

## Goodbody Global Smaller Companies Fund

### Supplement Dated 22<sup>nd</sup> June 2022 to the Prospectus for Goodbody Fund ICAV dated 30<sup>th</sup> September 2021

This Supplement contains information relating specifically to the Goodbody Global Smaller Companies Fund (the “**Fund**”), a Fund of Goodbody Fund ICAV (the “**ICAV**”), an open-ended umbrella type Irish collective asset-management vehicle with limited liability and segregated liability between sub-funds authorised by the Central Bank on 11<sup>th</sup> December, 2015 as a UCITS pursuant to the UCITS Regulations. The ICAV currently has seven other Funds, Goodbody Dividend Income Balanced Fund, Goodbody Dividend Income Growth Fund, Goodbody Global Leaders Fund, Goodbody Dividend Income Cautious Fund, Goodbody Vantage 50, Goodbody Vantage 70 and Goodbody Vantage 90, details of which are set out in the relevant Supplement.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 30<sup>th</sup> September 2021 (the “Prospectus”). To the extent that there is any inconsistency between the Prospectus and this Supplement, the Supplement shall prevail.**

The Directors of the ICAV whose names appear in the Prospectus under the heading “**Management and Administration**” accept responsibility 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should read and consider the section entitled “**Risk Factors**” before investing in the Fund.

**Although the Fund may hold/invest substantially in cash, cash deposits, cash equivalents, and/or Money Market Instruments in certain circumstances, Shares in the Fund are not deposits and are different in nature to a deposit in that the investment is not guaranteed and the value of the investment is capable of fluctuation. Investment in the Fund involves certain investment risks, including the possible loss of principal.**

#### 1. Interpretation

The expressions below shall have the following meanings:

“**Business Day**” means each day on which banks in Dublin are open.

“**Dealing Day**” means each Valuation Day and/or such other day or days as may be determined by the Directors, in consultation with the Manager and notified to Shareholders in advance provided that there shall be at least one Dealing Day in each fortnight. See also the section entitled “**Suspension of Valuation of Assets**” in the Prospectus.

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| <b>“Dealing Deadline”</b>                | <p>means for each Dealing Day</p> <p>12 noon (Irish Time) on the relevant Dealing Day;</p> <p>or</p> <p>such other time as the Directors, in consultation with the Manager may determine and notify to Shareholders in advance provided always that the Dealing Deadline is no later than the Valuation Point on that Dealing Day.</p> |
| <b>“Initial Offer Price”</b>             | <p>means the initial fixed price applicable to each relevant Share Class on the first Dealing Day of that Share Class and is shown for each share class in the section entitled <b>“7. Information on Share Classes”</b>.</p>  |
| <b>“Subscription Settlement Cut-off”</b> | <p>means three Business Days after the relevant Dealing Day.</p>   |
| <b>“Valuation Day”</b>                   | <p>means each Business Day and/or such other day or days as may be determined by the Directors and notified in advance to Shareholders.</p>  |
| <b>“Valuation Point”</b>                 | <p>means 23:59 (Irish time) on each Valuation Day using close of business prices in the relevant markets or such time as the Directors may determine from time to time and notify in advance to Shareholders provided that the Valuation Point shall be after the Dealing Deadline.</p>  |

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

**2. Base Currency**

The Base Currency shall be the Euro, the currency of the European Union

**3. Classification of the Fund pursuant to the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (the “SFDR”)**

The Fund shall be classified as an Article 8 Fund pursuant to the SFDR. While the Fund promotes environmental and social characteristics in the manner described herein, it does not currently commit to investing in any “sustainable investments” with an environmental objective within the meaning of SFDR, nor does the Fund commit to invest in taxonomy aligned

investments, which are a sub-set of “sustainable investments”. Accordingly, the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities. The percentage of investments of the Fund aligned with the EU Taxonomy (including in transitional and enabling activities) is therefore 0% of the net assets of the Fund.

#### **4. Investment Objective**

The investment objective of the Fund is to provide long term capital growth primarily through investment in global equity securities of small and medium sized companies with geographical and industry sector diversification.

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

#### **5. Investment Policy**

The Fund invests in a diversified portfolio of small (typically companies with a market capitalisation of under \$1 billion at the time of investment) and medium sized (typically companies with a market capitalisation of under \$25 billion at the time of investment) company that offer positive earnings growth over the medium to long term. The Fund will identify small and medium sized companies by ranking stocks in the overall market by their market capitalisation. The goal of the Fund is to identify smaller companies that are already profitable and to hold those companies over the longer term while they deliver future growth. It is the growth of cash flow and earnings which is ultimately expected to drive share price returns over the medium to long term.

The Fund may invest up to a maximum of 20% of its Net Asset Value in emerging markets (to include China, South Korea, Taiwan, India, South Africa, Brazil, Chile, Colombia, Mexico, Peru, Indonesia, Malaysia, Philippines, Thailand, Turkey, the UAE, Qatar, Poland, Hungary and Egypt).

The Fund will not have any industry/sector focus.

Whilst it is the intention that the Fund be principally invested in equity securities which are listed or traded globally on a Recognised Exchange, the Investment Manager retains the flexibility to invest substantially in cash and/or money market instruments such as treasury bills where market conditions so warrant and/or the Investment Manager considers it to be in the best interest of the Fund to do so.

#### *Investment Strategy*

The Investment Manager utilises a disciplined stock picking approach, as detailed below, driven by both quantitative analysis and fundamental research of individual companies. It is a multi-stage process designed to be transparent and consistent over time.

The initial stage of the process involves use of a quantitative screen to identify small and medium sized companies which are profitable and which are also expected to experience earnings growth over the medium to long term. The quantitative screen utilises historic

published information on company profits, coupled with profit forecasts compiled by the Investment Manager, to identify companies which may be likely to increase their profits and hence experience earnings growth. The screen then ranks the subset of companies by financial metrics that can be grouped into three broad categories (1) returns on investment (2) earnings growth and (3) valuations compared to other companies, each of which is also assessed based on historic financial information on individual companies and forecasts compiled by the Investment Manager. The focus of the screening process is to generate investment ideas that can be prioritised for further research.

The second stage of the process involves the fundamental analysis of those potential investment candidates. This involves analysing the company and its business strategy, the company's financial statements (assets, liabilities and earnings) together with reviewing its competitive position within its end market place. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. Fundamental analysis places an emphasis upon turnover expectations, cost expectations and other items such as borrowing costs and taxation, which can impact a company's profitability.

The next stage of the process involves investment selection based on the Investment Manager's assessment of the company's value versus the current share price of the company.

The final stage of the process is portfolio construction. The Fund is constructed from the stock level, bottom up. However, the Investment Manager will regularly review industry sector and geographic exposures to ensure the Fund is sufficiently diversified.

#### *Performance Measure*

The Fund is considered to be actively managed in reference to the MSCI World SMID Index (Bloomberg ticker: MXWOSM (converted to Euro)<sup>1</sup>) (the "Index") solely by virtue of the fact that it uses the Index for performance comparison purposes. The Index captures mid and small cap representation across 23 developed markets ("DM") countries (DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US). As at the date of this Supplement, the Index comprises 1,646 constituents. The Index is not used to define the portfolio composition of the Fund, or as a performance target, and the Fund may be wholly invested in securities which are not constituents of the Index.

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<sup>1</sup> Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No **further distribution or dissemination of the MSCI data** is permitted without MSCI's express written consent.

## ***Environmental, Social, and Governance (ESG) Overview***

ESG analysis is an integral part of the investment approach undertaken by the Investment Manager. This analysis is incorporated alongside the traditional financial, competitive strategy and valuation assessments conducted by the investment team. The Investment Manager views a company/ issuer's ability to manage ESG factors as a proxy for prudent risk management and explicitly recognises that ESG factors can affect the risk and return of investments.

The Investment Manager defines ESG integration as explicitly incorporating relevant, as further detailed below, ESG information into the investment research process to help enhance the risk adjusted returns of the Fund. The long-term objective is to invest in companies/issuers that can generate sustainable long term returns from well-governed and sustainable assets.

### *Commitment*

The Investment Manager is a signatory to the UN Principles for Responsible Investment (UNPRI), recognised as the world's leading proponent of responsible investment. The 6 Principles for Responsible Investment are a voluntary and aspirational set of investment principles that help guide the Investment Manager's approach to ESG. Reporting and Assessment for signatories is conducted annually and is mandatory.

### *Data & Reporting*

The Investment Manager utilises a range of data inputs in the investment process, including an analysis of ESG factors. ESG data is used to help inform the investment opinion on the relative positioning of companies/issuers on important ESG factors. Sources of data include Bloomberg, MSCI and company specific filings.

The Investment Manager is licensed to use the MSCI ESG Manager – part of the MSCI EU Sustainable Finance Solution. The tool provides ESG data and an SFDR regulatory reporting solution. Coverage includes over 10,000 corporate equity and fixed income issuers with 175 sovereign issuers or countries, in addition to providing data in respect of principal adverse sustainability impact indicators covering the 18 mandatory indicators and 46 additional environmental and social impact opt-in indicators.

### ***ESG Framework***

In implementing its ESG framework, the Investment Manager has regard to the following ESG characteristics, namely:

**Emissions** –Greenhouse Gases are defined as those gases which contribute to the trapping of heat in the Earth's atmosphere, and they include Carbon Dioxide (CO<sub>2</sub>), Methane, and Nitrous Oxide.

**Energy Consumption** - This will include energy directly consumed through combustion in owned or controlled boilers, furnaces, vehicles, or through chemical production in owned or controlled process equipment. It also includes energy consumed as electricity.

**Water Usage** - Total amount of water used to support a company's operational processes. The factor represents the sum of all water withdrawn for process water and cooling water and all water retained by company facilities through recycling.

**Gender Diversity** - within the company workforce. The mix of male and female employees at the company expressed as a percentage.

**Staff Satisfaction** – Employee Turnover. The number of employees that left the company within the past year expressed as a percentage of the average total number of employees. High employee turnover may indicate that employees are unsatisfied with their work at the company or their compensation, or that conditions at the company are unsafe or unhealthy.

**Health and Safety Policy/ Disclosure** - Indicates whether the company has recognized its health and safety risks and responsibilities and is making any effort to improve the management of employee health and/or employee safety.

**Human Rights Policy Disclosure** - Indicates whether the company has implemented initiatives to ensure the protection of the rights of all people it works with.

The Investment Manager's investment approach (Quality/Growth) tends to favour sectors/ companies/ issuers that display favourable ESG characteristics which generally have a positive correlation with investment quality and profitability factors. The approach to ESG integration involves a multistage framework, as described below:

- 1) Use of a quantitative screening tool as part of initial investment due diligence. The screen summarises a selection of ESG data identified as relevant by the Investment Manager and allows for relative comparison of the investment candidate to both the broader investment universe and sector relevant peers. Importantly the screen will also identify if ESG disclosure information is missing, requiring additional follow up by the investment team.
- 2) Identification and consideration of the material ESG issues that are relevant to the specific sub sector of the company/ issuer. Using established industry frameworks for materiality (e.g., SASB Standards which identify the subset of environmental, social and governance issues most relevant to financial performance in various industries) allows the investment team to be very focused on what is most important for consideration in relation to ESG.
- 3) Engagement – when required the investment team will engage directly with companies/issuers to discuss important ESG considerations including (1) the appropriateness and breadth of disclosure and (2) management's strategy in relation to ESG factors and (3) material ESG issues that impact the risk of the

business and/or future growth opportunities. For further information on the Investment Manager's engagement process please refer to the section headed "Engagement and Proxy Voting" below.

- 4) Ongoing monitoring – relevant ESG data is incorporated and tracked within the Investment Manager's risk monitoring and reporting. This ensures that any notable changes in the ESG characteristics of the investments in the Fund is flagged, discussed, and prioritised for review likely resulting in further engagement with the relevant company/issuer in question. ESG data that is used within the screening part of the investment process is primarily sourced from Bloomberg. The data is used to build an assessment of each company's ESG credentials relative to (1) the broader global equity market and (2) the specific sector in which the company operates. A mix of environmental, social and governance factors are considered (as set out above). Each company is ranked on its ESG metrics via decile. This ESG analysis compliments the traditional financial, competitive strategy and valuation work conducted by the Investment Manager and allows for informed decision making around the key risk and return characteristics of investment opportunities. Companies that feature unfavourably on the screen (i.e., high decile rankings relative to the broader market and/or sector) may be prioritised for company engagement activities if the other elements of the Investment Manager's analysis indicate it is warranted. This engagement allows the Investment Manager to discuss specific ESG issues directly with companies and ensure possible risks are being managed appropriately. The screen output at the Fund level is monitored and reviewed regularly and serves as a 'proof statement' for the Investment Manager's objective of investing in companies that have attractive relative ESG characteristics.
- 5) Dedicated ESG meetings of the investment team to discuss regulatory developments, broader industry trends in relation to ESG, top-down thematic topics and specific Fund or security level ESG issues that are likely to impact risk.

#### ***Consideration of Principal Adverse Impacts as part of the ESG Framework***

The Investment Manager considers the principal adverse impacts of its investment decisions on sustainability factors. Principal adverse impacts are described the SFDR as those impacts of investment decisions that "result in negative effects on sustainability factors". Sustainability factors are defined in SFDR as "environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters". The Investment Manager seeks to identify principal adverse sustainability impacts as part of the investment process, both during the pre-investment due diligence but also as part of its ongoing monitoring of investments. The Investment Manager use a combination of methods to help mitigate principal adverse impacts including company/ issuer engagement, voting activity, and the implementation of an explicit exclusions list.

In considering principal adverse impacts as part of the ESG strategy implemented by the Investment Manager, the Investment Manager will have regard to certain mandatory and

additional principal adverse impact indicators which are considered relevant by the Manager in the context of the Fund. As at the date of this Supplement, for some of the principal adverse impact indicators, there is currently no reliable data available.

#### *Reporting on Principal Adverse Impacts*

The Investment Manager will report annually, within the ICAV's financial statements, how the Fund considers principal adverse impacts on sustainability factors

### **Governance**

Corporate governance is defined as 'the system of internal controls and procedures by which individual companies are managed. It provides a framework that defines the rights, roles, and responsibilities of various groups—including management, the board, controlling shareowners, and minority or noncontrolling shareowners—within an organization'.<sup>2</sup>

The Investment Manager's approach to the evaluation of governance in companies involves a combination of both qualitative and quantitative review. The information and data used is gathered from numerous sources including regular company reports and filings (e.g., annual reports, 10-K, Proxy filings), third party data providers (e.g., Bloomberg, MSCI) and sell side investment research. The key quantitative factors that are reviewed and monitored by the Investment Manager for companies include:

1. Duality of CEO and Chairperson.
2. The Size of the board.
3. % of independent board members.
4. Board Diversity - % of female board members.
5. Board Diversity - Average age of board members.
6. Attendance at board meetings.
7. Business Ethics policy.
8. Tenure of the CEO.
9. Average Tenure of the Board.
10. Length of a board members term before renewal.

### **Engagement & Proxy Voting**

The Investment Manager recognises its responsibility to make considered use of voting rights. The objective is to act in line with its fiduciary responsibilities in what it deems to be the best interests of investors in the Fund. Constructive and active company engagement and exercising voting rights to promote stronger corporate governance are important principles within the investment framework.

The Investment Manager targets communication directly with the company management of both existing Fund holdings and prospective investment candidates. Interaction with

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<sup>2</sup> *The Corporate Governance of Listed Companies, A Manual for Investors, CFA Institute*

management can be very useful for gaining a better understanding of the company, its industry position, management’s strategy and importantly how management perceives and addresses risks, including ESG considerations.

## 6. Profile of a Typical Investor

The Fund is suitable for investors willing to accept a high level of volatility and who are seeking capital growth through an investment in global equities.

## 7. Offer

### Initial Offer

Shares in the Fund will be offered from 9 a.m. (Irish time) on the 23<sup>rd</sup> June, 2022 to 5 p.m. (Irish time) on the 23<sup>rd</sup> December, 2022 (the “**Initial Offer Period**”) at the Initial Offer Price and subject to acceptance of applications for Shares by the ICAV and will be issued for the first time as at the Dealing Day on or after expiry of the Initial Offer Period. The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such extension if subscriptions for Shares have been received and otherwise on an annual basis.

### Subsequent Offer

After closing of the Initial Offer Period Shares in the Fund will be issued at the Subscription Price. Please see the section entitled “**Application for Shares**” for more information regarding the cost of shares.

## 8. Information on Share Classes

Shares shall be issued to Shareholders as Shares of a Class in this Fund. The Directors may, whether on the establishment of this Fund or from time to time, create more than one Class of Shares in this Fund. The Directors may in their absolute discretion differentiate between Classes of Shares, without limitation, as to currency of denomination of a particular Class, distribution policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses, voting rights subscription or redemption procedures or the Initial Subscription or Subsequent Subscription applicable. A separate pool of assets will not be maintained for each Share Class.

| Share Class              | Currency | Distributions | Currency Management | Investment Management Fee - Up to | Minimum Initial Subscription | Minimum Subsequent Subscription | Initial Offer Period |
|--------------------------|----------|---------------|---------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| Class B EUR Accumulation | EUR      | No            | Unhedged            | 0.5%                              | 1,500,000                    | 25,000                          | Closed               |
| Class C EUR Accumulation | EUR      | No            | Unhedged            | 0.750%                            | 25,000                       | 5,000                           | See 6. Offer above   |
| Class D EUR Accumulation | EUR      | No            | Unhedged            | 1.000%                            | 10,000                       | 5,000                           | See 6. Offer above   |
| Class E EUR Accumulation | EUR      | No            | Unhedged            | 1.250%                            | 5,000                        | 5,000                           | See 6. Offer above   |
| Class I GBP Accumulation | GBP      | No            | Unhedged            | 0.750%                            | 25,000                       | 5,000                           | See 6. Offer above   |

|                          |      |    |          |        |            |           |                    |
|--------------------------|------|----|----------|--------|------------|-----------|--------------------|
| Class F GBP Accumulation | GBP  | No | Unhedged | 0.5%   | 1,500,000  | 25,000    | Closed             |
| Class G GBP Accumulation | GBP  | No | Unhedged | 1.000% | 10,000     | 5,000     | See 6. Offer above |
| Class H GBP Accumulation | GBP  | No | Unhedged | 1.250% | 5,000      | 5,000     | See 6. Offer above |
| Class J USD Accumulation | US\$ | No | Unhedged | 0.550% | 1,500,000  | 25,000    | See 6. Offer above |
| Class K USD Accumulation | US\$ | No | Unhedged | 0.750% | 25,000     | 5,000     | See 6. Offer above |
| Class L CHF Accumulation | CHF  | No | Unhedged | 0.550% | 1,500,000  | 25,000    | See 6. Offer above |
| Class M CHF Accumulation | CHF  | No | Unhedged | 0.750% | 25,000     | 5,000     | See 6. Offer above |
| Class N CNH              | CNH  | No | Unhedged | 0.40%  | 1,000,000  | 25,000    | See 6. Offer above |
| Class O CNH              | CNH  | No | Unhedged | 0.75%  | 1,000,000  | 25,000    | See 6. Offer above |
| Class P HK\$             | HK\$ | No | Unhedged | 0.40%  | 10,000,000 | 1,000,000 | See 6. Offer above |
| Class Q HK\$             | HK\$ | No | Unhedged | 0.75%  | 10,000,000 | 1,000,000 | See 6. Offer above |
| Class R CNY              | CNY  | No | Unhedged | 0.40%  | 1,000,000  | 25,000    | See 6. Offer above |
| Class S CNY              | CNY  | No | Unhedged | 0.75%  | 1,000,000  | 25,000    | See 6. Offer above |

The Initial Offer Price per share will be 10.00 in the currency of denomination of the relevant Share Class.

Classes may differ amongst other things on the basis of the Investment Manager's Fee applicable to these Classes. Further information in relation to fees is set out below at Section 13 entitled "Fees and Expenses".

## 9. Initial Subscription and Subsequent Subscription

Each investor must satisfy the Initial Subscription and Subsequent Subscription requirements applicable to the relevant Class as outlined above.

The Directors reserve the right to differentiate between Shareholders and to waive or reduce the Initial Subscription and Subsequent Subscription for certain investors.

## 10. Application for Shares

Applications for Shares may be made through the Administrator or via a Clearing System through the process described in the Prospectus.

## 11. Redemption of Shares

Requests for redemption of Shares may be made through the Administrator or via a Clearing System through the process described in the Prospectus.

## 12. Conversion of Shares

Subject to the Initial Subscription requirements of the relevant Classes, Shareholders may request conversion of some or all of their Shares in one Fund of the ICAV or Class to Shares

in another Fund of the ICAV or Class or another Class in the Fund in accordance with the procedures specified in the Prospectus under the heading “**Conversion of Shares**”.

### 13. **Suspension of Dealing**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the Fund is suspended in the manner described in the Prospectus under the heading “**Suspension of Valuation of Assets**”. Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

### 14. **Fees and Expenses**

#### *Establishment Expenses*

The Fund shall bear the fees and expenses attributable to the establishment and organisation of the ICAV as detailed in the section of the Prospectus entitled “**Establishment Expenses**”. Such establishment expenses may be amortised over the first five Accounting Periods of the ICAV or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair.

#### *Subscription Fee*

Subscription Fees will be charged at the discretion of the Investment Manager as outlined in the Prospectus in the section entitled “**Definitions**”.

#### *Manager's Fee*

The Manager shall be entitled to an annual management fee of up to 0.025% of the Net Asset Value (the “**Management Fee**”) of the Fund. The Management Fee is based on a sliding scale applied to the aggregate assets across all Funds, subject to an annual minimum fee of €50,000 based on a single Fund and an annual minimum fee of €7,500 for each additional Fund.

The Management Fee shall be subject to the imposition of VAT, if required. The Management Fee will be calculated and accrued daily and is payable quarterly in arrears.

The Manager shall be entitled to be reimbursed by the ICAV out of the assets of the Fund for reasonable out of pocket expenses properly incurred and any VAT on all fees and expenses payable to or by it.

#### *Investment Manager's Fee*

Pursuant to the Investment Management Agreement, the Investment Manager is entitled to charge an investment management fee equal to a per annum percentage of the Net Asset Value of each Class. The Investment Management fee per annum for each Class is shown

above in the section entitled “**Information on Share Classes**”. Any Investment Management fees levied will also be subject to the imposition of Value Added Tax (“**VAT**”) if required.

The fee will be calculated and accrued at each Valuation Point and payable monthly in arrears.

The Investment Manager may from time to time and at its sole discretion decide to rebate to intermediaries and/or Shareholders part or all of its Investment Management fee. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder, or may be paid in cash.

The Investment Manager shall be entitled to be reimbursed by the ICAV for reasonable out of pocket expenses incurred by it and any VAT on all fees and expenses payable to or by it.

#### *Administrator’s Fees*

The Administrator shall be entitled to receive an annual fee out of the net assets of the Fund charged at commercial rates as may be agreed from time to time up to a maximum fee of 0.15% of the Net Asset Value of the Fund accrued and calculated on each Dealing Day and payable monthly in arrears. The Administrator is entitled to be repaid all of its reasonable agreed upon expenses, transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

#### *Depositary Fees*

The Depositary shall be entitled to receive an annual fee out of the net assets of the Fund charged at commercial rates as may be agreed from time to time up to a maximum fee of 0.08% of the Net Asset Value of the Fund accrued and calculated on each Dealing Day and payable monthly in arrears (plus VAT thereon, if any).

#### *Anti-Dilution Levy*

An Anti-Dilution Levy may be charged at the discretion of the Directors as outlined in the Prospectus in the section entitled “**Anti-Dilution Levy**”.

#### *Operating Expenses Cap*

The Manager’s, Administrator’s, Depositary’s, legal, audit, Directors’ remuneration and all other general expenses, excluding brokerage and banking commissions and charges, and taxes and governmental expenses (“Operating Expenses”) of the Fund, as set out under “FEES, CHARGES AND EXPENSES” in the Prospectus, are subject to a voluntary expense cap of a maximum of 0.25% per annum of the average daily NAV of the Fund (“Operating Expenses Cap”). Should the cumulative Operating Expenses accrued over the first reporting period from inception of the Fund to 31 December 2016 and then at each annual reporting period thereafter exceed 0.25% of the average daily NAV of the Fund over the same reporting period, then the amount of cumulative Operating Expenses in excess of the Operating Expenses Cap will be paid as a rebate by the Investment Manager to the Fund within 1 month of the end of each reporting period. Should the cumulative Operating Expenses exceed the 0.25% per annum of

the average daily NAV of the Fund limit on any Valuation Day of the Fund, then the amount of cumulative Operating Expenses in excess of the Operating Expenses Cap will be accrued within the NAV as a rebate payable by the Investment Manager to the Fund.

**15. Distributions**

*Accumulating Share Classes*

In the case of accumulating Classes, all net income and net realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses) less accrued expenses of the Fund attributable to the relevant Class will be accumulated and reflected in the Net Asset Value per Share.

**16. Risk Factors**

The attention of investors is drawn to the “**Risk Factors**” section in the Section of the Prospectus entitled “**The ICAV**”.