

CQS Total Return Credit Fund
Supplement to the Prospectus
for CQS Funds (Ireland) p.l.c.

This Supplement contains specific information in relation to CQS Total Return Credit Fund (the “**Fund**”), a sub-fund of CQS Funds (Ireland) p.l.c. (the “**Company**”), an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank as a UCITS pursuant to the Regulations.

This Supplement forms part of and should be read in conjunction with the Prospectus of the Company dated 18 December 2019 (the “Prospectus”).

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

At times the Fund may invest in below investment grade securities, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. As distributions may be made out of the capital of the Fund, there is a greater risk that capital will be eroded and income will be achieved by foregoing the potential for future capital growth of your investment and the value of future returns may also be diminished. This cycle may continue until all capital is depleted. Please note that distributions out of capital may have different tax implications to distributions of income and you are recommended to seek advice in this regard. Where dividends are paid out of the capital of the Fund, investors may not receive back the full amount invested. Distributions made during the life of the Fund must be understood as a type of capital reimbursement.

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

Dated: 4 March 2021

INVESTMENT OBJECTIVE AND POLICY

Investment Objective

The investment objective of the Fund is to seek to maximise long term total returns for Shareholders of the Fund, comprising both income and capital growth (“**total return**”).

There can be no assurance that the Fund will achieve its investment objective or that it will not incur a loss. The investment objective has been established based on market conditions and available investment opportunities existing at the date of this Supplement.

Investment Policy

The Investment Manager will seek to achieve the investment objective on behalf of the Fund by sourcing, constructing, and investing in a portfolio of credit and debt instruments.

The Fund will make investments in higher yielding debt securities. These debt securities may be fixed or floating rate notes or bonds that are non-investment grade, have varying maturities and may be issued by corporate or financial issuers. The Fund may also invest in fixed or floating rate government debt securities, issued by governments, government agencies, supranational bodies or local authorities, and corporate debt securities, issued by corporate or financial issuers. These debt securities will include deposits, bills, notes, and bonds. The Fund may also invest up to 20 per cent. of the Fund’s Net Asset Value in convertible bonds and up to 20 per cent. of its Net Asset Value in asset backed securities, including whole business securitisations, commercial mortgage backed securities, residential mortgage backed securities and consumer asset backed securities.

Each of the debt securities listed above may be listed or traded in, or substantially derive their revenues from, either developed or emerging markets (although investments in emerging market securities will be limited to 25 per cent. of the Net Asset Value of the Fund). Such investments may be denominated in any currency. These investment instruments may be fixed or variable in nature, may pay payment-in-kind interest, and may be of any duration. The Fund is permitted to invest in investment grade, as well as non-investment grade securities (as classified by any of Standard & Poor’s, Moody’s or Fitch rating agencies, or an internal rating determined by the Investment Manager).

The Fund may also invest in financial indices using total return swaps (“**TRS**”) or via exchange traded funds (“**ETFs**”) (each as detailed further below) in line with the Fund investment policy. Such indices will be benchmarks for debt securities and credit markets.

The Fund is actively managed by the Investment Manager, using a multi-asset credit investing approach in order to maximise the total return for investors throughout all stages of economic and credit cycles. It does this through:

- *Top down allocation.* Seeking to identify and invest according to the relative value between the credit instruments and debt securities described above in order to profit from opportunities and mitigate risk. In assessing relative value, the Investment Manager takes into consideration how various sectors of the credit markets react differently to changes in fundamentals, supply and demand dynamics, and regulation. As such, relative allocations to each credit asset class may vary during each interest rate or credit cycle.
- *Bottom up security selection.* Investments are selected through fundamental research and assessment of borrowers, taking into consideration factors such as credit quality, environmental, social and governance factors, investment maturity, issuer type, liquidity, and geographical and sectoral exposure. The Investment Manager will select debt securities exhibiting characteristics, which indicate a strong likelihood that the relevant issuer will repay their borrowings over the term of the Fund’s investment.

The Fund may use FDIs for hedging, efficient portfolio management, and investment purposes. The Fund may use currency swaps, forward foreign forwards, currency options, currency futures and non-deliverable forwards for currency hedging purposes, and interest rate swaps and bond futures for interest rate hedging purposes. The Fund may hedge market risk and credit risk using credit default swaps (“**CDS**”) and swaptions. The Fund may also take synthetic exposure to the credit asset classes described above using CDS and TRS. The use of these FDIs is described in greater detail in **Financial Derivative Instruments and Techniques** below.

The Fund may also enter into repurchase agreements for efficient portfolio management purposes only (subject to the conditions and limits set out in the UCITS Regulations).

The Fund may only hold up to 20 per cent. of its Net Asset Value in equity securities which have been received as a result of debt securities being restructured or converted. The Fund will not invest in other equity securities, including preference shares or depositary receipts.

The Fund may also gain exposure to the aforementioned instruments by investing, in aggregate, not more than 10 per cent. of the Fund's Net Asset Value in other collective investment schemes and/or ETFs. Such collective investment schemes or ETFs will be UCITS domiciled and authorised in an EU Member State.

Any investments in transferable securities, money market instruments, and ETFs will be those which are listed or traded on a Market listed in Appendix I of the Prospectus, subject to the general 10 per cent. limit on transferable securities and money market instruments not listed, traded or dealt on a regulated market. Money market instruments may be used for ancillary liquidity purposes and will include commercial paper, floating rate notes or certificates of deposit.

INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading **Investment Restrictions** in the Prospectus shall apply to the Fund. Further investment restrictions are set out in the section entitled **Investment Policy** above and Annex III of this Supplement (**Securities Financing Transactions Regulation**).

The Directors may from time to time, impose such further investment restrictions as shall be compatible with or in the interests of Shareholders in order to comply with the laws and regulation of the countries where Shareholders are located.

FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES

Subject to the Regulations and to the conditions and limits stipulated by the Central Bank from time to time, the Fund may invest in certain FDIs dealt on a Market listed in Appendix I of the Prospectus and/or over-the-counter for efficient portfolio management, hedging, and investment purposes. The Company uses a risk management process that enables it to accurately measure, monitor and manage the various risks associated with the FDIs used by it. The Company will provide to Shareholders on request 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.

To the extent that the Fund uses FDIs, it may be leveraged through its use of those FDIs but such leverage will not exceed 100 per cent. of the Fund's Net Asset Value. The Fund will employ the commitment approach to measure global exposure and to ensure that the Fund's use of FDIs is within the Central Bank's limits.

The types of FDI in which the Fund may invest are described below:

Credit Default Swaps

CDS provide a measure of protection against defaults of debt issuers. The Fund's use of CDS does not assure their use will be effective or will have the desired result. The Fund may at the discretion of the Investment Manager be the buyer and/or seller in CDS transactions. Credit default swaps are transactions under which the parties' obligations depend on whether credit events have occurred in relation to a reference entity (or certain reference entities making up an index). The categories of credit event are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference asset (or constituents of the relevant index).

The buyer in a CDS contract is obligated to pay the seller a periodic stream of payments over the term of the contract so long as no credit event on an underlying reference entity has occurred. If the Fund is a buyer and no credit event occurs the Fund's losses will be limited to the periodic stream of payments over the term of the contract. As a seller, the Fund will receive a fixed rate of income throughout the term of the contract, provided that there is no credit event. In the event of credit event relating to a CDS reference entity the seller will typically make a cash settlement payment to the buyer.

The Fund will enter into CDS transactions to hedge against market or credit risk, or to gain synthetic exposure to the underlying reference asset.

Total Return Swaps

A TRS is an agreement between two counterparties to exchange the returns (or differentials in rates of return) earned or realised on particular pre-determined investments or instruments, which may be adjusted for an interest factor. The gross returns to be exchanged or “swapped” between the parties are generally calculated with respect to a “notional amount”. A TRS is an over-the-counter derivative and is a bilateral financial contract between a total return payer and a total return receiver; the Fund may be either a total return payer or total return receiver. The total return payer pays the total return of a reference obligation and receives a form of payment from the receiver of the total rate of return. Often payment is a floating rate payment, for example, a spread to a particular interest rate benchmark. While bilateral arrangements of this type allow the Fund greater flexibility to tailor the swap to its needs, OTC swaps generally involve greater risk than exchange-traded derivatives, which are guaranteed by clearing organisations of the exchanges where they are traded.

The Fund may use TRS for efficient portfolio management purposes in order to achieve efficient financing on underlying securities. The Fund may also use TRS to access markets and products which are otherwise unavailable and manage leverage to assist in achieving the Fund’s investment objective.

Interest Rate Swaps

An interest rate swap is an agreement negotiated between two parties to exchange recognised interest rate cash flows, calculated on a notional amount, at specified dates during the life of the swap. The notional amount is used only to determine the payments under the swap and is not exchanged. The payment obligation of each party is calculated using a different interest rate, typically with one party paying a floating interest rate in return for receiving a fixed interest rate, either at regular intervals during the life of the swap or at the maturity of the swap.

The Fund will use interest rate swaps to hedge interest rate risk.

Futures and Options

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract’s delivery date.

The Fund will use futures contracts to hedge against market risk; as an example, the Fund may use bond futures to hedge interest rate risk.

There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option at a specified price. Options may also be cash settled.

The Fund may use currency options for currency hedging purposes, the value of which depends largely upon the price and volatility in the underlying currency in relation to the exercise (or strike) price during the life of the option. Options will also be used to hedge against market risk and volatility.

Swaptions

Swaptions are contracts whereby one party receives a fee in return for agreeing to enter into a forward swap at a pre-determined fixed rate if some contingency event occurs.

The Fund will enter into swaptions on CDS for credit risk hedging purposes.

Forward Foreign Exchange Contracts, Currency Swaps and Non-Deliverable Forwards

A forward contract locks-in the price at which an asset may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date. A currency swap is similar to a currency forward, but has the additional aspect of a linked spot foreign exchange transaction.

A non-deliverable forward is a cash-settled contract on a thinly traded or non-convertible currency. The latter

currency is specified against a freely convertible, major currency, and the contract is for a fixed amount of the non-convertible currency, on a specified due date, and at an agreed forward rate. At maturity, the daily reference rate is compared with the agreed forward rate, and the difference must be paid in the convertible currency on the value date.

The Fund may use forward foreign exchange contracts, currency swaps, and non-deliverable forwards for currency hedging purposes and efficient portfolio management.

Foreign Exchange Forwards for Share Class Hedging

The Investment Manager will conduct currency hedging transactions in respect of the Hedged Share Classes (as defined below) using currency swaps (which include a forward foreign exchange contract) in respect of a Hedged Share Class that is not denominated in the Base Currency of the Fund. Any profit or loss attributable to such transactions shall accrue solely to the investors in that Hedged Share Class and the Net Asset Value per Share of that Share Class shall be increased or reduced (as the case may be) by the benefit/cost of any such hedging transactions.

This section is to be read in conjunction with the provisions set out in the Prospectus under the heading **Share Class Hedging**.

Convertible Bonds

Convertible bonds combine aspects of income paying securities and an option on the stock of the issuer. The convertible bond will typically pay a regular coupon or dividend and allow the holder of the convertible bond the right to convert the security into equity of the issuer of the convertible bond. The conversion option may be exercised on a single day only, on a number of specified dates, or over a continuous period of time. Usually a convertible bond will have a specified maturity date on which the issuer will repay the principal amount of the bond if the holder of the bond has not elected to convert. Convertible bonds may have additional features such as the ability of the issuer to call back the convertible bond at a specific price, or the right of the holder to put the convertible bond back to the issuer at a specific price.

This section is to be read in conjunction with the provisions set out in the Prospectus under the headings **Financial Derivative Instruments**, **Efficient Portfolio Management**, and **Collateral Policy**.

SECURITIES FINANCING TRANSACTIONS

Shareholders should refer to Annex III of this Supplement (**Securities Financing Transactions Regulation**) for information relating to the Fund's use of securities financing transactions (such as repurchase transactions) ("**SFTs**") and TRSs.

SUSTAINABLE FINANCE DISCLOSURES

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, which is also known as the "Sustainable Finance Disclosure Regulation" (the "**SFDR**"), the Fund is required to disclose the manner in which sustainability risks are integrated into the investment decision making process and the results of the assessment of the likely impacts of sustainability risks on the returns of the Fund.

Integration of sustainability risks in investment decision making

A sustainability risk in the context of the Fund is an environmental, social, or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment. The particular sustainability risks which apply to the Fund are included in the **Additional Risk Factors** at Annex I hereto.

The extent to which sustainability risks represent potential or actual risks to the Fund is considered by the Investment Manager in its investment decision making and risk monitoring. Along with any other material risks, the Investment Manager will consider sustainability risks in order to seek to maximise returns for the Fund over the long-term and lead ultimately to better investment outcomes.

The Investment Manager recognises that environmental, social, and governance (**ESG**) factors, including exposure to sustainability risk, are integral to the analysis of individual issuers. The factors considered by the Investment Manager will vary depending on the security in question, but typically include the themes addressed by the sustainability risks as set out in the **Additional Risk Factors** at Annex I hereto. The Investment Manager conducts periodic monitoring of existing investments and may determine that certain investments are no longer

appropriate for the Fund and accordingly may disinvest or decide not to invest in such assets.

In the event that a sustainability risk arises, the Investment Manager may determine that certain assets are no longer appropriate for the Fund and accordingly may disinvest or decide not to invest in such assets. The Investment Manager may determine specific parameters for which it expects to invest relating to sustainability factors, including but not limited to, the breakdown of ESG ratings and carbon intensity statistics relating to the portfolio.

As an active investor, the Investment Manager may also engage, if deemed appropriate, on behalf of the Fund with issuers (either directly or collaboratively) to encourage them to recognise, and potentially change their sustainability actions to engender long-term industry improvement.

Sustainability Impact Assessments

As part of the process to analyse ESG factors and any consequent sustainability considerations, the Investment Manager may consider in particular the sustainability risks detailed in Annex I hereto on the performance of the Fund and the outcomes expected of the Fund's Shareholders.

Assessment of sustainability risks is complex and relies on subjective judgements, which may be based on data that is limited, estimated, or outdated. As this is an evolving process, even when identified, it cannot be guaranteed that the Investment Manager's assessment of the impact of sustainability risks on the performance of the Fund is accurate or complete.

The impacts following the occurrence of a sustainability risk may be numerous and will vary depending on the specific risk, region, and asset class. Generally, where a sustainability risk occurs in respect of an asset, there could be a negative impact on, or entire loss of, the value of such asset.

Any sustainability risk can either represent a risk on its own or have an impact on other risks and contribute significantly to other risks, such as market risks, operational risks, liquidity risks, or counterparty risks.

RISK FACTORS

The general risk factors as set out in the Prospectus shall apply. In addition to the risk factors described in the Prospectus, prospective investors should consider the risk factors set out at Annex I of this Supplement (**Additional Risk Factors**).

KEY INFORMATION FOR BUYING AND SELLING

The following Classes of Shares are available for issue in the Fund. Each of the Share Classes not denominated in the Base Currency will be hedged share classes (the "**Hedged Share Classes**"):

| Share Class | Classes | | Eligibility Criteria |
|-----------------------|--|--|---|
| | Non-Distributing Shares | Distributing Shares (together, the "Fund Distributing Classes") | |
| Class F Shares | Class F AUD Shares Class F CAD Shares Class F EUR Shares Class F GBP Shares Class F JPY Shares Class F USD Shares | Class FD AUD Shares Class FD CAD Shares Class FD EUR Shares Class FD GBP Shares Class FD JPY Shares Class FD USD Shares | Class F Shares are available to those applicants qualified to invest in the Fund requesting a subscription of GBP 10,000,000 (or the foreign currency equivalent) or more. The Directors will close the Class F Shares to further subscription at such time as they determine in their discretion. |
| Class A Shares | Class A AUD Shares Class A CAD Shares Class A EUR Shares Class A GBP Shares Class A JPY Shares Class A USD Shares | Class AD AUD Shares Class AD CAD Shares Class AD EUR Shares Class AD GBP Shares Class AD JPY Shares Class AD USD Shares | Class A Shares are available to those applicants qualified to invest in the Fund requesting a subscription of GBP 35,000 (or the foreign currency equivalent) or more. |
| Class I Shares | Class I AUD Shares Class I CAD Shares Class I EUR Shares Class I GBP Shares Class I JPY Shares Class I USD Shares | Class ID AUD Shares Class ID CAD Shares Class ID EUR Shares Class ID GBP Shares Class ID JPY Shares Class ID USD Shares | Class I Shares are available to those applicants qualified to invest in the Fund requesting a subscription of GBP 1,000,000 (or the foreign currency equivalent) or more. |
| Class C Shares | Class C AUD Shares Class C CAD Shares Class C EUR Shares Class C GBP Shares Class C JPY Shares Class C USD Shares | Class CD AUD Shares Class CD CAD Shares Class CD EUR Shares Class CD GBP Shares Class CD JPY Shares Class CD USD Shares | Class CD Shares are available to those applicants qualified to invest in the Fund requesting a subscription of GBP 10,000,000 (or the foreign currency equivalent) or more. |
| Class M Shares | Class M AUD Shares Class M CAD Shares Class M EUR Shares Class M GBP Shares Class M JPY Shares Class M USD Shares | Class MD AUD Shares Class MD CAD Shares Class MD EUR Shares Class MD GBP Shares Class MD JPY Shares Class MD USD Shares | Class M Shares are available to (or for the beneficial entitlement of) the Directors and members, directors or officers, employees and consultants of the Investment Manager and their connected persons. |

Initial Offer Period

The Initial Offer Period for all Classes of Share shall open at 9:00 a.m. (Dublin time) on the Business Day following the date of this Supplement and will close at 5:00 p.m. (Dublin time) on 23 July 2021 unless extended or shortened by the Directors. Any such extensions will be notified to the Central Bank.

Initial Offer Price

During the Initial Offer Period, Shares may be subscribed for at an Initial Offer Price of 100 units of the currency of the relevant Share Class, except for any JPY denominated Shares which may be subscribed for at an Initial Offer Price of JPY 10,000 per Share.

Subsequent Subscriptions

Following the close of the relevant Initial Offer Period, Shares will be available for subscription at the Subscription Price on each Dealing Day as set out under the heading **Subsequent Subscriptions** in the Prospectus and subject to the relevant terms of this Supplement.

Availability of Shares

Shares will be available for subscription until the Directors resolve to close any Class of Shares to new subscriptions.

Minimum Investments and Shareholding

| Share Classes | Minimum Initial Investment Amount (or its currency equivalent) | Minimum Additional Investment Amount (or its currency equivalent) | Minimum Shareholding (or its currency equivalent) |
|----------------|--|---|---|
| Class F Shares | GBP 10,000,000 | GBP 10,000 | GBP 10,000,000 |
| Class A Shares | GBP 35,000 | GBP 10,000 | GBP 35,000 |
| Class I Shares | GBP 1,000,000 | GBP 10,000 | GBP 1,000,000 |
| Class C Shares | GBP 10,000,000 | GBP 10,000 | GBP 10,000,000 |
| Class M Shares | GBP 0 | GBP 0 | GBP 0 |

The Directors, in their absolute discretion, may for each relevant Class of Share waive such Minimum Initial Investment Amount, Minimum Additional Investment Amount, and/or Minimum Shareholding.

Dividend Policy

This section should be read in conjunction with the provisions set out in the Prospectus under the headings **Dividend Policy** and **Taxation**.

The Directors have designated the Fund Distributing Classes as Distributing Shares. Dividends in respect of each Class of Shares will be declared and distributed quarterly each January, April, July, and October at the Directors' discretion. Dividends in respect of each such Class of Shares from time to time will be paid in accordance with the dividend policy adopted by the Directors (and may be paid out of the capital of the Fund where there is insufficient net income or revenue available), broad details of which are set out in the Prospectus. Full details of the Fund's dividend policy in respect of such Distributing Shares are available from the Investment Manager on request. No dividends are currently payable in respect of any other Class of Shares of the Fund.

Base Currency

The Base Currency of the Fund is GBP.

Minimum Fund Size

There is no Minimum Fund Size applicable to this Fund.

Business Day

Any day, other than a Saturday or a Sunday, on which banks are generally open for business in Dublin and London and/or such other place or such other day(s) as the Directors may determine and notify to Shareholders in advance.

Dealing Day

Unless otherwise determined by the Directors and notified in advance to Shareholders and provided that there is one Dealing Day per fortnight, every Business Day shall be a Dealing Day, except where the determination of the Net Asset Value has been temporarily suspended in the circumstances set out in the Prospectus.

Dealing Deadline

For subscriptions: 1:00 p.m. (Dublin time) on the relevant Dealing Day or such other time, provided it is on or before the relevant Valuation Point as the Directors may, in exceptional circumstances, with the approval of the Depositary, determine and notify to Shareholders in advance.

For redemptions: 1:00 p.m. (Dublin time) on the relevant Dealing Day or such other time, provided it is on or before the relevant Valuation Point as the Directors may, with the approval of the Depositary, determine and notify to Shareholders in advance.

Valuation Point

10:00 p.m. (Dublin time) on the relevant Dealing Day or such other time as the Directors may, with the approval of the Depositary determine, and notify to Shareholders in advance.

Settlement Date

In the case of applications, subscription proceeds must be received in cleared funds by close of business on the third Business Day following the relevant Dealing Day.

In the case of redemptions, redemption proceeds will usually be paid by close of business on the third Business Day following the relevant Dealing Day.

Deferred Redemptions

The Directors may defer redemptions at a particular Dealing Day to the next Dealing Day as set out under the heading **Deferred Redemptions** in the Prospectus.

FEES AND EXPENSES

| Class | Annual Investment Management Fee | Performance Fee Rate | Distribution Fee | Capped Fees and Expenses |
|----------------|---|-----------------------------|-------------------------|---------------------------------|
| Class F Shares | 0.35 per cent. | N/A | N/A | 0.25 per cent. |
| Class A Shares | 1.50 per cent. | N/A | N/A | 0.25 per cent. |
| Class I Shares | 0.80 per cent. | N/A | N/A | 0.25 per cent. |
| Class C Shares | 0.65 per cent. | N/A | N/A | 0.25 per cent. |
| Class M Shares | N/A | N/A | N/A | 0.25 per cent. |

Investment Management Fee

The Investment Manager will receive from the Company a monthly Investment Management Fee equal to the applicable fee per annum of the Net Asset Value of the relevant Class of Shares as set out in the table above. The Investment Management Fee is calculated (on an actual day count basis) and will accrue as at each Valuation Point and is payable monthly in arrears. There will be no allocation or charge of the Investment Management Fee against the Class M Shares. The Investment Manager may, at its discretion, rebate all or a portion of its Investment Management Fee.

Performance Fee

The Fund will not apply a Performance Fee.

Capped Fees and Expenses

The aggregate amount per annum charged as operating and administrative fees and expenses, which includes the fees and expenses payable to the Administrator, Depositary and any sub-custodian as described in more detail in the **Fees and Expenses** section of the Prospectus, in relation to each Class of Shares shall be capped at the applicable rate per annum of the Net Asset Value of the relevant Class of Shares as set out in the table above ("**Capped Fees and Expenses**").

Such Capped Fees and Expenses are calculated and will accrue at each Valuation Point and are payable monthly in arrears. Any such Fees and Expenses that exceed the applicable capped rate set out in the table above shall be borne by the Investment Manager.

Establishment Costs

The cost of establishing the Fund, obtaining approval from the Central Bank, filing fees, the preparation and printing of this Supplement, marketing costs and the fees of all professionals relating to it will be borne by the Fund and amortised over the first three years of the Fund's operation (or such other period as may be

determined by the Directors at their discretion) on such terms and in such manner as the Directors may at their discretion determine. Such costs are not expected to exceed EUR 60,000.

Swing Pricing

The Investment Manager will adopt a swing pricing mechanism in respect of the Fund when net subscriptions, Inter-Fund Exchanges and redemptions of Shares (“**Dealings**”) exceed the Swing Threshold determined by the Investment Manager in respect of the Fund. The maximum impact of the swing pricing mechanism on an investor will not exceed 2 per cent. of the Net Asset Value of the Fund (before deduction of the transaction costs incurred by the Fund as a result of Dealings).

This section should be read in conjunction with the provisions set out in the Prospectus in the sub-section **Swing Pricing** in the section **Dilution** under the heading **Fees and Expenses**.

Distributor Fee

No distributor fees will be payable by the Company in respect of the Fund.

Preliminary Charge

The Fund will not apply a Preliminary Charge.

Redemption Charge

The Fund will not apply a Redemption Charge.

Exchange Charge

The Fund will not apply an Exchange Charge.

Further details of the Fees and Expenses to be borne by the Fund are set out in the Prospectus.

BORROWING

In accordance with the general provisions set out in the Prospectus under the heading **Borrowing Powers**, the Fund may borrow on a temporary basis (including through an overdraft facility) up to 10 per cent. of the Net Asset Value of the Fund.

TAXATION

A number of Share Classes may be certified as UK reporting funds. Share Classes that have been certified as UK reporting funds will be listed in HM Revenue and Custom’s published list of reporting funds which can be found at <https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>.

This section should be read in conjunction with the provisions set out in the Prospectus under the sub-section **United Kingdom Taxation** under heading **Taxation**.

PROFILE OF A TYPICAL INVESTOR

The Fund is considered suitable for investors looking to maximise their total return through a portfolio of assets which generate both income and capital growth. Such investors may wish to have exposure to a portfolio of assets which provide diversification across fixed income and credit markets, while maintaining the ability to follow a high conviction investment approach, which may at times lead to periods of volatility. As such, the typical investor will understand and will be able to accept that the value of the Fund may rise and fall more frequently, and to a greater extent, than other investment types. Such investor will typically have an investment horizon over the long term.

MISCELLANEOUS

There are three other sub-funds of the Company in existence as at the date of this Supplement:

- (i) CQS Global Convertible Fund (UCITS);
- (ii) CQS New City Global Equity Fund; and
- (iii) CQS New City North American Equity Fund.

The Investment Manager (the “**Facilities Agent**”) has been appointed, pursuant to the Investment Management Agreement, to provide a range of services to the Company including to act as the facilities agent for the Company in the United Kingdom and it has agreed to provide certain facilities at its office at 4th Floor, One Strand, London WC2N 5HR, United Kingdom in respect of the Fund.

The Net Asset Value per Share may be obtained from the Administrator or the Facilities Agent during normal business hours. For this purpose, normal business hours means between 9.30 a.m. and 5.30 p.m. local time of the time zone in which the Administrator or Facilities Agent are located.

The following documents of the Company, in the English language, can be inspected free of charge and copies of them obtained free of charge from the offices of the Facilities Agent:

- (a) the Articles and any amendments thereto;
- (b) the Prospectus most recently issued by the Company together with any supplements;
- (c) the KIIDs most recently issued by the Company; and
- (d) the most recently published annual and half yearly reports relating to the Company.

Complaints about the operation of the Company may be submitted to the Facilities Agent at 4th Floor, One Strand, London WC2N 5HR, United Kingdom.

INFORMATION REQUIRED, TO THE EXTENT APPLICABLE, FOR DISTRIBUTION OF FOREIGN COLLECTIVE INVESTMENT SCHEMES TO QUALIFIED INVESTORS IN SWITZERLAND:

THE REPRESENTATIVE IN SWITZERLAND IS ARM SWISS REPRESENTATIVES SA, (THE “**REPRESENTATIVE**”) ROUTE DE CITÉ-OUEST 2, 1196 GLAND, SWITZERLAND. THE PAYING AGENT IN SWITZERLAND IS BANQUE CANTONALE DE GENÈVE, 17, QUAI DE L'ILE, 1204 GENEVA, SWITZERLAND. THIS SUPPLEMENT, THE COMPANY'S PROSPECTUS, THE ARTICLES AND ALL OTHER DOCUMENTS USED FOR MARKETING PURPOSES, INCLUDING THE ANNUAL AND SEMI-ANNUAL REPORT, IF ANY, CAN BE OBTAINED FREE OF CHARGE FROM THE REPRESENTATIVE IN SWITZERLAND. THE PLACE OF PERFORMANCE AND JURISDICTION IS THE REGISTERED OFFICE OF THE REPRESENTATIVE IN SWITZERLAND WITH REGARDS TO THE SHARES DISTRIBUTED IN AND FROM SWITZERLAND. THE INVESTMENT MANAGER (AS THE DISTRIBUTOR IN SWITZERLAND) AND ITS AGENTS DO NOT PAY ANY RETROCESSIONS TO THIRD PARTIES IN RELATION TO THE DISTRIBUTION OF THE SHARES OF THE FUND IN OR FROM SWITZERLAND. THE INVESTMENT MANAGER (AS THE DISTRIBUTOR IN SWITZERLAND) AND ITS AGENTS DO NOT PAY ANY REBATES AIMING AT REDUCING FEES AND EXPENSES PAID BY THE FUND AND INCURRED BY THE INVESTORS.

Annex I

Additional Risk Factors

The general risk factors as set out in the Prospectus shall apply. In addition to the risk factors described in the Prospectus, prospective investors should consider the risk factors set out at this Annex I.

General Risk Factors

High Yield and Sub-Investment Grade Debt Securities Risk

High yield debt securities are debt securities with a lower credit rating than investment grade debt securities (and may be unrated). High yield debt securities are subject to greater risk of loss of income and principal due to default by the issuer than are investment grade debt securities. High yield debt securities might also be more illiquid in nature and/or harder to value than investment grade debt securities.

Credit Risk

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligations will decline substantially during the period when the Fund owns securities of that issuer (or holds FDIs referencing such securities), or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities or any associated FDI. If a security has been rated by more than one nationally recognised ratings agency, the Investment Manager may consider the highest rating for the purposes of determining whether the security is investment grade. The Fund may continue to hold a security, or FDI referencing a relevant security, despite the rating of the relevant security falling below investment grade. The Fund may invest in securities which have not been rated by a nationally recognised statistical rating organisation. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than sub-investment grade securities, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

Currency Exposure

The Base Currency of the Fund is GBP. Certain of the Fund's assets may be denominated in currencies other than the Base Currency of the Fund. The Investment Manager may not hedge the currency exposure of certain assets of the Fund.

Interest Rate and Call Risk

The values of bonds and other debt securities are usually affected by changes in interest rates. Declining interest rates generally increase the values of such debt securities, and rising interest rates generally decrease the value of such debt securities. Interest rate risk is generally greater for investments with long durations or maturities.

During periods of falling interest rates, issuers of callable debt securities may call (repay) securities with higher coupons or interest rates before their maturity dates. In such circumstances, the Fund would not benefit from any price appreciation above the such debt security's call price and might have to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund's income.

Share Class Hedging Risk

In order to mitigate against the risk of movements in the currency of a Share Class not denominated in the Base Currency (a "**Non-Base Currency Share Class**") against the currency of the portfolio constituents (where they are different to that of the relevant Non-Base Currency Share Class), the Investment Manager may conduct currency hedging transactions. No assurance can be given that such hedging activities will be entirely effective in achieving the purpose for which they have been entered into. While currency hedging reduces risks and losses in adverse market circumstances, it can also reduce and may completely offset gains in market circumstances that would otherwise have been beneficial had the position not been hedged. Consequently, the performance of a Non-Base Currency Share Class may differ from that of the Fund as a result of the foreign

exchange hedging transactions.

Emerging Markets

When trading in emerging markets, the Fund may be subject to risks, such as inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices (including accounting standards or otherwise) and confidentiality customs characteristic of developed markets and lack of enforcement of existing laws and regulations, which may have an adverse effect on the Fund.

Epidemics and Pandemics

Many countries have been susceptible to epidemics and/or pandemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and COVID-19 (commonly known as the “**Coronavirus**”). The epidemic or pandemic outbreak of an infectious disease in a country or region of the world or globally, together with any resulting restrictions on travel, transportation or production of goods or quarantines imposed, could have a negative impact on the national, regional or global economy and business activity in any of the countries in which the Fund may invest and thereby adversely affect the performance of the Fund. While the economic impact of the global outbreak of the Coronavirus is presently uncertain, such outbreak and any future outbreak of an infectious disease or any other serious public health concern in a country, region or globally could materially harm the Fund’s investments and/or restrict the ability of the Fund to acquire, sell, or liquidate investments at favourable times and/or prices, restrict the Fund’s investment and trading activities, and generally impede the Fund’s ability to achieve its investment objective.

In addition, a serious outbreak of infectious disease may also be a force majeure event under contracts that the Company has entered into with counterparties thereby relieving a counterparty of the timely performance of the services such counterparties have contracted to provide to the Fund (the nature of the services will vary depending on the agreement in question). In a worst case scenario, this may result in the Company being delayed in calculating the Fund’s Net Asset Value, processing dealing in Shares, undertaking independent valuations of the Fund or processing trades in respect of the Fund.

Sustainability Risks

Sustainability risks may arise in respect of an issuer itself, its affiliates or in its supply chain and/or apply to a particular economic sector, geographical or political region. Environmental sustainability risks, and in particular physical risks arising from climate change, are associated with events or conditions affecting the natural environment including increasing erratic and potentially catastrophic weather events such as droughts, wildfires, flooding and heavy precipitations, heat/coldwaves, landslides, storms, flooding, erosion and water stress. Environmental risks can also include Carbon emissions risks with many economic sectors, regions and/or jurisdictions currently or in the future subject to transition risks relating to a greener, lower carbon and less polluting economic model. Sectors, regions, businesses and technologies which are carbon-intensive, higher polluting or are otherwise not environmentally sustainable may suffer from a significant fall in demand and/or obsolescence, resulting in stranded assets the value of which is significantly reduced or entirely lost. Social risks may be internal or external to an issuer and are associated with employees, local communities, customers or populations of companies or countries and regions. Governance risks are associated with the quality, effectiveness and process for the oversight of day to day management of companies and issuers.

Loss of investment value following a sustainability risk may occur in numerous ways. For investments in a corporate issuer, losses may result from damage to its reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. Laws, regulations and industry norms play a significant role in controlling the impact of sustainability factors on many industries, particularly in respect of environmental and social factors. Any changes in such measures, such as increasingly stringent environmental or health and safety laws, can have a material impact on the operations, costs and profitability of businesses. A corporate may also suffer the impact of fines and other regulatory sanctions. The time and resources of the corporate’s management team may be diverted from furthering its business and be absorbed seeking to deal with the sustainability risk, including changes to business practices and dealing with investigations and litigation. Sustainability risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by businesses to which the Fund is exposed may also be adversely impacted by a sustainability risk. Further, certain industries face considerable scrutiny from regulatory authorities, non-governmental organisations and special interest groups in respect of their impact on sustainability, which may cause affected industries to make material changes to their business practices which can increase costs and result in a material negative impact on the profitability of businesses. Such scrutiny may also materially impact

the consumer demand for a business's products and services which may result in a material loss in value of an investment linked to such businesses.

Sustainability risks are relevant as both standalone risks and as cross-cutting risks which manifest through many other risk types which are relevant to the assets of the Fund. For example, the occurrence of a sustainability risk can give rise to financial and business risk, including through a negative impact on the creditworthiness of other businesses.

Risk Factors relating to the use of SFTs and TRS

The Securities Financing Transactions Regulation

The European Parliament and Council have adopted Regulation (EU) No 2015/2365 of 25 November 2015 which was published in the Official Journal of the European Union on 23 December 2015 and took effect as of 12 January 2016 known as the Securities Financing Transactions Regulation ("SFTR"). The SFTR introduces certain requirements in respect of SFTs applying to financial counterparties, including UCITS investment companies, and certain non-financial counterparties. Such requirements include, amongst other things, the reporting of each SFT that has been concluded between such financial counterparties and non-financial counterparties, together with any modification or termination of an SFT, to a trade repository. The SFTR also introduces restrictions and disclosure requirements on the reuse of financial instruments received as collateral under a "collateral arrangement". Whilst an SFT may constitute a collateral arrangement, it is important to note that the provisions relating to the reuse of collateral are not restricted to SFTs and in fact relate to the broader collateral markets. In addition, the SFTR introduces new investor disclosure rules in periodical reports and in pre-contractual documents in respect of the use of SFTs and TRSs. The Investment Manager needs to ensure compliance with these requirements.

Prospective investors should be aware that the regulatory changes arising from the SFTR may in due course significantly raise the costs of entering into SFTs and TRSs, and may adversely affect the Fund's ability to engage in such transactions. This could adversely affect the performance of the Fund and the value of Shares of any Class as a result.

Counterparty Risk and SFTs

Where the Fund enters into a repurchase transaction, it is exposed to the risk that its counterparty will default. Where the Fund is acting as buyer under a repurchase transaction, and the Fund has provided collateral that exceeds the value of the relevant securities being purchased, then the Fund is exposed to the risk that its counterparty will default and not return the value of such excess.

Counterparties may also be subject to action by resolution authorities. Any resolution action taken in respect of a counterparty may adversely affect the Fund. For example, amongst other things, the Fund's claims against the counterparty may potentially be mandatorily transferred to a different entity or the Fund's claims may be reduced (in part or in full) or converted into equity.

Upon an insolvency of its counterparty the Fund is also exposed to the legal risk that, depending on the insolvency rules of the relevant jurisdiction, it is not possible to set-off or net the value of the obligations to redeliver or repurchase the relevant securities against the value of the collateral. This would significantly increase the losses of the Fund.

In each case set out above, the use of SFTs may result in the Fund and its Shareholders suffering losses.

Counterparty Risk and TRS

Investing in a TRS gives rise to different risks compared with directly investing in the relevant underlying asset. In particular, the Fund will have no ownership interest in the underlying security or asset and the only recourse will be against the counterparty to the relevant TRS. Accordingly, the Fund is exposed to the credit risk of its counterparties and investors may suffer losses upon the default of a counterparty, particularly where any collateral that is received is realised at a lower value than expected and is not sufficient to cover the exposure of the Fund to the counterparty. To the extent that a Fund makes a large up-front payment on commencement of the TRS, the counterparty risk taken by that Fund may be significantly increased.

Chains of SFTs

A party to an SFT will typically acquire a contractual right against its counterparty enabling it to require redelivery of equivalent assets at conclusion of the relevant SFT. However, the counterparty is not obliged to retain the relevant assets during the life of the SFT and may enter into further SFTs with other parties in respect of the same assets resulting in it giving up title to the relevant assets. In such circumstances, a default of a party with whom the counterparty is transacting may impact on the ability of the counterparty to perform under the SFT with the Fund. For example, it may not be able to readily source the relevant asset from elsewhere or its own ability to perform may be materially impacted by the defaults of other parties to SFTs. The Fund may also enter into further SFTs and be exposed to such risks.

Alternatively, the counterparty or the Fund may simply sell the relevant assets outright and be unable to readily re-acquire equivalent assets in the market for the purpose of satisfying its redelivery obligations which may result in a default and the Fund incurring losses.

Reuse

Where financial instruments are transferred under a title transfer collateral arrangement or if a right of use is exercised in relation to any financial instruments that the Fund has provided by way of collateral under an agreement containing a right of use, the Fund will be exposed to certain risks. In particular, the Fund's rights, including any proprietary rights that it may have had, in those financial instruments will be replaced by an unsecured contractual claim for delivery of equivalent financial instruments subject to the terms of the relevant agreement. Those financial instruments will not be held by the relevant counterparty in accordance with client asset rules, and, no client asset protection rights will apply (for example, the financial instruments will not be segregated from other counterparty assets and will not be held subject to a trust).

In the event of the counterparty insolvency or default under the relevant agreement the Fund's claim for delivery of equivalent financial instruments will not be secured and will be subject to the terms of the relevant agreement and applicable law and, accordingly, the Fund may not receive such equivalent financial instruments or recover the full value of the financial instruments.

Collateral Management Risk

In seeking to reduce credit risk through the posting or receiving of collateral in OTC derivatives and efficient portfolio management techniques, the management of the collateral posted/received will be subject to liquidity and counterparty risks associated with the relevant collateral instruments. Collateral is also subject to other types of risks as set out below:

- a) Operational risks: including that the valuation of the underlying instrument for which such collateral is posted is inaccurate due to inadequate or failed internal processes, people or systems which may cause the Fund to have an incorrect level of margin posted or received.
- b) Legal risks: including risks associated with contracts and change of regulations in the relevant jurisdiction, as well as the risk that collateral provided in cross-border transactions could result in conflicts of law preventing the Fund from recovering collateral posted or from enforcing its rights in relation to collateral received.
- c) Custody risk: collateral received by the Fund on a title transfer basis will be held by the Depositary or by a third party depositary subject to prudential regulation and will be subject to custody risks associated with those entities. Collateral pledged by the Fund will continue to be held by the Depositary.
- d) Reinvestment of Cash Collateral: cash collateral that is reinvested may realise a loss, which would reduce the value of the collateral and result in the Fund being less protected if there is a counterparty default.

While commercially reasonable efforts are used to ensure that collateral management is effective, such risks cannot be eliminated.

Annex III

SECURITIES FINANCING TRANSACTIONS REGULATION

The SFTR introduces certain requirements in respect of SFTs and TRSs applying to financial counterparties, including UCITS investment companies, and non-financial counterparties. Such requirements include, among other things, pre-investment disclosure of certain information (as set out below) to potential investors in the Fund.

Investment Strategy and Associated risks

The Fund may invest in those securities (and enter into certain financial transactions relating to such securities) described in this Supplement, including (for the purposes of the SFTR), certain SFTs and TRSs. Such transactions expose such Funds to different operational, liquidity, counterparty and legal risks, as described below and at Annex I (**Additional Risk Factors**) above.

Securities Financing Transactions

Repurchase transactions

The Fund may enter into repurchase transactions in respect of the various securities and asset classes described in the section entitled **Investment Policy** above, subject to the conditions and limits set out in the UCITS Regulations, under which one party will sell securities to the other party and agree to repurchase equivalent securities in the future, at a price including a market rate of interest for borrowing (a repurchase transaction seen from the point of view of the party buying the securities is known as a reverse repurchase transaction). Repurchase transactions will be entered into for efficient portfolio management purposes that provide funding for the party selling the relevant assets and generate a return for the other party.

The parties will also exchange margin by reference to the market value of the securities and the relevant repurchase obligations.

The Fund will not enter into reverse repurchase transactions.

SFTs and the impact on the Fund's proprietary rights

Under the SFTs described above, the Fund's proprietary rights in the relevant securities it sells or lends, or when acting as purchaser or borrower, the collateral it transfers to its counterparty(s) is replaced by an unsecured contractual claim for redelivery of equivalent assets. The Fund retains no direct rights in relation to the asset that has been sold or lent (or collateral that it has transferred).

Total Return Swaps

The Fund may enter into TRSs as described more fully in the section entitled **Financial Derivative Instruments and Techniques** in the Supplement above.

Counterparty Selection

The Investment Manager will conduct appropriate due diligence in the selection of counterparties. Such counterparties will be credit institutions authorised in the EEA or a signatory state to the Basel Capital Convergence Agreement of July 1988 or a credit institution in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, an investment firm authorised in accordance with MiFID or a group company of an entity approved as a bank holding company by the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by the Federal Reserve. In addition, such counterparties will be subject to a credit rating by an agency registered and supervised by the European Securities and Markets Authority and that rating shall be taken into account in the credit assessment process

and if downgraded to A-2 or below (or comparable rating) by the credit rating agency, will be subject to a new credit assessment.

The Fund will adhere to the UCITS Regulations and any other relevant requirements of the Central Bank (to the extent applicable) in relation to cases where rated counterparties are subject to a ratings downgrade. Due regard will be given to a number of risk and reputational factors including legal status, regulatory supervision and jurisdiction and/or country of origin, management, capital adequacy and solvency ratios, historical financial performance, credit ratings, parent company standing, market-implied probability of default derived by monitoring the counterparty's corporate debt securities, credit default swaps referencing the counterparty and its corporate debt securities, and the stock price of the counterparty.

Acceptable Collateral

Acceptable collateral for the Fund to receive in connection with SFTs and TRS is normally as follows:

- (i) Repurchase transactions: the Fund will only receive cash in exchange for any security subject to a repurchase transaction. Variation margin owed to the Fund will be received in the form of cash.
- (ii) TRS: variation margin owed to the Fund will be received in the form of cash.

In certain exceptional circumstances for repurchase transactions and TRS, acceptable collateral may be in the form of securities, provided those securities are permitted by the Fund's investment strategy and the Company's Collateral Policy (as further detailed in the Prospectus).

Collateral Valuation

The mark-to-market value of the SFTs and/or TRS entered into by the Fund (including any collateral in relation to such arrangements) will be valued daily in accordance with the terms of the relevant agreement and the Fund will require the delivery of variation margin to cover its exposure to its counterparty over certain thresholds.

There can be no guarantee that an investment in the Fund will ultimately be realised at any such future valuation. Because of overall size, concentration in particular markets and/or counterparties and maturities of positions held by the Fund, the value at which its investments can be liquidated may differ, sometimes significantly, from the interim valuations. In addition, the timing of liquidations may also affect the values obtained on liquidation. At times, third party pricing information may not be available for certain positions held by the Fund. Valuations of the Fund's securities and other investments may involve uncertainties and subjective judgmental determinations and if such valuations should prove to be incorrect, the Net Asset Value of the Fund could be adversely affected.

Return, costs and fees relating to SFTs and TRS

The Company shall ensure that all the revenues arising from SFTs and any efficient portfolio management techniques shall be returned to the Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees will include fees and expenses payable to SFT and/or TRS counterparties engaged by the Investment Manager on behalf of the Fund from time to time. Such fees and expenses of any counterparties engaged by the Investment Manager on behalf of the Fund, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Fund. Details of the Fund's revenues arising and attendant direct and indirect operational costs and fees, the identity of those SFT and/or TRS counterparties most frequently engaged by the Investment Manager on behalf of the Fund and the expected impact of efficient portfolio management techniques on the performance of the Fund shall be included in the Fund's annual report.

Safe-keeping of Fund assets

The Depositary is responsible for the safe-keeping of the Fund's assets, including collateral received by the Fund. Information on the arrangements entered into with the Depositary is set out in this Prospectus under the section entitled **Depositary**.

Purpose of, and Exposure to, SFTs and TRSs

| Transaction Type | Purpose of Transaction | Type of assets that can be subject to such Transaction | Expected proportion of NAV subject to such transactions | Max proportion of NAV subject to such transactions |
|-------------------------|---|--|---|--|
| Total return swaps | Typically used for efficient portfolio management purposes in order to achieve efficient financing on underlying securities or used to access markets and products which are otherwise unavailable and manage leverage to assist in achieving the Fund's investment objective | Bonds issued by corporate and financial issuers, government bonds, convertible bonds, bond total return indices, loan total return indices | 0 – 10 per cent. | 25 per cent. |
| Repurchase Transactions | Used for efficient portfolio management purposes in order to raise funds for re-investment or to increase cash reserves and manage leverage to assist in achieving the Fund's investment objective | Bonds issued by corporate and financial issuers, convertible bonds, asset-backed securities, and government bonds | 0 – 10 per cent. | 20 per cent. |

The Investment Manager will report to the Shareholders of the Company the amount of assets engaged in each type of TRS, as well as such other information on the use of TRS as is required under the SFTR, as part of its annual report.