

## SUPPLEMENT 3

### Titan Short Duration IG Income Fund

**Supplement dated 13 May, 2024 to the Prospectus for Tideway UCITS Funds ICAV dated 16 December, 2022.**

This Supplement contains information relating specifically to Titan Short Duration IG Income Fund (the “**Fund**”), a Fund of Tideway UCITS Funds ICAV (the “**ICAV**”), an open-ended umbrella type Irish collective asset-management vehicle with limited liability and segregated liability between sub-funds authorised by the Central Bank on 16 October, 2015 as a UCITS pursuant to the UCITS Regulations.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 16 December, 2022, as amended (the “Prospectus”). To the extent that there is any inconsistency between the Prospectus and this Supplement, the Supplement shall prevail.**

In addition to the Funds listed in the Prospectus, the following Fund has been established as of the date of this supplement: Titan Core Credit Fund (see Supplement 4 for details).

The Directors of the ICAV 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should read and consider the section entitled “**Risk Factors**” before investing in the Fund.

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

**The Fund may charge all or part of the fees (including management fees) and expenses to capital which will have the effect of lowering the capital value of an investment. Thus, on redemption of holdings of such Shares, Shareholders may not receive back the full amount invested. The policy of charging fees and expenses to capital seeks to maximise distributions but it will also have the effect of lowering the capital value of your investment, constraining the potential for future capital growth and capital may be eroded.**

**The Fund may engage in transactions in financial derivative instruments for Share Class hedging purposes only. It is not expected that there will be any increase in volatility or risk as a result.**

#### 1. Interpretation

The expressions below shall have the following meanings:

**“Business Day”** means each day (except Saturday or Sunday) on which banks in Dublin and London are generally open for business. For the avoidance of doubt, a day during which banks in Ireland are closed due to red weather warnings

issued by the Met Éireann will not be a Business Day unless the Directors determine otherwise. Additional Business Days may be created by the Directors and notified to Shareholders in advance.

**“Dealing Day”**

means each Valuation Day and/or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least one Dealing Day in each fortnight. See also the section entitled **“Suspension of Valuation of Assets”** in the Prospectus.

**“Dealing Deadline”**

means for each Dealing Day in relation to subscription requests 12pm (Irish time) on the relevant Dealing Day; and in relation to redemption requests 12pm (Irish time) on the relevant Dealing Day; or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Deadline is no later than the Valuation Point on that Dealing Day.

**“Initial Offer Period”**

means the initial offer period for all Classes described in this Supplement which starts at 9am (Irish time) on 18 April, 2024 and ends at 5pm (Irish time) on 18 October, 2024. The Initial Offer Period may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

**“Initial Offer Price”**

means the initial fixed price applicable to each relevant Share Class on the first Dealing Day of that Share Class and is shown for each share class in the section entitled **“Information on Share Classes”**.

**“Redemption Settlement Cut-off”**

means three (3) Business Days after the relevant Dealing Day.

**“Subscription Settlement Cut-off”**

means three (3) Business Days after the relevant Dealing Day.

**“Valuation Day”**

means each Business Day and/or such other day or days as may be determined by the Directors.

**“Valuation Point”**

means 11pm Irish time on each Valuation Day or such time as the Directors may determine and notify Shareholders in advance provided that the Valuation Point shall be after the Dealing Deadline.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## 2. Investment Manager

The Manager has appointed Titan Investment Solutions Limited (the “**Investment Manager**”) to provide certain discretionary investment management services with respect to the Fund.

The Investment Manager is regulated by Financial Conduct Authority as an investment manager and its registered office is located at 101 Wigmore Street 6th Floor, London, England, W1U 1QU. Its principal activities include the investment management of collective investment schemes. Under the terms of the Investment Management Agreement (as defined below), the Investment Manager is responsible, subject to the overall supervision and control of the Manager, for managing the assets and investments of the Fund in accordance with the investment objective and policies of each Fund.

The Investment Manager shall be responsible for the distribution of the Fund’s Shares under the terms of the Investment Management Agreement. The Investment Manager has authority to delegate some or all of its duties as distributor to sub-distributors in accordance with the requirements of the Central Bank. The fees and expenses of any sub-distributor appointed by the Investment Manager which are discharged out of the assets of the ICAV shall be at normal commercial rates.

The Investment Manager may also delegate certain administrative, operational and support functions with respect to the Fund (excluding, for the avoidance of any doubt, the discretionary investment management of the Funds) to carefully selected and duly authorised third parties, in accordance with the requirements of the Central Bank.

The Investment Manager also acts as promoter of the Fund.

### *Investment Management Agreement*

The Investment Manager has been appointed as discretionary investment manager and distributor to the Fund pursuant to an investment management agreement between the ICAV, the Manager and the Investment Manager dated 18 October 2023, which may be further amended, novated or supplemented in writing from time to time. The Investment Management Agreement may be terminated by either party on 90 days’ written notice or on such shorter period as may be agreed between the parties or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Investment Manager has the power to delegate its duties in accordance with the Central Bank’s requirements. In the absence of negligence, fraud or wilful default, the Investment Manager shall not be under any liability to the Manager, the ICAV, any Fund or the shareholders of the ICAV on account of any act or omission of the Investment Manager in accordance with or in pursuance of any request by, or advice given by the Manager or the ICAV or any third parties to the Manager or the ICAV and shall not be liable for any indirect or consequential damages. The Agreement provides that the ICAV shall indemnify and keep indemnified and hold harmless the Investment Manager out of the assets of the relevant Fund from and against any and all actions, proceedings, claims, losses, liabilities, damages, costs, demands and expenses which may be made or brought against or directly or indirectly suffered or incurred by the Investment Manager in the performance or non-performance of its obligations or duties hereunder or otherwise in connection with the subject matter of this Agreement (excluding tax on the overall income or profits of the Investment Manager) save to the extent that such Claims (as defined in the Investment Management Agreement) are attributable to the fraud, negligence or wilful default in the performance or non-performance by the Investment Manager of its obligations or of its duties thereunder.

## *Reporting Status*

As noted in the section entitled “Shareholders Tax” within the section of the Prospectus entitled “Taxation”, under the Offshore Fund Regulations, “reporting funds” are required to make a report available to investors who are UK-resident during any part of the fund’s reporting period (broadly, its accounting period), in order to enable those investors to determine any liability to UK tax on their entitlement to the fund’s reportable income, and to other reporting funds, in order that those funds can in turn compute their own reportable income. This report will be made available to investors and to HMRC on the Investment Manager’s website [www.titaninvestmentsolutions.com](http://www.titaninvestmentsolutions.com).

### **3. Base Currency**

The Base Currency shall be GBP Sterling

### **4. Investment Objective**

The Fund aims to achieve capital protection and capital appreciation by providing a return, net of fees, against the Bank of England UK Base Rate (“**Benchmark**”) of +0.5% on a rolling 1 year basis.

There is no guarantee that in any time period, particularly in the short term, the Fund will achieve its investment objective or even maintain its current value. Investors should be aware that the value of Shares in the Fund may fall as well as rise.

### **5. Investment Policy**

#### ***General***

The Fund will invest in the following fixed income securities: covered bonds, sovereign, supranational and corporate bonds, and money market instruments i.e. certificates of deposits and commercial paper, listed or traded on Recognised Exchanges worldwide, as further detailed below.

The Fund will have a maximum duration of 1.5 years. Duration is the price sensitivity of the fixed income securities in the Fund to changes in interest rates, expressed as a number of years. At least 25% of the Fund’s portfolio will be invested in securities which have final legal maturity within 1 (one) year. All fixed rate securities must have expected maturity date of 3 (three) years or less. All floating rate securities must have expected maturity date of 5 (five) years or less

The Fund may invest up to 100% of its Net Asset Value in Investment Grade (“IG”) government and/or corporate securities (including fixed and/or floating rate debt securities). IG means that securities will be rated AAA to BBB- as determined by taking the average rating from recognised rating agencies such as Standard & Poor’s, Moody’s, or Fitch, or which are deemed by the Investment Manager to be of equivalent quality.

The Fund may invest in covered bonds which are bonds issued by a bank or mortgage institution and collateralised against a pool of assets comprised of residential mortgages that, in case of failure of the issuer, can cover claims at any point of time. This collateralisation means there is a dedicated ring-fenced pool of assets, providing cash-flow and security to meet the payments on the issued bonds.

The covered bonds will at the time of purchase be rated AAA on average by recognised rating agencies such as Standard & Poor's, Moody's, or Fitch, or which are deemed by the Investment Manager to be of equivalent quality.

At least 50% of the Fund's portfolio will be invested in securities rated AA on average by recognised rating agencies such as Standard & Poor's, Moody's, or Fitch, or which are deemed by the Investment Manager to be of equivalent quality.

At least 25% of the Fund's portfolio will be invested in securities rated AAA on average by recognised rating agencies such as Standard & Poor's, Moody's, or Fitch, or which are deemed by the Investment Manager to be of equivalent quality.

While the Fund may invest on a global basis and there is no geographical, industry or sectoral focus in relation to the asset classes to which exposure may be taken, the Fund may have an overweighted UK exposure due to the aim of the Fund generate a return in excess of the benchmark (as described further below).

Notwithstanding the above, the Fund may invest up to 10% of its NAV in aggregate in the fixed income securities and money market instruments set out in this Investment Policy, which are not admitted to or dealt in on a regulated market, in accordance with the UCITS Regulations.

The Fund, where considered appropriate by the Investment Manager, may be wholly invested in cash deposits and money market instruments and may also exercise its right to invest up to 100% of its net assets in different debt securities and money market instruments issued or guaranteed by the governments or entities set out in paragraph 2.12 of Appendix 1 of the Prospectus.

The Fund may invest in the instruments outlined in the preceding paragraph where market conditions may require a defensive investment strategy, pending reinvestment, in order to meet redemptions and payment of expenses or in any extraordinary market circumstances such as a market crash or major crises which in the reasonable opinion of the Investment Manager would be likely to have a significant detrimental effect on the performance of the Fund.

The Fund may use foreign exchange forwards for hedging purposes as described in the section entitled "Currency Hedging" below. The ICAV employs a Risk Management Process which will enable it to accurately measure, monitor and manage the risks attached to financial derivative instruments and details of this process have been provided to the Central Bank. Upon request, the ICAV will to Shareholders supplementary information relating to the risk management methods employed by 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.

#### *Benchmark*

The Fund is considered to be actively managed in reference to the Benchmark by virtue of the fact that it aims to measure performance against the Benchmark, calculated as net Fund return minus Benchmark return, and to generate a return against the Benchmark plus 0.5% per annum on a rolling basis. However, the Benchmark is not used for portfolio composition on the basis that there are no constituents in the Benchmark. The Benchmark is the Bank of England's Base Rate, which is the interest rate the Bank of England pays commercial banks on the money held with them.

**There can be no assurance that the investment objective and policy of the Fund will be achieved.**

### ***Investment Strategy***

The Investment Manager will pursue a long-only discretionary investment strategy (i.e. a policy of only holding "long" positions in assets and securities) in fixed income securities, as described under the heading Investment Policy above. This means that the Fund's Net Asset Value will rise (or fall) in value based on the market value of the bonds held. Factors which influence the market price of the bonds include interest rates, global credit market conditions and individual issuer creditworthiness.

The selection of bonds is based on a number of factors independently assessed by the Investment Manager. These factors include:

- The credit ratings of the security
- The creditworthiness and credit history of the bond issuer including, in the case of corporations, leverage, free cash flow and interest cover (Interest cover is a measure of how much cash a company has available, or generates, to make interest payments on borrowings);
- Yield to maturity of the bond;
- Expected date for the repayment of the principal;
- Issue size and liquidity; and
- Structural features such as call dates prior to expected maturity.

Long positions may be held only through direct securities investment.

### ***Leverage***

It is intended the Fund will use foreign exchange forwards solely for hedging, as described under the heading "Currency Hedging", below. As such, there will be no leverage in the Fund.

Exposure arising from the use of currency forwards by the Fund will be measured and monitored using the "commitment approach". The Fund will use the commitment approach to calculate the global exposure generated through the use of currency forwards as part of its risk management process. It is not expected that the global exposure generated through the use of currency forwards will exceed 100% of Net Asset Value of the Fund when calculated using the commitment approach.

The commitment approach is calculated by converting the derivative position into the equivalent position in the underlying asset, based on the market value of the underlying asset or the market value of the contract.

Risks associated with the use of financial derivatives are detailed in the Prospectus at the section entitled "Risk Factors".

### ***Borrowing Powers***

The ICAV may only borrow on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the Fund. Subject to this limit, the Directors may exercise

all borrowing powers on behalf of the Fund. In accordance with the provisions of the UCITS Regulations, the Directors may instruct that the Depositary may charge the assets of the Fund as security for such borrowings.

### ***Investment Restrictions***

The general investment restrictions set out in Appendix I of the Prospectus under the heading "**Permitted Investments and Investment Restrictions**" shall apply.

### ***Currency Hedging***

The Fund may enter into forward foreign exchange (FX) contracts for the purpose of currency hedging. In a forward FX contract, holders are obliged to buy or sell a particular underlying currency at a specified price in a specified quantity and on a specified future date. Forwards may also be cash settled. In contrast to futures, forwards are not traded on an exchange, but in the OTC market. Forward FX contracts may be used to hedge or generate exposure. They can be used to express both positive and negative views on the underlying currencies.

#### *Portfolio Currency Hedging*

Assets of the Fund may be denominated in a currency other than the Base Currency and changes in the exchange rate between the Base Currency and the currency of the assets may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. The aim of this hedging will be to reduce the Fund's level of risk and to hedge the currency exposure of the Fund's underlying securities into the Base Currency. No assurance however can be given that such mitigation will be successful. Any such transactions shall be carried out at normal commercial rates. Investors should note that further information is set out in the Prospectus at the section entitled "**Currency Risk**".

Investors should also note that the hedging strategies implemented by the Investment Manager at Fund level are distinct from any currency hedging strategies that the Investment Manager may implement in respect of Hedged Share Classes, information on which is set out below under "**Share Class Currency Hedging**".

#### *Share Class Currency Hedging*

In the case of the Classes not denominated in the same currency as the base currency, the Investment Manager will hedge the value of these Shares against changes in the rate of exchange between the Base Currency and currency of denomination of the relevant class.

Where a Class of Shares is designated as a hedged Class Share, that Class will be hedged against exchange rate fluctuation risks between the denominated currency of the Share Class and the base currency of the Fund and/or between the denominated currency of the Class and the denominated currencies in which the assets of the Fund are denominated. Such hedging strategy shall be subject to the conditions and within the limits laid down by the Central Bank but may not be implemented in the following circumstances:

- (i) if the Net Asset Value of the Fund falls below USD\$10,000,000 or any other level whereby the Investment Manager considers that there is a risk that it is no longer able to hedge the currency exposure in an effective manner, on the basis that it is prohibitively expensive; or

- (ii) if, in the opinion of the Investment Manager, market conditions are such that hedging against exchange rate fluctuations is prohibitively expensive and may be highly detrimental to the share class.

Further information is set out in the Prospectus at the section entitled “Hedged Classes” and “Share Currency Designation Risk”. It should be noted that the successful execution of a hedging strategy which mitigates this currency risk exactly cannot be assured. Investors should also note that the hedging of hedged share classes is distinct from any hedging strategies that the Investment Manager may implement at Fund level, information on which is set out above under “**Portfolio Currency Hedging**”.

Where a Class is unhedged, a currency conversion will take place on subscriptions, redemptions, conversions and distributions at prevailing exchange rate. In such circumstances, the value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency and/or in relation to the designated currencies of the underlying assets.

## 6. Profile of a Typical Investor

The Fund is suitable for investors with a short to medium holding period and who have a low risk appetite.

## 7. Offer

### Initial Offer

Shares in the Fund will be made available at the Initial Offer Price outlined in the table below during the Initial Offer Period and subject to acceptance of applications for Shares by the ICAV, will be issued for the first time as of the first Business Day following the close of the Initial Offer Period.

### Subsequent Offer

After closing of the Initial Offer Period Shares in the Fund will be issued at the Net Asset Value per Share.

## 8. Information on Share Classes

Class	Currency	Initial Offer Price	Initial Subscription	Minimum Holding	Minimum Transaction Size	Investment Management Fee
Class A GBP Accumulation Shares	GBP	GBP 100	£1000	GBP £1000	GBP £1000	0.15%
Class B GBP Income Shares	GBP	GBP 100	£ 1000	GBP £1000	GBP £1000	0.15%
Class C EUR Accumulation Shares	EUR	EUR 100	EUR 1500	EUR 1500	EUR 1500	0.15%

Class D EUR Income Shares	EUR	EUR 100	EUR 1500	EUR 1500	EUR 1500	0.15%
Class E USD Income Shares	USD	USD 100	USD 1000	USD 1000	USD 1000	0.15%
Class F USD Accumulation Shares	USD	USD 100	USD 1000	USD 1000	USD 1000	0.15%

## 9. Initial Subscription and Minimum Holding Size

Each investor must satisfy the Initial Subscription requirements applicable to the relevant Class as outlined above and must retain Shares having a Net Asset Value of the Minimum Holding applicable to the relevant Class as outlined above.

The Directors reserve the right to differentiate between Shareholders and to waive or reduce the Initial Subscription and Minimum Holding for certain investors.

## 10. Application for Shares

Applications for Shares may be made through the Administrator through the process described in the Prospectus.

Applications to buy Shares in the Fund must be received by the Administrator by the Dealing Deadline and cleared settlement monies must be received by the Subscription Settlement Cut-Off.

## 11. Redemption of Shares

Requests for redemption of Shares may be made through the Administrator through the process described in the Prospectus. Applications to sell Shares in the Fund must be received by the Administrator by the Dealing Deadline.

### *Timing of payment*

Redemption proceeds in respect of Shares will normally be paid by the Redemption Settlement Cut-Off (but no later than 10 Business Days) from the relevant Dealing Deadline provided that all the required documentation has been furnished to and received by the Administrator.

## 12. Conversion of Shares

Subject to the Initial Subscription and Minimum Holding requirements of the relevant Classes, Shareholders may request conversion of some or all of their Shares in one Fund of the ICAV or Class to Shares in another Fund of the ICAV or Class or another Class in the Fund in accordance with the procedures specified in the Prospectus under the heading "**Conversion of Shares**".

### **Conversion Charge**

It is not currently intended to impose a conversion charge on the conversion of Shares in any Class to Shares in another Class of a Fund.

### 13. Suspension of Dealing

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the 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 following the ending of such suspension.

### 14. Fees and Expenses

The fees and operating expenses of the ICAV are set out in detail under the heading "Fees and Expenses" in the Prospectus. The fees payable out of the Fund's assets are as follows:

#### Establishment Expenses

The fees and expenses relating to the establishment and organisation of the Fund (including the fees of the Fund's professional advisers) will be borne by the Fund. Such fees and expenses (which are estimated not to exceed EUR 25,000) will be amortised over a period of up to 5 years from the date of the launch of the Fund.

#### Subscription Fee

It is not currently intended to charge a Subscription Fee.

#### Redemption Fee

It is not currently intended to charge a Redemption Fee.

#### Manager's Fee

The Manager for its own benefit and use, shall be entitled to receive a management fee (the “Management Fee”) out of the assets of the Fund calculated and based on an annual rate of the percentages in the following table of the Net Asset Value of the Fund as described below subject to a minimum fee of €1,500 per month:

Management Fee	Net Asset Value
0.03%	Up to €200,000,000
0.02%	In excess of €200,000,000

The Management Fee accrues as of each Valuation Point and is payable monthly in arrears (plus VAT, if any). The Manager shall also be entitled to reimbursement of all reasonable and vouched out-of-pocket expenses (plus any applicable taxes) it incurs out of the assets of the Fund.

## Investment Manager's Fee

Pursuant to the Investment Management Agreement, the Investment Manager is entitled to charge an investment management fee equal to a per annum percentage of the Net Asset Value of each Class. The percentage fee per annum for each Class is shown above in the section entitled "**Information on Share Classes**".

The Investment Management Fee is charged separately against each Class, and may be waived or reduced with the Directors' approval.

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

## Administrator's Fees

The Administrator for its own benefit and use, shall be entitled to receive a fee (the "Administration Fee") from the Fund calculated and based on an annual rate of the percentages in the following table of the Net Asset Value of the Fund as described below subject to a minimum fee of €5,000 per month:

Administration Fee	Net Asset Value
0.05%	Up to €200,000,000
0.04%	Between €200,000,000 and €500,000,000
0.02%	In excess of €500,000,000

The Administration Fee accrues as of each Valuation Point and is payable monthly in arrears (plus VAT, if any).

The Administrator shall also be compensated out of the assets of the Fund for other services, including inter alia account maintenance, preparation of financial statements of the ICAV, registration and transaction fees, each of which shall be at normal commercial rates together with VAT, if any, thereon.

The Administrator shall also be entitled to reimbursement of all reasonable and vouched out-of-pocket expenses (plus any applicable taxes) it incurs out of the assets of the Fund.

## Depositary Fees

The Depositary shall be entitled to receive out of the assets of the Fund an annual fee not exceeding 0.03% of the Net Asset Value of the Fund (plus VAT, if any), accrued and calculated on each Valuation Point and payable monthly in arrears, subject to a minimum annual fee of €35,000.

The Depositary shall, also be entitled to be repaid out of the assets of the Fund for all of its reasonable disbursements incurred on behalf of the Fund, including the safe-keeping fees and expenses of any sub-custodian (which shall be at normal commercial rates) and transaction charges (which shall also be at normal commercial rates) levied by the Depositary or any sub-custodian and any applicable taxes it incurs on behalf of the Fund. Such custody fees shall accrue and be payable monthly in arrears.

## Anti-Dilution Levy

An Anti-Dilution Levy may be charged at the discretion of the Directors as outlined in the Prospectus in the section entitled “**Anti-Dilution Levy**”.

## 15. Dividends and Distributions

*Class A GBP Accumulation Shares, Class C EUR Accumulation Shares and Class F USD Accumulation Shares*

The Class A GBP Accumulation Shares, Class C EUR Accumulation Shares and Class F USD Accumulation Shares, are accumulating Shares and therefore it is not intended to distribute dividends to the Shareholders of such Shares.

In the case of accumulating Classes, all net income and net realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses) less accrued expenses of the Fund attributable to the relevant Class will be accumulated and reflected in the Net Asset Value per Share.

*Class B GBP Income Shares, Class D EUR Income Shares and Class E USD Income Shares*

It is the current intention of the Directors to distribute net income on a quarterly basis in respect the Class B GBP Income Shares, Class D EUR Income Shares and Class E USD Income Shares (the “Distribution Shares”). Dividends will be declared on the last Business Day of December, March, June and September each year, to the Shareholders of such Shares, if the Fund generates sufficient income. Dividends will be paid within one month of the declaration date. Dividends will usually be paid to the Shareholder’s bank account as detailed on the subscription application form.

In the case of the Class D EUR Income Shares and Class E USD Income Shares a currency conversion will take place on the amount of income being distributed at prevailing exchange rates. In such circumstances, the value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency and/or in relation to the designated currencies of the underlying assets.

The Fund operates equalisation in relation to the Distribution Shares. A Shareholder who has purchased Distribution Shares during a distribution period will receive a distribution made up of two amounts:

- income which has accrued from the date of purchase, and
- the equalisation element which represents the return of the income accrued but not distributed on the date of purchase.

This method does not use capital to pay income distributions. The method is used to simplify the payment process so that all payment values are the same, with the adjustment for the proportion of income actually accrued to the Shareholder being made through the “equalisation amount” which is calculated for each settlement date of the Fund.

The effects are that:

All payments to Shareholders are the same, irrespective of the duration of their holding period

but income is distributed to Shareholders in proportion to the duration of their ownership of the Distribution Shares in the relevant distribution period.

All Distribution Shares purchased during a distribution period will contain in their purchase price an amount called equalisation amount which represents a proportion of the income (if any) of the Fund, attributable to the Distribution Share Class, that has accrued (but has not been distributed) up to the date of issue.

The amount of equalisation is averaged across all the Shareholders of the relevant Distribution Share Class and is refunded to them as part of the first distribution after their purchase of Distribution Shares. Such returned equalisation may be treated as a return of capital for tax purposes depending on the tax rules in the country where a Shareholder pays tax. Shareholders of Distribution Shares who redeem their Shares will receive an amount which will include the income accrued to the date of redemption and which may be treated as income for tax purposes, subject to the tax rules in the country where a Shareholder pays tax.

The Directors may at any time determine to change the policy of the Fund with respect to dividends distribution. If the Directors so determine full details of any such change will be disclosed in an updated prospectus or supplement and Shareholders will be notified in advance.

## **16. Risk Factors**

In addition to the risk factors outlined below, the attention of investors is drawn to the “**Risk Factors**” section in the Section of the Prospectus.

### *Fixed Income Securities Risk*

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated fixed income securities are securities rated below Baa by Moody’s Investors Services, Inc., (“Moody’s”), or BBB by Standard & Poor’s (“S&P”), or equivalent rating by an equivalent recognised rating agency. The lower ratings of certain securities held by a Fund reflect a greater possibility that adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and principal. Such securities carry a higher degree of default risk which may affect the capital value of an investment. Whilst the Fund seeks to mitigate some of these risks by not investing in securities rated below Baa by Moody’s, or BBB by S&P, or equivalent rating by an equivalent recognised rating agency, fixed income securities all bear the risks mentioned above.

The inability (or perceived inability) of issuers to make timely payments of interest and principal may make the values of securities approximate only to the values the Fund had placed on such securities. In the absence of a liquid trading market for securities held by it, a Fund at times may be unable to establish the fair value of such securities.

The rating assigned to a security by Moody’s, S&P or an equivalent recognised rating agency, does not reflect an assessment of the volatility of the security’s market value or the liquidity of an investment in the security. A Fund will not necessarily dispose of a security when its rating is reduced below its rating at the time of purchase.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

## **17. The Sustainable Finance Disclosure Regulation**

The management of sustainability risk forms an important part of the due diligence process implemented by the Investment Manager.

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an ESG event or condition ("ESG Event").

Using both quantitative and qualitative processes, sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

1. The Investment Manager uses ESG metrics, as provided by third-party data providers, ("Data Providers"), in order to screen relevant investments against sustainability risk and to identify whether they are vulnerable to such risk. This process incorporates 'watch listing' certain industries which screen negatively, but where the Investment Manager retains the discretion to allocate funds on a comparative basis and allocating capital to businesses that are upholding and/or improving their sustainability path. Companies that have ESG risk scores higher than the Investment Manager's threshold and companies that are unscored by the Data Providers will be added to the Investment Manager's 'Engagement List' and will be contacted regularly to assess the strength of their ESG profile. Through this engagement, the Investment Manager aims to uncover any material ESG risks that the companies might face.
2. During the life of the investment, sustainability risk is monitored through reviewing ESG data published by the issuer (where relevant) and also reviewing any update to the ESG risk score of the Data Providers to determine whether the level of sustainability risk has materially changed since the last assessment. To ensure the Investment Manager has full oversight over the ESG risks in the Fund, the Investment Manager engages with relevant companies on an annual basis and reviews the ESG risk scores from the Data Providers on a monthly basis. Where the sustainability risk associated with a particular investment has increased beyond the ESG risk appetite for the Fund, the Investment Manager will consider selling or reducing the Fund's exposure to the relevant investment, taking into account the best interests of the Shareholders of the Fund.

The Investment Manager has determined that the sustainability risk (being the risk that the value of the Fund could be materially negatively impacted by an ESG Event) faced by the Fund is low to medium risk.

The Manager is not involved in the investment decision-making process but carries out independent oversight of investment decisions made for the Fund.

EU-based financial market participants are required to confirm if they consider principal adverse impacts of investment decisions on sustainability factors for the financial products they manage. The

Manager does not consider such impacts at this time. This is due to the size and scale of its activities. In addition, investment decisions for the funds are made by the Investment Manager.

The Fund does not promote environmental and/or social characteristics pursuant to Article 8 of SFDR nor does it have sustainable investment as its objective pursuant to Article 9 of SFDR. Consequently, for SFDR purposes the Fund is considered and Article 6 Fund only.

## **18. The Taxonomy Regulation**

The Fund does not have as its objective sustainable investment, nor does it promote environmental or social characteristics. As a result, the Fund does not fall within the scope of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation"). The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **19. Collateral Policy**

Any collateral received by the Fund shall comprise of cash collateral and/or securities of varying maturity which satisfy the requirements of the Central Bank relating to non-cash collateral which may be received by a UCITS.

The level of collateral required to be posted may vary by counterparty with which the Fund trades. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Fund, taking into account the price volatility of the relevant asset and credit standing of the relevant counterparty and any stress testing carried out to assess the liquidity risk of such asset and, where applicable taking into account the requirements of EMIR. Non-cash collateral cannot be sold or pledged or re-invested.

