Long Component – The Fund intends to invest primarily in high yield debt securities with the ability to supplement the primary investment strategy with investments in investment grade corporate debt securities, government debt securities and/or exchange traded funds in order to manage overall credit and duration risk. The Fund may take long positions synthetically through the use of financial derivative instruments. While the focus of the Fund is to invest in high yield debt securities, it may also invest up to 20% of the fund’s net asset value in common and preferred stock in order to seek to achieve the Fund’s secondary investment objective.

Short Component – The Fund may take synthetic short positions through the use of financial derivative instruments. The principal driver behind the Fund’s use of short positions is to seek to generate attractive risk-adjusted returns over time.

In the event that the Fund produces a return that represents a relative underperformance in relation to the Benchmark, no Performance Fee will be accrued in respect of those Shares that have realised this relative underperformance. Further, no additional Performance Fee will be accrued in respect of these Shares until these Shares have fully recovered both the relative underperformance of the Fund in relation to the Benchmark and also reached the level of relative outperformance (if any) at the Crystallisation Date at which the Performance Fee was previously paid out of the Fund. It is the intention therefore that each Share will only accrue a Performance Fee in respect of any relative outperformance of the Fund over the Benchmark in relation to that Share on one occasion, and that where Fund performance improves the relative outperformance over the Benchmark to recover a previously attained relative outperformance, such performance will not be subject to the accrual of the Performance Fee until the relative high watermark has been exceeded in respect of that Share. Once any relative underperformance of the Fund in relation to the Benchmark has been recovered, together with any additional performance required to reach the highest level of outperformance recorded at any Crystallisation Date, the Share will be subject to the accrual of a Performance Fee provided that the performance of the Share continues to outperform the Benchmark on a relative basis.