

INCENTIVE AS **(“Incentive”)**

Form ADV, Part 2A **(the “Brochure”)**

March 31, 2023

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This Brochure provides information about the qualifications and business practices of Incentive. If you have any questions about the contents of this brochure, please contact us by telephone at 47 2301 2900. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Information about Incentive is also available on the SEC’s website at www.adviserinfo.sec.gov.

Incentive is a registered investment adviser. You should be aware that registration with the SEC does not imply a certain level of skill or training.

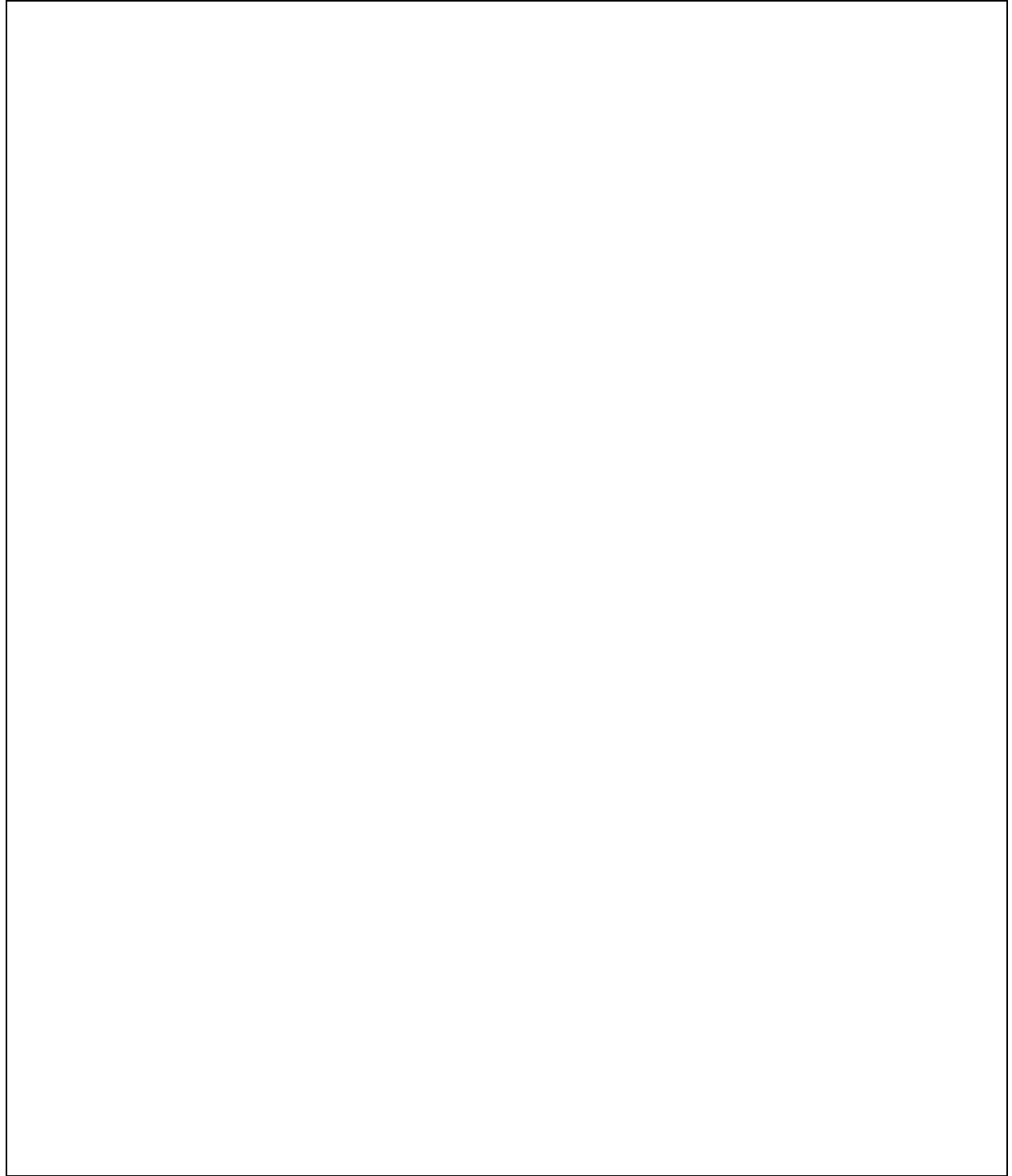
Item 2 Material Changes

This Brochure was first filed on July 17, 2015, in accordance with requirements adopted by the SEC. Please note that it has been prepared for purposes of complying with these requirements, and it should not be deemed to be an offer of securities or investment advisory services (or solicitation of an offer). This Brochure is also not a complete discussion of the features, risks or conflicts associated with any Fund or any other product or service offered by Incentive.

The discussion below includes only material changes since the last annual update of this Brochure on March 31, 2022. Please review these changes carefully.

The following material changes have occurred since Incentive's most recent annual updating amendment to the Brochure, dated March 31, 2022:

- Assets under management changed from \$2.649 billion, as stated in the March 31, 2022 filing, to \$2.215 billion.
- The Incentive Special Opportunities Fund remains dormant (since March 2020).



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Brochure Summary: About this Brochure and Incentive AS

This Brochure will be provided to current and prospective Clients prior to the commencement of Incentive's advisory services pursuant to the documents governing Incentive's agreement with such Clients, and Incentive will offer this Brochure to such Clients on an annual basis thereafter. The Brochure may also be provided to current or prospective Investors in a Fund, in conjunction with the Governing Documents, prior to or in connection with such persons' consideration or execution of an investment in a Fund, and may subsequently be provided, in the discretion of Incentive, annually or upon request. Additionally, this Brochure is available through the SEC's Investment Adviser Public Disclosure website.

Recipients should be aware that this Brochure is designed solely to provide information relevant to Clients for the purpose of compliance with relevant obligations under the Advisers Act and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from information provided through a Governing Document for a Fund. To the extent there is any conflict between this Brochure and any such offering document or other governing document applicable to a Fund, the Fund-specific documents will govern. More complete information about each Fund and any other product or service offered by Incentive is included in disclosure and investment documents and other relevant offering materials, certain of which may be provided to current and eligible prospective Clients and Investors only by Incentive.

Incentive does not maintain a place of business within the United States. Moreover, Incentive's activities with respect to non-U.S. Clients may differ from those described generally herein, and Incentive may provide additional or different services to non-U.S. Clients. Incentive may rely on SEC Staff guidance to apply local governing law, rather than the substantive provisions of the 1940 Act or the Advisers Act, to its relationships with the Funds to the extent that Incentive's activities with respect to those relationships do not constitute "conduct" or have "effects" within the U.S.

Glossary:

"1940 Act" means the U.S. Investment Company Act of 1940, as amended.

"Account" means any Client accounts advised by Incentive.

"Advisers Act" means the U.S. Investment Advisers Act of 1940.

"Best Execution" means the best combination of price and execution with respect to the portfolio transactions of Accounts.

"Board" means the Board of Directors of Incentive.

"Brochure" means Incentive's Form ADV Part 2A.

"Client" means current and prospective clients of Incentive. As of the date of this Brochure, Incentive's current clients are the three Funds, and their feeder funds, and certain Managed Accounts.

"Code" means the Incentive Code of Ethics which is included in the internal rules and regulations of Incentive.

"Covered Person" means persons covered by the Code.

"Funds" refer to the Incentive Active Value Master Fund, Incentive Active Value Long Only Master Fund and Incentive Special Opportunities Fund (dormant), all three being sub-funds of Incentive Investment Funds ICAV, an Irish Collective Asset Management Vehicle organized in the Republic of Ireland, and all feeder funds related to the beforementioned funds (also included in the term "Client").

"Governing Documents" shall mean a prospectus, supplement, organizational document or other such offering document provided in connection with the offer and/or sale of Shares.

"Incentive" or "we" or "our" or "us" mean Incentive AS.

“Inside Information” means material non-public and other confidential information which, if disclosed, might affect an investor’s decision to buy or sell a security.

“Investor” means any end investor in the Funds, as defined above.

“Key Man” means Svein Høgset.

“Managed Accounts” refers to any mandate regulated by an investment management agreement where Incentive provides discretionary investment management services, other than the Funds and their feeder funds.

“Management Fee” means fees based, in part, on the Account’s assets under management.

“MiFID II” means the European Union’s recast Markets in Financial Instruments Directive (Directive 2014/65/EU) along with its accompanying regulation, the Markets in Financial Instruments Regulation (“MiFIR”) (Regulation 600/2014/EU).

“Performance Fee” means fees based, in part, on the investment performance of the Account.

“Prior High Net Asset Value per share” is, as further described and defined in the Governing Documents, the Net Asset Value per relevant Share on which an Incentive Fee was paid in respect of any prior Incentive Fee Period adjusted by the Hurdle. If an Incentive fee has not been paid from the relevant Share, then the Prior High Net Asset Value per share is the initial issue price for that Share adjusted by the Hurdle.

“RPA” means a research payment account.

“SEC” means the U.S. Securities and Exchange Commission.

“SEC Staff” means the staff of the SEC.

“Shares” means shares/interests of the Funds or their feeder funds, as applicable.

“Rule 204A-1” means Rule 204A-1 promulgated under the Advisers Act.

Item 4 Advisory Business

General and Ownership

Incentive is a Norwegian corporation with its principal office and place of business located in Oslo, Norway. Incentive was established in 2014 and is an investment management firm providing investment advisory and related services to its Clients. If the types of services provided by Incentive change, this Brochure will be amended accordingly to reflect these additional services. Its principal owners include Incentive Holding AS (90% ownership) and Sector Asset Management AS (10% ownership). Further information regarding the principal owners of and investors in Incentive can be found in Schedule A of Form ADV Part 1, publicly available online at www.advisorinfo.sec.gov.

Types of Advisory Services We Offer

Incentive currently provides discretionary investment advice to the Funds. Incentive also acts as investment manager to certain Managed Accounts. Incentive provides various investment related services as may be agreed upon with the Clients from time to time, including determining the investment objectives of the Funds, determining appropriate asset allocation across the Funds' investment strategies, placing trades for execution, and monitoring existing and prospective investments in light of a Fund or Managed Account's objectives and risk parameters.

Tailoring Advisory Services to the Individual Need of Clients

Consistent with its fiduciary duty, Incentive considers the individual needs of all Clients and tailors the advisory services it provides to Clients. The specific services provided by Incentive to a particular Client depend upon the investment objectives and restrictions as set forth in the documents governing Incentive's relationship with such Client. Restrictions on investments in certain securities or types of securities (if any) are set forth in these documents. The investments of each Client, including a Fund, are managed in accordance with such investment objectives, restrictions, strategies and guidelines. Accordingly, each Fund is not managed in accordance with the individualized needs of any particular Investor, and Investors should consider whether a Fund meets their investment objectives and risk tolerance prior to investing. Information about the Funds can be found in their relevant registration and/or Governing Documents.

Incentive is authorized to make the following determinations in accordance with the Client's specified investment objectives, without consultation with or consent from the Client before a particular transaction is effected: (i) which securities to buy or sell; (ii) the total amount of securities to buy or sell; (iii) the broker or dealer through whom securities are bought or sold; (iv) the commission rates at which securities transactions for Client accounts are effected; and (v) the prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs. However, Incentive may also accept Managed Accounts with limited discretion.

Client Assets Managed by Incentive

As of December 31st, 2022, Incentive managed approximately USD 2.215 billion in Client assets on a discretionary basis. Incentive did not manage any assets on a non-discretionary basis as of that date.

Item 5 Fees and Compensation

How We are Compensated for our Advisory Services

Currently, Incentive charges the Funds both Management Fees and Performance Fees, as set forth below. Fees charged by the Funds to Investors vary between different share classes.

Incentive's Fee Schedule

The current fee schedule for Incentive Active Value Long Only Fund is as follows:

Management Fee:

Class of Shares	Management Fee
Class A Shares	1.00 per cent per annum of the Net Asset Value attributable to the Class A Shares.
Class B Shares	1.25 per cent per annum of the Net Asset Value attributable to the Class B Shares.
Class C Shares	1.25 per cent per annum of the Net Asset Value attributable to the Class C Shares.
Class L Long Term Shares	0.5 per cent per annum of the Net Asset Value attributable to the Class L Long Term Share Class.
Tranche Shares	0.80 per cent per annum of the Net Asset Value attributable to the Tranche Share Class.

The Management Fee shall include the payment of the fees due to the Risk Manager. The AIFM and the Risk Manager will also be entitled to be reimbursed out of the assets of the Fund, for reasonable out-of-pocket costs and investment related expenses incurred in discharging their duties.

Performance Fee:

Class of Shares	Performance Fee
Class A (Variable) Accumulating	15 per cent of the aggregated outperformance in value of the relevant Share, in excess of the Prior High Net Asset Value adjusted by a hurdle equivalent to the performance during the Performance Fee Period of the STOXX Europe 600 Total Return Index (SXXR) (ISIN EU0009658210 and Bloomberg ID BBG000P5N0N9) ("Variable Hurdle").
Class B (Fixed) Accumulating	20 per cent of the aggregated outperformance in value of the relevant Share, in excess of the Prior High Net Asset Value) adjusted by a hurdle of 5 per cent per annum ("Fixed Hurdle").
Class B (Variable) Accumulating	20 per cent of the aggregated outperformance in value of the relevant Share, in excess of the Prior High Net Asset Value adjusted by the Variable Hurdle.
Class C (Fixed) Distributing	20 per cent of the aggregated outperformance in value of the relevant Share, in excess of the Prior High Net Asset Value adjusted by the Fixed Hurdle.
Class C (Variable) Distributing	20 per cent of the aggregated outperformance in value of the relevant Share, in excess of the Prior High Net Asset Value adjusted by the Variable Hurdle.
Class L Long-term shares	10 per cent of the aggregated outperformance in value of the relevant Share in excess of the Prior High Net Asset Value adjusted by the Hurdle.

Tranche Share Class	In respect of Tranche 1 to Tranche 6 shares, 25 per cent of the aggregated outperformance in value of the relevant Share, in excess of the Prior High Net Asset Value adjusted by the Variable Hurdle.
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The current fee schedule for Incentive Active Value Fund is as follows:

Management Fee:

Class of Shares	Management Fee
Class A Shares	0.75 per cent per annum of the Net Asset Value attributable to the Class A Shares.
Class D Shares	0.95 per cent per annum of the Net Asset Value attributable to the Class D Shares.
Class E Shares	1.00 per cent per annum of the Net Asset Value attributable to the Class E Shares.
Class F Shares	1.25 per cent per annum of the Net Asset Value attributable to the Class F Shares.
Class L Long Term Shares	0.5 per cent per annum of the Net Asset Value attributable to the Class L Long Term Shares.

The Management Fee shall include the payment of the fees due to the Risk Manager. The AIFM and the Risk Manager will also be entitled to be reimbursed out of the assets of the Fund, for reasonable out-of-pocket costs and investment related expenses incurred in discharging their duties.

Performance Fee:

Class of Shares	Performance Fee
Class A EUR Shares Class A USD Shares Class D EUR Shares Class D USD Shares Class D NOK Shares Class D SEK Shares Class E EUR Shares Class E USD Shares Class E NOK Shares	15 per cent of the aggregated outperformance in value of the relevant Share in excess of the Prior High Net Asset Value adjusted by a hurdle of 5 per cent per annum (the "Fixed Hurdle")
Class A (Variable) EUR Shares Class A (Variable) USD Shares Class D (Variable) NOK Shares Class E (Variable) EUR Shares Class E (Variable) USD Shares Class E (Variable) NOK Shares	15 per cent of the aggregated outperformance in value of the relevant Share, in excess of the Prior High Net Asset Value adjusted by a hurdle equivalent to the performance during the Incentive Fee Period (as defined below) of the STOXX Europe 600 Total Return Index (SXXR) (ISIN EU0009658210 and Bloomberg ID BBG000P5N0N9) ("Variable Hurdle").
Class F USD Shares Class F EUR Shares Class F NOK Shares Class F SEK Shares	20 per cent of the aggregated outperformance in value of the relevant Share in excess of the Prior High Net Asset Value adjusted by the Fixed Hurdle.
Class F (Variable) EUR Shares Class F (Variable) USD Shares Class F (Variable) NOK Shares	20 per cent of the aggregated outperformance in value of the relevant Share in excess of the Prior High Net Asset Value adjusted by the Variable Hurdle.
Class L Long Term Shares	10 per cent of the aggregated outperformance in value of the relevant Share in excess of the Prior High Net Asset Value adjusted by the Fixed Hurdle.

Managed Accounts have separate fee agreements based upon: (i) Management Fees, expressed as a percentage of the Managed Account's assets under management; (ii) Performance Fees, generally calculated as a percentage of the Managed Account's net capital appreciation during the applicable period; or (iii) a combination of the foregoing.

Fees Are Not Negotiable

Fees are not negotiable. However, future Clients may pay a fee different than those described above based on the unique circumstances of such future Clients. As stated above, fees charged by the Fund to Investors vary between different share classes.

How Fees and Charged are Collected

Fees are generally paid in arrears and are ordinarily based on the level of total assets under management within the relevant Account(s), including allocations to cash, on the appropriate valuation day. Management Fees are paid monthly, and Performance Fees are paid annually, semi-annually or every third year, depending on the arrangement with the Client. Fees also crystallize upon a redemption from the Fund or termination of the investment management agreement with the Managed Account Client. Fees for the Funds may be deducted directly from Client assets, subject to approval by the administrator and depository. Fees for managed accounts cannot be deducted directly from Client assets.

Additional Fees and Expenses

The Funds and managed accounts incur brokerage, other transaction costs, trading enhancing and research costs. The Funds and the managed accounts are required, if applicable, to pay custody fees, taxes, duties and other government charges, transfer fees, registration fees and other expenses associated with the purchase, holding or sale of assets, costs and charges associated with making deposits in connection with foreign exchange transactions, withholding taxes payable and required to be withheld by issuers, their agents and others, as well as audit, administrative and other expenses associated with regulatory or tax compliance or investment operations. More information about brokerage fees and commissions can be found in Item 12 of this Brochure.

No additional sales-based compensation or trails are paid to Incentive or any Incentive supervised person for the sale of securities or other investment products, including asset-based sales charges or service fees.

Item 6 Performance-Based Fees and Side-By-Side Management

Performance Fees and Incentives

As specified above, Incentive manages various Accounts having different fee arrangements.

Side-by-Side Management

As per this Brochure, Incentive currently acts as investment manager for the Funds and Managed Accounts. Pursuant to the investment management agreement between the Client and Incentive, investments on behalf of the Managed Accounts shall duplicate the “long investments” of the Incentive Active Value Master Fund. Incentive is required to perform equal treatment and allocation between its Clients.

Incentive typically makes investment decisions for multiple portfolios using various investment strategies depending upon Clients’ guidelines and restrictions. These investment management responsibilities create conflicts of interest. Incentive seeks to conduct itself in a manner that it considers to be the most fair and consistent with its fiduciary obligations to Clients and make investment decisions based on an Account’s available cash, investment objectives, restrictions, permitted investment techniques and other relevant considerations.

Incentive may manage assets for different Clients that charge varying Management Fees and Performance Fees as described above, which could cause potential conflicts of interest. Fees charged to Clients differ depending upon a number of factors including, but not limited to, the particular strategy, the size of the portfolio being managed, the relationship with the Client, the service requirements, or the Account type. Based on these factors, a Client may pay higher fees than another Client with the same advisor or in the same strategy. Varying fee structures between different Clients may for example induce Incentive to favor certain Clients over others where fees differ among Accounts and: (i) the Accounts have the same or similar investment styles or otherwise compete for investment opportunities; (ii) the Accounts have differing abilities to engage in short sales or similar investment strategies; and/or (iii) Incentive or its personnel have differing personal or proprietary interests. In particular, there is an incentive to favor Accounts that charge Performance Fees over Accounts that charge other types of fees. Also, Clients with larger assets under management generate more revenue for Incentive than smaller accounts. These differences give rise to a conflict that a portfolio manager may favor one Account over the other or allocate more time.

Performance Fees are typically calculated and charged either annually or semi-annually. Incentive therefore stands to benefit if the investment performance of the assets that it manages during a certain period is superior to that of relevant benchmarks and/or hurdle rates, if any. The fact that Incentive charges Performance Fees from its Clients helps align Incentive’s interest with the interests of its Clients but can also induce Incentive to take excessive risk in the management of Client assets.

Allocation of Investment Opportunities

Incentive provides investment advisory and investment management services for many Clients and may give advice and take action with respect to one Client that differs from advice given or the timing or nature of action taken with respect to another Client. It is, however, Incentive’s policy not to favor or disfavor consistently or consciously any Clients or class of Clients in the allocation of investment opportunities, with the result that, to the extent practicable, all investment opportunities will be allocated among Clients over a period of time on a fair and equitable basis.

Incentive may restrict, limit or reduce the amount of a portfolio’s investment in a security where holdings in such a security by a portfolio, or across portfolios in the aggregate, exceed a certain ownership threshold or would otherwise result in significant cost to, or administrative burden on Incentive. In these situations, Incentive may also determine not to engage in an investment for a portfolio, even where such investment would be beneficial to the portfolio. For example, such limitations exist if a position or transaction could require a filing or a license or other regulatory or corporate consent, which could, among other things, result in additional cost and disclosure obligations for, or impose regulatory restrictions on, Incentive or on other portfolios, or may result in regulatory or other restrictions, including those under MiFID II.

When Incentive allocates investment opportunities, it takes into account the factors noted above, as applicable, and as a result, some or all of the eligible portfolios may not receive a pro rata allocation, or any allocation.

Policies and Procedures to Address Potential Conflicts of Interest

Incentive maintains policies and procedures, including its Code (described in Item 11, below), a Trade Allocation Policy, a Best Execution Policy, and other policies and disclosures reasonably designed to assure that Incentive and its employees service all Clients in a matter consistent with applicable law and the fiduciary duties an adviser owes its Clients, including policies and procedures that ensure fair and equitable treatment of Clients over time to mitigate these and other conflicts associated with “side-by-side” management.

Additionally, Incentive has established valuation policies and procedures to mitigate the risk of potential conflicts of interest, the potential for material pricing discrepancies in respect of Account assets and to assure that assets are valued in good faith and as accurately as is reasonably practicable.

Please also see Item 12 relating to trade aggregation and allocation practices.

Item 7 Types of Clients

Types of Clients

Incentive's current Clients consist of three Funds (domiciled in the Republic of Ireland) with feeder funds and certain Managed Accounts that it manages on behalf of a Client. [One of the funds is currently dormant.](#)

This Brochure may be provided to current or prospective end Investors in the Funds, together with the Funds' and the feeder funds' Governing Documents, including any prospectus, supplement, private placement memorandum, organizational documents and other related documents, prior to or in connection with such person's consideration or execution of an investment in the Funds. Investors and other recipients should be aware that while the Brochure may include information about the Funds, as necessary or appropriate, it should not be considered to represent a complete discussion of the features, risks or conflicts associated with the Funds. More complete information about the Funds are included in the Governing Documents, which may only be provided to current and eligible prospective Investors. The Funds or their Shares are not registered with the SEC under the 1940 Act and the U.S. Securities Act of 1933.

Incentive has no place of business in the United States, and the Funds are domiciled outside the United States. Consequently, in reliance upon guidance from the SEC and the SEC Staff, Incentive complies with applicable Advisers Act rules with regard to the Funds.

In no event should this Brochure be considered to be an offer of Shares in the Funds or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient. Rather, this Brochure is designed solely to provide information about Incentive for the purpose of compliance with certain obligations under the Advisers Act and, as such, responds to relevant regulatory requirements under the Advisers Act. To the extent that there is any conflict between discussions herein and similar or related discussions in any Governing Document, the Governing Document will govern.

Minimum Initial Investments

Incentive requires a minimum investment of EUR 1,000,000 or the USD or NOK equivalent to invest in the Funds. Future Clients may have different minimum investment requirements. Incentive reserves the right to waive or reduce the investment minimums with respect to a specific Investor in a Fund in its sole discretion.

The minimum investment required by Incentive for a Managed Account is generally MUSD 100 per annum. Incentive may elect to accept smaller Managed Accounts at its sole discretion.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Incentive's Investment Philosophy and Approach

The discussion in this Item applies to all Accounts, including Managed Accounts and Funds. For a Managed Account Client, please also carefully review the Account's investment management agreement for additional information on the Account's investment strategies and risks. For a Fund, please also carefully review Governing Documents for additional information on the Fund's investment strategies and risks.

Because the value of a Client's investment will fluctuate, there is the risk that a Client will lose money. Clients should carefully review the risks of investing and be prepared to bear those risks, including the possible loss of the principal amount invested.

The following is a description of our investment strategies:

Incentive Active Value Long Only Master Fund

The fund's investment strategies are based on the fundamental research skills, portfolio management skills and risk management skills of Incentive.

The Fund's portfolio is expected, under normal circumstances, to hold 10 to 20 investments at any given time. Incentive believes that this number of investments will allow for sufficient diversification in the portfolio and at the same time also enable Incentive to dedicate a considerable amount of time to each of its investments. Incentive intends to actively engage with the management teams, board members and other stakeholders of its underlying portfolio companies when it believes that such engagement can positively influence any processes aimed at enhancing the value of an investment. For the avoidance of doubt, Incentive will not take legal or management control of the underlying portfolio companies.

Incentive will often seek out investment opportunities that have been overlooked by many other investors. For instance, these could be situations where perhaps the complexity of factors surrounding the company or the industry in general, causes the company to be out of favour or misunderstood by "the market" at the time. Incentive believes, that such circumstances where its own investment view differs from that of the consensus view in the market, often represents the very best investment opportunities.

Incentive expects to generate high quality investment leads through a combination of (i) regular screening of European markets for opportunities where there is a substantial gap between market price and estimated intrinsic value, (ii) interaction with its extensive network of business and capital markets contacts across Europe, including management teams, board members, financial advisors, other institutional investors, controlling shareholders and other relevant market participants, and (iii) in depth analysis of specific situations that merits further work following initial assessment.

Investment ideas will be evaluated on the basis of extensive, fundamental value oriented research that includes analysis of business specific factors such as: profitability, financial strength, competitive positioning and growth prospects as well as wider industry dynamics such as: industry structure, nature of competition, relative strength vs. suppliers and customers, concentration level of customers and suppliers, risk of the company's products or services becoming obsolete and risk of technology shifts.

The investment analysis also typically includes an assessment of the complexity of the situation at hand and the likelihood of significant value drivers materialising within a reasonable time frame, corporate governance related matters, liquidity characteristics and ultimately potential exit strategies.

The assessment of risk will be an integral part of the due diligence process carried out in conjunction with each investment in the portfolio. Typically, Incentive will seek to minimise the Fund's exposure to companies where future profitability is difficult to assess, including investments in situations where a company's business model

relies upon the adoption of new and unproven technologies and business concepts. When assessing the level of risk associated with each investment, Incentive will focus much more of its efforts on understanding the risk for a permanent loss in the investment rather than trying to estimate the risk for short term fluctuations in the pricing of the investment.

Furthermore, Incentive intends to monitor aggregate risk parameters such as overall portfolio exposure and liquidity characteristics, industry and capitalisation biases across the portfolio, exposure to situations with likely binary outcomes and overall portfolio exposure to broader market events such as significant fluctuations in commodity prices, foreign exchange rates or interest rates.

Once Incentive's thorough due diligence process has revealed a compelling investment opportunity, the Fund will seek to make an investment through open market purchases, participation in private placements and initial public offerings, block trades and occasionally through privately negotiated transactions.

Incentive expects that the Fund will hold most of its investments over several years and as a result of that, new investments will be initiated relatively infrequently.

Investments will be sold when their attractiveness, in Incentive's opinion no longer is compelling enough to warrant continued exposure. Typically, this happens as (i) Incentive's investment thesis proves correct and the price of the security converges to a level around assessed fair value, (ii) other even more compelling investment opportunities arise, causing a reallocation of capital away from some of the least attractive investments in the portfolio, or (iii) circumstances change in a way that is detrimental to the original investment thesis

Incentive Active Value Master Fund

The Fund's investment strategies are based on the fundamental research skills, portfolio management skills and risk management skills of Incentive.

The Fund's portfolio is expected, under normal circumstances, to hold 10 to 20 long investments and 0 to 15 short investments at any given time. Incentive believes that this number of investments will allow for sufficient diversification in the portfolio and at the same time also enable Incentive to dedicate a considerable amount of time to each of its investments. Incentive intends to actively engage with the management teams, board members and other stakeholders of its underlying portfolio companies when it believes that such engagement can positively influence any processes aimed at enhancing the value of an investment. For the avoidance of doubt, Incentive will not take legal or management control of the underlying portfolio companies.

Incentive will often seek out investment opportunities that have been overlooked by many other investors. For instance, these could be situations where perhaps the complexity of factors surrounding the company or the industry in general, causes the company to be out of favour or misunderstood by "the market" at the time. Incentive believes, that such circumstances where its own investment view differs from that of the consensus view in the market, often represents the very best investment opportunities.

Incentive expects to generate high quality investment leads through a combination of (i) regular screening of European markets for opportunities where there is a substantial gap between market price and estimated intrinsic value, (ii) interaction with its extensive network of business and capital markets contacts across Europe, including management teams, board members, financial advisors, other institutional investors, controlling shareholders and other relevant market participants, and (iii) in depth analysis of specific situations that merits further work following initial assessment.

Investment ideas will be evaluated on the basis of extensive, fundamental value oriented research that includes analysis of business specific factors such as; profitability, financial strength, competitive positioning and growth prospects as well as wider industry dynamics such as; industry structure, nature of competition, relative strength vs. suppliers and customers, concentration level of customers and suppliers, risk of the company's products or services becoming obsolete and risk of technology shifts.

The investment analysis also typically includes an assessment of the complexity of the situation at hand and the likelihood of significant value drivers materialising within a reasonable time frame, corporate governance related matters, liquidity characteristics and ultimately potential exit strategies.

The assessment of risk will be an integral part of the due diligence process carried out in conjunction with each investment in the portfolio. Typically, Incentive will seek to minimise the Fund's exposure to companies where future profitability is difficult to assess, including investments in situations where a company's business model relies upon the adoption of new and unproven technologies and business concepts. When assessing the level of risk associated with each investment, Incentive will focus much more of its efforts on understanding the risk for a permanent loss in the investment rather than trying to estimate the risk for short term fluctuations in the pricing of the investment.

Furthermore, Incentive intends to monitor aggregate risk parameters such as overall portfolio exposure and liquidity characteristics, industry and capitalisation biases across the portfolio, exposure to situations with likely binary outcomes and overall portfolio exposure to broader market events such as significant fluctuations in commodity prices, foreign exchange rates or interest rates.

Once Incentive's thorough due diligence process has revealed a compelling investment opportunity, the Fund will seek to make an investment through open market purchases, participation in private placements and initial public offerings, block trades and occasionally through privately negotiated transactions.

Incentive expects that the Fund will hold most of its long investments over several years and as a result of that, new investments will be initiated relatively infrequently. Short investments will typically be initiated with a shorter anticipated holding period and typically only in companies where Incentive expects negative share price development during the following six to twelve months.

Investments will be sold when their attractiveness, in Incentive's opinion no longer is compelling enough to warrant continued exposure. Typically, this happens as (i) Incentive's investment thesis proves correct and the price of the security converges to a level around assessed fair value, (ii) other even more compelling investment opportunities arise, causing a reallocation of capital away from some of the least attractive investments in the portfolio, or (iii) circumstances change in a way that is detrimental to the original investment thesis

Incentive Special Opportunities Fund

This fund is currently dormant. The fund's investment strategies are based on the fundamental research skills, portfolio management skills and risk management skills of Incentive. The Fund is expected to hold 1 to 5 investments at any given time.

Incentive intends to actively engage with the management team, board members and other stakeholders of its underlying portfolio companies when it believes that such engagement can positively influence any processes aimed at enhancing the value of an investment. For the avoidance of doubt, Incentive will not take legal or management control of the underlying portfolio companies.

Incentive will often seek out investment opportunities that have been overlooked by many other investors. For instance, these could be situations where perhaps the complexity of factors surrounding the company or the industry in general, causes the company to be out of favour or misunderstood by "the market" at the time. Incentive believes, that such circumstances where its own investment view differs from that of the consensus view in the market, often represents the very best investment opportunities.

Incentive expects to generate high quality investment leads through a combination of (i) regular screening of European markets for opportunities where there is a substantial gap between market price and estimated intrinsic value, (ii) interaction with its extensive network of business and capital markets contacts across Europe, including

management teams, board members, financial advisors, other institutional investors, controlling shareholders and other relevant market participants, and (iii) in depth analysis of specific situations that merits further work following initial assessment.

Investment ideas will be evaluated on the basis of extensive, fundamental value oriented research that includes analysis of business specific factors such as; profitability, financial strength, competitive positioning and growth prospects as well as wider industry dynamics such as; industry structure, nature of competition, relative strength vs. suppliers and customers, concentration level of customers and suppliers, risk of the company's products or services becoming obsolescent and risk of technology shifts.

The investment analysis also typically includes an assessment of the complexity of the situation at hand and the likelihood of significant value drivers materialising within a reasonable time frame, corporate governance related matters, liquidity characteristics and ultimately potential exit strategies.

The assessment of risk will be an integral part of the due diligence process carried out in conjunction with each investment in the portfolio. Typically, Incentive will seek to minimize the fund's exposure to companies where future profitability is difficult to assess, including investments in situations where a company's business model relies upon the adoption of new and unproven technologies and business concepts. When assessing the level of risk associated with each investment, Incentive will focus much more of its efforts on understanding the risk for a permanent loss in the investment rather than trying to estimate the risk for short term fluctuations in the pricing of the investment.

Once Incentive's thorough due diligence process has revealed a compelling investment opportunity, the fund will seek to make an investment through open market purchases, participation in private placements and initial public offerings, block trades and occasionally through privately negotiated transactions.

Incentive intends to hold an investment for between 2-5 years, subject to Incentive's discretion to hold such investments for such shorter or longer period.

Investments will be sold when their attractiveness, in Incentive's opinion no longer is compelling enough to warrant continued exposure. Typically this happens as (i) Incentive's investment thesis proves correct and the price of the security converges to a level around assessed fair value, (ii) other even more compelling investment opportunities arise, causing a reallocation of capital away from some of the least attractive investments in the portfolio, or (iii) circumstances change in a way that is detrimental to the original investment thesis.

Managed Accounts

The Managed Accounts shall be invested on a pari passu basis with the investments in the Incentive Active Value Long Only Master Fund (relative to total AUM between the Incentive Active Value Long Only Master Fund and the Managed Accounts). The Manager will endeavor to fully invest the assets of the Account but the Client acknowledges that the Account may not be fully invested at all times as a result of capital inflows and outflows.

RISK FACTORS

General Considerations

While every effort is made by Incentive to mitigate risks to client assets, all investing activity involves a risk to all or a part of the investment made. There is no guarantee that the investment objective of the Accounts, or the risk monitoring and diversification goals, will be achieved and results may vary substantially over time. The value of investments in any strategy can, in common with other investments, go down as well as up. There is no assurance that the investment objectives will be actually achieved. Below is a discussion of the most common risks associated with the specific strategies pursued by Incentive but is not a complete inventory of all risks. Investors in the Funds should review the relevant Fund's Governing Documents for a thorough review of the risks inherent in the relevant

strategy. Managed Account Clients should review the Account's investment management agreement for additional information on the Account's investment strategies and risks.

Liquidity Risk

Liquidity risk exists when particular portfolio investments are difficult to purchase or sell. To the extent that the portfolio holds illiquid investments, the portfolio's performance may be reduced due to an inability to sell the investments at opportune prices or times. Liquid portfolio investments may become illiquid or less liquid after purchase by the portfolio due to low trading volume, adverse investor perceptions and/or other market developments. Liquidity risk includes the risk that the portfolio will experience significant net redemptions at a time when it cannot find willing buyers for its portfolio securities or can only sell its portfolio securities at a material loss. Liquidity risk can be more pronounced in periods of market turmoil.

The Funds are structured as limited liquidity funds. Investors should note the Funds' redemption provisions prior to making a subscription. Redemptions in the Funds are subject to a 90-day prior notice period and additional limitations may be imposed depending on the size of the redemption request. The restrictions on redemptions will significantly affect the liquidity of an investor's investment. A secondary market in the Shares is not expected.

Investment and Trading Risk

The investments of a portfolio in financial instruments are subject to the risk of loss of capital. Incentive believes its investment process will moderate this risk through a careful and timely selection of securities and other financial instruments, though no guarantee or representation is made that a portfolio will be successful in this regard.

Key Man Risk

The investment performance of a portfolio is substantially dependent on the services of the Key Man. In the event of the death, incapacity, departure, insolvency or withdrawal of the Key Man, the performance of a portfolio may be adversely affected.

Furthermore, some of the contractual arrangements in place with certain counterparties may provide the relevant counterparties with rights of termination if the Key Man ceases to have responsibility for managing a portfolio's investments or similar provisions. The assertion of such rights to terminate contracts could result in a portfolio's contractual positions being closed out on unsatisfactory terms and in a reduced number of potential counterparties in the future. The assertion of such rights may have a material adverse impact on the business and/or financial condition of the portfolio. There can be no assurance that Incentive would be able to mitigate the effects of the loss of the Key Man.

Operating Risk

Incentive and the portfolios are exposed to operational risks such as the risk of human error or failures in systems, technology or processes, either internally or at third parties. Incentive's business operations can be impacted, in part, by software or hardware malfunctions, viruses, glitches, process errors, connectivity loss or system failures. Various operational events or circumstances are beyond Incentive's control, including instances at third parties, and can include human errors or events in part caused by changes in personnel, system changes, or faults in communication or technology failures. Increased use of and reliance on systems, technology or processes, both internally and at third parties, can cause portfolios and Incentive to be more susceptible to operational and system risks, including the cyber security risk addressed above. To the extent a trading counterparty uses algorithms to implement orders from Incentive, and such algorithms are incorrect or incomplete, any decisions or investments made in reliance thereon expose portfolios to additional risks, including losses.

Incentive seeks to minimize operational risks and related risks through controls and oversight, but there is no guarantee that those measures will be effective, including because Incentive does not control operational risk management at third parties. There may be failures or instances that cause losses to a portfolio or impact Incentive's or a third party's functions. Unless otherwise agreed in writing with a client, Incentive will not be responsible for errors caused by Incentive's reasonable reliance on third parties, such as brokers, custodians, technology providers, data sources and other providers.

Potential losses may arise from the various facets of operating an investment fund such as the Funds. For example, there are regulatory risks, the potential for lawsuits and the potential for the occurrence of tax events which may

adversely affect the Funds. There is also the risk of human error such as inaccuracies in booking and reporting of trades. Also, applicable to the Incentive Active Value Master Fund, long/short investment strategies are considered to be more complex than straight long only investment strategies, hence such strategies may involve higher operating risk.

Equity Investments Risk

Equity investments are subject to greater fluctuations in market value than other asset classes as a result of such factors as a company's business performance, investor perceptions, stock market trends and general economic conditions.

Small Company Risk

Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, smaller capitalization companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Mid-Sized Company Risk

Mid-sized company stocks have historically been subject to greater investment risk than large company stocks. The risks generally associated with these companies include more limited product lines, markets and financial resources, lack of management depth or experience, dependency on key personnel, and vulnerability to adverse market and economic developments. Accordingly, the prices of such company stocks tend to be more volatile than prices of large company stocks.

Credit Risk

Credit risk refers to potential losses due to counterparty default, such as the failure to pay coupons or principal of a bond. Another type of credit risk is the risk of settlement failure, that is, the failure of a counter party to deliver or pay for securities.

Counterparty Risk

Certain portfolios are subject to the risk of the insolvency of its counterparties (such as broker-dealers, futures commission merchants, banks or other financial institutions, exchanges or clearinghouses). The portfolio's assets could be lost or impounded during a counterparty's bankruptcy or insolvency proceedings and a substantial portion or all of the portfolio's assets could become unavailable to it either permanently or for a matter of years. There are increased risks in dealing with non-U.S. brokers and unregulated trading counterparties, including the risk that assets will not benefit from the protection afforded to "customer funds" deposited with regulated brokers and dealers. While applicable SEC rules require, in most instances, that client assets be deposited only with "qualified custodians," outside of the United States and the EU it is often difficult to protect customer assets (even those on deposit with "qualified custodians"). In the case of a counterparty's bankruptcy or inability to satisfy substantial deficiencies in other customer accounts, the portfolio may recover, even in respect of property specifically traceable to it, only a *pro rata* share of all property available for distribution to all of such counterparty's customers.

Concentration of Investments

To the extent a portfolio invests its assets in a smaller number of issuers than a more diversified portfolio, gains or losses on a single security may have a greater impact on the portfolio's value and the portfolio may be subject to greater volatility. The holding of such relatively few positions and in particular a loss in any one position could have an adverse impact on the portfolio's capital. As noted in the Investment Strategy section, under normal circumstances the portfolio of the Funds will consist of between 10 to 20 investments.

Master/Feeder Structure Risk

A Fund may invest through a "master-feeder" structure. The "master-feeder" fund structure, in particular the existence of two or more feeder funds investing in the same master fund, presents certain risks to investors. Smaller feeder funds investing in the master fund may be materially affected by the actions of one or more larger feeder funds investing in the master fund. For example, if a larger feeder fund withdraws capital from the master fund, the remaining feeder funds may experience higher *pro rata* operating expenses, thereby producing lower returns. The portfolio of the master fund may become less diverse or less liquid due to withdrawal by a larger feeder fund, resulting in increased portfolio risk. The master fund will incur expenses and liabilities that will be paid by the

master fund prior to making distributions to the feeder fund. The master fund may be materially affected by the actions of other feeder funds investing in the master fund. The master fund is a single entity and its creditors may enforce claims against all assets of the master fund, including the feeder fund's assets which are invested in the master fund. In addition, to the extent the feeder fund's assets are invested in the master fund, certain conflicts of interest may exist in that different tax considerations for the feeder fund and the other feeder funds may cause or result in the master fund's structuring or disposing of an investment in a manner or at a time that is more advantageous to one feeder fund.

Foreign Issuers and Currencies Risk

Portfolios may acquire and sell securities issued in foreign countries. There are substantial risks associated with investing in the securities issued by governments and companies located in, or having substantial operations in, foreign countries, which are in addition to the risks inherent in U.S. investments. In many foreign countries there is less government supervision and regulation of stock exchanges, brokers and listed companies than in the U.S., which may result in greater potential for fraud or market manipulation. There is also the risk of substantially more government involvement in the economy in foreign countries as well as the possible arbitrary and unpredictable enforcement of securities regulations and other laws, which may limit the ability of a portfolio to invest in foreign issuers.

Significantly, there is greater possibility of cessation of trading on foreign exchanges, expropriation, nationalization of assets, confiscatory or punitive taxation, withholding and other foreign taxes on income or other amounts, foreign exchange controls (which may include suspension of the ability to transfer currency from a given country), restrictions on removal of assets, political or social instability, military action or unrest, or diplomatic developments. There is no assurance that Incentive will be able to anticipate these potential events.

In addition, if the base currency of a portfolio is the U.S. dollar, the value of securities denominated in foreign currencies and of dividends and interest paid with respect to such securities will fluctuate based on the relative strength of the U.S. dollar. Foreign currency risk includes the possibility that a foreign government will convert, or be forced to convert, its currency to another currency, changing its value against the U.S. dollar. A portfolio may seek to hedge foreign currency exposure.

Foreign issuers may not be subject to uniform accounting, auditing and financial reporting standards and there may be less publicly available financial and other information about such issuers, comparable to U.S. issuers. Certain countries' legal institutions, financial markets and services are less developed than those in the U.S. or other major economies. A portfolio may have greater difficulty voting proxies, exercising shareholder rights, securing dividends and obtaining information regarding corporate actions on a timely basis, pursuing legal remedies, and obtaining judgments with respect to foreign investments in foreign courts than with respect to domestic issuers in U.S. courts. The costs associated with foreign investments, including withholding taxes, brokerage commissions and custodial costs, are generally higher than with U.S. investments. To the extent that a portfolio invests a significant portion of its assets in a specific geographic region or country, the portfolio will have more exposure to economic risks related to such region or country than a portfolio with investments that are more geographically diversified. In addition, economies of some emerging market countries may be based on only a few industries and may be highly vulnerable to changes in local or global trade conditions. Foreign markets also can have substantially less trading volume than the U.S. markets and securities of some foreign issuers are less liquid and more volatile than securities of comparable U.S. issuers. A portfolio, therefore, may encounter difficulty in obtaining market quotations for purposes of valuing its portfolio assets or calculating its net asset value, as applicable.

It is also possible that the U.S., other nations or other governmental entities (including supranational entities) could impose sanctions against issuers in various sectors of certain foreign countries. This could limit a portfolio's investment opportunities in such countries, impairing the portfolio's ability to invest in accordance with its investment strategy and/or to meet its investment objective. In addition, an imposition of sanctions upon such issuers could result in an immediate freeze of the issuers' securities, impairing the ability of a portfolio to buy, sell, receive or deliver those securities. Further, current sanctions or the threat of potential sanctions may also impair the value or liquidity of affected securities and negatively impact a portfolio.

Systematic Risk of the Global Capital Markets

Stock markets are vulnerable to changes in economic cycles, interest rate levels, commodity prices, government policies and geopolitical and natural disaster risks. Even a long-term investment approach cannot guarantee that a strategy will not lose money. Economic, market, political and issuer-specific conditions and events will cause the value of securities, and the portfolio that owns them, to rise or fall. Markets tend to move in cycles, with periods of rising prices and periods of falling prices. However, over time, stock markets have tended to provide an excess return over a risk-free rate of interest. Therefore, systematic risk is believed to be mitigated by protracted holding periods. Further, applicable to the Incentive Active Value Master Fund, the use of short positions may offset some systematic risk.

Emerging Markets Risk:

Securities of issuers associated with emerging market countries, including, but not limited to, issuers that are organized under the laws of, maintain a principal place of business in, derive significant revenues from, or issue securities backed by the government (or, its agencies or instrumentalities) of emerging market countries may be subject to higher and additional risks than securities of issuers in developed foreign markets. These risks include, but are not limited to (i) social, political and economic instability; (ii) government intervention, including policies or regulations that may restrict a portfolio's investment opportunities, including restrictions on investment in issuers or industries deemed sensitive to an emerging market country's national interests; (iii) less transparent and established taxation policies; (iv) less developed legal systems allowing for enforcement of private property rights and/or redress for injuries to private property; (v) the lack of a capital market structure or market-oriented economy; (vi) higher degree of corruption and fraud; (vii) counterparties and financial institutions with less financial sophistication, creditworthiness and/or resources as those in developed foreign markets; and (viii) the possibility that the process of easing restrictions on foreign investment occurring in some emerging market countries may be slowed or reversed by unanticipated economic, political or social events in such countries, or the countries that exercise a significant influence over those countries.

In addition, many emerging market countries have experienced substantial, and during some periods, extremely high rates of inflation, for many years. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of these countries. Moreover, the economies of some emerging market countries may differ unfavorably from the U.S. economy in such respects as growth of gross domestic product, currency depreciation, debt burden, capital reinvestment, resource self-sufficiency and balance of payments position. The economy of an emerging market country may be based on a limited number of industries and thus may be highly vulnerable to changes in local or global trade conditions.

A portfolio may have limited access to, or there may be a limited number of, potential counterparties that trade in the securities of emerging market issuers. Potential counterparties may not possess, adopt or implement creditworthiness standards, financial reporting standards or legal and contractual protections similar to those in developed foreign markets. Currency and other hedging techniques may not be available or may be limited. The local taxation of income and capital gains accruing to nonresidents varies among emerging market countries and may be comparatively high. Emerging market countries typically have less well-defined tax laws and procedures and such laws may permit retroactive taxation so that a portfolio could in the future become subject to local tax liabilities that had not been anticipated in conducting its investment activities or valuing its assets. Custodial services and other investment-related costs in emerging market countries are often more expensive, compared to developed foreign markets and the U.S., which can reduce a portfolio's income from investments in securities or debt instruments of emerging market country issuers.

Some emerging market currencies may not be internationally traded or may be subject to strict controls on foreign investment by local governments as well as restrictions on currency conversions and limits on repatriation of invested capital. The result can be undervalued or overvalued currencies and associated difficulties with the valuation of assets, including a portfolio's securities, denominated in that currency. Future restrictive exchange controls could prevent or restrict a company's ability to make dividend or interest payments in the original currency of the obligation (usually U.S. dollars). In addition, even though the currencies of some emerging market countries may be convertible into U.S. dollars, the conversion rates may be different than the actual market values and may be adverse to a portfolio's shareholders.

Cash and Related Investments Risk

Certain portfolios may invest in cash or cash items pending other investments. These cash items will typically be deemed to be high quality at the time of investment and may include a number of money market instruments such as negotiable or non-negotiable securities issued by, or short-term deposits with, U.S. and non-U.S. governments and agencies or instrumentalities thereof, bankers' acceptances, high quality commercial paper, bank certificates of deposit, and short- to medium-term debt securities of U.S. or non-U.S. issuers, or such other instruments as Incentive in its sole discretion deems to be appropriate. The portfolio may also hold interests in investment vehicles that hold cash or cash items. While investments in cash items generally involve relatively low risk levels, they have lower potential expected returns than other types of investments and could result in losses on an absolute basis or returns that are insufficient to cover fees and expenses. Investments in cash items and money market funds may also provide less liquidity than anticipated by the portfolio at the time of investment.

Corporate Actions Risk:

Incentive generally determines whether a portfolio should elect on or otherwise attempt to participate in a corporate action based on a variety of factors, including the stated or expected value of the corporate action and restrictions placed on participation by the subject company or its agents or intermediaries (e.g., restrictions regarding shareholders in certain jurisdictions). In its determination, Incentive will consider the uncertainty of successful participation or other risks, such as the lack of timely notice or reliable information for the corporate action or risks in connection with the procedure, certifications, documentation or warranties that may be required. Where relevant, Incentive can review risks presented by a corporate action against the other options available to a portfolio (e.g., selling rights or exiting the position in the subject company). Incentive cannot ensure that a portfolio will participate in each corporate action for which a portfolio is eligible, for reasons such as lack of timely notice or reliable information.

Derivatives Risk

Derivatives are instruments, such as swaps, futures, and options thereon, as well as foreign exchange forward contracts, whose value is derived from that of other assets, rates or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will work. While hedging can reduce or eliminate losses, it also can reduce or eliminate gains or cause losses if the market moves in a manner different from that anticipated by the portfolio or if the cost of the derivative outweighs the benefit of the hedge. The use of derivatives for non-hedging purposes may be considered to carry more risk than other types of investments. When a portfolio uses derivatives, the portfolio will be directly exposed to the risks of those derivatives. Derivatives expose a portfolio to counterparty risk (the risk that the derivative counterparty will not fulfill its contractual obligations), including credit risk of the derivative counterparty, possible lack of a liquid secondary market for derivatives and the resulting inability of a portfolio to sell or otherwise close a derivatives position could expose the portfolio to losses and could make derivatives more difficult for the portfolio to value accurately. Some derivatives are more sensitive to interest rate changes and market price fluctuations than other securities. A portfolio could also suffer losses related to its derivatives positions as a result of unanticipated market movements, which losses are potentially unlimited. Incentive may not be able to predict correctly the direction of securities prices, interest rates and other economic factors, which could cause a portfolio's derivatives positions to lose value. Valuation of derivatives may also be more difficult in times of market turmoil since many investors and market makers may be reluctant to purchase derivatives or quote prices for them. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate, or index; and the portfolio could lose more than the principal amount invested.

Securities Lending, Repurchase and Reverse Repurchase Transaction Risk

Certain portfolios are eligible to enter into securities lending, repurchase and reverse repurchase transactions. In a securities lending transaction, the portfolio lends its securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the portfolio sells its securities for cash through an authorized agent while at the same time it assumes an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the portfolio buys securities for cash while at the same time it agrees to resell the same securities for cash (usually at a higher price) at a later date. The following are some of the general risks associated with securities lending, repurchase and reverse repurchase transactions: (i) when entering into securities lending, repurchase and reverse repurchase transactions, the portfolio is subject to the credit risk that the counterparty could go bankrupt or default

under the agreement and the portfolio would be forced to make a claim in order to recover its investment; (ii) when recovering its investment on a default, a portfolio could incur a loss if the value of the securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the portfolio; and (iii) a portfolio could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by such portfolio to the counterparty, plus interest.

Currency Hedging Risk

Certain portfolios may enter into foreign currency forward contracts to seek to protect against uncertainty in the level of future foreign currency rates, to hedge against fluctuations in currency exchange rates or to transfer balances from one currency to another. With currency hedging, it is generally not possible to precisely match the foreign currency exposure of such foreign currency forward contracts to the value of the securities involved due to factors including fluctuations in the market values of such securities. The decision to hedge a portfolio's currency exposure with respect to a foreign market will be based on, among other things, a comparison of the respective, relevant interest rates and the portfolio's existing exposure to a given foreign currency.

Short Sales Risk

An Account may engage in short selling of securities. Selling a security short ("shorting") involves a portfolio borrowing a security from a current holder thereof to then sell it in the market, the portfolio only being subject to the obligation to return a similar security at a later date from the patrimony of such portfolio. Where the value of the borrowed security increases and either (a) the term agreed lapses or (b) the lender calls in the loan, a portfolio would incur a loss, which could potentially be substantial. Shorting may expose a portion of the assets committed to such activities to unlimited risk due to the lack of an upper limit on the price to which a security may rise. In any of the situations envisaged above, the portfolio would have to honor its obligation to return the securities loaned by finding alternative securities acceptable to the lender or repurchasing securities like those which were originally borrowed at the then current market price. If there are insufficient securities available at current market prices (a fact which depends on the liquidity of the security borrowed/sold), the portfolio may have to offer holders of such securities prices higher than those prevalent on the market in order to repay the lender. However, the portfolio's losses will in this respect be limited to the Net Asset Value of the portfolio where such shorting has been undertaken.

Regulatory and Tax Risk

From time to time, certain of Incentive's or a portfolio's activities may be subject to regulatory inquiries, investigations and/or enforcement proceedings from U.S. and non-U.S. governmental agencies, regulatory bodies and securities commissions, which can be costly and occupy significant staff time and resources of Incentive. Tax reform and other financial markets regulatory reform both in the U.S. and abroad may impact the portfolio and securities in which the portfolio invests.

Cyber Security Risk

The use of the internet, technology and information systems by a portfolio as well as its service providers expose the portfolio to potential risks linked to cyber security breaches of those technological or information systems. Cyber security breaches, amongst other things, could allow an unauthorized party to gain access to proprietary information, customer data, or portfolio assets, or cause the portfolio, its service providers and/or counterparties to suffer data corruption or lose operational functionality. Incentive's operations are subject to similar risks, including because of incidents that may occur at Incentive's business service providers and counterparties. Cyber security risks can result in financial losses to Incentive and its clients. A cyber security incident, either at Incentive or a third party, could limit Incentive's ability to manage portfolios or transact on their behalf. Incidents could also result in delays to or mistakes in materials provided to clients. Incentive has measures designed to address risks associated with cyber security, but there is no guarantee that those measures will be effective, including because Incentive cannot directly control cyber security defenses or plans of its service providers, financial intermediaries and companies in which Incentive invests on behalf of clients. A cyber security incident can result in compliance, legal and remediation costs and could also result in reputational harm.

Data Source Risk

Incentive uses a variety of data in connection with managing portfolios and evaluating securities, and the quality of the resulting analysis or implementation depends on a number of factors, including the accuracy and timeliness of data inputs. When such data is incorrect or incomplete, a portfolio can be negatively impacted, such as when

incorrect data is entered into an otherwise accurate investment process or system, or when Incentive's securities analysis is affected by incorrect information. Incentive cannot guarantee that third-party data is accurate and, unless otherwise agreed in writing with a client, is not responsible for errors caused by reasonable reliance on third-party data sources.

Operating history

The Incentive Active Value Master Fund has been in operation since July 2, 2014. The Fund's reference share class (Class A EUR) delivered net return as follows since inception:

2022: - 20.70%
2021: + 0.36%
2020: +13.99%
2019: +18.24%
2018: + 2.12 %
2017: + 9.10 %
2016: + 7.81 %
2015: + 22.01 %
2014: - 3.55 % (July 2, 2014 – December 31, 2014)

The Incentive Active Value Long Only Master Fund has been in operation since April 18, 2016. The Fund's reference share class (Class A USD) delivered net return as follows since inception:

2022: - 19.47%
2021: + 14.72%
2020: + 11.44%
2019: + 33.96%
2018: + 1.79 %
2017: + 19.34 %
2016: + 12.96 % (April 18, 2016 – December 31, 2016)

The Incentive Special Opportunity Fund has been in operation since September 1, 2018. The Fund's reference share class (Class A USD) delivered net return as follows since inception:

2022: N/A - The Fund is currently dormant
2021: N/A - The Fund is currently dormant
2020: N/A - The Fund is currently dormant.
2019: +108.36%
2018: -22.15%

Item 9 Disciplinary Information

Not applicable.

Item 10 Other Financial Industry Activities and Affiliations

Other Registrations

Incentive is registered with the Financial Supervisory Authority of Norway (FSAN) and the Central Bank of Ireland (CBI).

Other Financial Industry Activities and Affiliations

Not applicable.

Item 11 Code of Ethics, Interest in Client Transactions and Personal Transactions

Interest in Client Transactions

Incentive and its employees are not obligated to refrain from investing in securities held by Accounts that they manage or otherwise buy or sell securities that Incentive has recommended to Clients for their own personal accounts in a manner that is inconsistent with the recommendations to such Clients, except to the extent that such investments violate the policies adopted by Incentive or otherwise violate applicable law or fiduciary standards to which Incentive may be subject such as the Norwegian Securities Trading Act and applicable SEC rules. These situations create conflicts of interest because employees could be motivated to favor their own investment interests over Clients' interests or the interests of certain Clients over other Clients. To help manage these conflicts, Incentive relies on various compliance controls, including the Code and other policies and procedures.

However, employees of Incentive are encouraged to invest a substantial portion of their financial net worth in the Funds to ensure alignment of interest between employees of Incentive and Investors in the Funds. As per the time of this Brochure, employees of Incentive have invested approximately USD 52 million in the Funds.

From time to time, employees of Incentive or any related person(s) may have interests in securities owned by Incentive's Clients. These situations create conflicts of interest because employees could be motivated to favor their own investment interests or the interests of certain Clients over other Clients. Accordingly, Incentive has adopted policies and procedures relating to personal transactions that are designed to prevent actual conflicts of interest from occurring.

Our Code of Ethics

Incentive will endeavor to prevent conflicts of interest from arising and has adopted the Code in accordance with Rule 204A-1 to ensure that Client's interests are satisfactorily safeguarded. Incentive has designed its Code to help ensure that Incentive meets its fiduciary obligation to its Clients, as well as to emphasize a culture of compliance within the firm. The Code is distributed to each employee at the time of hire and is made available at all times via Incentive's employee server. Incentive provides annual training and monitors employee activity on an on-going basis.

A basic tenet of Incentive's Code is that Covered Persons must adhere to the highest principles of conduct in the discharge of their duties with respect to their Clients. Incentive values its adherence to the highest standards of integrity and ethical business conduct in ensuring the fair treatment of Clients. The Funds and the Managed Accounts are managed in accordance with the limits defined in the respective investment management agreements between Incentive and its Clients, and other relevant Governing Documents. As such, the Code requires employees of Incentive to comply with stated standards of business conduct, including compliance with Incentive's policies and procedures, and relevant fiduciary duties owed by an investment adviser to its Clients. The activities of Incentive are organized in such a way as to minimize the risk of any conflict of interest between Incentive and its Clients, or between Incentive's various Clients. Employees are expected to avoid situations in which their personal interests may conflict with their professional duties and to disclose any such conflicts to their superior in Incentive. Employees are also expected to report to the compliance department any violations of the Code that come to their attention. Any non-material deviations from these policies and procedures are compiled in a deviation report from the Chief Compliance Officer to the Board on a quarterly basis. Any material deviations from these policies and procedures will be reported to the Board immediately.

Employees must seek prior written approval for, and provide monthly reports of all their personal transactions to Incentive. No employee transactions, except investment in Shares, may take place without prior written approval from the Chief Executive Officer, and personal investments are typically subject to a mandatory holding period.

Incentive's policies and the Code also include policies and procedures relating to Clients, including restrictions on gifts and provisions intended to prevent violations of anti-bribery and anti-corruption laws.

Employees of Incentive may, from time to time, come into possession of Inside Information. Inside Information may relate to issuers of listed securities. Under applicable law, Incentive and its employees may be prohibited from

improperly disclosing or using Inside Information for their personal benefit or for the benefit of any other person or entity, regardless of whether that person or entity is a Client. Accordingly, should such persons come into possession of Inside Information with respect to any issuer, they may be prohibited from communicating such information to, or using such information for the benefit of, their clients when following policies and procedures designed to comply with applicable law. Incentive has adopted policies and procedures to prevent the misuse of Inside Information by Incentive and its officers, directors and employees which are designed to comply with applicable law.

Incentive will provide a copy of the policy and procedures to any current or prospective Client or Investor upon request. Incentive's contact information appears on the cover page of this Brochure.

Item 12 Brokerage Practices

How We Select Broker-Dealers for Client Transactions

Investment and brokerage decisions for Accounts, to the extent such discretion has been granted to Incentive, are made by portfolio managers and traders. In placing brokerage transactions for Accounts with respect to which Incentive has been granted trading discretion, Incentive evaluates a variety of criteria and uses good faith judgment in seeking to obtain execution of portfolio securities transactions at commissions or costs that are reasonable in relation to the brokerage and research services provided, where allowed under applicable law.

On a periodic basis, Incentive reviews its trading practices and results including the quality of executions received and commissions paid by discretionary accounts. Among the items considered in this review are a broker-dealer's trading history, administrative quality and responsiveness, examinations of failed trades and a broker-dealer's response thereto, conflicts of interest, commission rates and execution costs. The goal, when evaluating its efforts to seek best execution is to exercise reasonable, good faith judgment to select broker-dealers that will consistently provide quality execution.

The following summarizes the policies with respect to Incentive's exercise of investment and brokerage discretion on behalf of the Accounts.

Selection Criteria for Brokers and Dealers

Incentive's objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain Best Execution. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant. Incentive insists on a high standard of quality regarding execution services and deals only with broker-dealers that we believe meet this standard. Commissions paid by Incentive are reviewed on a regular basis.

The factors include, but are not limited to: Incentive's knowledge of negotiated commission rates and spreads currently available; the nature of the security being traded; the size and type of the transaction; the nature and character of the markets for the security to be purchased or sold; the desired timing of the trade; the speed at which the trade will be executed; the activity existing and expected in the market for the particular security; confidentiality; the execution, clearance and settlement capabilities as well as the reputation and perceived soundness of the broker-dealer selected and others that are considered; Incentive's knowledge of actual or apparent operational problems of any broker-dealer; the broker-dealer's execution services rendered on a continuing basis and in other transactions; and the reasonableness of spreads or commissions. In addition to the above factors, Incentive will also consider the characteristics of the Account, the nature of the order (including the characteristics of the financial instruments encompassed by the order), characteristics of the trading system at which the order may be directed, as well as characteristics of the firm with which the order may be placed, in addition to any other factors deemed relevant. Incentive will make a specific assessment as to how the order should be placed to achieve Best Execution.

Commission Rates Policy

Incentive endeavors to be aware of current charges of eligible broker-dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its Accounts. However, Incentive will not select broker-dealers solely on the basis of "posted" commission rates nor always seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction. As noted above, Incentive periodically reviews the quality of executions received from its brokers and considers, where appropriate, the services of other brokers (or other execution venues) that may be available to execute Client transactions, when evaluating its efforts to seek best execution.

Although Incentive generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Under current U.S. regulations, Incentive may pay a broker-dealer who executes a portfolio transaction on behalf of a client a commission or similar fee that is a higher commission than another broker-dealer would have charged for effecting the same transaction, provided that Incentive determines in good faith that such commission was reasonable in relation to the value of the brokerage and research services provided,

determined on the basis of either that particular transaction or Incentive's overall responsibility for Accounts over which it exercises investment discretion. Transactions may involve specialized services on the part of the broker-dealer involved resulting in higher commissions or their equivalents than would be the case with transactions requiring more routine services. The overriding consideration in routing orders for execution is to seek to maximize Client profits (or minimize losses) through a combination of controlling transaction and securities costs and seeking the most effective uses of brokers' research and execution capabilities. Incentive regularly evaluates the placement of brokerage and the reasonableness of commissions paid. The reasonableness of commissions is based on the broker's ability to provide professional services and competitive commission rates. Accordingly, Incentive makes a good faith determination that the amount of commission paid is reasonable in relation to the value of the research and brokerage services rendered, and relative to market norms when viewed in terms of either a specific transaction or the overall responsibilities to its Clients. However, the extent to which commission rates or net prices charged by brokers reflects the value of these services often cannot be readily determined.

"Soft Dollar" Practices

All trading enhancing, and research costs are paid directly to service providers and allocated to the relevant Clients through the use of RPAs in accordance with MiFID II and applicable Norwegian regulations.

With RPAs, Clients pay for external research through a separate research charge that is generally assessed and collected alongside the execution commission. For Accounts that use an RPA, Incentive will establish a research budget that is reviewed at least annually. Research budgets are set by research needs and are not otherwise linked to the volume or value of transactions executed on behalf of the Account. Determinations of what is eligible research and how costs are allocated will be made in accordance with Incentive's policies and procedures. Costs for research consumed by Accounts that use an RPA will be allocated among the Accounts within defined strategies *pro rata* based upon the assets under management for each Account. The research charge paid on behalf of any one Account that uses an RPA may vary over time.

Incentive will be responsible for managing the RPA, and may delegate its administration to a third-party administrator for the facilitation of the purchase of external research and payments to research providers. RPA assets will be maintained in accounts at a third-party depository institution, held in the name of Incentive. Incentive will provide to certain Accounts, and upon request, a summary of: (i) the providers paid from the RPA; (ii) the total amount they were paid over a defined period; (iii) the benefits and services received by Incentive; and (iv) how the total amount spent from the RPA compares to the research budget set for that period, noting any rebate or carryover if residual funds remain in the RPA.

Aggregation and Allocation of Trade Orders

It is the policy of Incentive that when a decision is made to aggregate transactions on behalf of more than one Client, such transactions will be allocated to all participating Clients in a fair and equitable manner, typically on the basis of the respective Client's proportion of aggregate NAV but may be adjusted for, among other things, (a) available cash, (b) round lots, minimum trade size or certain minimum basis points holding as determined by an authorized trader, (c) the size of the account, (d) the necessity to obtain a certain level of holdings according to the specific benchmark of the Account, or (e) compliance with the laws of a foreign jurisdiction.

The general principles on which Incentive's trade allocation procedures are based are: (a) fairness to Clients, both in priority of order execution and in the allocation of aggregated orders or trades; (b) timeliness and efficiency in the execution of orders; and (c) accuracy of Incentive's records both as to trade orders and maintenance of Account positions. However, allocations of orders may differ across Accounts or Clients within a given day, according to the relevant factors affecting each Account (or Client). An authorized trader may determine whether to aggregate, delay, alternate or rotate orders, or to effect execution of orders according to certain criteria, provided that such execution supports the fair and equitable treatment of clients over time. Consistent with each participating Client investment management agreement, Incentive may aggregate or "batch" orders for more than one Client to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution or reducing overall commission charges. No order may be aggregated unless Incentive has determined that such

aggregation is in the best interest of the participating Accounts or Clients and is consistent with the duty to seek Best Execution.

Any deviations from the main principle of these policies require approval of Incentive's Chief Compliance Officer. Any material errors are reported by the Chief Compliance Officer and the Chief Executive Officer to the Board and the Board of Directors of the Funds on a quarterly basis.

Item 13 Review of Accounts

Review of Client Accounts and Fund Reporting

The Accounts' cash and positions are reviewed and reconciled against the prime broker accounts daily by three different parties; Incentive's Portfolio management team and subsequently controlled by the Fund Operations team at Sector Fund Services AS and by the Funds' administrator, BNY Mellon. The accruals, fees and performance figures are reviewed and recomputed monthly by three different parties; Incentive's portfolio management team and subsequently controlled by the Fund Operations team at Sector Fund Services AS and by the Funds' administrator, BNY Mellon.

Investors in the Funds receive monthly statements from the Funds' administrator, BNY Mellon.

Additional Reports from Incentive

The nature and frequency of written reports to the Clients by Incentive depends upon the terms of their investment management agreement.

Typically, Investors in the Funds receive monthly NAV reports and monthly fact sheets. Monthly fact sheets generally include information about the Funds' performance, an overview of the key exposures in the Fund's portfolio, as well as other relevant risk and exposure related information. In addition, quarterly investment letters are distributed to Investors. In these letters, Incentive discusses the Funds' performance, its exposures and the outlook for its investments in detail.

Upon request, Incentive also provides weekly performance estimates of Funds and Managed Accounts. Other reporting such as holdings reports may be available subject to non-disclosure agreements.

All reports are distributed to Clients and Investors by e-mail.

Item 14 Client Referrals and Other Compensation

Referral Arrangements

Incentive does not have Client referral arrangements.

Item 15 Custody

Custody of Client Accounts

Incentive does not maintain custody of Client accounts.

Item 16 Investment Discretion

Incentive's Investment Discretion

Incentive usually receives discretionary authority from a Client pursuant to an investment management agreement at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Incentive also may provide investment advice to Clients on a non-discretionary basis. In all cases, however, discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client Account. Except as otherwise required by law, Incentive will not be liable for any action or instruction of the Client or the Client's custodian.

Investment guidelines and restrictions must be provided to Incentive in writing. Incentive typically requests that Clients provide changes to their investment guidelines in writing and confirm in writing any verbal changes. Incentive also may request certain documentation in addition to an executed investment advisory agreement as may be needed (for example, to verify a Client's authority over the assets).

With respect to the Funds, Incentive is generally authorized to make the following determinations in accordance with the Funds' specified investment objectives without consultation or consent before a transaction is effected:

- which securities to buy or sell;
- the total amount of securities to buy or sell;
- the broker or dealer through which securities are bought or sold;
- the commission rates (or equivalents) at which transactions are effected.

The specific services provided by Incentive to the Funds depend upon the investment objectives and restrictions, as set forth in the Governing Documents.

Item 17 Voting Client Securities

Incentive's Voting Policies and Procedures

In cases where Incentive has proxy voting authority, Incentive votes the proxies of its Clients solely in the best interest of our Clients' investors, participants and beneficiaries and for the exclusive purpose of providing benefits to them and shall not place Incentive's own interests ahead of the interests of its Clients. Incentive acts with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Incentive is not responsible for voting proxies that are not received in a timely manner.

Incentive will monitor corporate events that may have an impact on the way in which Incentive votes related corporate securities. Incentive will use its discretion and judgment in deciding whether it is in the best interest of a Client to vote particular proxies on a case-by-case basis. All issues are considered on a case-by-case basis in the best interest of the Clients as determined by Incentive.

In certain cases, it may not be possible or in the best interest of the Clients for Incentive to actively vote all proxies arising from such corporate actions. This may be due to, among other things: (i) the size of a Client's Account and of the positions held by such Client, which may mean it is not economic nor in the Clients' best interests to employ a proxy service to manage the voting of all proxies; and/or (ii) trading strategies employed for a Client Account may mean that positions are held on a short-term basis and the periods of ownership may not give rise to voting rights.

To the extent that a Client has not authorized Incentive or Incentive has not agreed to vote proxies for securities in the Client's Account, the Client will be responsible for receiving and voting proxies for any and all securities maintained in its portfolio, and Incentive is not responsible for forwarding proxies to the Client. Depending on the circumstances and the terms of the Client's agreement, Incentive may provide advice about a proxy from time to time.

You may contact Incentive with questions about how proxies were voted, or to learn more about Incentive's proxy voting practices and procedures, at the contact information provided on the front cover of this Brochure.

Where potential conflicts of interest arise with respect to a specific proxy, Incentive would place the interests of the Clients first. If conflicts arise between Clients, Incentive may abstain from voting. Incentive's proxy voting policy allows investment managers to vote in the best interest of the Funds on an ad hoc basis. Proxy voting is also governed by Incentive's internal rules and regulations.

Currently, none of the Accounts conduct securities lending. However, if the Accounts will lend securities in the future, Incentive will through the relevant securities lending agreement ensure that the lent securities may be recalled by Incentive in order to ensure that the voting rights will remain with Incentive in accordance with the abovementioned policies.

Item 18 Financial Information

Incentive has no known financial condition that it believes is likely to impair Incentive's ability to meet its contractual commitments to Clients. Additionally, Incentive has not been the subject of any bankruptcy petition during the past ten years.