

**Market Access QIAIF ICAV**

**PAT Global Income Fund**

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**SUPPLEMENT TO THE PROSPECTUS FOR MARKET ACCESS QIAIF ICAV**

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Dated 9 March 2021

This Supplement contains specific information in relation to Market Access QIAIF ICAV PAT Global Income Fund (the **Fund**), an open-ended sub-fund of Market Access QIAIF ICAV (the **ICAV**), an umbrella Irish Collective Asset-management Vehicle with segregated liability between sub-funds and authorised by the Central Bank.

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 9 March 2021 (the Prospectus).**

The Directors, whose names appear under **Directors of the ICAV** 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.

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

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## 1 INVESTMENT OBJECTIVE AND POLICIES

### 1.1 Investment objective

The investment objective of the Fund is to generate capital growth and income over the long term.

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

### 1.2 Investment policies

The Fund seeks to achieve its investment objective by investing primarily in high yielding fixed income securities, preference shares, contingent convertible bonds and other securities, fixed income, debt and money market instruments issued predominantly by Chinese companies or their international subsidiaries and affiliates.

The Fund's investments in offshore Renminbi-denominated interest-bearing debt securities (so-called "Dim Sum Bonds") will be made via the offshore Renminbi (CNH) markets, such as Hong Kong, Singapore, London and Luxembourg.

Without prejudice to the generality of the foregoing, the Fund may also invest in offshore Renminbi (CNH), USD or local currency denominated fixed income securities, notes, preference shares or other instruments that may benefit from or are related to the "One Belt One Road" initiatives of China (a development strategy proposed by the Chinese government that focuses on connectivity and cooperation between Eurasian countries).

The Fund may also invest in bank commercial deposits, convertible bonds, and/or other eligible financial instruments determined by the Investment Manager.

The Fund may hold and/or dispose of such securities and instruments. Such securities and instruments may be listed and investments may be made on a global basis in any jurisdiction.

The Fund may have significant exposure to a single asset and may be concentrated on a relatively small number of investments.

The Fund may enter into repurchase agreements and total return swaps in the circumstances and subject to the conditions and within the limits set out in the Prospectus.

The Fund may also hold cash and invest in ancillary liquid assets, including but not limited to short-term fixed income instruments, certificates of deposit, promissory notes, commercial paper, floating rate notes, medium term notes, bankers' acceptances and any other short term instrument which the Investment Manager believes to be of appropriate credit quality as further outlined below. The Investment Manager may, depending on its tactical viewpoint and perception of investment opportunities for the Fund, increase or decrease the level of investment by the Fund in ancillary liquid assets. There is no maximum or minimum amount of liquidity that the Fund may hold at any one time.

### 1.3 Investment strategy

The Investment Manager's approach to building a quality credit portfolio employs a robust methodology that utilizes disciplined credit research and quality metrics. The Investment Manager uses its in-depth market knowledge to optimise asset allocation, and duration/yield curve positions are derived from key economic factors such as growth, inflation and interest rates.

## 1.4 Investment process

In assessing the optimal way to achieve the Fund's investment objective, the Investment Manager conducts top-down macro-economic research and asset allocation ranking along with bottom-up sector research and credit analysis to identify investment opportunities

- (i) Macro-economic research: conduct top-down macro-economic research with a focus on factors such as GDP growth, inflation, debt ratio, balance of payments, interest rate & monetary policy stance, etc. to derive its overall macro view;
- (ii) Asset Allocation: based on the macro view, credit classes are ranked in order of preference based on their potential to offer the highest yield and capital return. This ranking will be used as a guideline for the portfolio managers to follow in portfolio construction.
- (iii) Sector research: analysts research into specific sectors and securities in those sectors across the full capital structure, with particular attention to credit improvements/deterioration and default risk analysis; and
- (iv) Credit analysis: individual bond selection focusing on credit profile, liquidity and yield attractiveness. Identify the highest quality companies that are financially sound, identifying near-term catalysts for returns, such as bonds from companies that are in the early stages of credit improvements, potential rating upgrades as well as bond issues that demonstrate good relative value based on their current yield and liquidity metrics.

## 2 INVESTMENT RESTRICTIONS

The investment restrictions applicable to the Fund are set out under the section entitled **Investment Restrictions** in the Prospectus.

In addition, the following investment restrictions apply to the Fund:

- (v) The Fund's investment in fixed income assets should be between 0%-100% of the Net Asset Value of the Fund;
- (vi) The Fund will only invest in shares and other securities that do not carry the right to vote at general meetings of their issuer;
- (vii) The Fund may hold and/or dispose of the securities and instruments set out in the section headed **Investment policies** above. Such investments may be made on a global basis in any jurisdiction, with the exception that the Fund shall not invest in any securities issued by a U.S. company;

For the purposes hereto, "U.S. company" means any company that is (a) organised under the laws of the United States or of any state or territory thereof or a political subdivision thereof or which maintains an office in the United States; or (b) any company that owns 25% or more of any class of voting shares of, or otherwise controls, a company described in (a) above.

## 3 BORROWING AND LEVERAGE

Subject to any limits and conditions laid down by the Central Bank, the Directors may exercise all powers of the ICAV to borrow money for the Fund, or to grant a charge over the assets of the Fund to secure the debts or obligations of the Fund.

While it is not envisaged that leverage will be feature of the Fund, there may be circumstances in which it may be considered appropriate as part of the investment management of the Fund. In such circumstances,

the Fund may be leveraged through the use of financial derivative instruments. The maximum intended level of leverage for the Fund, calculated using the commitment method is 150% and using the gross notional method is 150%.

Notwithstanding the foregoing, the Fund may have a higher level of leverage in circumstances outside the control of the Investment Manager, including during periods of market volatility or in other extraordinary circumstances. In such circumstances, the Investment Manager will make good faith efforts to bring the Fund's exposure back into compliance with these maximum levels but such event will not constitute a breach of an investment restriction adopted by the Fund.

#### 4 **USE OF SECURITIES FINANCING TRANSACTIONS AND TOTAL RETURN SWAPS**

The Fund may enter into Securities Financing transactions (SFTs) as defined under Article 3 (11) of the Securities Financing Transactions Regulations. Please refer to the section entitled **Securities financing transactions and total return swaps** in the Prospectus for further details on the Fund's ability to use SFTs.

#### 5 **RISK FACTORS**

The general risk factors set out in the **Risk Factors** section of the Prospectus also apply to the Fund.

In addition, the following risks apply:

##### **Asia Region Risk**

Investments in the Asia region may be subject to a higher risk than investments in developed market economies. Many countries in the Asia region are considered emerging markets, and hence subject to risks such as heightened political unrest, securities whose valuations fluctuate widely, war or social uprising, and domestic economic management (including the risks of remittance restrictions and exchange controls) or sovereign intervention (including the risk of expropriation). There may be less publicly available information about companies in many countries in the Asia region, and the stock exchanges and brokerage industries in such countries typically do not have the level of government oversight as do those in developed markets. Such information as is available may be less reliable than that published by or about companies in developed markets. These risks may all impact on entities with operations in the region. Such instability may be reflected in the value of investments made in Asia region economies, increasing the risk of adverse performance, and/or loss of investor capital.

##### **Concentration of Investments Risk**

The Fund may hold one or relatively few investments. The Fund could therefore be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected. The concentration of a Fund's portfolio in such investments may subject the Fund to a greater degree of risk with respect to economic downturns and/or falls in market value than a less concentrated portfolio would be. This may make the Fund's portfolio susceptible to higher volatility since the value of that Fund will vary more in response to changes in the market value of that investment and, consequently, could have an adverse impact on a Fund's financial condition and its ability to pay distributions and/or return capital to investors.

##### **Fixed Income Securities**

Fixed income securities are subject to many risk factors, including economic conditions, government regulations, market sentiment, and local and international political events. The market value of these securities in which the Fund invests will fluctuate in response to changes in creditworthiness of the issuer, interest rates, currency values, and other economic, political and market factors. Such fluctuations may be substantial. There is a risk that one or more issuers of securities held by the Fund may default in payment of interest and/or principal. That portion of the Fund which may be invested in securities which are rated

below investment grade, or are deemed equivalent thereto by the Investment Manager, are subject to significantly greater risk of such defaults.

The Fund may be subject to additional risks due to the speculative nature of investing in securities with a rating below investment grade such as high yield debt securities, which may be considered speculative and can include securities that are unrated and/or in default. An investment in these securities may be subject to a higher degree of credit risk and a greater possibility of default.

Lower rated securities are considered by credit rating agencies to be speculative and to carry a high level of risk. The lower rated securities in which the Fund may invest will have a significantly greater risk of default in payments of interest, principal, or both, than the risk of default for investment grade bonds. Issuers of below investment grade securities present a higher risk of bankruptcy or reorganisation than issuers of investment grade bonds or may have recently been in bankruptcy or reorganisation proceedings. The Fund may invest in securities which are rated below investment grade.

The secondary market for lower rated securities is typically much less liquid than the market for investment grade bonds, frequently with significantly more volatile prices and larger spreads between bid and asked price in trading. The market price of lower rated securities will be affected by the bond market's perception of credit quality and the effect of stronger or weaker economic growth as well as political developments.

The market price of lower rated securities will also be affected by general changes in interest rates (decreasing as rates rise and increasing as rates fall) that affect the market price of all bonds, although lower rated securities may be less sensitive to interest rate changes than investment grade bonds. The below investment grade security market at times will be very illiquid. Market prices of lower rated securities may be affected by imbalances in sell and buy orders among institutional investors and dealers. In addition to credit risk and liquidity risk concerns, the market price of lower rated securities in particular may be adversely impacted by legislative or regulatory developments, such as determinations that certain categories of institutional investors must divest their below investment grade holdings, or changes in rules regarding taxation or corporate reorganisations.

The Fund may also have to sell holdings of below investment grade securities at unfavorable prices in order to raise proceeds to pay for redemptions of Shares.

### **Contingent Convertible Bonds**

Contingent convertible bonds are debt securities, typically paying a higher than average coupon, which may be converted into equity securities or suffer capital losses by decreasing the face value if pre-specified events occur ("**Trigger Events**"), depending in particular on the capital ratio levels of the issuer of such bonds ("**Trigger Levels**").

Contingent convertible bonds are complex financial instruments and their Trigger Levels (and thus exposure to conversion risk) can differ widely. In particular, conversion may cause the value of the investment to fall significantly and irreversibly, and in some cases even to zero.

Investment in contingent convertible bonds may also result in material losses to the Fund as the bonds may suffer losses by decreasing the face value ("**write-down**") on the occurrence of certain Trigger Events. In this event, holders of contingent convertible bonds will suffer losses ahead of holders of equity securities issued by the same issuer, contrary to the classic order of capital structure hierarchy where equity holders are expected to suffer the loss before bond holders.

In addition, some contingent convertible debt securities are also subject to the risk of discretionary cancellation of coupon payments by the issuer at any point, for any reason, and for any length of time. Coupon cancellation may also be mandatory under applicable laws and regulation.

## People's Republic of China (PRC) Tax

The Fund may be subject to PRC taxes in respect of its investment activity. Investors should consult their own tax advisor with regard to PRC tax implications associated with an investment in the Fund.

## 6 DISTRIBUTION POLICY

It is not envisaged that any income or gains derived from its investments will be distributed by the Fund by way of dividend. Accordingly, any distributable income will remain in the Fund's assets and will be reflected in the Net Asset Value of the Shares. This does not preclude the Directors, at their absolute discretion, from declaring a dividend at any time in the future if they consider it appropriate to do so. Any change in the dividend policy for the Fund will be notified to all Shareholders in advance.

## 7 KEY INFORMATION FOR BUYING AND SELLING

### Available Share Classes

The ICAV may issue Shares in each of the Share Classes set out in the table below.

Share Class	Share Class Currency	Initial Issue Price	Minimum Shareholding	Minimum Initial Investment	Minimum Additional Investment
USD Class	USD	USD 100	USD 150,000	EUR 100,000*	USD 10,000
USD NV Class	USD	USD 100	USD 150,000	EUR 100,000*	USD 10,000
RMB Class	RMB	RMB 1000	RMB 1,000,000	EUR 100,000*	RMB 100,000

*\* Provided that each applicant's initial investment into the ICAV as a whole must be equal to or greater than €100,000 (or its foreign currency equivalent).*

The Directors may create from time to time additional classes of Shares within the Fund to which different distribution policies may be applicable or different levels of fees and expenses, designated currency and such other factors as may be determined by the AIFM at the date of the creation of such classes. Creation of additional classes of Shares shall be in accordance with the requirements of the Central Bank and the AIF Rulebook.

The Shares in the USD NV Class are Non-Voting Shares (as defined below) and, in accordance with the Central Bank's requirements, the decision to subscribe for Shares in that class shall be made solely by the investor and Shareholders in that class of Shares.

### Base Currency

USD

### Initial Issue Price and Initial Offer Period

The Initial Offer Period for Shares in the USD Class, RMB Class and USD NV Class has now closed and Shares are available for subscription at the prevailing Issue Price per Share for the relevant Dealing Day.

### Business Day

A day on which banks are open for business in Dublin, London and Hong Kong and/or such other day as the Directors may determine and notify to Shareholders.



**Dealing Day**

Each Business Day, provided that there shall be at least one Dealing Day per quarter.

**Dealing Deadline**

Subscription Deadline

3.30pm Irish time on the Business Day prior to the relevant Dealing Day (or such other time as the Directors may approve provided it is prior to the Valuation Point in question).

Redemption Deadline

3.30pm Irish time on the Business Day prior to the relevant Dealing Day (or such other time as the Directors may approve provided it is prior to the Valuation Point in question).

**Anti-Dilution Levy**

To protect the interests of all other Shareholders, the Directors may at their absolute discretion charge an Anti-Dilution Levy on subscriptions and repurchases, as set out in the Prospectus.

**Subscription Charge**

Up to 2% of the Initial Issue Price or Net Asset Value per Share in respect of the amount subscribed.

**Redemption Charge**

Up to 2% of the Net Asset Value per Share in respect of the amount redeemed.

**Settlement Date**

The Settlement Date for the receipt of monies for subscription for Shares shall be the second Business Day following the relevant Dealing Day.

The Settlement Date for the dispatch of monies for the redemption of Shares will be the second Business Day following the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator.

**Valuation Point**

10.00am Irish time on each Business Day.

**Non-Voting Shares** means a particular class of Shares that do not carry the right to notice of or to attend and vote at general meetings of the ICAV or the Fund (save in respect of resolutions to approve a change to the investment objective of the Fund, a material change to the investment policies of the Fund or an increase in the fees payable to the AIFM or the Investment Manager in respect of the Fund).

**Launch Date** means for the USD NV Class the Dealing Day for the first subscription into the USD NV Class (or such other date as the Directors or the AIFM may determine and notify to the Central Bank).

**8 HOW TO SUBSCRIBE FOR SHARES**

Requests for the subscription for Shares should be made in accordance with the provisions set out in the section entitled **Subscription for Shares** in the Prospectus.

The Fund may accept in-kind subscriptions in accordance with the provisions set out under the section headed **In kind Issues** in the Prospectus.

## 9 **HOW TO REQUEST THE REDEMPTION OF SHARES**

Requests for the redemption of Shares should be made in accordance with the provisions set out in the section entitled **Redemption of Shares** in the Prospectus.

Redemption proceeds may be satisfied by an in kind transfer of assets in accordance with the provisions set out under the section headed **In kind Redemptions** in the Prospectus.

## 10 **CHARGES AND EXPENSES**

The following on fees should be read in conjunction with the section entitled **Fees and Expenses** in the Prospectus.

### **AIFM Fee**

The AIFM shall be entitled to receive out of the assets of the Fund an annual fee accrued on each Dealing Day and payable monthly in arrears at an annual rate of up to and not exceeding 0.025% of the Net Asset Value of the Fund, subject to a minimum monthly AIFM service fee of €1,500 payable monthly in arrears.

The AIFM is also entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket costs and expenses incurred by the AIFM in the performance of its duties (plus VAT thereon, if any).

### **Investment Manager Fee**

The Investment Manager shall be entitled to receive out of the assets of the Fund an annual management fee, accrued on each Dealing Day and payable quarterly in arrears, at an annual rate of up to and not exceeding 1% of the Net Asset Value of the USD Class and the RMB Class and up to and not exceeding 1% of the Net Asset Value per Share of the USD NV Class at the Launch Date.

The Investment Manager is also entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket costs and expenses incurred by the Investment Manager in the performance of its duties (plus VAT thereon, if any).

### **Administration Fee**

The Administrator shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to and not exceeding 0.02% of the Net Asset Value of the Fund (plus VAT thereon, if any). The Administrator is also entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

### **Depositary Fee**

The Depositary shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to and not exceeding 0.015% of the Net Asset Value of the Fund (plus VAT thereon, if any). The Depositary shall also be entitled to be reimbursed for the fees paid by the Depositary to any sub-custodian and agreed upon transactions charges (which in all cases shall be charged at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

### **Establishment Costs**

The preliminary expenses incurred in connection with the establishment of, and initial issue of Shares in, the Fund are estimated to amount to \$30,000 and are will be amortised over the first two financial years of the Fund.

### 11 **PREFERENTIAL TREATMENT**

The Directors may waive or reduce charges from time to time in their discretion and either generally or in particular cases. This may include waiving or reducing charges in relation to Shares.

### 12 **MISCELLANEOUS**

At the date of this Supplement, there are two other Funds of the ICAV in existence, the Market Access QIAIF ICAV Asian Opportunities Fund and Market Access QIAIF ICAV Far East Growth Fund.

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the ICAV.