

The Directors of Castellain ICAV (the "**ICAV**") whose names appear in the section of the Prospectus entitled "THE ICAV" are the persons responsible for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement and the Prospectus is in accordance with the facts and does not omit any material information likely to affect the import of such information. The Directors accept responsibility accordingly.

**If you are in any doubt about the contents of this Supplement or the Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.**

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## **CASTELLAIN VALUE FUND**

*(A sub-fund of Castellain ICAV an Irish collective asset-management vehicle with variable capital constituted as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))*

### **SUPPLEMENT**

**DATED: 30 June 2020**

**Investment Manager  
Castellain Capital LLP**

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**This Supplement forms part of, and should be read in the context of and together with, the Prospectus dated 15 November 2019 as may be amended or updated from time to time (the "Prospectus") in relation to the ICAV and contains information relating to Castellain Value Fund (the "Fund") which is a separate portfolio of the ICAV.**

**The Fund may invest more than 30% of its net assets in unrated or below investment grade bonds or warrants. An investment in the UCITS should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**The Fund may invest substantially in cash deposits or money market instruments as described in the investment policy of the Fund. The Fund may even invest up to 100% in cash deposits or money market instruments for temporary defensive purposes. Investors' attention is drawn to the difference between the nature of a deposit and the nature of an investment in the Fund and in particular to the risk that the value of the principal invested in the Fund may fluctuate.**

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## DEFINITIONS

Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein.

<b>"Base Currency"</b>	the base currency of the Fund shall be Pounds Sterling which may be denoted as "GBP" or "£";
<b>"Business Day"</b>	means a day (except Saturdays, Sundays and public holidays) on which the retail banks in Dublin are open for normal banking business or such other day or days as may be specified by the Directors;
<b>"Dealing Day"</b>	means the 15th day of each calendar month (or where the 15th day of the month is not a Business Day, the first Business Day thereafter) and the last Business Day of each calendar month, or such other Business Days as the Directors may determine and notify to Shareholders in advance provided that there will always be two dealing days per month occurring at regular intervals;
<b>"Dealing Deadline for Subscriptions"</b>	means in respect of a particular Dealing Day, 12:00 noon (Irish time) on the Business Day immediately preceding the relevant Dealing Day, or on an exceptional basis only, such later time as the Directors may from time to time approve and permit provided the exceptional circumstances under which the application was received is fully documented by the Directors and provided further that the Dealing Deadline shall not be later than the Valuation Point;
<b>"Dealing Deadline for Redemptions"</b>	means in respect of a particular Dealing Day, 12:00 noon (Irish time) on the Business Day which is 6 Business Days prior to the relevant Dealing Day, or on an exceptional basis only, such later time as the Directors may from time to time approve and permit provided the exceptional circumstances under which the application was received is fully documented by the Directors and provided further that the Dealing Deadline shall not be later than the Valuation Point;
<b>"Performance Fee"</b>	means the performance fee payable to the Investment Manager pursuant to the Investment Management Agreement as set out under "Fees and Expenses" below.
<b>"Valuation Point"</b>	means in respect of a particular Dealing Day, close of business on the relevant Dealing Day or such other time as the Directors may on an exceptional basis determine and notify in advance to Shareholders, provided that there shall always be a Valuation Point for each Dealing Day.

## INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to achieve appreciation of its assets over a medium to long-term investment horizon.

### Investment Policies

The Fund will seek to achieve its investment objective primarily through investing directly in equities issued by companies which are listed or traded on a Recognised Market.

The Fund may also invest in the following securities issued by the aforementioned companies: preference shares, convertible preference shares, warrants, subscription shares, bonds, notes, convertible bonds, convertible preferred stock and convertible notes. The Fund may also invest in bank deposit notes and cash equivalents including certificates of deposit, time deposits, bearer deposit notes, bankers' acceptances, government obligations, commercial paper, short-term corporate debt instruments and short-term notes.

The Fund may also seek to take synthetic short positions, through financial derivative instruments ("FDI"), in the aforementioned companies.

Where the Investment Manager considers it appropriate in light of prevailing market and economic conditions, the Fund may invest up to 100% of its assets in cash, cash equivalents and/or other money market instruments including treasury bills, bank deposits, deposit certificates and commercial paper.

The Fund will utilise the FDI which are contemplated by the Fund's Risk Management Process as listed in the FDI table below for investment purposes and for efficient portfolio management ("EPM"). The Fund may use the FDI listed in the FDI table below, including options, contracts for difference and currency forward contracts, to attempt to both increase the return of the Fund and hedge the value of the Fund's assets. The Fund may use options to create long or short equity exposure without investing directly in equity and equity-related securities. The Fund may also use contracts for difference to create long or short exposure without investing directly in the underlying assets. The Fund may also use currency forwards to increase or decrease exposure to a given currency, for hedging purposes. It is intended that foreign currency exposure will generally be hedged to the base currency. To determine the required hedging to the Base Currency, the Investment Manager will analyse and calculate what the Investment Manager believes to be the value of the Fund's gross assets which are in foreign currencies. The Investment Manager will then implement hedges to ensure that the fund maintains hedges equal to no less than 80% of this gross asset figure and no more than 100% of this gross asset figure. These figures are monitored live daily and the Investment Manager can change the hedging exposure at any time during normal banking hours.

The Fund's investments in equities, preference shares, convertible securities, fixed income securities and warrants will be listed or traded on Recognised Markets, provided however that the Fund may directly invest up to 10% of Net Asset Value in the securities specified above and/or other eligible ancillary liquid assets which are not listed or traded on Recognised Markets.

The Fund's total exposure to open-ended collective investment schemes (including ETFs), including those used for cash management purposes, will not exceed 10% of the Fund's Net Asset Value.

The Fund may take synthetic short exposure to each of the instruments in which the Fund may invest as detailed above when, in the opinion of the Investment Manager, opportunities exist to meet the Fund's investment objective. Synthetic short strategies may be used to hedge or substantially offset long positions held by the Fund, and may also be used for investment purposes. The Fund may take both long and/or short positions in each category of assets in which it may invest. The Investment Manager will seek to structure the Fund's portfolio so that it has an anticipated long/short ratio of 80% - 110% long and 0% - 20% short.

The Fund is actively managed. The objectives and policies of the Fund are not constrained by reference to any benchmark index and the Investment Manager has discretion in its choices of investments. However, the Investment Manager will measure the performance of the Fund against the FTSE 100 for comparative purposes. The FTSE 100 is used for comparison purposes only and the assets of the Fund may differ greatly from the constituents of the FTSE 100.

### **Investment Strategies**

The Investment Manager will seek to invest in companies which have significant asset-backing. Significant asset-backing means companies whose value arises principally from the tangible assets they hold on their balance sheet. Many of these companies make regular publications of the value of their assets less their liabilities. These are referred to as published net asset values or NAVs. The Investment Manager performs its own analysis of the assets and liabilities of the companies it invests in to determine an intrinsic value. Such analysis includes research and due diligence on the valuation of the underlying assets, and the terms and conditions of the underlying liabilities. The intrinsic value may differ from the published net asset value. Examples of companies with significant asset-backing would include REITs, investment trusts, investment companies and holding companies.

The Investment Manager will predominantly seek investments that trade at a discount to the Investment Manager's estimate of their intrinsic value or their published net asset value. The Investment Manager will monitor all positions held, together with potential investments, and assess whether the discount to the intrinsic value or published net asset value of the securities may be narrowed either through discount control mechanisms (such as share buybacks or tender offers), or where changes in the corporate structure and/or governance could be successful in narrowing the discount.

The Investment Manager will also seek to take synthetic short positions in companies that it believes trade at a premium to the Investment Manager's estimate of their intrinsic value or their published net asset value. The Investment Manager will select investments where it believes that this premium will decrease due to an anticipated fall in the share price.

The Investment Manager may also take synthetic short positions to hedge existing long exposures.

The portfolio is expected to retain a long bias with short positions anticipated to reach no more than 20% of Net Asset Value.

The Fund has no geographic limits on where its investments may be located. This flexibility allows the Investment Manager to look for investments in markets and issuers around the world that it believes will provide the best risk-return profiles to meet the Fund's performance objective. The Fund will, however, primarily invest in securities which are listed in the UK and continental Europe. The Fund will invest primarily in listed investment companies which themselves invest in a diversified portfolio of assets in sectors including equities, real estate, private equity and fixed income securities, including bonds and loans.

The Investment Manager shall select investments to be acquired for the Fund, in accordance with the investment parameters as described throughout the Prospectus and this Supplement. The Investment Manager may purchase or sell investments for the Fund at any time when the Investment Manager believes that such purchases or sales will increase returns or avoid losses for the Fund, provided that the Investment Manager shall ensure that the Fund shall remain in compliance with the investment objectives, and investment restrictions at all times.

The Investment Manager shall report to the Fund, the Administrator and the Depositary in accordance with the terms of the Investment Management Agreement.

### **Investments in FDI**

The Investment Manager may employ the investment techniques and FDIs (which may be exchange-traded or OTC) listed below for both investment and EPM purposes, as provided for in the Fund's Risk

Management Process, which has been cleared by the Central Bank. Details of each of the FDI listed below are set out in Appendix I of the Prospectus:

<b>FDI</b>	<b>Specific Use and effect</b>	<b>Risk(s) being hedged (where applicable)</b>	<b>EPM</b>	<b>Effect of FDI transactions</b>
Equity and index options	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk	Market risk Credit risk Currency risk and/or Interest rate risk	Yes	Assist in managing the Fund's exposure to market, credit, currency and/or interest rate risk or enable the Fund to take a directional view on issuers, markets, and/or indices as an efficient alternative to non-derivative instruments, which helps the Fund achieve its objective.
Foreign exchange forwards	For hedging purposes which has the intent of decreasing risk	Currency risk	No	Assist in managing the Fund's exposure to currency risk, and assist in mitigating NAV fluctuations caused by fluctuations in currencies to which the Fund is exposed.
Contracts for Difference on equities and indices	To implement investment policy which has the effect of increasing exposure, and for hedging purposes which has the intent of decreasing risk	Market risk Credit risk Currency risk and/or Interest rate risk	Yes	Assist in managing the Fund's exposure to market, credit, currency and/or interest rate risk, and assist in mitigating NAV fluctuations caused by fluctuations in markets to which the Fund is exposed. Enable the Fund take a directional view on issuers, markets, indices and/or currencies as an efficient alternative to non-derivative instruments, and assist the Fund in creating investment opportunities, which helps the Fund achieve its objective.

### **Leverage**

The Fund's leverage will be measured using the commitment approach and the Fund's global exposure relating to the use of FDI will not exceed the total Net Asset Value of the Fund. Accordingly, leverage will not exceed 100% of the Net Asset Value of the Fund at any time. The Investment Manager will measure global exposure and leverage daily.

### **Borrowing**

The Directors are empowered to borrow monies from time to time to facilitate redemption payments or for other temporary purposes, with borrowings permissible up to a maximum of 10% of Net Asset Value of the Fund.

### **Profile of a Typical Investor**

The Fund is suitable for investors who require a medium risk portfolio with medium volatility which has a medium to long term horizon.

## INVESTMENT RESTRICTIONS

The general investment restrictions are set out under the heading Investment Restrictions in the Prospectus.

## EFFICIENT PORTFOLIO MANAGEMENT

The Investment Manager currently employs a Risk Management Process relating to the use of financial derivative instruments on behalf of the Fund which details how it accurately measures, monitors and manages the various risks associated with financial derivative instruments. The ICAV will on request provide supplementary information to investors relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the Fund.

A description of the types of financial derivative instruments which may be used for investment purposes and efficient portfolio management is set out in Appendix I of the Prospectus.

## INVESTMENT RISKS

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "Investment Risks" section of the Prospectus. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.

## SUBSCRIPTIONS

### Subscription of Shares

The Fund is offering six classes of Shares (the "**Classes of Shares**") as set out in the table below:

Class	Currency	Reporting/Non-Reporting	Distributing/Accumulating	Minimum Initial Subscription	Minimum Subsequent Subscription	Minimum Holding Amount
A	GBP	Non-Reporting	Accumulating	£50,000	£10,000	£50,000
A6	GBP	Non-Reporting	Accumulating	£50,000	£10,000	£50,000
B	GBP	Reporting	Accumulating	£50,000	£10,000	£50,000
P	GBP	Reporting	Accumulating	£50,000	£10,000	£50,000
A	EUR	Non-Reporting	Accumulating	€50,000	€10,000	€50,000
A	USD	Non-Reporting	Accumulating	\$50,000	\$10,000	\$50,000

Class B Shares and Class P Shares have UK reporting fund status. The A6 Share Class is closed for subscriptions.

The Directors are given authorisation to effect the issue of Shares of any Class and to create new Share Classes on such terms as they may from time to time determine in accordance with the Central Bank's requirements.

It should be noted that the details for each Share Class set out in the table above include the minimum initial subscription and minimum holding amounts. These amounts may be reduced or waived at the discretion of the Directors, provided that Shareholders in the same Class shall be treated equally and fairly. No partial redemption requests may be received for an amount which would result in the

Shareholder's holding dropping below the minimum holding amounts set out above and any partial redemption which does not satisfy this requirement shall be treated as a request by the Shareholder to redeem all of its Shares in the relevant Class.

In order to receive Shares on a particular Dealing Day, the Application Form together with supporting anti-money laundering documentation may initially be received by email or fax at the email address or fax number stated on the Application Form and must be received by the Administrator no later than the Dealing Deadline for Subscriptions or such later time as the Directors may from time to time permit. Cleared subscription monies must be received by or on the relevant Dealing Day, or in exceptional circumstances, such other Business Days as the Directors may in their sole discretion permit. Applications received late will be held over until the following Dealing Day. The Administrator's contact details and further details in relation to the procedure for subscription requests are set out in the Application Form.

Each applicant for Shares acknowledges that subscription payments received by the Administrator into an account operated by the Administrator will not receive interest prior to the transfer of subscription monies to the Fund.

### **Hedging Transactions**

The Fund will seek to hedge the foreign currency exposure of Classes denominated in a currency other than the Base Currency of the Fund in order that investors in that Class receive a return in the currency of that Class substantially in line with the investment performance of the relevant Fund. The currency hedging detailed above is the only form of share-class level hedging undertaken by the Fund.

There can be no assurance that such hedging transactions will be effective so far as the Shareholders of the relevant Classes are concerned. Further details of the allocation to the relevant Class of the gains/losses on and the costs of the relevant financial instruments relating to class specific hedging are included in the Prospectus under the heading "Share Currency Designation Risk".

### **Initial Offer Price**

The initial offer price per Class A EUR Share during the Initial Offer Period is 1 EUR per Share. The initial offer price per Class A USD Share during the Initial Offer Period is 1 USD per Share.

The initial offer price per Class P GBP Share during the Initial Offer Period will be the Net Asset Value of Class B Shares as at the relevant Dealing Day. The latest NAV of the Class B Shares is available at the office of the Administrator and can be requested by email to [FB-REG-IRELAND2@caceis.com](mailto:FB-REG-IRELAND2@caceis.com).

### **Initial Offer Period**

The initial offer period for the Class A EUR Shares and Class A USD Shares opened at 9.00am (Irish time) on 4 April 2018 and will continue until 5.00pm (Irish time) on 30 December 2020 or such other dates as any one Director may determine in accordance with the requirements of the Central Bank.

The initial offer period for the Class P GBP Shares will open at 9.00am (Irish time) on 1 July 2020 and will continue until 5.00pm (Irish time) on 31 December 2020 or such other dates as any one Director may determine in accordance with the requirements of the Central Bank.

### **Subsequent Dealing**

Following the close of the Initial Offer Period of each Class, Shares shall be issued at the Net Asset Value per Share calculated at the Valuation Point and adding thereto such sum as the Directors in their absolute discretion may from time to time determine as an appropriate provision for Duties and Charges as provided for in "Subscriptions" and "Redemptions" the Prospectus.

Subscriptions for each of the Shares must be made in the specified currency for that Share Class as shown in the table on page 7 under the column heading "Currency".

Subscriptions for the Classes of Shares should be made by electronic transfer to the account as specified in the Application Form.

## **REDEMPTIONS**

### **Redemption of Shares**

Shareholders may request the Fund to redeem their Shares Six Business Days prior to any Dealing Day at the Net Asset Value per Share less any applicable Duties and Charges as provided for in "Redemption and Transfers of Shares" in the Prospectus, calculated at the Valuation Point immediately preceding the relevant Dealing Day subject to such adjustments, if any, as may be specified including, without limitation, any adjustment required for exchange fees as described under "Switching between Share Classes" below, provided that no redemption charge will apply to a redemption of Shares unless it is part of a switch between Share Classes as detailed below.

Redemption requests should be made to the Administrator by email to the email address stated on the Application Form or by fax to the fax number stated on the Application Form no later than the Dealing Deadline. The Administrator's contact details and further details in relation to the procedure for redemption requests are set out in the Application Form. Subject to the foregoing, and to the receipt of all anti-money laundering documentation and completion of all anti-money laundering checks, redemption proceeds will be paid by electronic transfer to the Shareholder's account specified in the Application Form within 10 Business Days from the Dealing Deadline for Redemptions. Amendments to a Shareholder's registration details and payment instructions will only be effected on receipt of original documentation or electronic instruction.

The Administrator will not remit redemption proceeds if an investor is not considered to be compliant with all the necessary anti money laundering legislation and regulations. Nor will the Administrator remit any payment to a third party bank account.

### **Redemption Gate**

If redemption applications on any given Dealing Day exceed at least 10% of the Net Asset Value of the Fund, the Directors may at their discretion limit the number of Shares of the Fund redeemed on any Dealing Day to Shares representing 10% of the total Net Asset Value of that Fund on that Dealing Day. In this event, the Directors shall reduce pro rata any request for redemption on that Dealing Day and shall treat the redemption requests as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed. If requests for redemptions are so carried forward, the Administrator will inform the Shareholders affected.

## **SWITCHING BETWEEN SHARE CLASSES**

A Share exchange may be effected by way of a redemption of Shares of one class and a simultaneous subscription at the most recent NAV per Share for Shares of the other class. The general provisions and procedures relating to redemptions and subscriptions for Shares as set out above will apply.

Redemption proceeds will be converted into the other currency at the rate of exchange available to the Administrator and the cost of conversion will be deducted from the amount applied in subscribing for Shares of the other class. No switching fee will apply.

## **DIVIDEND POLICY**

It is not the current intention to pay dividends in respect of any of the Share Classes. Income and capital gains in respect of all Share Classes will be re-invested in the Fund and reflected in the Net Asset Value per Share of such Shares.

If the dividend policy of a Class should change, full details will be provided in an updated Supplement and Shareholders will be notified in advance of the change in policy.

## FEES AND EXPENSES

### Investment Management Fee

The Investment Manager will be entitled to an investment management fee payable from the assets of the Fund accruing at each Valuation Point and calculated by the Administrator as follows:

- i. in relation to the Class A and B Shares, an investment management fee at a rate not to exceed 1.25% per annum of the Net Asset Value of the Fund which shall be payable monthly in arrears; and
- ii. The Investment Manager shall also be entitled to receive a Performance Fee equal to 20% of any increase in the Net Asset Value per Share of the relevant Class (before the accrual of any performance fee) above the High Water Mark, as defined below from Valuation Point to Valuation Point. The Performance Fee will be calculated and paid periodically as set out below (the "**Calculation Period**"). The Performance Fee will be payable within 5 Business Days of the end of each Calculation Period.

Up until 31 December 2019, there were two Calculation Periods in each year; January to June and July to December (each a Calculation Period). From 1 January 2020 each Calculation Period shall be the period beginning on 1 January and ending on 31 December in each year.

In the case of Shares redeemed during a Calculation Period, the Performance Fee payable on such Shares will be calculated as though the date of redemption was the end of the relevant Calculation Period for such Shares.

The Performance Fee is deemed to accrue on a twice-monthly basis as at each Valuation Point. The calculation of the Performance Fee will be verified by the Depositary.

A Performance Fee shall only become payable in respect of a Calculation Period if the appreciation of the Net Asset Value (before the accrual of any performance fee) for such Calculation Period exceeds the High Water Mark by an amount equal to the Bank of England base rate (at the time of calculation of the Performance Fee) plus 2.5% per annum, pro-rated from the later of (a) the date of issuance of the relevant Share; and (b) the end of the last Calculation Period in respect of which a Performance Fee was charged on such Share (in either case, the "**Hurdle**").

In the event of a Performance Fee becoming payable, the Performance Fee shall be charged on the full amount of the appreciation in the Net Asset Value (before the accrual of any performance fee) during the Calculation Period above the prior High Water Mark (and not just the excess over the Hurdle), provided that the Performance Fee itself shall be no more than the excess of the Net Asset Value (before the accrual of any performance fee) over the sum of the prior High Water Mark and the Hurdle.

Once paid, the Investment Manager may retain such Performance Fee, regardless of the future performance of the Fund. However in the event that any error is discovered in the calculation of such Performance Fee, the Investment Manager shall be obliged to return any Performance Fee overpaid as a result of the error and conversely shall be entitled to receive any Performance Fee underpaid.

The High Water Mark is the greater of (i) the Initial Offer Price of the relevant Class and (ii) the highest Net Asset Value per Share of the relevant Class at the end of any preceding Calculation Period in respect of which a Performance Fee (other than a Performance Fee Redemption, as defined below) was charged (the "**High Water Mark**").

Performance fee equalisation is administered in respect of all share classes except Class P Shares on a per share basis by way of calculating either a deficit or a credit, depending on the position of the High Water Mark on the Class on which the investor enters the share register.

On this basis, adjustments will be made to reduce inequities that could otherwise result to the subscriber or to the Investment Manager.

The Performance Fee on Class P Shares shall be calculated without any equalisation, and shall accrue on a twice-monthly basis as at each Valuation Point and the accrual will be reflected in the Net Asset Value per Share. If a Share is redeemed during the Calculation Period, a separate Performance Fee for that Share will be calculated by the Administrator and verified by the Depositary and become immediately payable as if the Dealing Day on which that Share is redeemed were the end of the Calculation Period.

If Shares (other than Class P Shares) are subscribed for at a time when the Net Asset Value per Share (before the accrual of any performance fee) is less than the High Water Mark of the relevant Class, the investor that entered the share register at that time will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share (before the accrual of any performance fee) at the date of subscription up to the High Water Mark, the Performance Fee will be charged at the end of each Calculation Period by redeeming at a nominal value (which will be retained by the Fund) such number of the investor's Shares of the relevant class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to 20 per cent of any such appreciation (a "**Performance Fee Redemption**").

An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee. The Fund will not be required to pay to the investor the redemption proceeds of the relevant Shares, being the aggregate nominal value thereof. Performance Fee Redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per Share of each Class. As regards the investor's remaining Shares of that Class, any appreciation in the Net Asset Value per Share of those Shares (before the accrual of any performance fee) above the High Water Mark of that Class will be charged a Performance Fee in the normal manner described above.

If Shares (other than Class P Shares) are subscribed for at a time when the Net Asset Value per Share (before the accrual of any performance fee) is greater than the High Water Mark of the relevant Class, the investor will be required to pay an amount equal to the accrual then in place per Share of that class in respect of the Performance Fee (an "**Equalisation Credit**"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The Equalisation Credit will depreciate or appreciate based on the performance of the relevant class subsequent to the issue of the relevant Shares. In the event of a decline as at any Valuation Point in the Net Asset Value per Share (before the accrual of any performance fee) of those Shares, the Equalisation Credit will also be reduced by an amount equal to 20 per cent of the difference between the Net Asset Value per Share (before accrual for the Performance Fee) at the date of issue and as at that Valuation Point. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class (before the accrual of any performance fee) will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit. At the end of each Calculation Period, if the Net Asset Value per Share (before accrual for the Performance Fee) exceeds the High Water Mark of the relevant Class, that portion of the Equalisation Credit equal to 20 per cent of the excess, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of that class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for Shares of that Class was made, has been fully applied. If the Shareholder

redeems his Shares of that Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

If the Investment Management Agreement is terminated during a Calculation Period the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period. No other fees or expenses are payable to the Investment Manager for individual transactions or on any type of a commission basis.

### **Administration Fees**

The Administrator will be paid out of the assets of the Fund a monthly fee not to exceed 0.06% per annum, exclusive of VAT, of the entire Net Asset Value of the Fund subject to a minimum annual fee of €30,000, exclusive of out-of-pocket costs or expenses. The Administrator will also be paid an annual fee of €4,000 in respect of services relating to financial statements and financial reporting. The Administrator will also be reimbursed out of the assets of the Fund for reasonable out-of-pocket costs or expenses incurred by the Administrator on behalf of (or attributable to) the Fund.

The fees and expenses of the Administrator will accrue at each Valuation Point and are payable monthly in arrears.

### **Depositary Fees**

The Depositary will be paid out of the assets of the Fund a fee not to exceed 0.03% per annum of the Net Asset Value of the Fund (exclusive of VAT, if any, thereon), exclusive of any transaction charges (plus VAT, if any), subject to minimum annual fees (exclusive of out-of-pocket expenses) of €24,000 for supervision, monitoring and safekeeping of the assets of the Fund.

In addition, the Depositary will be paid out of the assets of the Fund an annual sub-custodian fee of 0.0075% in respect of the relevant markets set out in the Depositary Agreement.

The Depositary will also be paid out of the assets of the Fund for reasonable out-of-pocket expenses incurred by them and for the reasonable fees and customary agent's charges paid by the Depositary to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon.

The fees and expenses of the Depositary shall accrue daily and be calculated monthly based on the Net Asset Value of the Fund on the last Dealing Day of each calendar month and shall be payable monthly in arrears.

### **Other fees and expenses**

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to pay rebates/retrocessions out of the Investment Management Fees that it receives.

All fees payable to the Investment Manager will be paid in the Base Currency of the Fund. The Fund shall bear the cost of any Irish value added tax applicable to any amount payable to the Investment Manager.

The other fees and expenses of the ICAV and the Fund are set out in the Prospectus under the heading "Fees and Expenses".