy.

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

The Investment Manager considers the "good governance" practices of the investee company issuer (the "Issuer") in accordance with established governance requirements applicable to the securities (including liquid, public and secondary securities) (the "Securities") in which the Fund invests. This will include those good governance criteria established under the SFDR, specifically: sound management structures, employee remuneration, employee relations and tax compliance ("Good Governance Criteria").

The Investment Manager's assessment of "good governance practices" will consider a range of criteria, methodologies and assumptions as part of pre-investment and ongoing monitoring processes (including but not limited to factors such as the market, size, sector or geographic location of the Issuer). As a minimum, meeting the criteria for public listing on a main market, and continuing public listing eligibility of the Issuer (including the

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

regulatory oversight of the same) is considered to set a presumption of good governance processes in the absence of evidence to the contrary. The Investment Manager's assessment will also involve a review of information in support of (or, alternatively, which disrupts) that presumption. This will be done via the use of quarterly ESG screening tools, such as ESG ratings and controversies screening tools or public searches carried out by the Investment Manager's Research Committee (the "Research Committee") or information garnered by the same as part of the Investment Manager's research-driven investment-process.

Where there are material good governance disruptors which the Investment Manager considers to be a material breach of the Good Governance Criteria, absent immediate action taken by the Issuer to remediate such a breach, this would result in either an exclusion against investing in the relevant Securities or a divestment of the same within a reasonable time period. Examples of good governance disruptors include but are not limited to: (1) de-listing of the underlying issuer for breaches of applicable listing rules and/ or requirements relating to Good Governance Criteria; (2) quarterly screening undertaken by Research Committee (using ESG screening tools, such as ESG ratings) revealing material adverse results; and (3) any business found (by the Research Committee using controversies screening tools or public searches) to have been involved in controversies or material breaches (such as material and ongoing breaches of labour laws) that would suggest a material and ongoing failure of good governance at the issuer level, where in each case there is no evidence that the Issuer has taken steps to remediate, mitigate and manage the same.

Note that no single good governance indicator or disruptor will be determinative on its own and some judgement will be required to consider these both in the round and in the wider context of the investment when making a determination as to good governance practices at the issuer level. This judgement will be exercised in good faith. Where any investment(s) are determined to not sufficiently meet the applicable Good Governance Criteria, a decision will be made not to invest in the securities of the Issuer or if securities of the Issuer are an existing investment to divest it within a reasonable period taking into consideration factors such as market liquidity.

Note that the good governance assessment process described above is applicable to corporate credit investments only and is not applicable to any of the Fund's investments in government bonds, other securities issued by sovereigns or supranational entities or derivatives such as interest rate futures.



## What is the asset allocation planned for this financial product?

### Asset allocation

describes the share of investments in specific assets. Taxonomy-aligned activities are expressed as a share of:

**turnover** reflecting The share of revenue from green activities of investee companies  
**capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green

The Fund intends to invest substantially all of its assets in the Master Fund. The Master Fund intends to invest a minimum of 80% of the Master Fund's assets in investments which attain the environmental and social characteristics promoted by the Master Fund. To achieve this, the Master Fund invests in a portfolio of high yield bonds and credit default swaps on the credit risk of companies.

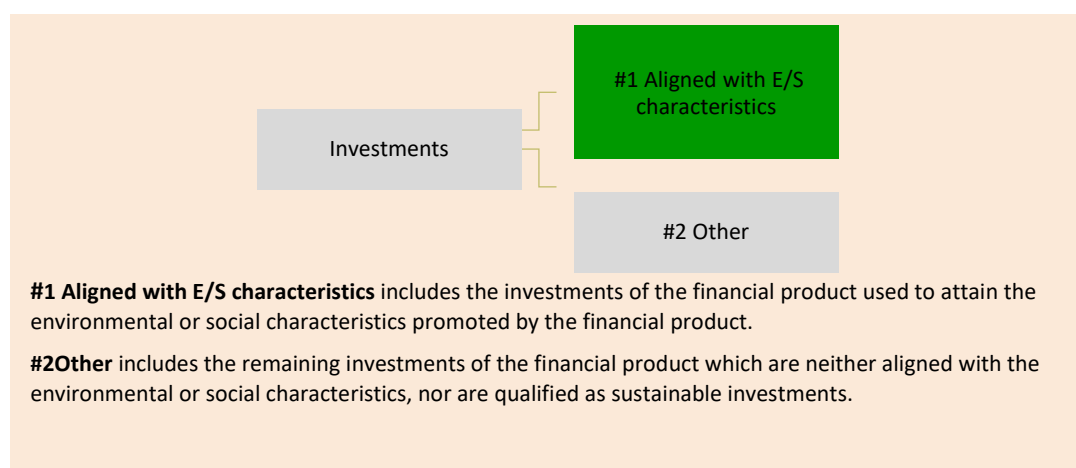
The remaining percentage of the Fund's investments will be in investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.



- **operational expenditure (OpEx)** reflecting green operational activities of investee companies

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

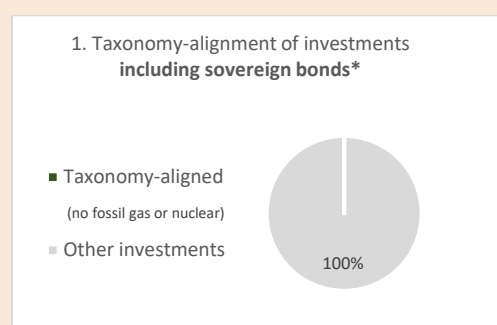
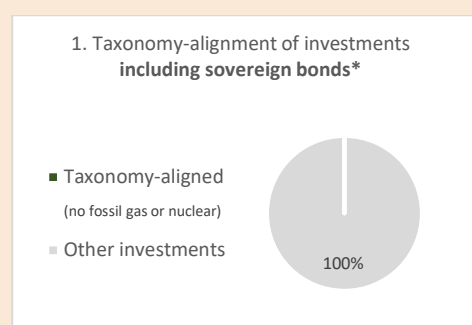
Whilst the Fund does use derivatives as part of its investment strategy, the use of derivatives is not with a view to attaining the environmental or social characteristics promoted by the Fund.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not commit to make investments that contribute to the environmental objectives identified in the Taxonomy Regulation.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

☐

Yes:

☐

In fossil gas

☐

In nuclear energy



No

- *What is the minimum share of investments in transitional and enabling activities?*

N/A.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.



**What is the minimum share of socially sustainable investments?**

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

“#2 Other” comprises investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

N/A.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

N/A.

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

N/A.

- *How does the designated index differ from a relevant broad market index?*

N/A.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

[www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/)

**SUPPLEMENT 7 DATED 1 JANUARY 2024 to the Prospectus issued for  
BLACKSTONE SYSTEMATIC CREDIT UMBRELLA FUND PLC**

**Blackstone Emerging Market Systematic Corporate Fund (Feeder)**

This Supplement contains information relating specifically to Blackstone Emerging Market Systematic Corporate Fund (Feeder) (the "Fund"), a Fund of Blackstone Systematic Credit Umbrella Fund plc (the "Company"), an open-ended umbrella type variable capital investment company with limited liability and with segregated liability between Funds authorised by the Central Bank on 12 August 2005 as a UCITS pursuant to the UCITS Regulations. The Company has six other Funds, Blackstone Investment Grade Systematic Corporate Fund (UCITS), Blackstone Low Carbon Global Investment Grade Corporate Bond Fund (UCITS), Blackstone Market Neutral Systematic Credit Fund (UCITS), Blackstone Low Carbon Short Duration Corporate Bond Fund (UCITS), Blackstone Low Carbon High Yield Corporate Bond Fund (Feeder) and Blackstone Enhanced Global Systematic Credit Fund.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 1 January 2024 (the "Prospectus") which precedes this Supplement and is incorporated herein.**

The Directors of the Company whose names appear in the Prospectus under the heading "Management and Administration" accept responsibility for the information contained in this Supplement and the Prospectus. 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**The Fund has been established as a feeder fund in accordance with the UCITS Regulations and invests at least 85% of its assets on a permanent basis in Blackstone Emerging Market Systematic Corporate Fund (UCITS), a sub-fund of Blackstone Systematic Credit UCITS ICAV. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

**Prospective investors should refer to the annex to this Supplement regarding the Fund's environmental and / or social characteristics.**

## **1. Interpretation**

The expressions below shall have the following meanings:

"Business Day"	means any day (except Saturday or Sunday) that is not an Irish bank holiday on which the Federal Reserve Bank of the United States and the New York Stock Exchange are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders.
"Credit Risk"	means the risk of loss due to the uncertainty in a debtor's ability to meet its financial obligation. Typically, the risk that a

debtor will default on the principal and/or interest payments it owes to its lenders.

"Dealing Day"	means each Business Day or such other day or days as the Directors may from time to time determine and as notified to Shareholders in advance, provided that there will be at least one Dealing Day per fortnight.
"Redemption Dealing Deadline"	in respect of redemptions, means five Business Days prior to the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
"Subscription Dealing Deadline"	in respect of subscriptions means 4 p.m., Irish Time on any Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
"FDI"	means financial derivative instruments.
"Initial Price"	means the price at which Shares of a Class are initially on offer during the initial offer period.
"Master Fund"	means Blackstone Emerging Market Corporate Fund, a sub-fund of Blackstone Systematic Credit UCITS ICAV.
"Valuation Point"	means 3 p.m. in New York, US time, on the Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## **2. Base Currency**

The Base Currency shall be US Dollars.

## **3. Classes of Shares**

Details of the Share Classes of the Fund are set out in the Share Class table in Appendix 1.

Each Share Class will be invested in a corresponding Share Class of the Master Fund.

Application for Shares in each Class will be made through the Administrator whose details are set out in the Application Form. The Administrator on behalf of the Company may reject any application for Shares.

Additional classes in the Fund may be established by the Directors as notified and cleared in

advance by the Central Bank. In an effort to mitigate against exchange rate risk, the Investment Manager has a currency overlay for the currency hedged Share Classes of the Master Fund and uses currency swaps, spot and forward foreign exchange contracts in respect of the Master Fund. Hedged currency Share Classes are identified in Appendix 1. Over-hedged or under-hedged positions may arise due to factors outside of the control of the Master Fund. Such over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the currency hedged share class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels outlined above and positions which are materially in excess of 100% will not be carried forward from month to month. To the extent that hedging is successful for hedged share class the performance of the currency hedged share class is likely to move in line with the performance of the underlying assets with the result that investors in the relevant hedged share class may not gain if the currency of the hedged class falls against the Base Currency and/or the currency in which the assets of the Master Fund are denominated. The allocation of gains or costs associated with derivatives employed for hedging purposes will be charged to the hedged Share Classes only.

#### **4. Profile of a Typical Investor**

The Fund is suitable for investors seeking long-term capital appreciation and who are prepared to accept a moderate level of volatility.

#### **5. Investment Objective and Policies**

##### **(a) *Objective of the Fund and the Master Fund***

The investment objective of the Fund is to invest at least 85% of its assets in the Master Fund and to produce returns, net of fees and expenses approximating the net performance of the Master Fund.

##### **Investment by the Fund in Ancillary Liquid Assets**

The Fund may also hold cash assets for defensive purposes up to a maximum of 15% of its net assets.

As a result of the use of ancillary liquid assets as outlined above, the performance of the Fund and the Master Fund may not be identical.

##### ***Objective of the Master Fund***

The investment objective of the Master Fund is to produce returns, net of fees and expenses above the performance of the JPMorgan Corporate Emerging Markets Bond Index Broad Diversified (the "Index") (Bloomberg: JPMX <GO> - Emerging Markets – Corporate - CEMBI ). The Index tracks the performance of the U.S. dollar-denominated debt issued by emerging market corporations. The index provider is JP Morgan Bank ("the Index Provider").

The Index contains bonds issued by corporations based in Latin American, Eastern European, Middle Eastern/African, and Asian countries (excluding Japan). Bonds are eligible for inclusion in the Index if (i) the issuer is headquartered in an emerging market country, (ii) the issue is 100% guaranteed by an entity within an emerging market economy, or (iii) 100% of the issuer's operating assets are located within emerging market economies. The definition of emerging market countries is determined by the Index Provider. Eligible securities from these countries must have a minimum outstanding face value of \$300 million or more and must be U.S. dollar denominated bonds with a minimum of 5 years to maturity or greater to be eligible for the Index and a remaining maturity of 13 months or greater at the time of rebalancing to remain eligible for the Index. There are no ratings restrictions on either the individual bonds or the country of risk. Further information on the Index can be found on [https://markets.jpmorgan.com/#research/emerging\\_markets.index](https://markets.jpmorgan.com/#research/emerging_markets.index) and on Bloomberg at: JPMX <GO> > Emerging Markets > Corporate > CEMBI

The Index Provider uses a proprietary market capitalization weighted methodology designed to distribute the weight of each country within the Index by limiting the weights of countries with higher debt outstanding and reallocating this excess to countries with lower debt outstanding. The Index methodology calculates the diversified (adjusted) face amount of each country. The face amount of each country is then converted to a market value which is then converted to an index weight percentage based on the proportion of the total Index market capitalization that the country represents. All coupons received are immediately reinvested into the Index. Issues that meet the qualifying criteria are included in the Index for the following month. Issues that no longer meet the criteria during the course of the month remain in the Index until the next month-end rebalancing at which point they are removed from the Index.

For the avoidance of doubt the Master Fund does not intend to replicate the Index. A more detailed description of the instruments that the Master Fund may invest in is provided below in Section 5(c).

The Master Fund is actively managed by reference to its performance benchmark, i.e. the Index.

The returns of each particular Share Class will be impacted by its currency denomination.

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

**(b) Summary of investment policy and strategy of the Master Fund**

The Master Fund seeks to achieve its investment objective by investing in a portfolio of corporate bonds (primarily investment grade) and also uses CDS by buying protection, as described further in Section 5 (d) below, by applying a quantitatively driven approach to asset selection and portfolio constitution. The investment strategy is expected to be long Credit Risk of firms that have instruments traded on Recognised Exchanges worldwide. The Master Fund employs portfolio diversification controlled by active risk assessment and portfolio management.

The Master Fund will seek to profit by holding positions which have been identified as undervalued by the Investment Manager (i.e., the market price of Credit Risk, or "credit spread" is lower than the Investment Manager's estimate of fair value). Such positions will be identified

by the Investment Manager's proprietary analytics, which includes a default probability measurement and a quantitative analysis of the "fair value" of each exposure. The default probability measurement is based on a proprietary model that has been developed by the Investment Manager and which takes into account a firm's asset value, liability structure, and volatility. The 'fair value' of the exposure is also based on proprietary analytics developed by the Investment Manager, and takes into account other characteristics of the exposure (including rating, sector, and term and other characteristics). The portfolio is invested in corporate bonds, primarily rated Investment Grade and CDS on the Credit Risk of issuers of corporate bonds as described further in Section (d) below. In certain circumstances, the Investment Manager may choose to hedge a position by buying CDS protection, which has the effect of offsetting part or all of the risk inherent in the position and is a more efficient means to offset the credit risk of a long bond position. The sum of the notional value of the positions is expected to be approximately 80% to 110% of the NAV of the Master Fund. The Master Fund will not hold any short positions.

**(c) *Instruments in which the Master Fund invests***

The instruments in which the Master Fund invests are corporate bonds (fixed or floating rate) and credit default swaps on the Credit Risk of the issuers of such bonds. The instruments in which the Master Fund invests are primarily issued by firms that have instruments traded on one or more Recognised Exchanges worldwide and under normal market conditions at least 80% of the bond portfolio will be issued by corporate or other business organizations located in or tied economically to an emerging market as defined by the Index Provider. The Master Fund will not invest in securities listed or traded on the issuer's jurisdiction. All bonds will be settled or cleared through Euroclear or through another institution outside of the issuer's country.

The Master Fund will invest in bonds rated below investment grade and under normal market conditions it is anticipated that such investments will be no more than 75% of the instruments in which the Fund invests. The Master Fund will not invest in convertible bonds. The limits relating to the rating of the instruments as referenced above will apply at the time of investment.

In pursuing its investment policies, the Master Fund may invest on a temporary basis more than one-third of its total assets in commercial papers, certificates of deposit and bank deposits. Although the majority of the Master Fund's investments will be made in emerging market bonds and CDS, the Fund also invests in US and European Treasury Bonds or Notes, and US and European Agency issued securities mainly for cash management purposes.

Where market or other factors so warrant, the assets of the Master Fund may be substantially invested in cash deposits. Such investments will be in accordance with the investment restrictions of the UCITS Regulations, the Central Bank UCITS Regulations and in accordance with the requirements of the Central Bank.

The Master Fund may also invest up to 10% of its net assets in other open-ended collective investment schemes and in ETFs in order to obtain indirect exposure. Any collective investment scheme in which the Master Fund may invest (i.e. other than ETFs) will be authorised by the Central Bank pursuant to the UCITS Regulations.

**(d) *Use of Financial Derivative Instruments by the Master Fund***



The Master Fund also invests in financial derivative instruments (“FDIs”) namely credit default swaps, interest rate swaps, index-based swaps and futures for investment purposes, for hedging or for performance enhancement. As of the date of the Supplement, the majority of FDIs will be traded Over-The-Counter (“OTC”).

The Master Fund aims to earn excess returns from Credit Risk. However, in addition to the return achieved from Credit Risk, overall returns may be significantly affected by the level of and movements in interest rates.

The underlying reference entities for CDS will be companies primarily with public equity and debt. The underlying exposures to other FDI used by the Fund are CDS indices, interest rates, currencies and government bonds. A description of each FDI instrument including details of their purpose in the context of the Master Fund’s investment policy are set out below.

#### *Credit Default Swaps*

The Master Fund may use CDS in addition to other instruments to implement its strategy. The ‘buyer’ in a CDS is obligated to pay the ‘seller’ a periodic stream of payments over the term of the contract provided no event of default has occurred. The Master Fund may be either a buyer or seller in a CDS transaction. The Master Fund and each of its trading counterparties is an adherent to the 2009 ISDA Auction Settlement Supplement. In the event of default of a CDS reference entity, as determined by the ISDA sanctioned Credit Derivatives Determination Committee, the seller must make a cash settlement payment to the buyer in an amount determined via an ISDA sanctioned auction settlement determination for the reference entities’ securities.

The Master Fund may sell protection in CDS to take “Long” Credit Risk to provide a more efficient and leveraged way to approximate the credit risks that would otherwise exist in a standard cash instrument such as a corporate bond. In doing so, the Master Fund selects positions through the Investment Manager’s application of a proprietary, quantitative credit model based on measuring default risk that assists it in identifying exposures that are undervalued (i.e. the market price of credit risk or “credit spread” is higher than the Investment Manager’s estimate of what is fair value). Where the Master Fund uses CDS, it will mainly be as a seller of protection but in may however buy protection in the circumstances set out below.

The Master Fund may also buy protection in CDS only in certain circumstances, namely to offset the Credit Risk of a position and is a more efficient means to offset the credit risk of a long bond position. In doing so, the Master Fund selects positions through the Investment Manager’s application of a proprietary, quantitative credit model based on measuring default risk that assists it in identifying exposures that are overvalued (i.e. the market price of credit risk or “credit spread” is lower than the Investment Manager’s estimate of what is fair value). There can be significant differences in the risks between cash instruments and CDS, and market prices of such risks can vary substantially. When long positions are hedged by buying protection using CDS on the same issues, there can be no guarantee that such positions will be fully hedged as market prices for cash and the corresponding CDS position may vary substantially depending on market conditions. Further detail in relation to the Long positions are set out above under “*Summary of*

*Investment Policy and Strategy*". Each CDS contract will be valued daily by the Administrator and independently valued at least once a month by the Investment Manager. In addition, the risks attached to the CDS will be independently assessed by the Investment Manager on a half-yearly basis and the independent report will be submitted to the Master Fund for review.

### *Index Swaps*

Index-based swaps may be used to gain exposure to a credit default swap index ("CDS indices"). A CDS index is an index based on a basket of single-issuer credit default swaps such as Markit CDX and Markit iTraxx. Exposure to CDS indices may be used by the Master Fund in order to hedge credit exposure, to manage credit risk or to take a position on a basket of credit entities in a more efficient and cost effective way than taking a direct CDS position. The Master Fund may gain exposure through swaps to the following CDS Indices:

#### *Markit CDX Indices*

Markit CDX family of indices is the standard North American and Emerging Markets tradeable credit default swap family of indices worldwide. The Markit CDX indices are a family of indices covering multiple sectors. The Markit CDX rebalance semi-annually in March and September. Markit CDX North American Investment Grade (125 names) (rebalanced twice yearly); Markit CDX North American High Yield (100 names) (rebalanced twice yearly). Further information on the indices can be accessed through the following link: <http://www.markit.com/en/products/data/indices/credit-and-loan-indices/cdx/cdx.page>.

#### *Markit iTraxx Indices*

Markit iTraxx are a family of European, Asian and Emerging tradable credit default swap indices. The iTraxx indices are a family of indices covering multiple sectors. The iTraxx indices rebalance semi-annually in March and September. The Markit iTraxx Europe index is comprised of one hundred twenty five (125) equally weighted European entities with investment grade credit ratings that trade in the CDS market; The Markit iTraxx Crossover index is comprised of fifty (50) European entities with non-investment grade credit ratings that trade in the CDS market. Further information on the indices can be accessed through the following link: <https://www.markit.com/Product/ITraxx>.

Details of any financial indices used by the Master Fund in respect of the use of index swaps will be provided to Shareholders by the Investment Manager on request and will be set out in the Master Fund's semi-annual and annual accounts. Any such indices will be cleared by the Central Bank or will meet its requirements.

**The indices that the Master Fund will gain exposure to shall satisfy the criteria set down in the UCITS Regulations and the Central Bank UCITS Regulations. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant index is rebalanced. Where the weighting of a particular constituent in the financial index exceeds the UCITS investment restrictions, the Investment Manager will as**

**a priority objective look to remedy the situation taking into account the interests of Shareholders and the Master Fund.**

#### *Futures*

The Master Fund uses government bond futures included in the Index. These instruments will only be used for hedging purposes and will be traded on Recognised Exchanges. The Master Fund will use governmental bond futures to seek to hedge against the interest rate risk arising from the Master Fund's portfolio of investments.

#### *Interest Rate Swaps*

The Master Fund uses interest rate swaps to hedge the Fund's interest rate exposure.

#### *Use of Currency Financial Derivative Instruments*

Although the Master Fund is denominated in US Dollars, it may invest in securities denominated in other currencies. The Net Asset Value of the Master Fund as expressed in the base currency will fluctuate in accordance with the changes in the foreign exchange rate between the base currency and the currencies in which the Master Fund's investments are denominated. The Master Fund may therefore be exposed to foreign exchange currency risk. Accordingly, the Investment Manager may try to mitigate this risk by using currency swaps and cross currency interest rate swaps.

#### *Financial Derivative Instruments – General*

Investments in FDI may lead to increased volatility, more limited liquidity and a higher than normal risk profile than a UCITS scheme which does not use FDI for investment purposes. Please refer to the Section headed "Risk Factors" in the Prospectus. The Management Company employs a risk management process which will enable it to accurately monitor measure and manage the risks attached to FDI positions and details of this process have been provided to the Central Bank. The Master Fund does not utilise FDI which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Management Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Master Fund including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

#### *Securities Financing Transactions*

Further information relating to securities financing transactions and TRS is set out in the Prospectus under the sections entitled "*Securities Financing Transactions*" and "*Total Return Swaps*".

As of the date of this Supplement, the Master Fund does not use total return swaps and does not engage in stocklending repurchase/reverse repurchase agreements or any securities financing transactions within the meaning of the Securities Financing Regulation (Regulation (EU)

2015/2365).

(e) **Leverage**

The Master Fund may use CDS for investment purposes. All other derivatives described in this Supplement shall only be used for hedging purposes.

Because the Fund does not have any direct exposure to FDI, the global exposure of the Fund to FDI shall be calculated as the actual exposure of the Master Fund in proportion to its investment in the Master Fund.

The Fund will invest 85-99% of its assets in the Master Fund.

The maximum aggregate expected level of notional exposure in the Fund is approximately 300% of the Net Asset Value where FDI for hedging purposes are taken into account. Higher levels of leverage may arise during times where non US Dollar subscriptions are made into the Master Fund and additional hedging is required, i.e. to hedge against foreign exchange risk.

In accordance with the requirements of the Central Bank, the Master Fund is required to disclose a figure for leverage inclusive of the sum of the notionals of the derivatives used. It should be noted that this figure is not an indicator of economic leverage within the Master Fund. A figure for leverage based on the sum of the notionals of the derivatives used may appear high, as it does not take into account the effect of any offsetting risks within the FDI which reduce exposure and volatility that the Master Fund has in place even though these netting and hedging arrangements reduce exposure. It should also be noted that often the economic exposure under a derivative will not be the notional value but a significantly lower mark-to-market or daily margin value.

***Use of VaR by the Master Fund as a Risk Measurement Methodology***

The Master Fund uses VaR which is an advanced risk measurement methodology in order to assess the Master Fund's market risk volatility and to ensure that the leverage effect of using derivatives is not significant enough to cause disproportionate loss to the overall value of the Master Fund. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a twenty day period under normal market conditions. When the VaR is calculated as a percentage of the Net Asset Value of the Master Fund (absolute VaR), it may not be greater than 20% of the Net Asset Value of the Master Fund. The VaR will be calculated daily using a one-tailed 99% confidence level, twenty (20) day holding period, and the historical observation period will not be less than one year unless a shorter period is justified.

***Collateral***

The Master Fund may receive cash and high quality government bonds to the extent deemed necessary by the Investment Manager in respect of over-the-counter derivative transactions employed for the Master Fund.

A documented haircut policy is in place for the Master Fund detailing the policy in respect of each class of assets received and which takes into account the characteristics of the assets and the

results of any stress tests conducted as required. Any re-investment of cash collateral shall be diversified in accordance with the requirements of the Central Bank. Re-invested cash collateral exposes the Master Fund to certain risks such as the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. Investors should consult the **“General Risk Factors”** of the Prospectus of the Master Fund for information on counterparty risk and Credit Risk in this regard.

(f) ***SFDR Categorisation and Environmental and Social Characteristics***

The Management Company, in consultation with the Investment Manager, has categorised the Fund as an Article 8 product for the purposes of the SFDR.

The Investment Manager of the Master Fund integrates environmental and social characteristics into the investment process of the Master Fund and applies exclusion screening to the selection of investments for the portfolio from the instruments in which the Master Fund invests as detailed under the heading "(iii) Instruments in which the Master Fund invests" above.

Responsible Investment is integrated into the Investment Managers investment process in accordance with three foundational pillars as follows:

- (a) Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolio of the Fund.
- (b) Conducting ongoing research into SRI (and ESG) factors.
- (c) Reviewing, monitoring, and risk modelling the Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.

The Investment Manager integrates exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager seeks to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending, or those investments that are considered to be poor SRI performers by the Investment Manager as further described below. While the Investment Manager does not pursue an activist investment strategy in respect of the Fund, it takes account of additional risks that are inherent in socially and environmentally costly businesses and when possible, will seek to avoid them. In this regard, the Investment Manager's policy aims to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social or environmental cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. Various factors are considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.

As of the date of this Supplement, the Investment Manager seeks to avoid certain issuers from

categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending. In this regard, the Investment Manager will exclude such businesses from the investment universe as detailed above. The Investment Manager reviews, affirms, and (if needed), modifies the specific exclusion list at least quarterly.

Further details of the Investment Manager's SRI criteria and the integration of sustainability factors into the investment process are set out in the Prospectus under the heading "*The Company*" – *SFDR Categorisation and Environmental and Social Characteristics*".

(g) ***Taxonomy Regulation***

As of the date of this Supplement, the Fund invests 0% in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

The Taxonomy Regulation sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm Taxonomy objectives and is accompanied by specific EU criteria. Similarly, any other sustainable investments must also not significantly harm any environmental or social objectives. The "do no significant harm" principle applies only to sustainable investments (if any). Other investments do not take into account the EU criteria for environmentally sustainable economic activities and are not required to apply the "do no significant harm" principle.

**6. Investment and Borrowing Restrictions**

The Fund may borrow up to 10% of its Net Asset Value. Such borrowing will only be on a temporary basis. The Fund may charge its assets as security for such borrowings.

**7. Minimum Subscription**

US\$5million or currency equivalent in respect of Institutional Share Classes and US\$1million or currency equivalent in respect of each other Class of Shares.

There will be no Minimum Subscription in respect of subsequent subscriptions by the same investor.

The Directors reserve the right to differentiate between Shareholders and waive or reduce the Minimum Subscription in accordance with the requirements of the Central Bank.

**8. Additional Information in respect of the Master Fund**

The Master Fund is sub-fund of Blackstone Systematic Credit UCITS ICAV which is authorised by the Central Bank pursuant to the UCITS Regulations. The Investment Manager also acts as investment manager of the Master Fund.

A copy of the Supplement relating to the Master Fund ("Master Fund Prospectus") and further information in relation to the Master Fund is available free of charge upon request from

Blackstone Credit Systematic Strategies LLC, the Investment Manager at 101 California Street 44th Floor, San Francisco, CA 94111. Details of the tax implications of investment in the Master Fund are set out in the Master Fund Prospectus under the heading "Taxation".

The Company on behalf of the Fund and the ICAV on behalf of the Master Fund have entered into a Master-Feeder Agreement which *inter alia* covers the basis of investment and divestment by the Fund, dealing arrangements and arrangements for the preparation of the audit reports of the Master Fund and the Fund. Copies of the Master-Feeder Agreement can be obtained free of charge from the Investment Manager of the Master Fund.

## **9. Application for Shares**

Details of the initial offer period in respect of the Share Classes are set out in Appendix 1 (the "Initial Offer Period").

The Initial Offer Period will close as soon as an investor subscribes for Shares in that Share Class and provided that a minimum amount of US\$1 million (or currency equivalent) has been invested in that Share Class. During the Initial Offer Period, Shares are on offer at the Initial Price of US\$100 (or the equivalent in the relevant Share Class currency).

Applications for Shares should be made through the Administrator (whose details are set out in the Application Form with this Supplement) on behalf of the Company in accordance with the procedures as set out in the Prospectus. Such requests must be received by the Administrator prior to the Dealing Deadline for the relevant Dealing Day. Applications, including initial applications accepted by the Administrator on behalf of the Fund and received by the Administrator no later than the Dealing Deadline will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine (in exceptional circumstances only) to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

Initial applications should be made using the Application Form obtained from the Investment Manager or Administrator, and may be made by facsimile or such other means as may from time to time be permitted by the Directors, the Administrator and the Central Bank including electronic means subject to prompt transmission to the Administrator of the signed application form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of written instructions from the relevant Shareholder.

### ***Fractions***

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions

shall not be less than .001 of a Share.

Subscription monies, representing less than .001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs for the relevant Fund.

#### *Method of Payment*

Subscription payments net of all bank charges should be paid by electronic transfer to the bank account specified in the Application Form enclosed with the Prospectus. Other methods of payment are subject to the prior approval of the Directors. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

#### *Currency of Payment*

Subscription monies are payable in the currency denomination of the relevant Share Class. However, the Company may accept payment in such other currencies as the Directors may agree at the prevailing exchange rate quoted by the Administrator. The cost and risk of converting currency will be borne by the investor.

#### *Timing of Payment*

Payment in respect of subscriptions must be received in cleared funds by the Custodian no more than two Business Days after the relevant Dealing Deadline provided that the Directors reserve the right to defer the issue of Shares until receipt of cleared subscription monies by the Fund.

### **10. Redemption of Shares**

Requests for redemption of Shares shall be made to the Administrator on behalf of the Company by facsimile or written communication (including electronic means). Such requests must be received by the Administrator prior to the Redemption Dealing Deadline for the relevant Dealing Day and shall include such information as may be specified from time to time. Any requests for redemption received after the Redemption Dealing Deadline will be processed on the next Dealing Day. However, the Directors may in their absolute discretion determine (in exceptional circumstances only) that applications may be accepted after the Redemption Dealing Deadline provided that any such application is received prior to the Valuation Point. The procedures in respect of redemptions are set out in the Prospectus.

#### *Timing of Payment*

Redemption proceeds in respect of Shares will be paid within three Business Days of the relevant Dealing Day provided correct redemption documentation has been received by the Administrator.

### **11. Conversion of Shares**



Subject to the Minimum Subscription, Minimum Holding and minimum transaction requirements of the relevant Fund or Classes, Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

## **12. Fees and Expenses**

The establishment expenses of the Fund which are not expected to exceed U.S. \$25,000 will be borne by the Fund and will be amortised over the first twenty –four months of the Fund or such other period as the Directors determine as fair and equitable.

The Fund bears its attributable portion of the fees and operating expenses of the Company which are set out in detail under the heading "Fees and Expenses" in the Prospectus. In addition, the following fees and expenses are payable out of the Fund's assets:

No administration, investment management or custody fees will be payable by the Fund. The Fund will reimburse the reasonable out-of-pocket expenses of the Administrator, Investment Manager and Depositary necessarily incurred in the performance of their duties.

No initial fee will be payable by the Fund when subscribing for Shares in the Master Fund.

If any commission distribution fee or other monetary benefit is received by the Investment Manager by virtue of the Fund's investments in the Master Fund, such commission will be paid into the assets of the Fund. The Investment Manager does not anticipate that it will receive any such commission.

**In addition, the following fees and expenses are payable out of the Master Fund's assets.**

### *The Management Company*

The Management Company will be entitled to receive out of the assets of each Fund an annual management fee of up to 0.10% per annum of the Net Asset Value of the Fund. The management fee shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears. The proposed fee arrangements mean that the actual fee payable by the Fund is anticipated to be materially below 0.10% per annum. The Management Company shall also be entitled to be reimbursed out of the assets of each Fund for its reasonable out-of-pocket expenses.

### *The Administrator and Depositary:*

The Administrator and Depositary shall each be entitled to receive out of the assets of the Master Fund an annual fee attributable to each Class. The fee payable by the Master Fund to the Administrator and the Depositary shall not exceed 0.10% per annum of the Net Asset Value attributable to each Share Class. The fee percentage may decrease as the Net Asset Value of the Master Fund increases.

The administration and depositary fee will accrue daily and be payable monthly in arrears. The Administrator shall also be entitled to be paid its reasonable and properly vouched out-of-pocket expenses out of the assets of the Master Fund.

The Depositary shall also be entitled to be repaid all of its disbursements out of the assets of the Master Fund including the fees and expenses of any sub-custodian which shall be at normal commercial rates.

*The Investment Manager:*

The Investment Manager is entitled to charge a fee of up to 1.5 % per annum of the Net Asset Value of the Master Fund (the "Investment Management Fee"). The rates applicable to each Share Class are set out in Appendix 1. The Investment Management Fee payable to the Investment Manager is calculated and accrued daily based on the Net Asset Value of the Shares at the Valuation Point and the number of Shares outstanding on that Dealing Day (before taking into account subscriptions and redemptions of Shares of each Class made on that Dealing Day) and will be paid monthly in arrears. The Investment Manager is also entitled to be repaid its reasonable out-of-pocket expenses out of the assets of the Master Fund.

The Directors, in their discretion, may differentiate between the Shareholders of the Master Fund by waiving or reducing the annual investment management fee charged to certain Shareholders or to certain Classes of the Master Fund. Such waivers or differentiation may be effected by way of a rebate to the relevant Shareholder account or by reducing the fee payable by a Class of Shareholders in the Master Fund. In addition, the Investment Manager, in its discretion, may agree with certain Shareholders of the Master Fund to rebate or otherwise reduce or waive a portion of the investment management fee charged to such Shareholders. In the event of any such waiver, rebate or fee reduction, the Directors or Investment Manager, at their absolute discretion, may choose not to disclose such waiver, rebate or fee reduction to the other Shareholders or Classes of Shareholders.

Investors should seek their own independent advice regarding the implications or any fee waiver, reduction or rebate.

*Voluntary Cap*

The Investment Manager has voluntarily agreed to cap the expenses (excluding, for the avoidance of doubt, the Investment Manager's Fees and any Performance Fee) charged to the Fund, as described in the section headed "Fees and Expenses", at approximately 0.15% per annum of the annual average Net Asset Value of the Fund (as calculated by the Administrator) and will pay any excess of such expenses over this amount; provided other extraordinary expenses shall be excluded from such cap. Only those fees and expenses which are actually incurred up to this cap will be payable out of the assets of the Fund. The Investment Manager may, in its absolute discretion, in the future withdraw or amend the voluntary cap.

*Sales Charge*

There is no sales charge for any Class of Shares.

#### *Redemption Charge*

There is no redemption charge for the Fund.

#### *Conversion Fee*

No conversion fee is charged for any Class of the Fund.

### **13. Dividends and Distributions**

Distributions if any, in respect of the distributing Share Classes listed in Appendix 1 are normally paid annually by 30 January each year. In respect of accumulating Share Classes, the income, earnings and gains will be accumulated and reinvested.

### **14. Risk Factors**

The attention of investors is drawn to the “Risk Factors” section in the Section of the Prospectus entitled “The Company”.

#### ***Emerging Markets Risk – Master Fund***

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

#### ***Accounting Standards Risk***

The accounting, auditing and financial reporting standards of countries in which the Master Fund may invest in respect of a Fund are likely to be less extensive than those applicable to United States or European companies, particularly in emerging markets. In addition, there is generally less government supervision and regulation of stock exchanges, brokers and listed companies in most developing countries than in countries with more advanced securities markets. As a result, there may be less information available publicly to investors in developing country securities; such information as is available may be less reliable.

#### ***Political, Social and Economic Instability***

Some countries have a higher than usual risk of nationalisation, expropriation or confiscatory taxation, any of which might have an adverse effect on the Master Fund's investments in those countries. Developing countries can be subject to a higher than usual risk of political change, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of such countries and thus the Master Fund's investments in those countries. Furthermore, it may be difficult for the Master Fund to obtain effective enforcement of its rights in certain developing countries.

#### *Settlement and Sub-Custodial Risk*

As the Master Fund may invest in markets where the trading, settlement and custodial systems are not fully developed, there is an increased risk of the assets of the Master Fund which are traded in such markets being lost through fraud, negligence, oversight or catastrophe such as a fire. In other circumstances such as the insolvency of a sub-custodian or registrar, or retroactive application of legislation, the Master Fund may not be able to establish title to investments made and may suffer loss as a result. In such circumstances, the Master Fund may find it impossible to enforce its right against third parties. As the Master Fund may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of the Master Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Depositary will have no liability. However as the Master Fund will not invest in corporate bonds listed or traded on exchange or market in an issuer's jurisdiction (i.e., all bonds will be settled or cleared through Euroclear or similar settlement institutions, the Master Fund is not expected to have any custodial risk.

#### *Risks of Investing in Russia*

Investments in companies organised in or who principally do business in the independent states that were once part of the Soviet Union, including the Russian Federation pose special risks, including economic and political unrest and may lack a transparent and reliable legal system for enforcing the rights of creditors and shareholders of the Master Fund. Furthermore, the standard of corporate governance and investor protection in Russia may not be equivalent to that provided in other jurisdictions. The Master Fund does not however propose to invest in corporate bonds traded on Russian exchanges.

#### *Market Liquidity and Foreign Investment Infrastructure*

Trading volume on the stock exchange of most developing countries can be substantially less than in the leading stock markets of the developed world, so that the purchase and sale of holdings may take longer. Volatility of prices can be greater than in the developed world. This may result in some volatility in the value of the Master Fund and, if sales of a significant amount of securities have to be effected at short notice in order to meet redemption requests, such sales may have to be effected at unfavourable prices which could have an adverse effect on the value of a Master Fund and therefore the Net Asset Value per Share. In certain developing countries, portfolio investment by foreign investors such as the Fund may require consent or be subject to restrictions. These restrictions and any further restrictions introduced in the future could limit the availability to the Master Fund of attractive investment opportunities.



## APPENDIX 1

### SHARE CLASS TABLE

Class* **	Currency	Currency Hedging (Master Fund)	Investment management fees (Master level)	Initial Offer Period
A Ordinary	USD	No	1.2 per cent	To 5pm on 22 March 2022.
A Ordinary Distributing	USD	No	1.2 per cent	To 5pm 22 March 2022
A Institutional	USD	No	.60 per cent	To 5pm 22 March 2022
A Institutional Distributing	USD	No	.60 per cent	To 5pm 22 March 2022
A Founder	USD	No	.25 per cent	To 5pm 22 March 2022
A Founder Distributing	USD	No	.25 per cent	To 5pm 22 March 2022
B Ordinary	EUR	Yes	1.2 per cent	To 5pm 22 March 2022
B Ordinary Distributing	EUR	Yes	1.2 per cent	To 5pm 22 March 2022
B Institutional	EUR	Yes	.60 per cent	To 5pm 22 March 2022
B Institutional Distributing	EUR	Yes	.60 per cent	To 5pm 22 March 2022
B Founder	EUR	Yes	.25 per cent	To 5pm 22 March 2022
B Founder Distributing	EUR	Yes	.25 per cent	To 5pm 22 March 2022
C Ordinary	CHF	Yes	1.2 per cent	To 5pm 22 March 2022
C Ordinary Distributing	CHF	Yes	1.2 per cent	To 5pm 22 March 2022
C Institutional	CHF	Yes	.60 per cent	To 5pm 22 March 2022
C Institutional Distributing	CHF	Yes	.60 per cent	To 5pm 22 March 2022
C Founder	CHF	Yes	.25 per cent	To 5pm 22 March 2022
C Founder Distributing	CHF	Yes	.25 per cent	To 5pm 22 March 2022
D Ordinary	SEK	Yes	1.2 per cent	To 5pm 22 March 2022
D Ordinary Distributing	SEK	Yes	1.2 per cent	To 5pm 22 March 2022
D Institutional	SEK	Yes	.60 per cent	To 5pm 22 March 2022
D Institutional Distributing	SEK	Yes	.60 per cent	To 5pm 22 March 2022
D Founder	SEK	Yes	.25 per cent	To 5pm 22 March 2022
D Founder Distributing	SEK	Yes	.25 per cent	To 5pm 22 March 2022
E Ordinary	NOK	Yes	1.2 per cent	To 5pm 22 March 2022
E Ordinary Distributing	NOK	Yes	1.2 per cent	To 5pm 22 March 2022
E Institutional	NOK	Yes	.60 per cent	To 5pm 22 March 2022
E Institutional Distributing	NOK	Yes	.60 per cent	To 5pm 22 March 2022
E Founder	NOK	Yes	.25 per cent	To 5pm 22 March 2022
E Founder Distributing	NOK	Yes	.25 per cent	To 5pm 22 March 2022
F Ordinary	GBP	Yes	1.2 per cent	To 5pm 22 March 2022
F Ordinary Distributing	GBP	Yes	1.2 per cent	To 5pm 22 March 2022
F Institutional	GBP	Yes	.60 per cent	To 5pm 22 March 2022
F Institutional Distributing	GBP	Yes	.60 per cent	To 5pm 22 March 2022
F Founder	GBP	Yes	.25 per cent	To 5pm 22 March 2022
F Founder Distributing	GBP	Yes	.25 per cent	To 5pm 22 March 2022
G Ordinary	SGD	Yes	1.2 per cent	To 5pm 22 March 2022
G Ordinary Distributing	SGD	Yes	1.2 per cent	To 5pm 22 March 2022
G Institutional	SGD	Yes	.60 per cent	To 5pm 22 March 2022

<b>Class* **</b>	<b>Currency</b>	<b>Currency Hedging (Master Fund)</b>	<b>Investment management fees (Master level)</b>	<b>Initial Offer Period</b>
G Institutional Distributing	SGD	Yes	.60 per cent	To 5pm 22 March 2022
G Founder	SGD	Yes	.25 per cent	To 5pm 22 March 2022
G Founder Distributing	SGD	Yes	.25 per cent	To 5pm 22 March 2022
H Ordinary	JPY	Yes	1.2 per cent	To 5pm 22 March 2022
H Ordinary Distributing	JPY	Yes	1.2 per cent	To 5pm 22 March 2022
H Institutional	JPY	Yes	.60 per cent	To 5pm 22 March 2022
H Institutional Distributing	JPY	Yes	.60 per cent	To 5pm 22 March 2022
H Founder	JPY	Yes	.25 per cent	To 5pm 22 March 2022
H Founder Distributing	JPY	Yes	.25 per cent	To 5pm 22 March 2022

\*Institutional share classes are compliant with the UK Retail Distribution Review ("RDR") in that the ICAV does not pay any inducement or other form of remuneration with respect to the placement of the institutional share classes in the United Kingdom.

\*\* Founder share classes are no longer open for subscription to new investors.

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

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

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name: Blackstone Emerging Market Systematic Corporate Fund (Feeder)**

**Legal entity identifier: 635400VVDZXVHUOT7J76**

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



**Yes**



**No**



It will make a minimum of **sustainable investments with an environmental objective: \_\_\_\_%**



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective: \_\_\_\_%**



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

The Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending.

A current list of applicable exclusion categories is available upon request from the Investment Manager.



A reference benchmark is not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

The ESG-related exclusions referred to above apply at the time of acquisition of the relevant securities and in the event of any subsequent inadvertent holding of securities in breach of these principles or exclusions, the Investment Manager shall dispose of any such securities as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A.

----- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A.

----- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



### Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes, \_\_\_\_\_

☒ No



### What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the Fund is to invest at least 85% of its assets in Blackstone Emerging Market Corporate Fund (the "Master Fund") and to produce returns, net of fees and expenses approximating the net performance of the Master Fund. The investment objective of the Master Fund is to produce returns, net of fees and expenses above the performance of the JPMorgan Corporate Emerging Markets Bond Index Broad Diversified. In order to meet the environmental and social characteristics promoted, Responsible Investment is integrated into the Investment Manager's investment process in accordance with three foundational pillars as follows:

- (a) Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolio of the Fund.
- (b) Conducting ongoing research into SRI (and ESG) factors.
- (c) Reviewing, monitoring, and risk modelling the Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.

The Investment Manager integrates exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager seeks to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending, or those investments that are considered to be poor SRI performers by the Investment Manager. While the Investment Manager does not pursue an activist investment strategy in respect of the Fund, it takes account of additional risks that are inherent in socially and environmentally costly businesses and when possible, will seek to avoid them. In this regard, the Investment Manager's policy aims to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager will assess certain businesses where the social or environmental cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. Various factors are considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.

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

In order to meet the environmental and social characteristics promoted, the Investment Manager applies binding criteria to the selection of underlying assets as part of its investment decisions making process.

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Investment Manager seeks to avoid certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons and payday lending.

A current list of applicable exclusion categories is available upon request from the Investment Manager.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of its investment strategy.

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

The Investment Manager considers the "good governance" practices of the investee company issuer (the "Issuer") in accordance with established governance requirements applicable to the securities (including liquid, public and secondary securities) (the "Securities") in which the Fund invests. This will include those good governance criteria established under the SFDR, specifically: sound management structures, employee remuneration, employee relations and tax compliance ("Good Governance Criteria").

The Investment Manager's assessment of "good governance practices" will consider a range of criteria, methodologies and assumptions as part of pre-investment and ongoing monitoring processes (including but not limited to factors such as the market, size, sector or geographic location of the Issuer). As a minimum, meeting the criteria for public listing on a main market, and continuing public listing eligibility of the Issuer (including the regulatory oversight of the same) is considered to set a presumption of good governance processes in the absence of evidence to the contrary. The Investment Manager's assessment will also involve a review of information in support of (or, alternatively, which disrupts) that presumption. This will be done via the use of quarterly ESG screening tools, such as ESG ratings and controversies screening tools or public searches carried out by the Investment Manager's Research Committee (the "Research Committee") or information garnered by the same as part of the Investment Manager's research-driven investment-process.

Where there are material good governance disruptors which the Investment Manager considers to be a material breach of the Good Governance Criteria, absent immediate action taken by the Issuer to remediate such a breach, this would result in either an exclusion against investing in the relevant Securities or a divestment of the same within a reasonable time period. Examples of good governance disruptors include but are not limited to: (1) de-listing of the underlying issuer for breaches of applicable listing rules and/ or requirements relating to Good Governance Criteria; (2) quarterly screening undertaken by Research Committee (using ESG screening tools, such as ESG ratings) revealing material adverse results; and (3) any business found (by the Research Committee using controversies screening tools or public searches) to have been involved in controversies or material breaches (such as material and ongoing breaches of labour laws) that would suggest a material and ongoing failure of good governance at the issuer level, where in each case there is no evidence that the Issuer has taken steps to

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

remediate, mitigate and manage the same.

Note that no single good governance indicator or disruptor will be determinative on its own and some judgement will be required to consider these both in the round and in the wider context of the investment when making a determination as to good governance practices at the issuer level. This judgement will be exercised in good faith. Where any investment(s) are determined to not sufficiently meet the applicable Good Governance Criteria, a decision will be made not to invest in the securities of the Issuer or if securities of the Issuer are an existing investment to divest it within a reasonable period taking into consideration factors such as market liquidity.

Note that the good governance assessment process described above is applicable to corporate credit investments only and is not applicable to any of the Fund's investments in government bonds, other securities issued by sovereigns or supranational entities or derivatives such as interest rate futures.

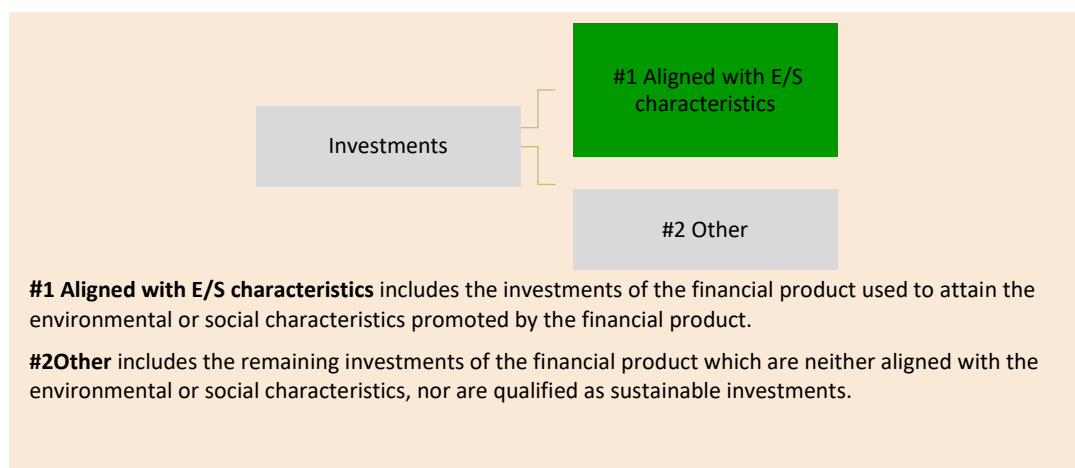


### What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in

The Fund intends to invest substantially all of its assets in the Master Fund. The Master Fund intends to invest a minimum of 80% of the Master Fund's assets in investments which attain the environmental and social characteristics promoted by the Master Fund. To achieve this, the Master Fund invests in corporate bonds (fixed and floating rate) and credit default swaps on the credit risk of the issuers of such bonds.

The remaining percentage of the Fund's investments will be in investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.



### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?


Whilst the Fund does use derivatives as part of its investment strategy, the use of derivatives is not with a view to attaining the environmental or social characteristics promoted by the Fund.



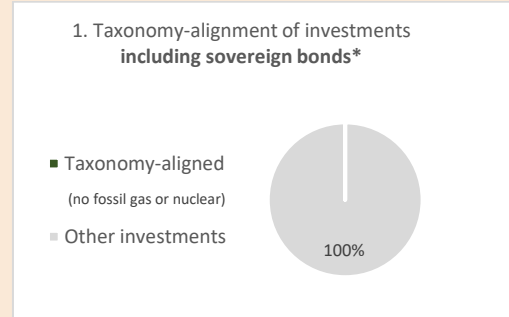
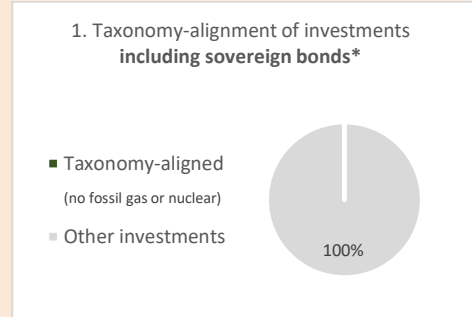
### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not commit to make investments that contribute to the environmental

objectives identified in the Taxonomy Regulation.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?



Yes:



In fossil gas



In nuclear energy



No

● What is the minimum share of investments in transitional and enabling activities?

N/A.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.



What is the minimum share of socially sustainable investments?

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

“#2 Other” comprises investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

N/A.

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

N/A.

- *How does the designated index differ from a relevant broad market index?*

N/A.

- *Where can the methodology used for the calculation of the designated index be found?*

N/A.



Where can I find more product specific information online?

More product-specific information can be found on the website:

[www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/).

**COUNTRY SUPPLEMENT**  
**BLACKSTONE SYSTEMATIC CREDIT UMBRELLA FUND PLC**

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**Additional Information for Investors in Austria, Denmark, Finland, France, Iceland, Lichtenstein, Luxembourg, Netherlands, Norway, Portugal, Spain and Sweden**

**Date: 23 January 2024**

**This document is supplemental to, forms part of and should be read in conjunction with the Prospectus dated 1 January 2024 for Blackstone Systematic Credit Umbrella Fund plc and supplements as amended from time to time.**

References to the Prospectus are to be taken as references to that document as supplemented or amended hereby. In addition, words and expressions defined in the Prospectus, unless otherwise defined below, shall bear the same meaning when used herein.

**In accordance with Directive (EU) 2019/1160 of the European Parliament and of the Council of 20 June 2019 amending Directive 2009/65/EC and 2011/61/EU**, Blackstone Systematic Credit Umbrella Fund plc has appointed FE fundinfo (Luxembourg) S.à.r.l. with registered address 6 Boulevard des Lumières, Belvaux, 4369, Luxembourg to provide the facilities to perform the tasks detailed in Article 92(1) of Directive 2009/65/EC.

Details regarding the provision of the facilities to perform the tasks referred to in Article 92(1) of Directive 2009/65/EC are referenced below.

For the contact details of the entity who can process subscriptions, repurchase and redemption orders and make other payments to unit-holders relating to the units of the UCITS in the above mentioned countries, contact FE fundinfo (Luxembourg) S.à.r.l. at the following email address: [fa\\_gfr@fefundinfo.com](mailto:fa_gfr@fefundinfo.com)

Any person who contacts this facility will be provided with the details of the regulated entity where they can request to process subscriptions, repurchase and redemption orders in the appropriate language for investors. This facility does not constitute an offer, an invitation or a solicitation for any investment or subscription, for the units/shares/interests of the UCITS by investors.

Information on how orders can be made and how repurchase and redemption proceeds are paid can be found in the Prospectus on [www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/) or obtained from the following email address: [fa\\_gfr@fefundinfo.com](mailto:fa_gfr@fefundinfo.com)

Your request will be acknowledged, and time and date stamped by FE fundinfo (Luxembourg) S.à.r.l. and will be forwarded to the fund's Administrator or Transfer Agent as appropriate. The appropriate entity will then contact you to process your request and all further communication regarding your request should be directed to this entity.

Procedures and arrangements referred to in Article 15 of Directive 2009/65/EC relating to the investors' exercise of their rights can be found in the Prospectus on [www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/) or complaints regarding your investment in the fund can be sent to the following email address: [fa\\_gfr@fefundinfo.com](mailto:fa_gfr@fefundinfo.com)

Pursuant to Chapter IX of Directive 2009/65/EC copies of the Instrument of Incorporation, the Prospectus including its Supplements, the Key Information Documents, the audited annual report and, if subsequently published, the unaudited semi-annual report, as well as any further documents that may be listed under "Documents Available" in the Prospectus, may be obtained free of charge from [www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/).

## Information for Investors in Belgium Only

This Supplement is supplemental to, forms part of and should be read in conjunction with the Prospectus for Blackstone Systematic Credit Umbrella Fund plc (the “Company”) dated 1 January 2024, and the latest Supplement for the relevant sub-funds (each, a “Fund”), as amended from time to time.

### 1. Facilities Agent

The following entity has been appointed by the Company to provide certain facilities to investors according to Article 154, § 2 of the Belgian Act dated 3 August 2012 (implementing Article 92 of Directive 2009/65/EC) (the “Facilities Agent”):

FE fundinfo (Luxembourg) S.à.r.l.  
6 Boulevard des Lumières  
Belvaux, 4369  
Luxembourg

Such facilities will be provided in French.

The Prospectus (and any Supplement attached thereto), the Key Information Documents (KIDs<sup>1</sup>), the Memorandum and Articles of Association of the Company and the most recently published annual and semi-annual reports are available for inspection and obtainable free of charge during normal business hours from the Facilities Agent. These documents are available in English except the KIID that is available in French. **Investors are invited to read the KID before taking any investment decision.**

Investors can address to their usual financial intermediary or, as the case may be, any distributor(s) appointed for the distribution in Belgium to subscribe for and redeem Shares in the Fund, and to receive redemption proceeds, dividend payments and any other payments relating to such Shares. Requests for the subscription, redemption and switching of Shares may also be submitted directly to the Company and shareholders may receive redemption proceeds, dividend payments and any other payments directly from the Company. Any enquiry in this respect submitted to the Facilities Agent shall be redirected to be dealt with by the Company (or the Investment Manager or the Administrator, as appropriate).

### 2. Funds registered for public offering in Belgium

The following Funds of the Company are publicly offered and registered in Belgium:

- Blackstone Emerging Market Systematic Corporate Fund (Feeder)
- Blackstone Enhanced Global Systematic Credit Fund (UCITS)
- Blackstone Low Carbon Global Investment Grade Corporate Bond Fund (UCITS)
- Blackstone Low Carbon High Yield Corporate Bond Fund (Feeder)
- Blackstone Market Neutral Systematic Credit Fund (UCITS)

All investors will be allowed to invest in shares of each of the Funds of the Company registered for public offering in Belgium subject to the terms of the Prospectus.

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<sup>1</sup> The term “KIID” that is used in the Prospectus has been defined to mean either (i) a key investor information document as may be issued in respect of each relevant class of Shares pursuant to the UCITS Regulations, as may be amended from time to time; or (ii) a key information document issued in respect of each relevant class of Shares pursuant to the Packaged Retail and Insurance-based Investment Products Regulation (EU) No. 1286/2014 and the Delegated Regulation (EU) 2021/2268, as may be amended from time to time.



### **3. Publications**

The legal documents of the Company (Prospectus and supplements thereto, KIDs, Memorandum and Articles of Association and annual and semi-annual reports), the Net Asset Value per Share of each Fund and the Shareholders' notices will also be published on the website: <http://www.fundinfo.com>.

### **4. Complaints**

In addition to the process described in Section 6 point 16 of the Prospectus ("Complaints"), Belgian investors may lodge any complaint relating to the operation of the Company with the Facilities Agent who shall forward such complaint to the Company. If the complaint is not resolved, Belgian investors may lodge a complaint with the Belgian Ombudsfin at:

<http://www.ombudsfin.be/fr/particuliers/introduire-une-plainte/>  
<http://www.ombudsfin.be/nl/particulieren/klacht-indienen/>.

### **5. Costs and charges applicable to the subscription, redemption and switching of Shares**

Entry charge: none.

For a detail of the fees and charges applicable to each Fund and for the minimum subscription amounts, reference is made to the Supplement to the Prospectus in relation to the Fund. Each Fund may contain different Share Classes, which may differ in the minimum subscription amount.

### **6. Conditions for the subscription and redemption of the Shares in the Company**

For a detail of the conditions for the subscription and redemption of the Shares, reference is made to the Supplement to the Prospectus in relation to the Fund.

### **7. Taxation**

The information below is a summary of the tax regime applicable to natural persons resident in Belgium. The tax regime may differ depending on the individual circumstances of each investor and may fluctuate. Please consult your tax advisor. Other categories of investors are invited to inform themselves about the tax regime applicable to their situation.

Natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax and who hold the shares as a private investment, are in Belgium subject to the following tax treatment with respect to the shares. Other tax rules apply to resident individuals who do not hold the shares as a private investment.

#### **7.1 Taxation on capital gains**

##### *Principle*

Belgian resident individuals are generally not taxed on capital gains realised upon redemption or sale of shares in the Company or upon the complete or partial distribution/liquidation of the Company's assets if they act within the framework of normal management of private assets. Other tax rules apply to Belgian resident individuals who hold the shares in connection with a professional activity.

### *Exception*

Belgian resident individuals are subject to a Belgian withholding tax of 30% on the capital gains generated by the sale of the shares of any Fund investing (or permitted to invest) more than 10% in interest bearing assets (25% for Shares purchased prior to 1 January 2018), up to the percentage actually invested in such assets.

The withholding tax of 30% will be calculated on the portion of the capital gain realised which corresponds to the net income and gains realised in the form of interest, capital gains or capital losses on assets invested in interest bearing assets during the period in which the investor held his investment in the respective Fund.

## 7.2 Taxation on dividends/interests

### *Belgian paying agent*

Investors (individuals) are subject to a Belgian withholding tax of 30% on the distribution of dividends/interests.

If the dividends/interests are paid by a paying agent established in Belgium, the taxes will be withheld after deduction of any non-Belgian withholding taxes. The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the dividends/interests obtained on the shares in their personal income tax return, provided withholding tax was levied on these payments. They may nevertheless elect to declare dividends/interest in respect of the shares in their personal income tax return.

### *No Belgian paying agent*

If dividends/interests are paid outside Belgium without the intervention of a Belgian financial intermediary, the dividends/interests received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return. Interest income which is declared in the annual personal income tax return will in principle be taxed at a flat rate of 30% (or at the progressive personal tax rate taking into account the taxpayer's other declared income, whichever is more beneficial). If the interest payment is declared, any withholding tax retained may be credited.

## 7.3. Stock Exchange Transactions Tax

The sale or redemption of capitalization shares is subject to a tax on stock exchange transactions of 1,32% (with a maximum of 4.000 EUR).

## 7.4. Subscription tax on securities account

As from 10 March 2018 a tax on securities account of 0.15% was introduced in Belgium. According to this tax, Belgian resident individuals with one or more Belgian or foreign securities accounts holding securities with an aggregated value of EUR 500,000 or more were charged a securities accounts subscription tax of 0.15%. In a judgment rendered on 17 October 2019, the Belgian Constitutional Court ruled that such tax on securities accounts was unconstitutional and annulled the tax. However, this annulment does not have a retroactive effect; therefore, the effects of the tax are maintained for reference periods ending on or before 30 September 2019. For reference periods ending on or after 1 October 2019, such tax on securities accounts can no longer be applied.

A new tax on securities accounts ("TSA") was introduced by the law dated 17 February 2021. According to this law, a new annual subscription tax of 0.15% will be levied on securities

accounts when the average value of the assets held in the securities account amounts to more than EUR 1,000,000 during the reference period. The tax is levied on the average value of the assets held in the securities account that exceeds the EUR 1,000,000 threshold and is limited to 10% of the difference between the average value and the threshold of EUR 1,000,000.

The TSA is applicable to securities accounts held both in Belgium and abroad when the account holder is a Belgian resident. The tax is not limited to natural persons residing in Belgium, but also applies to companies and legal entities subject to the tax for legal entities that are established in Belgium. Furthermore, the TSA is applicable to securities accounts held by non-Belgian residents (both natural persons and legal persons) when the securities account is held in Belgium.

In principle, the reference period starts on 1 October and ends on 30 September of the following year. The threshold of EUR 1,000,000 is assessed on the average value of the assets in the securities account at 4 reference points within the reference period (31 December, 31 March, 30 June and 30 September).

The tax is normally withheld by the (Belgian) financial institution holding the securities account. In relation with foreign securities accounts, the investor must file a tax declaration and pay the tax himself in case the tax has not been withheld.

Please contact your legal counsel or tax advisor for more information.

**Dated: 1 February 2024**

## COUNTRY SUPPLEMENT

**Blackstone Systematic Credit Umbrella Fund plc (THE "COMPANY")**

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### ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY

**Dated: 1 February 2024**

**This Country Supplement forms part of and should be read in conjunction with the Prospectus dated 1 January 2024 of Blackstone Systematic Credit Umbrella Fund plc (the "Company"). This Country Supplement will be appended to the Prospectus which is designated for the distribution in Germany, and it amends the table of contents such that reference is specifically made to this Country Supplement. All capitalised terms contained herein shall have the same meaning in this Country Supplement as in the Prospectus unless otherwise indicated.**

The Directors of the Company accept responsibility for the information contained in this Country Supplement and in the Prospectus. 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. The Directors accept responsibility accordingly.

The Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") has been notified pursuant to Sec. 310 Kapitalanlagegesetzbuch ("KAGB") of the intention to distribute Shares of the following sub-funds in the Federal Republic of Germany:

- Blackstone Emerging Market Systematic Corporate Fund (Feeder)
- Blackstone Enhanced Global Systematic Credit Fund (UCITS)
- Blackstone Investment Grade Systematic Corporate Fund (UCITS)
- Blackstone Low Carbon Global Investment Grade Corporate Bond Fund (UCITS)
- Blackstone Low Carbon High Yield Corporate Bond Fund (Feeder)
- Blackstone Market Neutral Systematic Credit Fund (UCITS)

**No notification for marketing has been filed for the sub-fund Blackstone Low Carbon Short Duration Corporate Bond Fund (UCITS) and, consequently, Shares of this sub-fund may not be marketed in Germany.**

#### Facility Agent in Germany

Facility services according to Sec. 306a (1) no. 1. to 6. KAGB are provided in Germany by:

FE fundinfo (Luxembourg) S.à.r.l.  
6 Boulevard des Lumières  
Belvaux, 4369  
Luxembourg  
(the "German Facility Agent").

The Company has concluded a written agreement with the German Facility Agent stipulating that all functions referred to in Sec. 306a (1) no. 1. to 6. KAGB are to be performed by the German Facility Agent towards Shareholders in Germany and that the German Facility Agent will receive all relevant information and documents from the Company.

Subscription, payment, redemption, and conversion orders for Shares of Shareholders in Germany may be processed by the German Facility Agent in accordance with the conditions set out in the sales documents referred to in Sec. 297 (4) sentence 1 KAGB.

The German Facility Agent provides Shareholders in Germany with information on how orders referred to above can be made and how redemption proceeds are paid.

Appropriate procedures and arrangements have been established by the Company to ensure that there are no restrictions on Shareholders exercising their rights arising from their investment in the Funds of the Company, which are authorised for distribution in Germany. For Shareholder in Germany the

German Facility Agent facilitates the access to and provides information on procedures and arrangements referred to in Art. 15 Directive 2009/65/EC relating to the exercise of rights of Shareholders in Germany arising from their investment in the Funds of the Company, which are authorised for distribution in Germany, and provides detailed information thereon.

The Prospectus and the Supplements for Blackstone Emerging Market Systematic Corporate Fund (Feeder), Blackstone Enhanced Global Systematic Credit Fund (UCITS), Blackstone Investment Grade Systematic Corporate Fund (UCITS), Blackstone Low Carbon Global Investment Grade Corporate Bond Fund (UCITS), Blackstone Low Carbon High Yield Corporate Bond Fund (Feeder), Blackstone Market Neutral Systematic Credit Fund (UCITS) and the Key Information Documents, the Memorandum and Articles of Association, the latest available annual and half yearly reports in paper form as well as the issue and redemption prices can be obtained free of charge at the German Facility Agent.

The Management Agreement between the Company and the Management Company, the Amended and Restated Investment Management Agreement between the Management Company, the Company and the Investment Manager, the Marketing Delegation Agreement between the Company, the Investment Manager, acting as Distributor, and the Management Company, the Amended and Restated Administration Agreement between Management Company, the Company and the Administrator, the Amended and Restated Depositary Agreement between the Management Company, the Company and the Depositary, the Act, the UCITS Regulations and the Central Bank UCITS Regulations can be inspected at the German Facility Agent.

The issue, conversion and redemption prices are also available free of charge at the German Facility Agent.

The German Facility Agent provides Shareholders in Germany with information relevant to the tasks that it performs on a durable medium.

The German Facility Agent acts as the contact point for communication with the BaFin.

#### Publications

Shareholder information and any other documents in respect of the Company and/or the Funds which must be published under Irish law will be published in Germany on the website [www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/).

In accordance with Sec. 298 (2) KAGB, investors in Germany shall be informed by way of shareholder letter and a publication on the website [www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/) under the following circumstances:

- suspension of the redemption of a Fund's Shares,
- termination of the management or winding-up of a Fund,
- any amendments to the memorandum and articles which are inconsistent with the previous investment principles, which affect material investor rights, or which relate to remuneration and reimbursements of expenses that may be paid out of the Fund's asset,
- merger of Funds,
- conversion of a Fund to a feeder fund or the changes to a master fund.

Issue and redemption Prices will be published on the website [www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/).

#### Tax

Before investing in the Funds of Blackstone Systematic Credit Umbrella Fund plc, which are authorised for distribution in Germany, investors taxable in Germany should discuss with their tax advisers the implications of acquiring, holding, transferring, and redeeming Shares.

## **COUNTRY SUPPLEMENT**

**Blackstone Systematic Credit Umbrella Fund plc (THE "COMPANY")**

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### **ADDITIONAL INFORMATION FOR INVESTORS IN THE UK**

**Dated: 1 February 2024**

**This UK Country Supplement is for investors from the United Kingdom, dated 1 February 2024, and forms part of, and should be read in the context of, and in conjunction with, the prospectus for the Company dated 1 January 2024 (hereinafter referred to as the "Prospectus") and/or the key investor information document (the "KIID"). The Country Supplement is authorised for distribution only when accompanied by the Prospectus and is issued with respect to the offering of the shares of the Company (the "Shares").**

**If you are in any doubt about the contents of this Country Supplement or the Prospectus, the risks involved in investing in the Company or the suitability for you of investment in the Company, you should consult your stockbroker, bank manager, legal adviser, accountant or other independent financial or professional advisor authorised pursuant to the United Kingdom's Financial Services and Markets Act 2000 ("FSMA"). Shares are offered on the basis of the information contained in the Prospectus and this Country Supplement. Prices for Shares in the Company may fall as well as rise.**

All capitalised terms herein contained shall have the same meaning in this document as in the Prospectus, unless otherwise indicated.

**Nothing in this document should be construed as legal, investment or tax advice. UK investors should seek their own professional advice before making any investment decisions.**

The registered office of the Company is George's Court, 54-62 Townsend Street, Dublin 2, Ireland. The Investment Manager and Distributor is Blackstone Credit Systematic Strategies LLC whose registered office address is 345 Park Avenue, New York, NY 10154, United States of America.

The Directors of the Company, whose names appear in the Prospectus under the heading "Management and Administration", 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. The Directors accept responsibility accordingly.

The Directors wish to inform Shareholders and prospective investors in the Company or its Funds of the following:

### **ADDITIONAL INFORMATION FOR INVESTORS IN THE UK**

**The Company is an open-ended umbrella variable capital investment company with segregated liability between Funds incorporated with limited liability in Ireland under the Companies Acts 1963 to 2014 with registration number 401418 and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended.**

In light of the exit of the UK from the European Union, from 1 January 2021 the Company is no longer recognised under Section 264 of the FSMA but instead has temporary recognition under Part 6 of the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019.

The Company, is authorised by the United Kingdom's Financial Services Authority ("FCA") to market the Shares of the following Funds in the United Kingdom to the same type of investors as they did before 31 January 2020:

- Blackstone Enhanced Global Systematic Credit Fund (UCITS)
- Blackstone Low Carbon Global Investment Grade Corporate Bond Fund (UCITS)
- Blackstone Low Carbon High Yield Corporate Bond Fund (Feeder)
- Blackstone Market Neutral Systematic Credit Fund (UCITS)

The FCA has not approved and takes no responsibility for the contents of the Prospectus or this Country Supplement or for any document referred to in them, nor for the financial soundness of the Company or any of its Funds or for the correctness of any statements made or expressed in the Prospectus or the Country Supplement or any document referred to in them.

#### **UK Facilities Agent**

The Company has appointed FE fundinfo (UK) Limited (the "**Facilities Agent**"), by way of an agreement dated 12 September 2016 (the "**Facilities Agreement**"), to maintain certain facilities in respect of the Company.

These facilities are required by the rules contained in the Collective Investment Schemes Sourcebook ("**COLL**") governing recognised schemes published by the FCA as part of the FCA's Handbook of Rules and Guidance for authorised firms.

The facilities will be located at the offices of the Facilities Agent:

FE fundinfo (UK) Limited  
3rd Floor, Hollywood House  
Church Street East  
Woking, Surrey GU21 6HJ

At this address or the registered office of the Company (any UK resident Shareholder of the Company or person may inspect the following documents in English (free of charge depending on the request as set out below) during usual business hours on a weekday (Saturday, Sunday and public holidays excepted at the above-mentioned offices of the Facilities Agent or the registered office of the Company)):

1. any person may inspect a copy of:
  - (a) the instrument constituting the Company and any subsequent amendments to it;
  - (b) the most recent Prospectus issued by the Company, as the same may be amended and supplemented from time to time;

- (c) the most recent KIID issued by the Company;
- (d) the latest annual and half-yearly reports of the Company; and
- (e) any other documents required from time to time by COLL to be made available,

and these documents are also available on the Company's website:  
[www.blackstone.com/systematic-strategies/](http://www.blackstone.com/systematic-strategies/)

- 2. any person may obtain a copy of any of the above documents (free of charge in the case of documents, (a), (b), (c) and (d), and at no more than a reasonable charge in respect of the other documents);
- 3. any person may obtain information orally and in writing about the most recently published prices of Shares;
- 4. any Shareholder may redeem or arrange for the redemption of its Shares and obtain payment in relation to such redemption. Any such redemption requests received by the Facilities Agent shall be sent to the Administrator for processing;
- 5. any person may make a complaint about the operation of the Company, which complaint the Facilities Agent will transmit to the Management Company; and
- 6. any Shareholder may obtain, free of charge, details or copies of any notices which have been given or sent to Shareholders.

The Company will pay, out of the assets of the relevant Funds, the fees and out of pocket expenses of the Facilities Agent, which shall be calculated at normal commercial rates and in accordance with the provisions of the Facilities Agreement. The Facilities Agent will also be entitled to receive from the Company, out of the assets of the relevant Funds, transaction charges at normal commercial rates.

## **Complaints**

Shareholders in the UK are advised that the rules made by the FCA under FSMA do not in general apply to the Company in relation to its investment business. In particular, the rules made under FSMA for the protection of private customers (for example, those conferring rights to cancel or withdraw from certain investment agreements) do not apply in connection with an investment in the Company. In addition, the protections available under the Financial Services Compensation Scheme and the Financial Ombudsman Service will not be available in connection with an investment in the Company.

## **Risks**

There are certain risk factors associated with the operation and investments of the Company that are described below and more fully in the Prospectus and the KIIDs.

Investment in the Company may not be suitable for all investors. Investors should seek advice from their investment advisor for information concerning the Company and the suitability of making an investment in the Company in the context of their individual circumstances. Particular attention should be drawn to the



sections headed “Risk Factors”, “Risks Associated with Market Conditions and the Regulatory Environment” and “Risks Associated with the Funds” in the Prospectus.

### **Subscription and redemption procedures**

Subscriptions can be made provided that there is a validly and duly executed application form received by the Administrator. For further information related to any charges and levies, please see the section under the heading “Application for Shares” in the Prospectus.

Initial investments in the Company must be of a minimum amount, the level of which depends on the Sub-Fund in which the investment is made. The minimum initial investment in relation to each Sub-Fund (or, if more than one Class has been issued in a Sub-Fund, for each Class) is set out in the Supplement for the relevant Sub-Fund.

A Shareholder in the Company may redeem his or her Shares in the Company and obtain payments of the price on redemption from the Administrator, or they may arrange for redemption of their shares through the Facilities Agent who shall forward the redemption proceeds (if any) to the relevant Shareholders. For further information on redemption requests, and settlement for redemptions, please see the section under the heading “Redemption of Shares” in the Prospectus.

### **Foreign Account Tax Compliance Act (“FATCA”)**

The Government of Ireland have entered into an intergovernmental agreement (“IGA”) with the USA to facilitate the transposition of FATCA. The Company will be obliged to comply with the provisions of FATCA and importantly the laws and regulations of Ireland which implements the IGA. For more information on FATCA, please see the sub-heading “US Taxation” under the main heading “Taxation” of the Prospectus.

### **Taxation**

**Information relating to UK taxation and of relevance to persons who are resident in the UK and who hold Shares as investments is provided in the Prospectus under the heading “Taxation”. Such information is based on the law and practice in force in the UK as at the date of the most recent Prospectus. The information contained therein is not exhaustive and, if potential investors are in any doubt as to the taxation position, they should consult their professional advisers without delay.**

**Investors should note that tax law and interpretation can change and that, in particular, the levels and basis of, and reliefs from, taxation may change and it may alter the benefits of investment in the Company.**

### **The Company**

The affairs of the Company are intended to be conducted in such a manner that it will not become resident in the UK for UK taxation purposes. Therefore, provided the Company does not carry on a trade in the UK through a permanent establishment located there, the Company will not be subject to UK corporation tax on income or chargeable gains arising to it. However, it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment coming into being will at all times be satisfied.

For more information on how taxation may affect you as a UK investor, please see the sub heading “UK Taxation” under the main heading “Taxation” in the Prospectus.

## Shareholders

Certain UK resident investors in a reporting fund are subject to tax on the share of the reporting fund's income attributable to their holding in the fund, whether distributed or not.

Subject to their personal tax positions, UK resident Shareholders holding Shares at the end of each 'reporting period' (as defined for UK tax purposes) will potentially be subject to UK income tax or corporation tax on their share of a Sub-Fund's 'reported income' (and any dividends paid to them to the extent that the reported amount exceeds dividends received by them). The terms 'reported income', 'reporting period' and their implications are discussed in more detail below. Both reported income and dividends will be treated as dividends received from a foreign corporation, subject to any re-characterisation as interest, as described below.

Individual Shareholders resident for tax purposes in the UK under certain circumstances may benefit from a non-refundable tax credit in respect of reported income or dividends received from corporate offshore funds invested largely in equities (i.e., where the offshore fund is not considered a bond fund for UK tax purposes).

Dividends reported or paid by offshore corporate funds to companies resident in the UK are likely to fall within one of a number of exemptions from UK corporation tax (each corporate investor will need to consider its own position). In addition, dividends reported or paid to non-UK companies carrying on a trade in the UK through a permanent establishment in the UK are also likely to be exempt from UK corporation tax on dividends to the extent that the shares held by that company are used by, or held for, that permanent establishment.

If any Portfolio at any time has more than 60% by market value of its investments in debt securities, money placed at interest (other than cash awaiting investment), building society shares or in holdings in unit trusts or other offshore funds with, broadly, more than 60% of their investments similarly invested, each investor within the charge to UK corporation tax as respects its interest in a relevant Sub-Fund will be taxed on any increase (or relieved for any loss) in the value of its interest at the end of each accounting period and at the date of disposal of their interest as income as calculated on a fair value accounting basis.

The Sub-Funds and Share Classes which have received certification by the HM Revenue & Customs ("HMRC") as reporting funds can be found here: <https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>.

Once reporting fund status is obtained from HMRC for the relevant Sub-Funds, it will remain in place permanently provided that the annual reporting requirements are satisfied.

Such annual duties will include calculating and reporting 100% of the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-Share basis to all relevant Shareholders (as defined for these purposes). The reported income will be deemed to arise to UK Shareholders on the date the report is issued by the Directors provided that the Fund reports within 6 months of the year end.

Information regarding the Sub-Funds that may generate reportable income will be made available on the website of the Company: <https://www.blackstone.com/systematic-strategies/>. Investors should therefore check this website to confirm the reportable income per unit of the Sub-Funds each year, in order to include their reportable income (which will be reportable income per unit multiplied by the number of units held at the relevant year-end) on their tax return. Investors will not receive notification by post of the reportable income per unit unless they request the information in this format in writing. Requests should be made in writing to the address below within 2 months of the end of the relevant accounting period for which the notification by post is required:

FE fundinfo (UK) Limited, 3rd Floor, Hollywood House, Church Street East, Woking, Surrey GU21 6HJ

UK resident individuals who are not domiciled in the UK may be liable to UK income and capital gains tax only on amounts remitted to the UK depending on their personal circumstances and whether they have paid the remittance basis charge for the relevant year.

## Anti-Avoidance Provisions

The UK tax rules contain a number of anti-avoidance codes that can apply to UK investors in offshore funds in particular circumstances. It is not anticipated that they will normally apply to investors. Any UK taxpaying investor who (together with connected persons) holds over 10% of the Company should take specific advice.

## Other Provisions

Any individual shareholder domiciled or deemed to be domiciled in the UK for UK tax purposes may be liable to UK inheritance tax on their Shares in the event of death or on making certain categories of lifetime transfer.

Since the Company is not incorporated in the UK and the register of Shareholders will be kept outside the UK, no liability to UK stamp duty reserve tax should arise by reason of the transfer, subscription for, or redemption of Shares. Liability to UK stamp duty will not arise provided that any instrument in writing, transferring Shares in the Company, or shares acquired by the Company, is executed and retained at all times outside the UK. However, the Company may be liable to transfer taxes in the UK on acquisitions and disposals of investments. In the UK, stamp duty reserve tax or stamp duty at a rate of 0.5% of the consideration paid (rounded up where necessary to the nearest £5) will be payable by the Company on the acquisition of shares in companies that are either incorporated in the UK or that maintain a share register there.

## Marketing Information

For the purposes of United Kingdom legislation, the Prospectus may not be distributed to any persons in contravention of Section 21 of the **FSMA**. Accordingly, other than where being distributed by an authorised firm, the Prospectus and the investment activity to which it relates may only be made to or directed at:

- (a) investment professionals having professional experience in matters relating to investments and of participating in unregulated schemes and who fall within Article 19 of the Financial Services and Markets Act 2000 (Financial promotion) Order 2005 (as amended) ("FPO"); and
- (b) high net worth companies or high net worth unincorporated associations or partnerships or trustees of high net worth trusts falling within Article 49 of the FPO,

such persons together being "**Relevant Persons**".

Persons who are not Relevant Persons should not act or rely upon the information contained in the Prospectus. The investments to which the Prospectus relates are only available to Relevant Persons and will only be engaged in with Relevant Persons.