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# **CG PORTFOLIO FUND ICAV**

(the “ICAV”)

An umbrella type open-ended Irish collective asset-management vehicle registered in Ireland  
with segregated liability and variable capital.

## **CG Absolute Return Fund**

(the “Fund”)

### **SUPPLEMENT TO PROSPECTUS**

31 May 2024

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The Fund is a sub-fund of CG Portfolio Fund ICAV, an Irish collective-asset management vehicle with variable capital established pursuant to the UCITS Regulations as an umbrella fund with segregated liability between sub-funds, in which different sub-funds may be created from time to time, with the prior approval of the Central Bank. There are currently four other sub-funds of the ICAV, the Real Return Fund, the Dollar Fund, the Capital Gearing Portfolio Fund and the UK index-Linked Bond Fund. Three classes of Shares, namely, the Class M Shares, the EUR Hedged Shares and the USD Hedged Shares are available for the Fund and are offered through this Supplement. The Directors of the ICAV may create new Share classes in the Fund, from time to time, provided that the creation of any such new share class is notified to and cleared in advance with the Central Bank.

A description of CG Portfolio Fund ICAV, its management and administration, taxation and risk factors is contained in the Prospectus.

**The Fund will use warrants, and convertible bonds, which for the purposes of the Central Bank's requirements are regarded as financial derivative instruments, for investment purposes and/or efficient portfolio management purposes. The Fund will also use forward foreign exchange contracts for hedging purposes only. No other FDIs will be used. While the prudent use of such derivatives can be beneficial, derivatives also involve risks different from the risks presented by more traditional investments. In relation to the leverage effect of investing in financial derivative instruments, see the section headed "Leverage" on page 7. The Fund will not invest principally in financial derivative instruments and the aggregate value of financial derivative instruments in the Fund will at all times be significantly lower than those of other securities.**

**This Supplement relates to the Fund and forms part of the Prospectus. This Supplement must be read in the context of and together with the Prospectus. In particular, investors should read the risk factors set out in the Prospectus.**

**The information contained in this Supplement should be read in the context of, and together with, the information contained in the Prospectus, and distribution of this Supplement is not authorised unless accompanied by or supplied in conjunction with a copy of the Prospectus.**

The Directors of the ICAV, whose names appear on page 14 of the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Investors are referred to the definitions section on page 4 of this Supplement. Unless otherwise stated, all other capitalised terms shall have the meaning assigned to them in the Prospectus.

The base currency of the Fund is sterling.

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## DEFINITIONS

The following definitions apply throughout this Supplement unless the context requires otherwise:

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| <b>“Business Day”</b>                   | means a day (other than Saturday or Sunday) on which the banks are open for business in Ireland and the United Kingdom;  |
| <b>“Central Bank UCITS Regulations”</b> | means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as may be amended, supplemented or modified from time to time and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the ICAV pursuant to the UCITS Regulations and the Delegated Regulation or either of them as the case may be; |
| <b>“Class M Share”</b>                  | means a participating share of no par value in the Capital of the ICAV designated as a Class M Share in the Fund, in respect of which a dividend may be paid;  |
| <b>“Dealing Day”</b>                    | means each day which is a Business Day, or such other day or days as may be determined by the Directors and notified in advance to Shareholders provided that there shall be at least one Dealing Day every fortnight;   |
| <b>“Delegated Regulation”</b>           | means the Commission Delegated Regulation supplementing Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, once it has entered into force and is directly effective in Ireland;   |
| <b>“EUR Hedged Share”</b>               | means a participating share of no par value in the Capital of the ICAV designated as a EUR Hedged Share in the Fund, in respect of which a dividend may be paid;   |
| <b>“FDI”</b>                            | means financial derivative instrument;   |
| <b>“Prospectus”</b>                     | means the prospectus of the ICAV dated 31 May 2024 and all relevant supplements and revisions thereto;   |
| <b>“Supplement”</b>                     | means this supplement;   |

## **Section I: General**

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**“UCITS Regulations”**

means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as may be modified, amended, supplemented, consolidated or re-enacted from time to time; and

**“USD Hedged Share”**

means a participating share of no par value in the Capital of the ICAV designated as a USD Hedged Share in the Fund, in respect of which a dividend may be paid.

## **The Fund**

This Supplement is issued in connection with the offer of Shares of the Fund which has three classes of Shares, namely the Class M Shares, the EUR Hedged Shares and the USD Hedged Shares.

The share capital of the Fund shall at all times equal its Net Asset Value. The Fund is denominated in sterling.

## **Share Class Hedging**

The Investment Manager will hedge the currency exposure of the sterling value of the Net Asset Value per Share to EUR in the case of the EUR Hedged Shares and US Dollars in the case of the USD Hedged Shares. As foreign exchange hedging may be utilised for the benefit of a particular class of Shares within the Fund, its costs and related liabilities and/or benefits shall be clearly attributable to and for the account of that class of Shares only. Accordingly, such costs and related liabilities and/or benefits will be reflected only in the Net Asset Value per Share of the EUR Hedged Shares and the USD Hedged Shares. While not the intention, over-hedged or under-hedged positions may arise due to factors outside the control of the Fund. In respect of the EUR Hedged Shares and the USD Hedged Shares, any currency hedging will be limited to 105 per cent. of the Net Asset Value attributable to those classes of Shares. Hedged positions will be kept under review by the Investment Manager to ensure they do not exceed the permitted level. Where the hedged currency exposure exceeds 105 per cent. or is less than 95 per cent. of the Net Asset Value of the EUR Hedged Shares or the USD Hedged Shares a rebalancing trade will be placed to bring the hedge ratio back to as close to 100 per cent. as is practical. In any event, if a hedging position is materially in excess of 100 per cent of net asset at the end of the month a balancing trade will be made to bring the hedge ratio to as close to 100% of net assets as is reasonably practical. Under-hedged positions will not be permitted to fall short of 95 per cent. of the Net Asset Value of the EUR Hedged Shares or the USD Hedged Shares. Under-hedged positions will be kept under review to ensure they are not carried forward from month to month.

To the extent that hedging is successful, the performance of the EUR Hedged Shares and the USD Hedged Shares is likely to move in line with the performance of the Class M Shares, hedged to EUR or USD respectively. Investors should be aware that this strategy may limit holders of the EUR Hedged Shares and the USD Hedged Shares from benefiting if such currency falls against the base currency and/or against the currency in which the investments of the Fund are denominated.

The periodic reports in relation to the Fund will give an indication of how the currency hedging transactions have been utilised during the period to which the reports relate.

## **Portfolio Currency Hedging**

Where the Fund holds securities or currencies denominated in a currency other than the denomination of the base currency of the Fund, the value of a Fund may be affected by the value of the local currency relative to the currency in which the Fund is denominated. The ICAV may use currency hedging techniques to remove the currency exposure against the Base Currency in order to limit currency exposure between the currencies of the Fund's investment portfolio and the base currency of the Fund; however, this may not be possible or practicable in all cases. As long as the Fund holds securities denominated in a currency other than the base currency of the Fund, the Fund's Net Asset Value will be affected by the value of the local currency relative to the base currency of the Fund.

The Fund expects to implement such currency hedging strategies by using forward foreign exchange contracts.

Forward foreign exchange contracts may be used to hedge the currency exposure of the Fund and to counter foreign exchange rate volatility. It is intended that the use of such forward foreign exchange contracts will reduce the currency risk of the Fund.

### **Investment Objective and Policy**

The investment objective of the Fund is to achieve long term capital growth in absolute terms.

The Fund will attempt to achieve its investment objectives by investing in a spread of direct equities, exchange traded funds, open ended funds, closed ended funds, government and corporate bonds including Index-Linked Bonds, all listed on a Recognised Market. Through investing in investment trusts and investment companies, the Fund will obtain exposure to global and domestic equity markets, real estate, infrastructure, commodities and precious metals.

The Fund may also invest in other obligations of companies listed on a Recognised Market such as preferred shares, loan stocks, convertible bonds and warrants, as well as cash and money market instruments including cash funds. The Fund does not acquire direct exposure to alternative asset classes (real estate, infrastructure, commodities and precious metals) instead it tends to acquire indirect exposure via open ended funds, exchange traded funds (ETFs), listed investment companies, REITs and ordinary equities with substantial exposure to a given alternative asset class. Such entities, in turn, may issue convertible bonds or warrants. The fund may purchase such instruments and therefore, in turn, acquire indirect exposure to the underlying asset class. The Fund will be global in its exposure and will not concentrate on any individual geographical region or industry.

The Fund may also invest in other sub-funds of the ICAV. Such investment is known as “cross-investment”. The Fund may not however, invest in shares of another sub-fund which itself holds shares in other sub-funds of the ICAV.

Any change in the investment policies of the Fund will be notified to the Shareholders. Any change in the investment objectives of the Fund and any material change in the investment policies of the Fund will require a resolution of a majority of Shareholders voting at a meeting of the Shareholders of the Fund. In the event of a material change in the investment policies of the Fund on the basis of a majority of votes cast at a meeting of Shareholders, a reasonable notification period will be provided by the Fund to enable Shareholders to redeem their Shares prior to implementation of the change.

There can be no assurance that the Fund will achieve its investment objective.

### **Investment Philosophy**

The Fund is intended to provide an investment opportunity for investors looking for long term capital growth. Overall asset allocation between direct equities, exchange traded funds, open ended funds, closed ended funds and cash reflects an assessment of long term value, risk and liquidity.

The equity asset allocation of the Fund will be a combination of direct equities, exchange traded funds, open ended funds and closed ended funds whose underlying exposure would be global and domestic equity markets, real estate, infrastructure, and commodities and precious metals.



The balance will be invested in government and corporate bonds (both fixed and floating rate), Index Linked Bonds and other obligations of companies listed on a Recognised Market such as preferred shares and conventional loan stocks with investment in both investment grade, and below investment grade bonds. Not more than 40% of the net asset value of the Fund will be invested in below-investment-grade bonds.

On occasion cash and money market instruments will be held in anticipation of cheaper markets or better investment opportunities and may be held for extensive periods where the risks seem too great for the potential rewards. Cash may be kept on deposit with credit institutions as prescribed in the Central Bank UCITS Regulations, or invested in liquid assets in short term investments such as commercial paper, bankers acceptances, certificates of deposit and government securities. Such securities will be traded on Recognised Markets, will be of investment grade only and will generally be issued by a government.

The Investment Manager may use currency spot transactions which may be used to provide the required currency to acquire assets to be purchased by the Fund which are not denominated in sterling. Upon the sale of such assets, spot currency transactions may be used to convert those proceeds back into sterling. Spot currency transactions will also be used to provide direct exposure to currencies other than sterling, the Fund's base currency.

#### *Integration of Sustainability Risks into the Investment Process*

While the Fund does not promote environmental and/or social characteristics as part of its investment strategy, sustainability risks are regarded as relevant by the Investment Manager.

While the Fund may invest in a range of asset types, a significant portion of the Fund's portfolio is comprised of government bonds. Currently, there is insufficient information available regarding the environmental, social and/or governance (“ESG”) characteristics of government bonds to enable the Investment Manager to properly integrate sustainability risks into the investment decision-making process. Consequently, until such time as there is adequate information available regarding the ESG characteristics of these instruments, the Investment Manager is unable to assess the likely impact of sustainability risks on the returns of the Fund.

Due to the high proportion of government bonds in the portfolio and the lack of information regarding the impact of these instruments on sustainability factors, the Investment Manager does not consider the adverse impacts of its investment decisions on sustainability factors because the relevant information required to do so is not yet available.

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

#### **Convertible Bonds and Warrants**

As outlined above, the Fund may use warrants and convertible bonds. Such instruments will be traded on a recognised exchange or a multilateral trading facility. Warrants and convertible bonds will be used for the purpose of enhancing returns on underlying securities and gaining exposure to markets or issuers at minimum risk to the Fund. Convertible bonds and warrants are classified as financial derivative instruments for UCITS purposes. Accordingly, the Fund employs a Risk Management Process which enables it to accurately measure, monitor and manage the risks associated with financial derivative instruments. For the purposes of convertible bonds and warrants, the Fund will only invest in “long” positions.

## *Warrants*

A warrant is a certificate, usually issued along with a bond or preferred stock, entitling the holder to buy a specific amount of securities at a specific price, usually above the current market price at the time of issuance, for an extended period, anywhere from a few years to forever. In the case that the price of the security rises to above that of the warrant's exercise price, then the investor can buy the security at the warrant's exercise price and resell it for a profit. Otherwise, the warrant will simply expire or remain unused. Warrants are listed on options exchanges and trade independently of the security with which it was issued.

## *Convertible bonds and convertible loan stocks*

A convertible bond is a hybrid security comprising both debt and equity features. Like a straight bond (non-convertible bond), the holders of a convertible bond receives coupon payments until maturity at which point the issuer redeems the convertible bond at par. However, the holders of a convertible bond also have the option to convert the convertible bond into shares of common stock of the issuer, at a predetermined price. Convertible bonds have the following characteristics (mirroring those of other types of bonds): an issue size and issue date; a maturity date and maturity value; a face value; and a coupon. Convertible loan stock operates in the same way as convertible bonds and has the same hybrid of debt and equity features with the same conversion rights. Convertible bonds and convertible loan stocks theoretically embed leverage due to the built in option to convert the bond or loan stock to the underlying equity. Leverage on positions in convertibles is monitored and recorded daily by the Investment Manager.

## **Leverage**

The investment by the Fund in financial derivative instruments includes warrants and convertible bonds which are non-complex instruments. Accordingly, the Fund's exposure to financial derivative instruments can be calculated using the 'commitment approach' as permitted under the Central Bank UCITS Regulations. As a general rule, a UCITS cannot have global exposure greater than its net asset value. In the context of the Fund using the commitment approach to calculate its global exposure, total exposure is defined as the net asset value of the fund and its global exposure. Accordingly, leverage under the commitment approach will not be greater than 100% of net asset value. The Fund will also use forward foreign exchange contracts for hedging purposes only.

## **Profile of a Typical Investor**

The Fund is suitable for investors seeking capital appreciation with a medium to long term investment horizon and who are prepared to accept a moderate level of volatility.

## **Volatility**

Given the investment objective and policy of the Fund, it is anticipated that a medium level of volatility will apply to the Fund under normal market conditions. However, there is no guarantee that such a level of volatility will be achieved or can be maintained.

## **Investment and Borrowing Restrictions.**

The Fund is subject to the general investment and borrowing restrictions as set out at pages 41 to 45 of the Prospectus.

## **Efficient Portfolio Management**

As set out above, the Fund may use financial derivative instruments for efficient portfolio management. Any techniques or instruments used for efficient portfolio management purposes are subject to the conditions and limits laid down in the UCITS Regulations and the Central Bank UCITS Regulations. For the purpose of investing in the Fund, investors should note that efficient portfolio management is taken to mean an investment decision involving techniques and instruments which fulfil the following criteria:

- (i) they are economically appropriate in that they are realised in a cost-effective way;
- (ii) they are entered into for one or more of the following specific aims:
  - (a) a reduction of risk;
  - (b) a reduction of cost; or
  - (c) the generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules as set out in the UCITS Regulations and the Central Bank UCITS Regulations and within any further limits laid down by the Central Bank from time to time;
- (iii) their risks are adequately captured by a risk management process in place for the Fund; and
- (iv) they cannot result in a change to the Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in the Prospectus.

The policy in relation to efficient portfolio management is for any direct and indirect costs and fees arising from these investments to be borne by the Fund and to be paid to the relevant counterparty. Such costs and fees shall not include hidden revenue. The counterparties, the costs, fees paid, and whether the recipients of such fees are related to the Fund or the Depositary, will be disclosed in the annual accounts of the Fund.

## **Dividend Policy**

It is the intention of the Directors to declare annual dividends in respect of the Class M Shares of the Fund, subject to the availability of lawfully distributable profits. Such profits may include the Fund's accumulated net income plus the net of accumulated distributable realised gains less realised and unrealised losses. For the avoidance of doubt, distributions may be paid out of distributable realised gains only. Distributable realised gains can be those earned in the current accounting period or prior accounting periods. The Directors of the ICAV applied for and have been granted approval by HMRC for the Fund to be treated as a Reporting Fund for the purposes of the Offshore Funds (Tax) Regulations 2009 (the "OFT Regulations") from 23 May 2016. Although the Directors' have obtained reporting fund status for the Fund, there can be no guarantee that the requirements of HMRC will be met in the future.

Under the Reporting Fund Regime, there is no requirement for distributions to be made, however, it is the Directors' intention that dividends sufficient to equate to the level of reportable income will be paid. Although the Directors will endeavour to ensure that dividends will be paid, there can be no guarantee that this will be the case.

Dividends will be paid by electronic transfer to a Shareholder's bank account.

The Fund will go “ex-dividend” on the first valuation following 31 October of each year, and a distribution will be paid to Shareholders on the register at the close of business on 31 October of each year, on or before 30 November of each year.

### **Investment in Collective Investment Undertakings**

It is intended that the Fund may invest more than 20% in aggregate of its net assets in other collective investment undertakings. The maximum level of management fees which may be charged by a collective investment undertaking in which the Fund may invest will not exceed 2% of the net asset value of the collective investment undertaking. The Fund may invest in collective investment undertakings domiciled in any of the G20 nations and, for the avoidance of doubt, any of the British Overseas Territories or the British Crown Dependencies (as defined by the Foreign & Commonwealth Office) and may include all types of open-ended or closed-ended structures, including but not limited to Exchange Traded Funds, Open Ended Investment Companies, Unit Trusts and Mutual Funds.

### **Risk Factors**

**Investors’ attention is drawn to the risk factors set out in the Prospectus and to the following additional risk factors.**

#### **Foreign Currency and Exchange Rates**

The Fund’s assets may be invested in securities denominated in a foreign currency. The value of the assets of the Fund and its income, as measured in sterling, may be affected by fluctuations in currency rates and exchange control regulations. A currency conversion will take place on subscription, redemption, switching and distributions at prevailing exchange rates.

#### **Dependence on the Investment Manager**

The Investment Manager is responsible for investing the assets of the Fund. The success of the Fund depends upon the ability of the Investment Manager to develop and implement investment strategies that achieve the Fund's investment objectives.

#### **Limited Diversification**

The Fund will seek to diversify its assets through investments in various securities. Such diversification may not be achieved as a result of insufficient investment opportunities or insufficient investable assets as a result of redemptions or insufficient subscriptions by Shareholders of the Fund. In addition, although the diversification of the Fund’s investments in a variety of securities and industries is intended to reduce the Fund’s exposure to adverse events associated with specific issuers or industries, the number of investments may be limited. As a consequence, returns as a whole may be adversely affected by the unfavourable performance of even a single investment.

#### **Legal Risk**

The application of a law or regulation that has not been anticipated or that arises because contracts are not legally enforceable or documented correctly could result in a loss to the Fund.

#### **Share Prices of Investment Trusts and Closed-Ended Investment Companies**

The share prices of investment trusts and closed-ended investment companies typically stand at a discount to their net asset value per share. Such discounts may persist for long periods and/or widen.

The Net Asset Value of the Class M Shares will reflect the current market value of the shares of investment trusts, closed-ended investment companies and other securities in which the Fund invests. The shares of certain investment trusts and closed-ended investment companies in which the Fund invests may be valued in the market at a premium to their own net asset value per share. In such cases, the share price of such investment trusts and/or closed-ended investment companies may eventually decline to a discount to their net asset value per share.

Investment trusts and closed-ended investment companies may borrow or otherwise gear their exposure to their investments. Investment in such companies will tend to have more volatile results than investment in companies without gearing.

### **Derivatives**

The primary risks associated with the use of derivatives are (i) failure to predict accurately the direction of market movements and (ii) market risks, for example lack of liquidity or lack of correlation between the change in the value of the underlying asset and that of the value of the Fund's derivatives.

### **Settlement Risk**

The Fund may be exposed to a credit risk on parties with whom it trades. There can be no guarantee of the operation or performance of settlement, clearing and registration of transactions in some markets, particularly emerging markets. Where organised securities markets and banking and telecommunications systems are underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments. Furthermore, due to local postal and banking systems, no guarantee can be given that all entitlements attaching to securities acquired by the Fund, including those related to dividends, can be realised.

### **ETFs and Open-Ended Funds**

The price of ETFs and open ended funds can fluctuate up or down, and the Fund could lose money investing in an ETF if the prices of the securities owned by the ETF go down. In addition, ETFs may be subject to the following risks that do not apply to conventional funds: (i) the market price of an ETF's shares may trade above or below their net asset value; (ii) an active trading market for an ETF's shares may not develop or be maintained; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

### **Sustainability Risks**

Sustainability risks within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, are environmental, social and governance events or conditions whose occurrence could have an actual or potential material negative impact on the value of the Fund's investments. Sustainability risks can affect all known types of risk (for example, market risk, liquidity risk, counterparty risk and operational risk), and as a factor, contribute to the materiality of these risk types.

## **Taxation**

The attention of potential investors is drawn to the tax risk associated with investing in the Fund. Any change in the Fund's tax status or in taxation legislation could affect the value of the investments held by the Fund and could affect the return to investors. Potential investors and Shareholders of the Fund should note that the statements on taxation, which are set out in the Prospectus are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of the Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Fund will endure indefinitely. The attention of potential investors is drawn to the tax risk associated with investing in the Fund. See section headed "Taxation" on page 45 in the Prospectus.

## **Subscriptions**

The base currency of the Class M Shares is Sterling. The base currency of the EUR Hedged Shares is Euro and the base currency of the USD Hedged Shares is US Dollar.

Foreign currency subscriptions may be accepted at the discretion of the Directors.

Following the closure of the initial offer period, applications for all Share Classes should be received by the Administrator by 2.00 pm (Irish time) on the Business Day preceding the relevant Dealing Day. Any application for Shares in the Fund after the initial application may be accepted by electronic means or fax. Unless otherwise agreed by the ICAV and the Administrator, subscription monies must be received by the Administrator, for the account of the Fund, by electronic transfer by no later than the second Business Day after the relevant Dealing Day. If payment in full has not been received by the time stipulated above, the application may be refused and the Shares in the Fund allotted will be cancelled. Unless otherwise agreed with the Administrator, Shares in the Fund will be issued on the relevant Dealing Day.

Applicants are required to certify that Shares applied for in the Fund are not being acquired directly or indirectly in violation of any applicable law, nor by or on behalf of a U.S. Person. Any costs incurred by the Fund as a result of an investor's failure to transmit cleared funds by the relevant deadline will be borne by the investor.

The Administrator on behalf of the Fund reserves the right to reject in whole or in part any application for Shares in the Fund or to request further details or evidence of identity from an applicant for Shares in the Fund. For the avoidance of doubt, no application for Shares in the Fund will be processed until the verification of the applicant's identity has been completed and all relevant account opening documentation, as detailed in the application form, have been received. Where an application for Shares in the Fund is rejected, the subscription monies will be returned to the applicant, at the applicant's sole risk, within five Business Days of the date of such application.

Where the amount subscribed for Shares in the Fund is not equivalent to an exact number of Shares in the Fund, fractions of Shares in the Fund may be issued up to two decimal places and any excess subscription monies shall be retained for the benefit of the Fund.

Alternatively, at the discretion of the Directors of the ICAV and with the prior agreement of the Depositary, partial or full settlement for the allotment of Shares in the Fund, may be made *in specie* by the transfer to the Fund, of such an amount of transferable securities as are equal in value to the total subscription amount. The Shares in the Fund issued by means of an *in specie* subscription should equate to the amount of Shares in the Fund which would have been issued if a cash subscription had been made. The *in specie* assets will be valued in accordance

with the provisions of the Instrument of Incorporation and the assets so transferred must be investments which the Fund would be entitled to hold in accordance with its investment objectives, policies and restrictions. The Directors retain the discretion to refuse any such application for *in specie* transfer and will do so in circumstances where they believe that any such subscription is likely to prejudice existing Shareholders of the Fund.

At the date of this Supplement, the minimum initial investment per Shareholder in the Fund is £100,000 and the minimum subsequent investment is £10,000. The Directors reserve the right to vary the minimum initial investment or the minimum subsequent investment in the future and may choose to waive these minima if considered appropriate. The Directors, Investment Manager, its Directors, staff and connected persons are not subject to the minimum investment level with respect to Shares in the Fund.

### **Subscription Price**

The subscription price per Share in the Fund shall be the relevant Net Asset Value per Share in the Fund at each Valuation Point. The subscription price per Share in the Fund may include a dilution adjustment of up to 1% of the Net Asset Value per Share in the Fund to cover the charges, duties and other costs involved in purchasing investments in the Fund. Any such charge will become part of the assets of the Fund and may be waived by the Directors in their absolute discretion.

### **Written Confirmation of Ownership**

The Administrator will be responsible for maintaining the Fund's register of Shareholders of the Fund in which all issues, redemptions and transfers of Shares in the Fund will be recorded. Shares in the Fund will be issued in registered form and written confirmation of ownership will be issued within 2 Business Days but the Administrator will not issue individual share certificates in respect of Shares in the Fund. A Share in the Fund may be registered in a single name or in up to four joint names. The register of Shareholders of the Fund will be available for inspection at the office of the Administrator during normal business hours, and a duplicate register will be kept at the registered office of the ICAV. Any amendment to an investor's registration details and payment instructions will only be effected upon receipt of an original written request together with a bank statement or a banker's reference.

### **Redemptions**

Shareholders of the Fund may request that Shares in the Fund be redeemed on any Dealing Day by sending a written redemption request to be received by the Administrator by 2.00pm (Irish time) on the Business Day preceding the relevant Dealing Day, failing which the ICAV may hold over redemption requests until the following Dealing Day and Shares in the Fund will be redeemed at the relevant Net Asset Value per Share in the Fund.

Any redemption of Shares in the Fund may be accepted by electronic means or fax where payment is being made to the Shareholder's account. In this instance, the original application form must be received. In any event, no monies will actually be paid until the Administrator is in receipt of and has accepted the original application form and all supporting documentation is in order to the Administrator's satisfaction. Shares in the Fund will be redeemed at the relevant redemption price applicable on that Dealing Day.

The Directors are not bound to redeem on any Dealing Day more than 10% of the Shares of the Fund. If the number of requests received exceeds that limit, the requests may be reduced proportionately. Any request not redeemed in full on the first applicable Dealing Day following its receipt by the Directors will be carried forward for redemption to each

succeeding Dealing Day and will be treated pro rata with any requests received thereafter (i.e. the Fund shall treat such requests as if they were received on each subsequent Dealing Day until all of the Shares to which the original request related have been redeemed).

A request for a partial redemption of Shares in the Fund may be refused, or the holding may be redeemed in its entirety, if, as a result of such partial redemption, the Shareholder's holding in the Fund would be less than £100,000.

In respect of such redemption proceeds that are unable to be paid and until such time as the redemption proceeds have been released to the investor, in the event of the Fund becoming insolvent, the investor will rank as a general unsecured creditor of the Fund in respect of such redemption proceeds.

### **Redemption Price**

Shares shall be redeemed at the applicable Net Asset Value per Share in the Fund determined at the relevant Valuation Point on which redemption is effected. The redemption price per Share in the Fund may include a dilution adjustment of up to 0.5% of the Net Asset Value per Share in the Fund (excluding the amount of such charge) to cover the charges, duties and other costs involved in redeeming investments in the Fund. Any such charge will become part of the assets of the Fund.

All payments of redemption monies shall be made by electronic transfer to the Shareholder's account, details of which shall be notified by the Shareholder of the Fund to the Administrator in the redemption request. Redemption monies will be paid no later than ten Business Days after the Administrator is in receipt of all original documentation. Redemption monies may be paid in a currency other than sterling.

The Directors may in their discretion satisfy all or part of the redemption price by transferring securities of the Fund to a Shareholder of the Fund in satisfaction of the redemption monies payable. Securities will only be transferred by the ICAV at the request of the Shareholder of the Fund making such redemption request.

### **Dilution**

To mitigate the effects of dilution, the Directors may, at their discretion, make a dilution adjustment to the Net Asset Value per Share.

In calculating the subscription/redemption price for the Fund, the Directors may on any Dealing Day when there are net subscriptions/redemptions adjust the subscription/redemption price by adding/deducting an anti-dilution levy to cover charges, duties and other costs involved in buying or selling investments in the underlying investments of the Fund.

It is anticipated that during normal market conditions, the Directors will apply a 0.1% dilution adjustment on every Dealing Day when there are net subscriptions/redemptions. Additionally, the Directors will have the discretion to vary the rate of the dilution adjustment depending on market conditions. However, at all times, the dilution adjustment shall not exceed the upper limit of 1% of the Net Asset Value per Share for subscriptions or 0.5% of the Net Asset Value for redemptions as set out in the sections entitled 'Subscription Price' and 'Redemption Price' above.

The dilution adjustment will involve adding to, when the Fund is in a net subscription position, and deducting from, when the Fund is in a net redemption position, the Net Asset Value per Share such figure as the Directors consider represents an appropriate figure to meet duties and charges and spreads.



Where a dilution adjustment is made, it will increase the price where the Fund is in a net subscription position and decrease the price where the Fund is in a net redemption position. The price of each class of Shares in the Fund (if applicable) will be calculated separately but any dilution adjustment will in percentage terms affect the price of each class of Shares (if applicable) in an identical manner.

### **Establishment Expenses**

The expenses of or incidental to the setting up of the Fund, including printing costs and legal and other fees incurred by the ICAV, the Administrator, the Depositary and the Investment Manager were borne by the Investment Manager.

### **Management Fee**

Details in respect of the management fee payable in respect of the Fund are set out in the Prospectus.

### **Investment Manager Fee**

The Investment Manager shall receive a fee of 0.35 per cent per annum of the Net Asset Value of the Fund, accrued daily and payable monthly in arrears. The Investment Manager will also be reimbursed any out-of-pocket expenses incurred.

### **Administration Fees**

The Administrator is entitled to an annual fee of up to 0.07 per cent of the Net Asset Value of the Fund accrued weekly and paid monthly in arrears. In addition, the Administrator shall be reimbursed from the Fund for any out-of-pocket expenses incurred.

### **Depositary Fees**

The Depositary is entitled to an annual fee of up to 0.0325 per cent of the Net Asset Value of the Fund, accrued weekly and paid monthly in arrears. In addition, the Depositary shall be entitled to recover from the Fund out-of-pocket expenses and the fees and expenses of any correspondent appointed by the Depositary, which fees, charges and expenses shall be at normal commercial rates.

Details of the Directors' fees, Distributor's fees and all other charges and expenses payable by the ICAV are set out in the "Fees and Expenses" section of the Prospectus at page 29.