

## **SUPPLEMENT 1**

### **InRIS Parus**

**Dated 30 April, 2025  
to the Prospectus issued for InRIS UCITS PLC**

This Supplement (which replaces the Supplement dated 19 October, 2023) contains information relating specifically to InRIS Parus (the **"Fund"**), a sub-fund of InRIS UCITS PLC (the **"Company"**), an open-ended umbrella investment company with segregated liability between funds authorised by the Central Bank of Ireland (the **"Central Bank"**) on 19 July, 2013 as a UCITS pursuant to the UCITS Regulations.

The Directors of the Company, whose names appear under the heading **"DIRECTORS"** in the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 30 April, 2025 as may be amended from time to time (the "Prospectus").**

The launch of various Classes within the Fund may occur at different times and therefore at the time of the launch of given Class(es), the pool of assets of the Fund to which a given Class relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential investors upon request following publication.

**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 Fund may, at any one time, be significantly invested in financial derivative instruments. The Fund may use financial derivative instruments for hedging and/or investment purposes. Leverage will be generated by the Fund through the leverage inherent in some derivative instruments. For more information on the use of derivative instruments please refer to the "Financial Instruments Derivatives" section of this Supplement.**

**The Fund may invest substantially in money market instruments. An investment in the Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Shares of the Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares may fluctuate up and/or down.**

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and not be appropriate for all investors. Investors should read and consider the section entitled “Risk Factors” in the Prospectus and Supplement before investing in the Fund.

**Profile of a Typical Investor:** A typical investor has an investment horizon of 3 years or more and is prepared to accept a high level of volatility.

## 1. Interpretation

The expressions below shall have the following meanings:

|                                        |                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Administrator”</b>                 | means CACEIS Ireland Limited whose principal place of business is at First Floor, Bloodstone Building, Sir John Rogerson’s Quay, Dublin 2, Ireland.                                                                                                                                                                    |
| <b>“Business Day”</b>                  | means any day, except Saturday, Sunday, or public holidays in Dublin, Luxembourg, Paris and New York or such other day or days as may be determined by the Directors and notified in advance to Shareholders.                                                                                                          |
| <b>“Depository”</b>                    | means CACEIS Bank (providing services through its Irish branch, CACEIS Bank, Ireland Branch) whose principal place of business is at First Floor, Bloodstone Building, Sir John Rogerson’s Quay, Dublin 2, Ireland.                                                                                                    |
| <b>“Dealing Day”</b>                   | means every Business Day and/or such other day or days as the Directors may from time to time determine and notify to Shareholders in advance provided there shall be at least two Dealing Days in each month occurring at regular intervals.                                                                          |
| <b>“Redemption Dealing Deadline”</b>   | means for all redemption requests sent to the Administrator, 11 am Irish time 2 Business Days preceding the relevant Dealing Day or such other time as the Directors may determine and notify the Shareholders in advance provided always that the Dealing Deadline is no later than the relevant Valuation Point.     |
| <b>“Subscription Dealing Deadline”</b> | means for all subscription documents sent to the Administrator, 11 am Irish time 2 Business Days preceding the relevant Dealing Day, or such other time as the Directors may determine and notify the Shareholders in advance provided always that the Dealing Deadline is no later than the relevant Valuation Point. |

|                                     |                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Sustainability Risk”</b>        | is 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 an investment.                                                                                                                                                                               |
| <b>“Trading Advisor”</b>            | means Parus Finance UK Limited whose principal place of business is at 100 Pall Mall, London, SW1Y 5NQ, United Kingdom.                                                                                                                                                                                                                                     |
| <b>“Trading Advisory Agreement”</b> | means the Amended and Restated Trading Advisory Agreement made between Innocap Global Investment Management (Ireland) Ltd. and the Trading Advisor dated 18 May, 2017, as novated by an agreement between the Manager, Innocap Global Investment Management (Ireland) Ltd. and the Trading Advisor dated 1 June, 2021, as may be amended from time to time. |
| <b>“Valuation Point”</b>            | means 10pm (Irish Time) on the relevant Valuation Day.                                                                                                                                                                                                                                                                                                      |
| <b>“Valuation Day”</b>              | means the Business Day immediately preceding the Dealing Day.                                                                                                                                                                                                                                                                                               |

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

## 2. Classes of Shares

| Class                 | Currency of Denomination |
|-----------------------|--------------------------|
| Class C CHF hedged    | CHF                      |
| Class C Euro hedged   | Euro                     |
| Class C Euro unhedged | Euro                     |
| Class C GBP hedged    | GBP                      |
| Class C USD           | USD                      |
| Class I CHF hedged    | CHF                      |
| Class I Euro hedged   | Euro                     |
| Class I Euro unhedged | Euro                     |
| Class I GBP hedged    | GBP                      |
| Class I USD           | USD                      |
| Class SI Euro hedged  | Euro                     |
| Class X Euro hedged   | Euro                     |

In relation to hedged Classes, it is the intention of the Manager to hedge (or cause a third party FX hedging provider to hedge) the currency exposure at Class level between the denominated currency of the relevant Class and USD (the Base Currency of the Fund). Further, where the Manager acting in respect of the Fund seeks to hedge against such currency exchange fluctuations at Class level, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside of the control of the Manager.

The conditions in relation to the use of such hedging strategies are described in the section of the Prospectus entitled “Hedging of Currency Exchange in Relation to Some Classes of Shares”. Investors’ attention is also drawn to the risks relating to the adoption of currency hedging strategies, which are described in the section of the Prospectus entitled “Share Currency Designation Risk”.

### **3. Base Currency**

The Base Currency shall be USD.

### **4. Trading Advisor**

The Manager has appointed Parus Finance UK Limited as Trading Advisor to manage the assets of the Fund in accordance with the investment objective and policy of the Fund.

The Trading Advisor is an independent asset management company regulated by the Financial Conduct Authority (“**FCA**”) and operating out of London and Paris. Fabrice Vecchioli and Edouard Vecchioli purchased a company in December 2000 and renamed it Parus Finance SA with the aim to focus on the management of one Long Short Equity hedge fund (the “**Flagship Fund**”), authorised in December 2001 and launched in January 2002. Parus Finance SA solely acted as investment manager to the Parus Fund PLC (the “Parus Fund”) and was authorised by the Autorité des marchés financiers (France). In June 2013, management of the Parus Fund moved from Parus Finance SA to Parus Finance (UK) Limited which became authorised by the FCA in May 2013. Parus Finance (UK) Limited is 100% owned by Parus Finance Holding Ltd.

The Trading Advisory has been cleared by the Central Bank to act in a discretionary investment management function. Any sub-trading advisors will be cleared by the Central Bank to act as discretionary investment managers and appointed in accordance with the Central Bank’s requirements.

### **5. Investment Objective**

The investment objective of the Fund is to generate absolute returns by targeting, on the long side, mainly growth stocks with a competitive advantage and, on the short side, structurally declining companies with operating or financial leverage.

Some of the trading strategies of the Fund may involve the use of leverage as part of particular strategies which will be monitored and limited in accordance with the requirements of the Central Bank. This may result in the Fund having a leveraged exposure to certain assets.

### **6. Investment Policy**

The Fund is a global equity long short fund that relies primarily on fundamental research consisting of buying high quality companies and taking short positions via derivatives in structurally declining companies which are companies which in the Trading Advisor’s view, are facing business or financial difficulties. The concentration is high on the long side (typically 30-60 stocks) and the trading frequency is low due to the long investment horizon. The Fund will invest primarily in North American and European equities, and may also invest in other

markets (including emerging markets), via the use of listed common stocks, ETFs and futures on equity indices, American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”), contracts for differences, swaps on single listed stocks, swaps on single over-the-counter (“OTC”) stocks and swaps on equity indices, as further described in the section below entitled “**Financial Instruments Derivatives**”. The Fund may invest up to 30% of its NAV in global emerging markets including indirectly in China.

The Fund employs a stock-picking methodology supported by fundamental analysis and the use of primary data such as company level data, market share, market prices, production, consumption, price or credit data. The Fund focuses on long-term outcome with the objective to make money on each position independently be it long or short. The Fund has active long and short position and does not usually use index hedges. Stocks included in the portfolio are the result of a bottom-up selection process.

Although bottom-up stock selection is the primary focus, portfolio monitoring and risk control are also an integral part of the process. The Fund has a variable net exposure (meaning the value of long positions minus the value of short positions), which has historically been between -28% and 95% and is derived from microeconomic data points. When the valuation of the market is low, at the beginning of a cycle, the Fund will tend to hold more long positions than short positions. When the market cycle leans toward the end of the cycle, which is typically reflected through higher valuation, the Fund will increase the short positions and thus reduce the net exposure. The Fund will typically hold between 30 to 60 stocks, with, on average, between 40% and 100% of such stocks being held as long positions and between 0% and 60% of such stocks being held as short positions. Individual long equity positions are held with the typical holding size between 1% and 6% of NAV. Individual short equity positions are held with the typical holding size between 1% and 4% of NAV. The average gross exposure, which is the sum of the value of long and short positions, is typically 100% of NAV. The long-term focus explains the low turnover of the Fund of 40% on average. It is expected that the total gross long positions will not exceed 100% of the Net Asset Value of the Fund and the total gross short positions will not exceed 60% of the Net Asset Value of the Fund. However, the total gross long positions and the total short positions may exceed or fall below these percentages depending on how the strategy described above is implemented from time to time.

As the use of derivatives may from time to time be an important part of the approach of the Fund, the Fund may at any one time have significant cash balances to invest. Such cash balances may be invested in money market funds (notably, collective investment schemes) and money market instruments, including, but not limited to, certificates of deposit, fixed or floating rate notes and fixed or variable rate commercial paper (which are considered investment grade or above as rated by the principal rating agencies) and in cash deposits denominated in such currency or currencies as the Manager or the Trading Advisor, as the case may be, may determine. The Fund’s assets may also be invested in sight, term and time deposits of banks (which are considered investment grade or above by the principal rating agencies). Investment in Collective Investment Schemes will be in accordance with the Central Banks requirements. The residual maturity of each investment described in this paragraph may not exceed one year. Such investment is made in order to manage the cash held by the Fund which is required for investment in derivatives outlined above. For example, investing in long and short equity swaps in equal measure leaves a cash balance which needs to be invested so that there is no drag on the performance of the Fund and it is for this purpose that these instruments will be used. Though investment in money market funds and money market instruments is not a primary investment focus of the Fund, the Fund may at times be significantly invested in these assets in order to manage the cash held by the Fund.

## ESG Integration in the investment process

The Trading Advisor has developed an ESG policy to which it adheres to, covering its principles, processes and initiatives, which can be found at <https://www.parusfinance.com/>. The main features of the policy are outlined below.

### *Qualitative*

The fundamental nature of the Trading Advisor's research process leads to a deep understanding of a company's business, the products and services it provides, as well as its corporate culture. Along with the long term investment horizon, this results in an understanding of the qualitative outlook of a company's Sustainability Risk and the impact of ESG events on a company. The Trading Advisor has also embedded ESG-specific analysis that takes into consideration a broad range of quantitative ESG factors (including, for example, carbon intensity, water and waste usage, workforce diversity and fair opportunities, board structure and overall corporate social responsibility strategies) that are reported by companies and by third party specialist research providers. The combination of these processes produces a deep ESG analysis. Ongoing monitoring of ESG factors assists in identifying investments that fit the Trading Advisor's ESG criteria and avoiding those investments that do not.

### *Quantitative*

The Trading Advisor uses an internal proprietary model to assess ESG factors as they apply to potential investee companies which includes an analysis of and periodic internal reporting on a company's disclosure, trends and comparisons to peers from company-reported metrics and integrates the assessment of potential investee companies by multiple third party specialist solutions. The model tracks a company's behaviour and progress from an ESG perspective. Low scoring companies, which fall below the norm of the portfolio from an ESG perspective, can be flagged for further research, to identify the reason for this and to help the Trading Advisor decide if it is comfortable holding the position.

The Trading Advisor subscribes to third party data on carbon intensity. The carbon intensity at an individual asset and portfolio level is monitored and judged against an average of the investable universe. The environment is a critical element of the ESG research and monitoring this metric ensures that the investment process leads to positive, demonstrable and independent environmental outcomes which can be monitored over time. The use of this third party data is independent from the Trading Advisor's other internal analysis and the result is a definitive metric that shows how the Trading Advisor is performing on the environmental characteristics it promotes.

### *Engagement*

The Trading Advisor issues an annual questionnaire to each of the investee companies, which includes a range of questions, including questions on the company's ESG policy and efforts. This assists in cases where the information may not be readily available through external data providers and gives a more qualitative view on the company's commitment to ESG matters. If an issue is identified from the questionnaire, this would give the

Trading Advisor reason to follow up with the company. The questionnaire is also a tool used to promote ESG disclosure and the improvement of ESG policies. The Trading Advisor is also able to proxy vote in respect of the investee companies, through an online proxy service.

### *Exclusions*

The Trading Advisor operates an exclusion list and is committed to not investing in any issuer that derives a majority of revenue (greater than 50%) from certain activities such as: illegal (as per the meaning of the 1997 Mine Ban Treaty of Ottawa) and nuclear weapons, adult entertainment, tobacco producers and thermal coal.

### *ESG responsibility*

The ESG component of the investment decision making process is primarily assigned to an investment analyst, who reports to the wider investment team of portfolio managers within the Trading Advisor. This includes periodic reporting of all aspects of the ESG approach.

Based on the integration of ESG considerations into the investment decision-making process, the Fund is considered as qualifying as a financial product promoting, among other characteristics, environmental or social characteristics, or a combination of those characteristics, under Article 8 of the SFDR. In order to promote environmental and/or social characteristics the Fund aims to have a portfolio that results in a lower environmental footprint, as measured by carbon intensity, whilst avoiding companies which do not follow good governance practices. Alongside the data elements of the investment process, the qualitative part of the research process carried by the Trading Advisor and questionnaires issued to the investee companies allow the Trading Advisor to understand how companies perform on such factors. Further information on the environmental and social characteristics of the Fund can be found in the Sustainability Disclosure Annex of this Supplement.

No index has been designated as a reference benchmark.

### **Efficient Portfolio Management**

Where considered appropriate the Fund may also utilise instruments such as spot transactions and forward foreign currency exchange contracts for efficient portfolio management and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. Efficient portfolio management transactions relating to the assets of the Fund may be entered into by the Trading Advisor with one of the following aims: (a) a reduction of risk (including currency exposure risk); (b) a reduction of cost (with no increase or minimal increase in risk); and (c) generation of additional capital or income for the Fund with a level of risk consistent with the risk profile of the Fund and the diversification requirements in accordance with the Central Bank's UCITS Regulations and as disclosed in Appendix I to the Prospectus. In relation to efficient portfolio management operations, the Trading Advisor will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way. Notwithstanding the foregoing, efficient portfolio management will be used primarily for currency hedging purposes and forward foreign currency exchange contracts may be used for such purposes. The Fund may also use forward foreign currency exchange contracts to alter the currency characteristics of transferable securities held by the Fund where the Trading Advisor considers it appropriate to retain the credit quality of a particular transferable security but

wishes to obtain a currency exposure consistent with the Fund's investment objective and policy. Because currency positions held by the Fund may not correspond with the asset positions held, performance may be strongly influenced by movements in foreign exchange rates.

The Fund may enter into forward currency contracts to purchase or sell a specific currency at a future date at a price set at the time of the contract. The Fund may enter into these contracts to hedge against changes in currency exchange rates. The Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

## **7. Investments in Collective Investment Schemes**

As described in the Investment Policy of the Fund, the Fund may invest in collective investment schemes for cash management purposes. Investment in collective investment schemes shall not exceed 10% of the Net Asset Value of the Fund. The management fees that may be charged by such collective investment schemes will not exceed 60 basis points of the amount invested in such collective investment schemes. The Fund may invest in collective investment schemes domiciled in Ireland which are authorised as UCITS by the Central Bank. The Fund shall not invest in collective investment schemes which are not authorised as UCITS.

## **8. Total Return Swaps and Securities Financing Transactions**

As noted above, the Fund may enter into total return swaps including any contracts for difference which are deemed to constitute total return swaps for the purposes of the SFT Regulations.

All types of assets which may be held by the Fund in accordance with its investment objectives and policies may be subject to a total return swap (including any contracts for difference as detailed above).

The maximum proportion of the Fund's assets which can be subject to total return swaps is 100% of the Net Asset Value of the Fund's assets.

The expected proportion of the Fund's assets which will be subject to total return swaps should not exceed 100% of the Net Asset Value of the Fund's assets. The proportion of the Fund's assets which are subject to total return swaps at any given time will depend on prevailing market conditions and the value of the relevant investments. The amount of assets engaged in total return swaps, expressed as an absolute amount and as a proportion of the Fund's assets, as well as other relevant information relating to the use of total return swaps shall be disclosed in the annual report and semi-annual report of the Company.

For the purposes of the above, a total return swap is any OTC derivative contract in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.

Further information relating to total return swaps and contracts for difference is set out in Section 1 – “*The Company*” of the Prospectus at sub-sections entitled “*Investment in Financial Derivative Instruments – Contracts for Difference*” and “*Investment in Financial Derivative Instruments – Total Return Swaps*”.

There is no current intention for the Fund to engage in securities financing transactions within the meaning of the SFT Regulations.

## **9. Financial Derivative Instruments**

As described in the Investment Policy, the Fund may invest in Financial Derivatives Instruments ("FDIs") for investment and/or hedging purposes. It is anticipated that the Fund will be able to have a short exposure to equities or similar instruments through the use of FDIs. The FDIs used by the Fund will consist, as described above, of swaps on single listed stocks or swaps on single OTC stocks, as well as contracts for differences. The Fund may enter into swap agreements and contracts for difference as more fully described under the section in the prospectus entitled "Investment in Financial Derivative Instruments" and "Total Return Swaps". The Fund may from time to time enter into swap agreements which reference equity securities and equity indices including the use of equity total return swaps (where the economic performance of a single equity security, a basket of securities or an equity index over a specific period of time is obtained by the Fund in exchange for a physical cash payment by the Fund to the counterparty). Indices to which the Fund may gain exposure shall comply with UCITS Regulation, Central Bank UCITS Regulations and the ESMA Guidance on ETFs and other UCITS issues.

The Fund will generally gain exposure to such indices both for hedging and for speculative purposes, to access various markets and sectors. Indices which the Fund may gain exposure to, through the use of futures or swaps, include the S&P500, the NASDAQ and the EuroStoxx indices. The S&P500 is widely regarded as a gauge of large capitalization US equities and includes 500 companies, capturing 80% of available market capitalization. Information on this index may be found at <http://www.spindices.com/indices/equity/sp-500>. The NASDAQ is the second largest stock exchange by market capitalization in the world. More information can be found on this index at <http://www.nasdaq.com>. The Eurostoxx is Europe's blue-chip index for the Eurozone, providing a Blue-chip representation of sector leaders in the European Union. Additional information on this index may be found at <http://www.stoxx.com>. It is not possible to list comprehensively the actual indices to which exposure may be taken, as they will change from time to time, but the annual accounts of the Company will include details of the indices to which exposures are taken during the relevant period.

The Fund may invest up to for 10% of its NAV in such indices. Swaps are used in this strategy to gain short exposure to declining companies. The swaps used are equity swaps where the value of the swap is linked to the performance of the underlying single name stock. The Fund may enter into contracts for difference not to gain a leveraged synthetic exposure but to gain short exposure to certain single names stocks.

Counterparties to the total return swaps that the Fund may enter into would be counterparties authorised in accordance with the process set forth in the section of the Prospectus entitled "Investment in Financial Derivative Instruments" and "Eligible Counterparties". The Fund will only enter into total return swaps on behalf of the Fund which are subject to prudential supervision and are within categories approved by the Central Bank. It is not possible to comprehensively list in this Supplement all of the counterparties as they may change from time to time. Counterparties would typically be required to have strong capability and expertise in the total return swaps space and have high credit worthiness as defined by the financial ratios of the firm, credit spread, debt rating, stock performance, etc. The credit risk attributable to such counterparties is monitored by the Manager

to ensure that any degradation of the credit of a counterparty is identified and that, whenever possible, relevant actions are taken in a timely manner. Since the underlying assets will either be single stocks or plain vanilla baskets of stocks, the counterparty to a total return swap will not have any discretion over the composition or the management of the Fund.

The Fund utilises the commitment approach methodology for the calculation of global exposure. The leverage exposure of the Fund through the use of FDIs will not exceed 100% of the Fund's Net Asset Value. Under the standard commitment approach, each FDI position is converted into the market value of an equivalent position in the underlying asset of that FDI (following ESMA's guidelines on risk measurement and the calculation of global exposure and counterparty risk for UCITS published on 28 July 2010 as updated further to the ESMA Guidance on ETFs and other UCITS issues).

**The use of derivatives entails certain risks to the Fund including those set out under “Risk Factors” in this Supplement.** Investors are also encouraged to read the section of the Prospectus entitled “Financial Derivative Instrument” which describes the types of derivatives which the Company may use, the purposes of their intended use and their effect.

### **Collateral Management Policy**

The collateral management policy employed by the Manager in respect of the Fund arising from OTC financial derivative transactions provides that cash and non-cash will be permitted collateral for each proposed financial derivative transaction. The level of collateral required by the Manager in respect of *each financial derivative transaction* varies in accordance with each FDI's liquidating value, and collateral payments are claimed whenever such collateral amount reaches USD250,000 or more. Please refer to the section of the Prospectus entitled “*The Company*”, sub-paragraph “*Collateral Management*” for additional details of the collateral management policy applicable to the Fund.

## **10. Risk Management Process**

The Fund will employ a risk management process based on the commitment approach which will enable it to accurately monitor, measure and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Fund 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 Central Bank. The Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Company including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

## **11. Offer**

### *Initial Offer*

The Initial Offer Period in respect of Class C USD, Class I Euro hedged, Class I Euro unhedged, Class I CHF hedged, Class I GBP hedged, Class I USD, Class C Euro hedged and Class X Euro hedged has now closed.

Subject to the paragraph directly below entitled “Closure of Classes”, Shares in (a) Class SI Euro hedged Shares which are relaunching may be offered from 8:00am (Irish time) on 2 June, 2021 to 11:00am (Irish time) on 29 October, 2025 and (b) the remaining Classes of the Fund may be offered from 8:00am (Irish time) on 5 August, 2016 to 11:00am (Irish time) on 29 October, 2025 or the Closing Date (as defined below), whichever occurs first (the “**Initial Offer Period**”), at the initial price set out below (plus any applicable duties or charges) and subject to acceptance of applications for the Shares by the Company and will be issued for the first time on the first Dealing Day after expiry of the Initial Offer Period. The Closing Date means the date on which the Minimum Class Size is received in respect of the relevant Class. Investors should note that if the Minimum Class Size is not received before the close of the Initial Offer Period, the Directors may in their sole discretion return subscription proceeds to investors.

#### *Closure of Classes*

The Directors may close some or all of the Classes in the Fund to subscriptions from existing and/or new Shareholders. The Directors may subsequently re-open some or all of the Classes in the Fund to further subscriptions from existing and/or new Shareholders at their discretion and the process of closing and potentially, re-opening the Classes may be repeated thereafter as the Directors may determine from time to time.

Shareholders may ascertain the closed or open status of the Classes of the Fund and if those Classes are open to existing and/or new Shareholders by contacting the Administrator. Closing the Fund to new subscriptions will not affect the redemption rights of Shareholders and Shareholders will be permitted to convert into other Classes as outlined in the Prospectus of the Company.

#### *Initial Offer Price*

| <b>Class</b>          | <b>Initial Offer Price</b> |
|-----------------------|----------------------------|
| Class C CHF hedged    | CHF100                     |
| Class C Euro unhedged | €100                       |
| Class C GBP hedged    | £100                       |
| Class SI Euro hedged  | CHF100                     |

The Initial Offer Period may be extended or shortened by the Directors. The Central Bank will be notified in advance of any such extension if subscriptions for Shares have been received during the Initial Offer Period and otherwise on a yearly basis.

#### *Subsequent Offer*

Subject to the paragraph above entitled “Closure of Classes”, after closing of the Initial Offer Period, the Shares of the Fund will be issued at their Net Asset Value per Share (plus any applicable duties or charges).

## Share Class Restrictions

Class I Shares are reserved to institutional investors in relation to which the Distributor or its delegates have acted. Class I Shares are offered in the following currencies: Euro, GBP, CHF and USD. Class C Shares are reserved to investors in relation to which sub-distributors hired by the Distributor in accordance with the terms of the relevant Distribution Agreement have acted. Class C is offered in the following currencies: Euro, GBP, CHF and USD. Class SI Shares are available to all investors but are more specifically designed for large institutional investors. Class SI Shares are offered in Euro. Class X Shares are available to all investors but are more specifically designed for large institutional investors. Class X Shares are offered in Euro.

### 12. Minimum Subscription

The Directors are entitled to impose minimum subscription requirements in respect of each Class of Shares. To date the minimum subscription requirements in respect of each Class of Shares are as follows:

| <b>Class of Shares</b> | <b>Minimum Holding for existing Shareholders as of 2 January, 2018</b> | <b>Minimum Subscription (Inclusive of the Initial Charge) and Minimum Holding</b> | <b>Minimum Amount for Subsequent Subscriptions</b> |
|------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------|
| Class C CHF hedged     | One Share                                                              | One Share                                                                         | None                                               |
| Class C Euro hedged    | One Share                                                              | One Share                                                                         | None                                               |
| Class C Euro unhedged  | One Share                                                              | One Share                                                                         | None                                               |
| Class C GBP hedged     | One Share                                                              | One Share                                                                         | None                                               |
| Class C USD            | One Share                                                              | One Share                                                                         | None                                               |
| Class I CHF hedged     | CHF350,000                                                             | CHF2,800,000                                                                      | None                                               |
| Class I Euro hedged    | €250,000                                                               | €2,000,000                                                                        | None                                               |
| Class I Euro unhedged  | €250,000                                                               | €2,000,000                                                                        | None                                               |
| Class I GBP hedged     | £225,000                                                               | £1,800,000                                                                        | None                                               |
| Class I USD            | \$350,000                                                              | \$2,800,000                                                                       | None                                               |
| Class SI Euro hedged   | N/A                                                                    | €100,000,000                                                                      | None                                               |
| Class X Euro hedged    | N/A                                                                    | €50,000,000                                                                       | None                                               |

The Directors have the right in their discretion, with respect to any investor, to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Amount for Subsequent Subscriptions requirements outlined in the table above (if any) at any time; provided that Shareholders in the same position in the same Class shall be treated equally and fairly.

These minimum subscription requirements are in addition to Minimum Class Size requirements, as follows:

| <b>Class of Shares</b> | <b>Minimum Class Size</b> |
|------------------------|---------------------------|
| Class C CHF hedged     | CHF5,000,000              |
| Class C Euro hedged    | €4,000,000                |
| Class C Euro unhedged  | €4,000,000                |

|                       |              |
|-----------------------|--------------|
| Class C GBP hedged    | £3,250,000   |
| Class C USD           | \$5,000,000  |
| Class I CHF hedged    | CHF5,000,000 |
| Class I Euro hedged   | €4,000,000   |
| Class I Euro unhedged | €4,000,000   |
| Class I GBP hedged    | £3,250,000   |
| Class I USD           | \$5,000,000  |
| Class SI Euro hedged  | €100,000,000 |
| Class X Euro hedged   | €50,000,000  |

The Minimum Class Size requirements as described above may be varied by the Directors at their discretion; provided that Shareholders in the same position in the same Class shall be treated equally and fairly.

### **13. Application for Shares**

Subject to the paragraph above entitled “Closure of Classes”, applications in respect of the Fund received by the Administrator prior to the Subscription Dealing Deadline before the relevant Dealing Day will be dealt with on that Dealing Day. If any application is received after the Dealing Deadline, it will be deemed to have been received in respect of the next Dealing Day and dealt with accordingly. The Directors may, at their discretion, resolve to accept applications received after the Dealing Deadline but prior to the Valuation Point, in exceptional circumstances.

Applications for Shares should be made by sending an Application Form to the Administrator along with such documentation relating to money laundering prevention checks as may be required by the Administrator.

No redemptions will be paid until all documentation required by on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Amendments to a Shareholder’s registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

Shareholders will be subject to a maximum sales charge of up to 5% of the subscription amount.

For further information on the application procedure Investors’ attention is drawn to the Section of the Prospectus entitled “The Shares” and the sub-section therein entitled “Application Procedure” which outlines further information on the application procedure to be followed.

### **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 0.001 of a Share.

Subscription monies, representing less than 0.001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

### **Method of Payment**

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank account specified in the Application Form. 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 Class. The Company will not accept applications for Shares in currencies other than the currency of denomination of the relevant Class in which the applicant has elected to apply for Shares.

### **Timing of Payment**

Payment in respect of subscriptions must be received in cleared funds by the Administrator no later than two (2) Business Days after the relevant Dealing Day. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Company or its delegate may cancel the subscription. The Company reserves the right to cancel, or to instruct its delegate to cancel, without notice any contract for which payment has not been received by the settlement date and to recover any losses incurred. The Company may charge the applicant or, if the applicant is a Shareholder, redeem or sell all or part of his holding of Shares and use the proceeds thereof to satisfy and make good any loss, cost, expense or fees suffered by the Company as a result of non-receipt of such funds. In addition, settlement is conditional upon all the appropriate documentation being received by the Company or its delegate prior to the Dealing Deadline in the required format with all details correct and with valid authorization. Investors are invited to carefully review the risk factor entitled "Non-Payment of Subscription Monies", under the section "Risk Factors" of the Prospectus.

### **Confirmation of Ownership**

Written confirmation of each purchase of Shares will normally be sent to Shareholders within 2 Business Days of the relevant Dealing Day. 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.

## **14. Redemption of Shares**

### **Redemption of Shares**

Shareholders may redeem their Shares on any Dealing Day at the Net Asset Value per Share on the relevant Dealing Day (less any applicable duties or charges) (save during any period when the calculation of Net Asset Value is suspended). Redemption requests for Shares received by the Administrator before the Redemption Dealing Deadline will be dealt with on that Dealing Day. Redemption requests received after the Redemption Dealing Deadline will, at the discretion of the Directors, be deemed to have been received in respect of the next

Dealing Day and dealt with accordingly. Investors' attention is drawn to the Section of the Prospectus entitled "The Shares" and the sub-section therein entitled "Redemption of Shares" which outlines further information on the redemption procedure to be followed. The Directors may, at their discretion, resolve to accept redemption requests received after the Redemption Dealing Deadline but prior to the Valuation Point, in exceptional circumstances.

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. Redemption payments following processing of instructions 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 currency of denomination of the Class from which the Shareholder has redeemed Shares.

#### **Timing of Payment**

Redemption proceeds in respect of Shares will normally be paid within two (2) Business Days of the relevant Dealing Day (and in any event should not exceed ten (10) Business Days from the relevant Dealing Deadline) provided that all the required documentation has been furnished to and 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".

### **15. Conversion of Shares**

Subject to the Minimum Subscription requirements of the relevant Fund or Classes, Shareholders may request conversion of 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". Requests for conversion of Shares should be made to the Administrator by the Dealing Deadline by facsimile, written communication or electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of

the Administrator and the Central Bank) 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 Administrator.

## **16. Dividend Policy**

It is not the current intention of the Directors that dividends be recommended for payment to Shareholders in the Fund. If dividends are to become payable, Shareholders will be notified in advance and full details will be provided in an updated Supplement for the Fund.

## **17. 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 following the ending of such suspension.

## **18. Fees and Expenses**

The fees and operating expenses of the Company are set out in detail under the heading “Fees and Expenses” in the Prospectus.

### **Financial Management Fee**

The Fund shall pay to the Manager and the Trading Advisor out of its own assets, the following maximum aggregate annual fees, together with any VAT, if applicable, which shall accrue at each Valuation Point.

- Class C: 2.30% of the NAV of each of Class C Euro hedged, Class C Euro unhedged, Class C GBP hedged, Class C CHF hedged and Class C USD;
- Class I: 1.65% of the NAV of each of Class I Euro hedged, Class I Euro unhedged, Class I GBP hedged, Class I CHF hedged and Class I USD;
- Class SI: 1.5% of the NAV of Class SI Euro hedged; and
- Class X: 1.5% of the NAV of Class X Euro hedged.

The Manager shall also be entitled to be repaid out of the assets of the Company all of its reasonable out-of-pocket expenses which shall include legal fees, couriers’ fees and telecommunication costs and expenses together with VAT, if any, thereon.

## Administrator and Depositary Fees

The Fund will pay to the Administrator and to the Depositary the following fees which shall be accrued and calculated as at the relevant Valuation Point together with any VAT, if applicable, payable monthly in arrears:

| Consolidated net asset value in Euro of all the Funds of the umbrella fund | Administration and Depositary Fee |
|----------------------------------------------------------------------------|-----------------------------------|
| First EUR 2,000,000,000                                                    | 0.10%                             |
| Next EUR 2,000,000,000                                                     | 0.08%                             |
| Next EUR 6,000,000,000                                                     | 0.07%                             |
| Above EUR 10,000,000,000                                                   | 0.06%                             |

The above fees are subject to a minimum fee of EUR 75,000 per annum, and are exclusive of certain additional fees that the Administrator and the Depositary may charge, including, but not limited to, transaction fees, fees based on the number of share classes and whether the share classes are hedged or not, certain reporting fees, shareholder tax services fees, fees charged on assets invested in emerging or frontier markets, all of which shall be at normal commercial rates. The Depositary and the Administrator are also entitled to be reimbursed of reasonable disbursements and out of pocket expenses which are not included in the above mentioned fees.

## Performance Fee

In addition, the Trading Advisor shall be entitled to receive a performance fee ("**Performance Fee**") in respect of each Classes of Shares. Accruals, for the purposes of the Performance Fee (the "**Accruals**"), are made on each Valuation Day, but shall only become due and payable, if and when applicable, on the Calculation Day.

The 'Calculation Day' for the purposes of calculating the Performance Fee means:

- (a) the last Business Day of the Calculation Period (as defined below);
- (b) in respect of Shares which are redeemed, the Redemption Day on which such Shares are being redeemed;
- (c) the date of merger (subject to the requirements of the Central Bank);
- (d) the date of termination of the Trading Advisory Agreement; or
- (e) such other date on which the Company or the Fund may be liquidated or cease trading.

"**Calculation Period**" shall mean the period beginning on 1 January each year and ending on 31 December each year. However, the first Calculation Period in respect of any Class of Shares will be the period commencing on the Business Day when that Class is initially subscribed and ending on 31 December in the following year. The first value used in determining the first Performance Fee shall be the Initial Price. The Performance Fee for each Classes of Shares is payable annually in arrears in respect of each Calculation Period.

The Performance Fee will be calculated and accrued on each Valuation Day as an expense of the relevant Class and will be payable to the Trading Advisor in arrears, at the end of the Calculation Period. The NAV used for calculation and daily accrual of the Performance Fee shall be a NAV calculated after the accrual of all other expenses and fees of the Fund but before accrual of the Performance Fee, provided that in doing so it is in the investor's best interest. The Performance Fee shall be payable by reference to the NAV of a Class of a Fund in excess of that Class's High Water Mark (as defined below) (the "**New Net Appreciation**"). The Performance Fee is payable in relation to a High Water Mark.

All Classes of Shares will not have the same NAV. The Performance Fee will be calculated as a percentage (20%) of the New Net Appreciation attributable to each Class (with the exception of Class X Euro hedged) calculated by reference to each Class' High Water Mark.

The Performance Fee for Class X Euro hedged shall be calculated as a percentage (16%) of New Net Appreciation attributable to Class X Euro hedged calculated by reference to the High Water Mark for Class X Euro hedged Shares.

For the purposes of the Performance Fee calculation, the High Water Mark attributable to each Class is the greater of

- (a) The highest Net Asset Value of the relevant Class noted as of the end of each Calculation Period since inception of the Fund adjusted for subscriptions and redemptions; or,
- (b) If no Performance Fee has ever been realised, then the Net Asset Value of the relevant Class at the inception of the Fund adjusted for subscriptions and redemptions.

If a redemption is made from the relevant Class as of a date other than 31 December, a Performance Fee (if accrued as of the date of such Redemption) shall be crystallised in respect of the Shares being redeemed. Crystallised Performance Fees shall remain in the relevant Class until paid to the Trading Advisor, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class. When a redemption is made, the High Water Mark is proportionately adjusted downwards. If a subscription is made, the High Water Mark is proportionately adjusted upwards.

If any Class experiences net losses after the payment of a Performance Fee in respect of such Class, the Trading Advisor will retain all Performance Fees previously paid to it in respect of such Class but will not receive a new Performance Fee in respect of such Class until additional New Net Appreciation is achieved by such Class.

The Performance Fee is calculated and accrued on each Valuation Day and paid yearly in arrears, in respect of each Calculation Period. Any Performance Fee due will generally be paid within 14 days after the end of each Calculation Period, the date of any redemption, the date of a merger (subject to the requirements of the Central Bank), the date of termination of the Trading Advisory Agreement or such other date on which the Company or the Fund may be liquidated or cease trading.

The Performance Fee for all Classes of Shares will be calculated by the Administrator and verified by the Depositary and is not open to the possibility of manipulation.

Net realised and unrealised capital gains and net realised and unrealised capital losses will be included, for all Classes of Shares, in the Performance Fee calculation as at the end of a Payment Date. As a result a Performance Fee may be paid on unrealised gains that may subsequently never be realised.

Example of how the Performance Fee is calculated:

| Calendar year | NAV per Share at the end of the calendar year before Performance Fee | High Water Mark | Performance Fee rate | Performance Fee due                         | NAV per share at the end of the calendar year after Performance Fee |
|---------------|----------------------------------------------------------------------|-----------------|----------------------|---------------------------------------------|---------------------------------------------------------------------|
| Year 1        | 106.00                                                               | 100.00          | 20%                  | $(106-100) \times 20\% = 1.20$ per share    | 104.80                                                              |
| Year 2        | 102.00                                                               | 104.80          | 20%                  | None                                        | 102.00                                                              |
| Year 3        | 110.00                                                               | 104.80          | 20%                  | $(110-104.80) \times 20\% = 1.04$ per share | 108.96                                                              |
| Year 4        | 108.00                                                               | 108.96          | 20%                  | None                                        | 108.00                                                              |

The initial price represents the first High Water Mark. In this case the initial price is 100 per share.

### Research Charges

The Fund may incur charges relating to investment research which is or may be used by the Trading Advisor in managing the assets of the Fund. In this regard, the Trading Advisor intends to operate a research payment account (“**RPA**”) in order to ensure that it complies with its regulatory obligations under Directive 2014/65/EU as may be amended from time to time (“**MiFID II**”). The RPA operated by Trading Advisor shall be funded by a specific research charge to the Fund and shall be used to pay for investment research received by the Trading Advisor from third parties and must be operated in accordance with the requirements of MiFID II. The Trading Advisor in conjunction with the Directors and the Manager shall set and regularly assess a research budget for the Fund and shall agree the frequency with which such charges will be deducted from the Fund.

### Anti Dilution Levy / Duties and Charges

The Company reserves the right to impose an ‘anti dilution levy’ representing a provision for market spreads (the differences between the prices at which assets are valued and/or bought or sold), and other dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of the Fund, in the event of receipt for processing of net subscriptions and/or redemptions, including subscriptions and redemptions which would be effected as a result of requests for conversion from one Fund into another Fund. Any such provision may be added to the price at which Shares will be issued in the case of net subscription requests exceeding 10% of the Net Asset Value of the Fund and deducted from the price at which Shares will be redeemed in the case of net redemption requests exceeding 10% of the Net Asset Value of a Fund, including the price of Shares issued or redeemed as a result of requests for conversion. Any such anti-dilution levy shall not exceed 3% of the value of each relevant subscription or redemption transaction. The application of any provision will be subject to the overall direction and discretion of the Company.

## **19. Risk Factors**

The attention of investors is drawn to the “Risk Factors” section in the Prospectus. In addition, the following Risk Factors are specific to the Fund:

### **General**

The risks inherent in investment by the Fund are of a nature and degree not typically encountered in investment in securities of listed companies on the major securities markets. They are additional to the normal risks inherent in investing in securities. In addition owing to the investment objectives and policies of the Fund, investment in the Funds may involve a greater degree of risk than is the case with conventional securities.

The investment policy of the Fund may result in the Net Asset Value of the Fund having a medium to high volatility. However, the Manager will strive to limit the volatility of the Fund’s returns.

Investors in the Fund must recognize that, due to the inherent characteristics of the markets in which the Fund invests, directly or indirectly, the value of their investment can go down as well as up, and that they may not receive back the monies originally invested.

The liquidity in markets can vary and it may not always be possible for the Fund to disinvest or invest in any particular market.

### **Valuation Risk**

The Manager or any other competent person, firm or corporation selected by the Manager and approved for such purpose by the Depositary, may be responsible for the valuation of certain investments where provided for in the Prospectus. Whilst there is an inherent conflict of interest between the involvement of the Manager or any other competent person that is an associate or delegate of the Manager in determining the valuation price of each Fund's investments and the Manager's or competent person's other duties and responsibilities in relation to the Funds, in engaging the services of competent persons to determine the fair value of securities the Company will direct such persons including the Manager and each competent person to follow industry standard procedures and the requirements of the Central Bank for valuing unlisted investments.

### **Performance Fee Risk**

The payment of the Performance Fee as described under “Fees and Expenses - Performance Fees” to the Trading Advisor based on the performance of the Fund may provide the Trading Advisor with an incentive to cause the Fund to make more speculative investments than might otherwise be the case. The Trading Advisor 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.

## **Investment in Cash and Money Market Instruments**

The Fund may invest in deposits with credit institutions and/or in money market instruments. An investment in the Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Shares of the Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares may fluctuate up and/or down.

## **Investment in Equity and Equity-Related Securities**

The Fund, as well as the collective investment schemes in which the Fund invests, may invest in equity and equity-related securities traded on national securities exchanges and over-the-counter markets. Equity securities will be subject to risks associated with such investments, including fluctuations in market prices, adverse issuer or market information and the fact that equity and equity-related interests are subordinate in the right of payment to other corporate securities, including debt securities. The value of these securities varies with the performance of the respective issuers and movements in the equity markets generally. As a result, the Fund may suffer losses if it invests in equity securities of issuers where performance falls below market expectations or if equity markets in general decline or the Fund has not hedged against such a general decline. Futures and options on futures on equity securities and indices are subject to all the foregoing risks, in addition to the risks particularly associated with futures and derivative contracts.

## **Hedging Transactions**

The Fund may utilise financial instruments such as forward contracts both for investment purposes and to seek to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of the portfolio positions does not eliminate fluctuations in the values of portfolio positions nor prevent losses if the value of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the value of those positions. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. Moreover, it may not be possible for such collective investment schemes to hedge against an exchange rate or interest rate fluctuation that is generally anticipated, if the Fund or the relevant collective investment schemes is not able to enter into a hedging transaction at a price sufficient to protect the Fund or the relevant collective investment schemes from the decline in value of the portfolio position anticipated, as a result of such a fluctuation. While collective investment schemes in which the Fund invests may enter into such transactions to seek to reduce currency, exchange rate and interest rate risks, unanticipated changes in currency, interest rates and equity markets may result in a poorer overall performance of the relevant collective investment schemes and hence the Fund. For a variety of reasons, the relevant collective investment schemes investment managers may not seek to establish (or may not otherwise obtain) a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the relevant collective investment schemes from achieving the intended hedge or expose the relevant collective investment schemes to risk of loss.

## **Derivatives Trading Risk**

Substantial risks are involved in alternative strategies. The Fund may enter into OTC derivative transactions such as swaps to gain economic exposure to securities, currencies or other assets or rates.

Trading risks include both counterparty risk and the risk that the financial institution used as an intermediary or counterparty might default, notably as a result of insolvency, and risks derived from the nature of transactions themselves or market risk.

Additionally, substantial risks are involved in trading financial derivatives in which the Fund intends to trade. The value of positions in derivatives is influenced by, among other things, changing supply, and demand for underlying assets such as commodities for instance, or by trade, fiscal and monetary policies of governments, foreign exchange controls as well as national and international political and economic events. In addition, governments from time to time may intervene, directly or by regulation, in certain markets. Such intervention often is intended directly to influence prices and may, together with other factors, cause all such markets to move rapidly in the same direction. Certain of the derivatives in which the Fund may invest are interest and foreign exchange rate sensitive, which means that their value and, consequently, the net asset value, will fluctuate as interest and/or foreign exchange rates fluctuate. The Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates, and to utilise appropriate strategies to maximize returns to the Fund, while attempting to minimize the associated risks to its investment capital. Variance in the degree of volatility of the market from the Fund's expectations may produce significant losses to the Fund.

Illiquid markets may also make it difficult for the Fund, the Manager or the Trading Advisor, to get an order executed at a desired price.

In case of a default of a counterparty to a total return swap, Investors should note that the Fund may lose any amount sent to the counterparty for margining, plus any mark- to- market gain that the total return swap has, but that had not yet been called back by the Fund. To mitigate this risk, the Manager operates a strict cash management policy as described in the section of the Supplement entitled "Collateral Management Policy" that seeks to keep to a minimum the Fund's exposure to a counterparty default.

## **Trading Strategy**

The Manager looks to employ an investment approach that may result in the investment portfolio being actively traded over the short term due to changes in the active asset allocation approach. The Fund may turnover its investments with a short term holding period and therefore the investments held in the portfolio at one point in time may be significantly different to those held at another point of time. In addition, the Fund will be impacted by additional costs associated with higher trading volumes, which will be reflected in the Total Expense Ratio calculated by the Fund and reported at the end of each accounting period.

## **Emerging Markets Risk**

A Fund may invest in emerging markets or may have investments, the price of which are referenced to investments of issuers located in such countries. Investment in emerging markets involves risk factors and

special considerations which may not be typically associated with investing in more developed markets. These risks include:

#### *Political Risk*

Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, failure to recognise private property rights and other developments in the laws and regulations of emerging countries in which investment may be made, including expropriation, nationalisation or other confiscation could result in loss to the relevant Fund.

#### *Currency Risk*

The assets of a Fund investing in emerging markets, as well as the income derived from the Fund, may be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value per Share of such Fund may be subject to significant volatility

#### *Liquidity Risk*

By comparison with more developed financial markets, most emerging countries' financial markets are comparatively small, less liquid and more volatile. This may result in greater volatility in the Net Asset Value per Share than would be the case in relation to funds invested in more developed markets. In addition, if a large number of investments have to be realised at short notice to meet substantial redemption requests in the Fund such sales may have to be effected at unfavourable prices which may in turn have an adverse effect on the Net Asset Value per Share.

#### *Settlement, Accounting and Custody Risk*

The clearing, settlement and registration systems available to effect trades in emerging markets are significantly less developed than those in more mature world markets. This could impede the ability to effect transactions and may result in investments being settled through a more limited range of counterparties with an accompanying enhanced credit risk. It may also result in significant delays and other material difficulties in settling trades and in registering transfer of investments. Problems of settlement may affect the value and the liquidity of the relevant Fund. Furthermore the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply in more developed markets. There may be little financial or accounting information available with respect to local issuers and it may be difficult as a result for the portfolio manager to assess the value or prospects of an investment. Investments in certain emerging markets may require consents or be subject to restrictions which may limit the availability of attractive investment opportunities to the Fund. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the investment may not exist locally and so transactions may need to be made on a neighbouring exchange. Investment in certain markets may involve the risk that the custodial systems are not as well-developed as those in developed markets which may cause delays in settlement and possible failed settlements.

#### *Concentration Risk*

As noted in the Investment Policy, the Fund may be invested up to 30% of its Net Asset Value in emerging markets, including China. To the extent that the Fund focuses a majority or all of its emerging markets exposure in China or another emerging market, developments affecting investments in such regions will likely have a

magnified effect on the Net Asset Value of the Fund and may subject the Fund to greater risk of loss. Accordingly, the Fund's emerging market exposure could be more volatile than a broad-based emerging market index or other collective investment schemes that are diversified across a greater number of regions.

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

The Fund integrates sustainability risk into investment decisions and promotes environmental or social characteristics and invests in companies with good governance for the purposes of Article 8 of the SFDR.

Environmental, social and governance considerations are inherent in the Trading Advisor's investment philosophy. The Trading Advisor has implemented an ESG policy and developed various ESG processes to identify, monitor and analyse ESG risks and to promote a positive ESG outcome. An ESG analysis is undergone for each investment, both at the pre-investment stage and on an ongoing basis. Sustainability Risks are integrated and considered alongside other fundamental considerations within the investment decision-making process. Although the materialisation of a Sustainability Risk could potentially have a negative impact on the value of the Fund's investments, the Trading Advisor has determined that the likely impact on the returns of the Fund arising from Sustainability Risk is not significant. This is due to the comfort in the ESG practices of the investee companies achieved through the research process, as outlined above.

## SUSTAINABILITY DISCLOSURE ANNEX

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: InRIS Parus

Legal entity identifier: 5493008PQIVDQP9L3211

### 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 lay down 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?

As regards the promotion of environmental characteristics, the Fund aims to have a portfolio that results in a lower environmental footprint than the investable universe, as measured by carbon intensity.

As regards the promotion of social characteristics, the Fund avoids investments in companies which do not follow good governance practices. In addition, the Trading Advisor operates an exclusion list and is committed to not investing in any issuer that derives a majority of revenue (greater than 50%) from certain activities such as: illegal (as per the meaning of the 1997 Mine Ban Treaty of Ottawa) and nuclear weapons, adult entertainment, tobacco producers and thermal coal.

A reference benchmark has not been designated for the purpose of attaining the environmental and/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?***

The Trading Advisor uses a combination of qualitative and quantitative analysis to measure the attainment of the environmental and social characteristics of the Fund.

Examples of the sustainability indicators used as part of this qualitative and quantitative analysis include:

- carbon intensity, as measured against the universe of data;
- scores of the Trading Advisor's internal proprietary model, which includes a wide range of ESG factors;
- proportion of the Fund's portfolio exposed to issuers in accordance with the Trading Advisor's exclusion list set out above.

These are described in more detail in the section entitled "What investment strategy does this financial product follow?" below.

*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

The Fund does not currently consider the principal adverse impacts of investment decisions on sustainability factors on the basis that, in the context of the investment strategies of the Fund, it is not possible for the Trading Advisor to conduct detailed diligence on the principal adverse impacts of the investment decisions on sustainability factors. The Trading Advisor believes there are currently data disclosure and quality issues but will keep the decision under review over time.



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

### Qualitative analysis:

The fundamental nature of the Trading Advisor's research process leads to a deep understanding of a company's business, the products and services it provides, as well as its corporate culture. Along with the long term investment horizon, this results in an understanding of the qualitative outlook of a company's Sustainability Risk and the impact of ESG events on a company. The Trading Advisor has also embedded ESG-specific analysis that takes into consideration a broad range of quantitative ESG factors (including, for example, carbon intensity, water and waste usage, workforce diversity and fair opportunities, board structure and overall corporate social responsibility strategies) that are reported by companies and by third party specialist research providers. The combination of these processes produces a deep ESG analysis. Ongoing monitoring of ESG factors assists in identifying investments that fit the Trading Advisor's ESG criteria and avoiding those investments that do not.

### Quantitative analysis:

The Trading Advisor uses an internal proprietary model to assess ESG factors as they apply to potential investee companies which includes an analysis of and periodic internal reporting on a company's disclosure, trends and comparisons to peers from company-reported metrics and integrates the assessment of potential investee companies by multiple third party specialist solutions. The model tracks a company's behaviour and progress from an ESG perspective. Low scoring companies, which fall below the norm of the portfolio from an ESG perspective, can be flagged for further research, to identify the reason for this and to help the Trading Advisor decide if it is comfortable holding the position.

The Trading Advisor subscribes to third party data on carbon intensity. The carbon intensity at an individual asset and portfolio level is monitored and judged against an average of the investable universe. The environment is a critical element of the ESG research and monitoring this metric ensures that the investment process leads to positive, demonstrable and independent environmental outcomes which can be monitored over time. The use of this third party data is independent from the Trading Advisor's other internal analysis and the result is a definitive metric that shows how the Trading Advisor is performing on the environmental characteristics it promotes.

### Sector exclusions:

Sector-based exclusions (as set out in the Trading Advisor's exclusion list referred to above) prevent investments into activities that are deemed to be inappropriate for the strategy of the Fund.

- ***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 binding elements are set out in the section "What investment strategy does this financial product follow?" above and are documented and monitored on an ongoing basis.

- ***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 have a committed minimum rate to reduce the scope of investments. The Fund seeks to exclude investments in issuers that are deemed to be inappropriate for the strategy in accordance with the Trading Advisor's exclusion list.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

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

Good governance practices of investee companies are addressed through a review of different governance factors (such as management integrity, corporate structure or gender equality). Many of these factors form part of the Trading Advisor's proprietary model used for ESG scoring. As part of this review, the Trading Advisor seeks to maintain a qualitative understanding of the business and its management in order to assess good governance practices.

The Trading Advisor issues an annual questionnaire to each of the investee companies, which includes a range of questions, including questions on the company's ESG policy and efforts. This assists in cases where the information may not be readily available through external data providers and gives a more qualitative view on the company's commitment to ESG matters. If an issue is identified from the questionnaire, this would give the Trading Advisor reason to follow up with the company. The questionnaire is also a tool used to promote ESG disclosure and the improvement of ESG policies. The Trading Advisor is also able to proxy vote in respect of the investee companies, through an online proxy service.



**Asset allocation**  
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

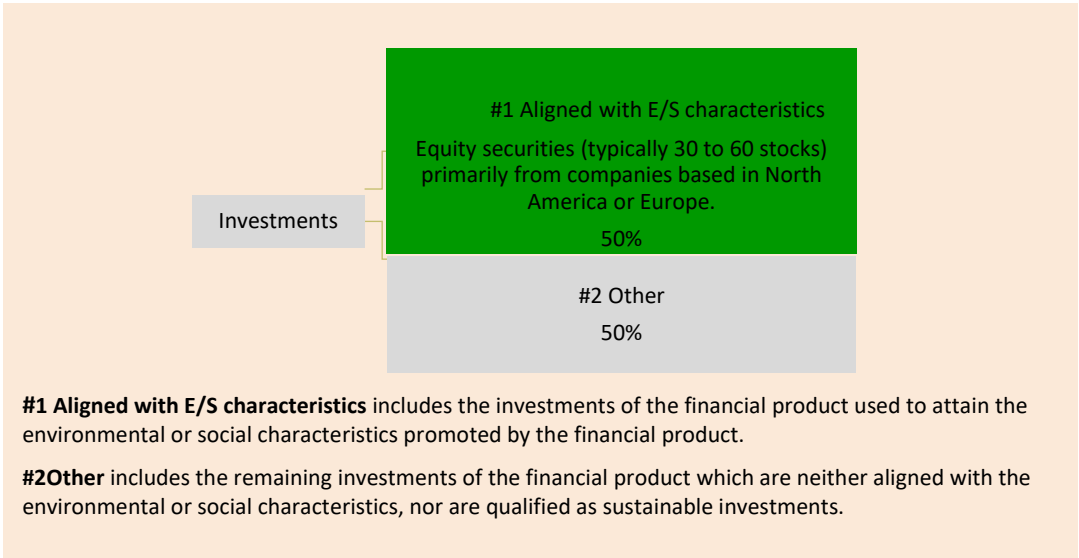
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**What is the asset allocation planned for this financial product?**

In respect of point #1, the Trading Advisor expects that the Fund will invest at least 50% of its portfolio in investments to meet the environmental and social characteristics that it promotes (#1).

In respect of point #2, the remaining portion of investments are not used to attain the environmental and social characteristics. The purpose of the remaining portion of the investments, including a description of any minimum environmental and social safeguards, are described below in the section “What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?”

The Fund does not commit to making any sustainable investments.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

As a general rule, derivatives will mainly be used for hedging and for gaining short exposure to some assets and will thus not be used to attain the environmental or social characteristics promoted by the Fund.

However, on an occasional basis, the Trading Advisor may also use derivatives (in particular, contracts for differences) to gain long exposure and thus use those derivatives as part of the strategy to attain the environmental and/or social characteristics.

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.

**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 what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

While the Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investments” within the meaning of the SFDR. It should be noted that the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and as such, the Fund’s portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the Fund does not currently commit to investing more than 0% of its assets in investments aligned with the Taxonomy Regulation.

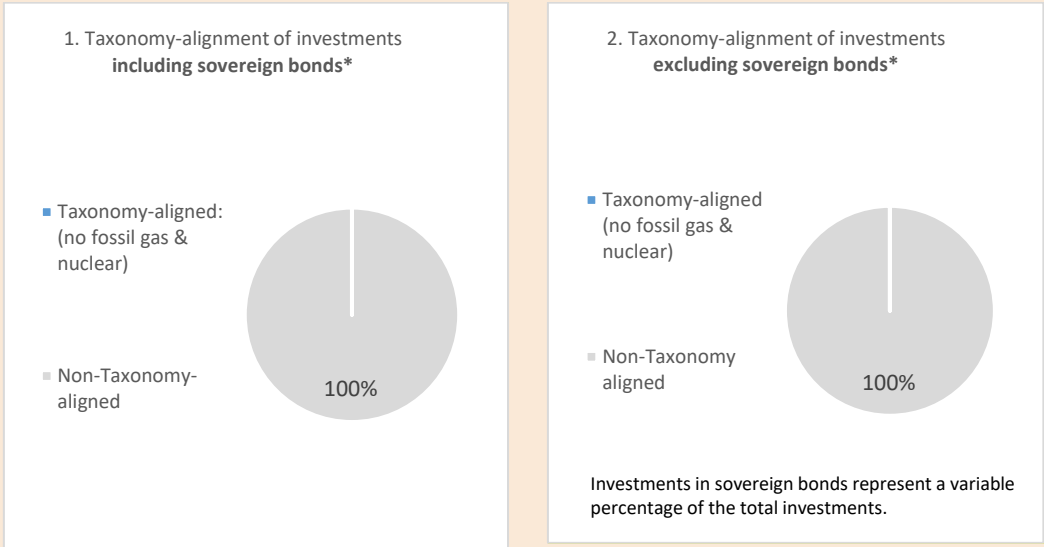
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

☐ Yes:

☐ In fossil gas    ☐ In nuclear energy

☒ No

*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

● **What is the minimum share of investments in transitional and enabling activities?**

0%.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Derivative instruments which are used mainly for hedging and in order to construct the short portfolio.

Cash and fixed or floating rate notes which are held in the context of the liquidity management of the Fund.

Other collective investment schemes which are used for cash management purposes.

There are no minimum environmental or social safeguards.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

<https://www.almacapital.com/documentation/>