KINSALE COMPASS FUND
(the **Fund**)

SUPPLEMENT TO THE PROSPECTUS
for

MULTI FUND 10 UMBRELLA ICAV

(an umbrella fund with segregated liability between sub-funds)

This Supplement contains specific information in relation to Kinsale Compass Fund (the **Fund**)**, an open ended fund with limited liquidity of Multi Fund 10 Umbrella ICAV** (the **ICAV**)**, an umbrella type collective asset-management vehicle with variable capital. The ICAV is an umbrella scheme with segregated liability between sub-funds. The information contained in this Supplement forms part of, and should be read in conjunction with, the full information contained in the Prospectus dated 19 October, 2020** (the **Prospectus**)**.**

The Fund has been authorised by the Central Bank for marketing solely to Qualifying Investors. With the exception of investors who qualify as Accredited Investors, the minimum subscription by each applicant for Shares will be at least €100,000 or its foreign currency equivalent. Accordingly, while the Fund is authorised by the Central Bank, the Central Bank has not set any limits or other restrictions on the investment objective, the investment policies or on the degree of leverage that may be employed by the Fund. The Central Bank has not reviewed this Supplement.

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

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. All references to **Shareholders** in this Supplement are references to Shareholders in the Fund unless otherwise specified.

Dated: 5 March, 2021

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1. INVESTMENT OBJECTIVE AND POLICIES

1.1. Investment Objective

The investment objective of the Fund is to generate long term capital appreciation.

1.2. Investment Policies

In order to achieve such an objective, the Fund will invest and reinvest its assets in accordance with the Sub-Investment Manager's "value driven" philosophy, which focuses on identifying a relatively small number of global equities which the Sub-Investment Manager believes are likely to experience substantial long-term appreciation. The Sub-Investment Manager focuses on acquiring the equities of good businesses at the greatest possible discount to their intrinsic, break-up or liquidation values. By "good businesses," the Sub-Investment Manager means businesses that have the ability to generate substantial free cash flow and that have management teams capable of reinvesting that cash flow wisely or returning it to shareholders. The Sub-Investment Manager's approach, then, is entirely bottom-up, focused on selecting the best companies at the greatest discounts. The Sub-Investment Manager does not rely on economic or analyst's forecasts and does not attempt to time markets. The Fund's goal is absolute returns and the Sub-Investment Manager will not attempt to manage the Fund's portfolio relative to any market index.

There is, of course, a basic difficulty with this approach: good businesses tend to be well known, and opportunities to acquire them at substantial discounts are often few and far between. In order to counter this difficulty, the Sub-Investment Manager has adopted a "contrarian" approach in which it looks for investment opportunities in "good businesses" that are in the grips of temporary challenges. The Sub-Investment Manager believes that, as fear regarding such businesses runs rampant in the market place, the Fund can purchase great bargains. You must be able and willing to embrace good businesses that other people are abandoning due to short-term factors. What is needed to identify these temporary factors and distinguish them from long-term favourable fundamental factors is extensive research. The Sub-Investment Manager intends to conduct this type of research by staying in regular contact with management of companies in which the Fund invests, as well as their suppliers and competitors.

When the Sub-Investment Manager identifies an opportunity to acquire stock of a "good business" at a substantial discount, it ordinarily will take a relatively large position in that stock (with the result that the Fund is likely to be invested in a limited number of stocks (around 15-30 positions) at any given time). Further, the Sub-Investment Manager will not weight the Fund's portfolio to achieve pre-determined country, sector or industry exposure. The Sub-Investment Manager believes that the risk associated with concentrating the Fund's portfolio in a relatively small number of positions – perhaps in positions associated with a particular country, sector or industry – should be offset by the margin of safety associated with buying "good businesses" that have displayed long term superiority notwithstanding temporary challenges. These businesses typically have leading positions in their industries or have barriers to entry that should allow investors to achieve superior returns on their capital over the long-term. Of course, this approach to portfolio construction may result in returns being uneven. Month-to-month and quarter-to-quarter volatility should be expected but, over the long-term, returns should be superior.

The Sub-Investment Manager will search the world's equity markets for undervalued securities. While investments in global companies present their own special risk factors, the Sub-Investment Manager believes that these factors ordinarily will be offset by the potential discounts achieved. Thus, the Sub-Investment Manager's philosophy is not grounded on focusing on investing and trading in particular categories of stocks, such as "small cap," "large cap," domestic or foreign stocks. The Sub-Investment Manager will sell Fund positions as they approach what the Sub-Investment Manager perceives to be their intrinsic values or as the Sub-Investment Manager identifies other attractive investments. As it is rare to find great companies at substantial discounts with easily identifiable catalysts that will quickly drive them back to fair value, the Sub-Investment Manager expects that the Fund generally will hold positions over a 3 to 5 year time horizon. The Sub-Investment Manager will make an effort to keep portfolio turnover at a minimum, and will take tax considerations into account when disposing of the Fund's investments. Although the Fund will focus primarily on purchasing equity securities outright, the research undertaken in order to identify suitable equity investments may identify market inefficiencies, such as share class discrepancies and extreme parent company discounts, that the Fund may exploit by selling certain equities short. This strategy can provide good returns in a risk-averse manner. It is not the Sub-Investment Manager's intention to hedge each of the Fund's long positions with a short position, as the Sub-Investment Manager believes that the power of compounding is overwhelmingly more favourable to the long equity buyer, and that mathematical reality demonstrates that short positions get smaller and unsuccessful ones get larger. As a result, the Fund will engage in short sales based solely on factors the Sub-Investment Manager identifies in researching potential long positions for the Fund.

The Fund is authorized to borrow for the purpose of increasing its exposure to particular positions. The Sub-Investment Manager does not expect to routinely leverage the Fund's positions, but may from time to time borrow for the Fund on an "opportunistic" basis, particularly in connection with engaging in long-short paired trading.

In implementing the Fund's investment strategy, the Sub-Investment Manager may utilise techniques such as borrowing (generally on an intermittent and "opportunistic" basis, and for example through margin loans made available by its brokers) to increase the Fund's equity exposure and entering into forward currency contracts (again, generally on an intermittent and "opportunistic" basis) to hedge the Fund's foreign currency exposure. The Sub-Investment Manager may also utilize techniques, such as long-short "paired" equity trading, designed to take advantage of what it believes are inefficiencies in the equity markets. In lieu of directly engaging in such trading, the Fund may enter into swap transactions whose potential benefits and risks are similar to those associated with such trading where the Sub-Investment Manager believes that swaps result in a more efficient use of the Fund's capital.

The Fund may make use of leverage on its capital. The restrictions on leverage are set out under the heading **Borrowing and Leverage** below.

This Fund does not have as its objective sustainable investment, nor does it promote environmental or social characteristics. As a result, the Fund does not fall within the scope of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Pursuant to Article 6 of the Sustainable Finance Disclosure Regulations (EU) 2019/2088 (the 'SFDR'), the AIFM is required to disclose the extent to which sustainability risks are integrated into the investment decision making process and the anticipated impacts of those risks on the financial returns of the Fund.

Sustainability risks are defined in the SFDR as environmental, social or governance events or conditions that, if they were to occur, could have actual or potential material negative impacts on the value of the investments of the Fund.

<u>Integration</u>
The Sub-Investment Manager accounts for sustainability risks within its investment decision making process, both at the initial due-diligence stage and as part of its ongoing monitoring.

Prior to investing in a security for the Fund, the Sub-Investment Manager considers the identifiable sustainability risks posed to the issuer of the security including potential ESG risks.

From an environmental perspective, the Sub-Investment Manager assesses issues including, but not limited to, the issuer's access to and management of primary resources (so as not to exhaust them), the issuer's management of its rejects (so as to reduce waste and avoid added costs), and the likelihood of the issuer being subject to increased regulations or government penalties.

From a social perspective, the Sub-Investment Manager assesses the issuer's approach to its clients and customers, its employees (including on matters of remuneration), its suppliers, its competitors and the likelihood of the issuer's products or services being subject to increased regulations or government penalties.

From a governance perspective, the Sub-Investment Manager assesses the issuer's board and management team composition and the degree of their alignment with the issuer's shareholders, their strategic thinking, their operational prowess, their approach to financial leverage and their capital allocation discipline. The Sub-Investment Manager also considers organizational dynamics, such as corporate culture, and how they align with the board and the management team's vision.

The Fund considers these risks in conjunction with the financial analysis it undertakes on the issuer and will take a balanced approach with regards to the merits of investing in the relevant security.

During the period that the Fund holds a security, the Sub-Investment Manager continually monitors the issuer's exposure to the risks stated above, as well as any other sustainability risks that may emerge during the holding period of the security and that the Sub-Investment Manager considers relevant to the security. Where, in the view of the Sub-Investment Manager, the issuer's risk profile changes, this will cause a review of the assessment of the issuer, the value of its stock, and possibly the merits of owning it.

The sustainability risks relating to securities within the investment universe of the Fund are measured through consideration of the disclosures in issuers' annual reports and through interacting with the relevant issuer's management, industry participants, and other third parties that may be relevant for the underwriting of said sustainability risks.

Impact of Sustainability Risks on the Returns of the Fund

It is anticipated that the occurrence of the sustainability risks stated above could have an impact on the financial returns of the Fund.

The Sub-Investment Manager acknowledges that the Fund's exposure to sustainability risks is changeable in the current environment and shall keep the Fund's exposure to these risks under periodic review. Where the Sub-Investment Manager considers, as a result of such a review, that the Fund's exposure to sustainability risks has materially changed, these disclosures will be updated accordingly.

Currency Hedging Strategy for Class B Shares and Class C Shares

Where Shares are denominated in a currency other than the base currency of the Fund such as the Class B Shares and Class C Shares which are denominated in US Dollars and Sterling respectively, the ICAV will in respect of those Shares, although it is not obligated to, utilise certain financial instruments in order to seek to hedge the currency risks between the base currency of the Fund and the currency of denomination of the Share Class. In the event that the Fund does utilise hedging transactions for the Class B Shares and Class C Shares, this may substantially limit holders of those shares from benefiting if the US Dollar or Sterling as the case may be falls against the Euro and/or other currencies in which the assets of the Fund may be denominated. The costs and gains/losses of the relevant hedging transactions will accrue solely to the holders of the Class B Shares and Class C Shares respectively. In addition, investors who wish to buy or sell Shares using a dealing currency other than the currency of denomination of the relevant Share class should be aware that they will be exposed to the risks associated with currency fluctuation between the currency of denomination of the share class and their chosen dealing currency.

1.3. **Sub-Investment Manager**

The AIFM has appointed Kinney Asset Management LLC as Sub-Investment Manager for the Fund pursuant to a Sub-Investment Management Agreement (further details of which are set out under the heading **Material Contract** below).

The Sub-Investment Manager is a limited liability corporation organised under the laws of the State of Delaware on 10th January, 2003. The Sub-Investment Manager has provided investment advisory services to private funds, institutional investors, high net worth individuals and charitable organisations since 2003. The Sub-Investment Manager is regulated by the United States Securities and Exchange Commission.

Material Contract

1.4. The Sub-Investment Management Agreement dated 28 May, 2018 between the AIFM and the Sub-Investment Manager; this Agreement provides that the appointment of the Sub-Investment Manager will continue in force unless and until terminated by either party giving to the other six months' notice in writing, although in certain circumstances the Sub-Investment Management Agreement may be terminated forthwith by notice in writing by either party to the other: the Sub-Investment Management Agreement provides that the Sub-Investment Manager shall not be liable to the AIFM for any error of judgement or loss suffered by the AIFM in connection with the subject matter of the Sub-Investment Management Agreement or any matter or thing done or omitted to be done by the Sub-Investment Manager in pursuance thereof including, in particular, but without limiting the foregoing, any loss or other disadvantage suffered or incurred by the AIFM following upon or arising out of:-

(i) any estimation, determination or calculation made by the Sub-Investment Manager or any delay in the making or implementation of any such estimation, determination or calculation; or
(ii) effecting payments or instructing the Fund 's bankers or, the Depositary (as the case may be) to effect payments; or
(iii) countermanding payment instructions; or
(iv) the bankruptcy or insolvency of or failure to pay by any bank or other institutions or country or governmental department or authority in which the moneys of the Fund are from time to time invested or deposited; or
(v) the purchase, holding or sale of any investments by the AIFM on behalf of the Fund; or
(vi) acting upon any forged or fraudulent document or signature; or
(vii) any action or omission taken or suffered by the Sub-Investment Manager in good faith or in reliance on or in accordance with the opinion or advice of legal counsel, the auditors or professional advisors;

howsoever any such loss may have occurred unless such loss or disadvantage arises from the negligence, fraud, bad faith, wilful default or wilful misfeasance in the performance or non-performance by the Sub-Investment Manager or persons designated by it of its obligations or duties or breach of contract on the part of the Sub-Investment Manager or any of its agents or delegates or their agents.

The Sub-Investment Management Agreement further provides that the AIFM out of the assets of the Fund shall indemnify and keep indemnified and hold harmless the Sub-Investment Manager and each of its directors, officers, servants, employees and agents from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including legal and professional fees and expenses) which may be made or brought against or directly or indirectly suffered or incurred by the Sub-Investment Manager in the performance or non-performance of its obligations or duties but excluding tax on the overall income or profits of the Sub-Investment Manager save to the extent that such actions, proceedings, claims, demands, losses, damages, costs and expenses are attributable to the fraud, bad faith, negligence, wilful default or wilful misfeasance in the performance or non-performance by the Sub-Investment Manager or persons designated by it of its obligations or duties.

2. INVESTMENT RESTRICTIONS

There are no additional investment restrictions applicable to the Fund to those set out in the Prospectus in the section entitled **Investment Restrictions**.

3. BORROWING AND LEVERAGE

Leverage, which for these purposes is defined as total long exposure plus total short exposure both divided by the Fund Net Asset Value is unlimited, but, it is expected to be a low level by industry standards. Exposure is considered to reflect the full underlying economic reality of instruments, particularly in the case of financial derivatives such as swaps and futures.

There can be no assurance that the Fund will achieve its intended leverage and the level of leverage may vary throughout the lifetime of the Fund. Pursuant to the AIFM Regulations and AIFM Commission Regulations, the leverage of the Fund is calculated using the commitment method and the gross notional method. The commitment method requires each derivative position to be converted into the market value of an equivalent position in the underlying asset and takes into account netting and hedging and other arrangements which affect the exposure of the Fund. The gross notional method converts derivative positions into an equivalent position in the underlying assets.

The maximum intended level of leverage, calculated using the commitment method as required pursuant to the AIFM Regulations and AIFM Commission Regulations, will be 200% of the Net Asset Value of the Fund and using the gross notional method will be 200% of the Net Asset Value of the Fund. Short sales will not be treated as borrowing for this purpose.

4. RISK FACTORS

The general risk factors set out in the **Risk Factors** section of the Prospectus apply to the Fund. In addition, the following risk factors apply. These risk factors may not be a complete list of all risk factors associated with an investment in the Fund:

4.1. General Risk

All trading in securities and other financial instruments involves substantial risk of volatility (potentially resulting in rapid declines in market prices and significant losses) arising from any number of factors that are beyond the Sub-Investment Manager's control such as: changing market sentiment; changes in industrial conditions, competition and technology; changes in inflation, exchange or interest rates; changing domestic or international economic or political conditions or events; changes in tax laws and governmental regulation; and changes in trade, fiscal, monetary or exchange control programs or policies of governments or their agencies (including their central banks). Changes such as these, as well as innumerable other factors, are often unpredictable and unforeseeable, rendering it difficult or impossible to predict or foresee future market movements.

4.2. Strategy Risk

Risks of Loss Associated With the Fund's Investment Strategy

Value Approach. The Sub-Investment Manager's basic investment strategy for the Fund is a "value" approach, *i.e.,* identifying equity securities that the Sub-Investment Manager believes are undervalued and have good prospects for superior returns. There can be no assurance that sufficient "value" opportunities will be available to the Sub-Investment Manager or that it will be successful in identifying such opportunities. In this regard, many of the same factors that may lead to potential losses in the value of the Fund's investments, as discussed above, may also adversely affect the business and prospects of the Fund by reducing the number of investment opportunities available to it.

In addition, there may be market periods in which "value" strategies significantly under-perform other strategies, such as "growth" strategies. The Fund could encounter such periods, and they could be of substantial duration or frequency.

Broad Investment and Trading Mandate

The Prospectus and Supplement does not impose significant restrictions on the Sub-Investment Manager's investing and trading for the Fund, and permits the Fund to invest and trade in a broad range of securities and other financial instruments. Although the Sub-Investment Manager currently intends to invest and trade the Fund's assets in the manner summarized herein, it may from time to time modify its investment strategy in response to changing market conditions provided such modification does not entail a change in the investment objective or a material change in the Fund's investment policies. Any such modification could involve changes in the types of securities and other instruments the Sub-Investment Manager uses to implement its strategy, as well as changes in the markets in which such securities and other instruments trade. There can be no assurance that any such modification would be successful or not result in losses.

Risks of Loss Associated With the Fund's Investment Techniques

In implementing the Fund's investment strategy, the Sub-Investment Manager may utilize techniques such as borrowing to increase the Fund's equity exposure and entering into forward currency contracts to hedge the Fund's foreign currency exposure. The Sub-Investment Manager may also utilize techniques, such as long-short "paired" equity trading, designed to take advantage of what it believes are inefficiencies in the equity markets. In lieu of directly engaging in such trading, the Fund may enter into swap transactions whose potential benefits and risks are similar to those associated with such trading where the Sub-Investment Manager believes that swaps result in a more efficient use of the Fund's capital. Although using these techniques may expand the Fund's opportunities for gain, it also substantially increases the risks of volatility and loss, as summarized below.

In addition, although the Sub-Investment Manager is cognizant of the risks associated with portfolio concentration – including the risk that a sudden decline in market prices could cause the Fund to lose a major portion of its value in a single day or over the course of several days – it also believes that adherence to strict guidelines or standards governing portfolio diversification may preclude the Fund from taking advantage of promising investment opportunities. Thus, in making portfolio decisions for the Fund, the Sub-Investment Manager expects that it will from time to time concentrate the Fund's portfolio holdings in particular instruments, markets, companies, industries or countries if, based on its experience, judgment, research and other factors, it believes that the potential rewards associated with increased concentration outweigh the potential risks under the circumstances.

Leverage. The level of interest rates generally, and the rates at which the Fund can borrow, in particular, will affect the Fund's operating results. If the interest expense on the Fund's borrowings – which will fluctuate from time to time depending on market conditions – were to exceed the net return on the portfolio securities purchased with the borrowed funds, the use of leverage would result in a lower rate of return than if leverage were not used.

Moreover, to the extent the Fund purchases securities with borrowed funds, its net asset value will tend to increase or decrease at a greater rate than if borrowed funds were not used, and a relatively small price movement in a position could result in immediate and substantial losses. In a given market setting, securities that the Sub-Investment Manager sells short for the Fund (see discussion below) may rise in value while the value of the Fund's long positions may decline, resulting in a situation in which leverage compounds the Fund's losses. The Fund's borrowings typically will be secured by a pledge of its securities and other assets to the brokers who extend margin loans to the Fund. If the assets pledged to a broker to secure the Fund's margin trading activities should decline in value, the Fund could be subject to a margin call, pursuant to which the Fund must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the Fund's assets, the Fund might not be able to liquidate sufficient assets quickly enough to meet a margin call. A forced liquidation of the Fund's assets under these circumstances could have extremely adverse consequences for the Fund.

There is no restriction on the amount of leverage that the Sub-Investment Manager may employ for the Fund and, at any given time, such leverage may be large in relation to the Fund's capital but would be at a low level by industry standards. The Fund, however, will not borrow except through margin loans made available by its brokers, which are subject to certain legal restrictions (and, in some cases, internal restrictions) on the amounts they may lend the Fund. The Fund does not have any commitments from banks or others regarding its future borrowings and there is no assurance that lenders will be willing to make loans to the Fund of the maximum amount permitted by the margin rules. The degree of profitability of the Fund may depend in part upon its ability to obtain such loans at prevailing market rates. To the extent that the margin rules become more restrictive or the Fund is, for any reason, unable to obtain loans on its securities positions in the amounts it presently anticipates, the investment results of the Fund may be adversely affected.

Hedging Transactions. To the extent the Fund acquires investments denominated in currencies other than the Base Currency of the Fund, the Sub-Investment Manager may (but is not required to) seek to hedge against potential losses resulting from fluctuations in the value of such investments as a result of changes in exchange rates. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the value of the position or prevent losses in the value of the position, but establishes other positions designed to gain from those same developments, thus offsetting the decline in the value of the portfolio position. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. It may not be possible, however, for the Sub-Investment Manager to hedge against an exchange rate fluctuation that is so generally anticipated that the Sub-Investment Manager is not able to enter into a hedging transaction at a price sufficient to protect the Fund from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

The success of the Fund's hedging transactions will be subject to the Sub-Investment Manager's ability to correctly predict movements in and the direction of currencies. Therefore, while the Fund may enter into such transactions to seek to reduce risk, unanticipated changes in exchange rates may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, the Sub-Investment Manager may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio holdings.

Forward Trading. Hedging against potential adverse movements in currency exchange rates often involves entering into so-called "forward" contracts and options thereon. These contracts are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements, speculative position limits are not applicable and clearing houses or similar institutions ordinarily do not guarantee the performance of either party to a trade. The principals who deal in the forward markets are not required to continue to make markets in the currencies they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Sub-Investment Manager would otherwise recommend, to the possible detriment of the Fund. Market illiquidity or disruption could result in major losses to the Fund.

In the forward markets, margin deposits may be even lower than in other markets or may not be required at all. Such low or non-existent margin deposits are indicative of the fact that any trading in the forward markets typically is accompanied by a high degree of leverage.

Long-Short "Paired" Equity Trading. This technique involves the simultaneous purchase of long equity positions and short sale of equity positions in "pairs." Under this technique, the Fund may purchase a particular equity security that the Sub-Investment Manager believes is undervalued, and simultaneously sell short another equity security that the Sub-Investment Manager believes is overvalued. Although these long positions would therefore by "hedged" by the corresponding short positions, the short positions would nevertheless be "uncovered" and subject to risk, as discussed below.

In order to sell a security short, the Fund must borrow the security from a securities lender and deliver it to the buyer. The Fund is then obligated to return the security to the lender at its request (although the Fund remains free to return the security to the lender at any time prior to the lender's request). The Fund ordinarily will fulfil its obligation to return a security previously sold short by acquiring it in the open market. A short sale for the Fund involves a judgment on the part of the Sub-Investment Manager that, subsequent to the sale, the price of the security will fall over time, resulting in profits to the Fund equal to the difference between the net proceeds of the sale and the cost of acquiring the security (or a security exchangeable for or convertible into such security) at a later date to fulfil its obligation to return the security to the lender.

The Fund's principal risk in selling a particular security short is that, contrary to the Sub-Investment Manager's expectation, the price of the security will rise, resulting in a loss to the Fund equal to the difference between the cost of acquiring the security (for return to the lender) and the net proceeds of the short sale. (This risk of loss is theoretically unlimited, since there is theoretically no limit on the price to which the security sold short may rise.)

Another risk is that the Fund may be forced to unwind a short sale at a disadvantageous time for any number of reasons. For example, a lender may call back a stock at a time the market for such stock is illiquid or additional stock is not available to borrow. In addition, some traders may attempt to profit by making large purchases of a security that has been sold short. These traders hope that, by driving up the price of the security through their purchases, they will induce short sellers to seek to minimize their losses by buying the security in the open market for return to their lenders, thereby driving the price of the security even higher. Thus, since the borrowed securities sold short must later be replaced by market purchases, any appreciation in the market price of these securities would result in a loss to the extent there was no corresponding gain in the value of the related long position. As a result, although each of the Fund's paired positions may be considered to have a "built-in" hedge, there can be no guarantee that both the long and short positions will not decrease in value, perhaps resulting in losses that are greater than would be the case if the Fund were "long only" or "short only."

International Instruments and Markets. The Sub-Investment Manager will invest and trade the Fund's assets in securities of international companies and trade securities or other financial instruments on international exchanges or other markets. Trading in the securities of companies in certain international jurisdictions involves certain considerations, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gains or other income; the small size of the securities markets in foreign countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. In addition, accounting and financial reporting standards differ internationally and consequently, the amount of information that may be available to investors in companies located in different countries may vary. The level of regulation, generally, of the financial markets also varies internationally. For example, certain international exchanges are "principals' markets" in which performance is the responsibility only of the individual member with whom the trader has entered into a contract and not of an exchange or clearing corporation. In such a case, the Fund will be subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts.

Small- and Medium-Capitalization Companies. The Sub-Investment Manager may invest the Fund's assets in the stocks of companies with small- to medium-sized market capitalizations. While the Sub-Investment Manager believes they often provide significant potential for appreciation, those stocks, particularly smaller capitalisation stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of small-capitalization and even medium-capitalization stocks are often more volatile than prices of large-capitalization stocks, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in some small-capitalization stocks, an investment in those stocks may be illiquid (see discussion below).

Illiquid Instruments. The Sub-Investment Manager expects that most of the Fund's investments will be in the form of securities and other financial instruments that are traded on organized securities exchanges or are publicly traded in the over-the-counter market. Nevertheless, these markets may have, or could develop, limited liquidity and depth. This lack of depth could be a disadvantage to the Fund, both in the execution of orders at desired prices and in the ability to close out open positions. In addition, the Sub-Investment Manager may invest in so-called "restricted securities" – *i.e.,* securities issued in "private placements" – for the Fund. Restricted securities ordinarily are less liquid than publicly-traded securities.

The Sub-Investment Manager may not be able to readily dispose of the Fund's illiquid investments and, in some cases, will be legally or contractually prohibited from disposing of such investments for a specified period of time. Under certain conditions, this may hinder the Fund's ability to honour repurchase requests, as described in this Supplement. In addition, it is often difficult to place a value on illiquid investments. This may affect the determination of the Fund's Net Asset Value and thus the amount of the Sub-Investment Manager's fees and the amount of the performance fee payable to the Sub-Investment Manager in respect of such Fund.

4.3. **Institutional Risk**

Failure of Exchanges and Clearing Houses

The Fund is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearing houses.

Counterparty Risk

Some of the markets in which the Fund will invest and trade are over-the-counter or "interdealer" markets. The participants in these markets typically are not subject to the type of strict credit evaluation and regulatory oversight applicable to members of "exchange based" markets, and transactions in these markets typically are not settled through clearing houses that guarantee the trades of their participants. This results in the risk that a counterparty may not be able to settle a transaction with the Fund in accordance with its terms because of a credit or liquidity problem of the counterparty, thereby exposing the Fund to loss. In addition, in the case of a default by a counterparty, the Fund could become subject to adverse market movements while it attempts to execute a substitute transaction. "Counterparty risk" is accentuated where the Fund has concentrated its transactions with a single or small number of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. While the Sub-Investment Manager will attempt to limit "counterparty risk" by transacting with well-capitalized and established institutions, they will not otherwise evaluate the creditworthiness of the Fund's counterparties.

4.4. Fund Structure Risk

Dependence on Sub-Investment Manager and Key Personnel

The Shareholders will have no right to participate in the management of a Fund or in the control of its business. Accordingly, no person should purchase any Shares unless it is willing to entrust all aspects of management of the Fund to the ICAV and, in accordance with the terms of the Investment Management Agreement, all aspects of selection and management of the Fund's investments to the Sub-Investment Manager. The Fund's success will depend on, amongst other things, the efforts of the ICAV, and the Sub-Investment Manager.

The investment performance of the Fund may be dependent on the services of certain key employees of the Sub-Investment Manager and any appointees of the Sub-Investment Manager. In the event of the death, incapacity or departure of any of these individuals, the performance of the Fund may be adversely affected.

The ICAV will rely on the Sub-Investment Manager in implementing its investment strategies for the Fund. The Directors have determined the investment policies and the AIFM and the Sub-Investment Manager will monitor the performance of such investments on an ongoing basis. The bankruptcy or liquidation of the AIFM, the Sub-Investment Manager, or the Administrator, or the Depositary, may have an adverse impact on the Net Asset Value. The Sub-Investment Manager and its principals will devote a portion of their business time to the ICAV's business. Furthermore any bankruptcy or liquidation of the AIFM, the Sub-Investment Manager, or the Depositary or the Administrator, or any other entity described herein may have an adverse impact on the ability of the Fund to realise its investment objective in the manner described herein. In addition, where information regarding asset valuations are provided by the Sub-Investment Manager there is a possible conflict of interest as its fee is dependent on the performance of the Fund. Please also refer to the section headed **Portfolio Transactions and Conflicts of Interest** in the Prospectus for further disclosure.

Defence of Legal Actions

Securities and investment businesses are likely to be closely scrutinized by securities regulators as well as potential private litigants. Any investigation, litigation or other proceeding undertaken by regulatory agencies or private parties could necessitate the expenditure of material amounts of Fund resources for legal and other costs and could have other materially adverse consequences for the Fund.

Capacity

The Fund's investment strategy is such that it may be appropriate from time to time to close the Fund to new investment either by new investors or by existing investors. Any decision to close the Fund to new investment or to re-open the Fund will be made at the sole discretion of the Directors in consultation with the AIFM and the Sub-Investment Manager on the basis of the particular circumstances and available capacity at the time.

5. DIVIDEND POLICY

It is not envisaged that any income or gains derived from its investments will be distributed by the Fund by way of dividend. This does not preclude the Directors, at their absolute discretion, from declaring a dividend at any time in the future if they consider it appropriate to do so. In the event that a dividend is declared and remains unclaimed after a period of six years from the date of declaration, such dividend will be forfeited and will revert to the Fund. To the extent that a dividend may be declared, it will be paid in compliance with any applicable laws and paid by telegraphic transfer.

6. KEY INFORMATION FOR BUYING AND SELLING

Classes available

There are three classes of Shares available in the Fund, namely Class A Shares, Class B Shares and Class C Shares. The Share Classes are available in the following denominations:

Class A	Euro
Class B	US Dollar
Class C	Sterling

The Directors reserve the right to make additional classes of Share available at their discretion and in accordance with the requirements of the Central Bank.

Base Currency

The Base Currency for the Fund is Euro.

Hedged Share Class

The Class B Shares and Class C Shares are denominated in a currency other than the Base Currency, namely US Dollars and Sterling respectively. It is the AIFM's current intention to seek to hedge the currency exposure of holders of the Class B Shares and Class C Shares to the Euro. The Fund may utilise a variety of financial instruments such as derivatives, options, swaps, futures and forwards to seek to hedge against changes in currency values which may affect the value of the Class B Shares and Class C Shares. Such transactions will clearly be attributable to the Class B Shares and Class C Shares and therefore currency exposures of different currency classes may not be combined or offset and currency exposure of assets of the Fund may not be allocated to separate share classes. It is expected that the extent to which such currency exposure will be hedged, will, subject to the requirements and conditions of the Central Bank, range from 75% to 125% of Net Asset Value of the Class B Share and Class C Shares respectively using the Sub-Investment Manager's best efforts based on the estimated starting Net Asset Value of the Class B Share and Class C Shares for each month. While there is no intention to operate outside this range, over-hedged or under-hedged positions may arise due to factors outside the control of the Fund, such as currency fluctuations during the month. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the levels stated above. This review will also incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward from month to month.

Issue Price

Class A Shares, Class B and Class C Shares are currently available for issue at their Net Asset Value per Share on each Dealing Day.

Lock-Up

A Shareholder will not be permitted to request the repurchase of Shares in the Fund for the one year period commencing on the date of acquisition of the Shares. Where the Shareholder has acquired Shares at different times, each holding acquired will be subject to a separate lock-up period. Any lock-up period may be shortened or waived at the sole discretion of the Directors.

Minimum Investments and Shareholding

Share Classes	Minimum Initial Investment	Minimum Additional Investment	Minimum Shareholding
Class A Shares	**€100,000**	**€100,000**	**€100,000**
Class B Shares	**€100,000 or US Dollar equivalent**	**€100,000 or US Dollar equivalent**	**€100,000 or US Dollar equivalent**
Class C Shares	**€100,000 or Sterling equivalent**	**€100,000 or Sterling equivalent**	**€100,000 or Sterling equivalent**

The Directors or the AIFM may, for each relevant class of Share, waive such Minimum Initial Investment, Minimum Additional Investment or Minimum Shareholding amounts at their absolute discretion provided that the Minimum Initial Investment in the ICAV as a whole may not be less than €100,000 or its foreign currency equivalent.

Accredited Employees will not be subject to any Minimum Initial Investment or Minimum Shareholding.

Business Day

Business Days are any day on which banks in Ireland are open for business or such other day(s) as the Directors may, with the approval of the Depositary, determine, and notify to Shareholders in advance.

Dealing Day

Unless otherwise determined by the Directors and notified in advance to Shareholders, provided that there shall be at least one Dealing Day per month, Dealing Days are the first Business Day in each calendar month.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for application for Shares is 5 p.m. Dublin time on the Business Day prior to the relevant Dealing Day or such other time as the Directors may determine.

In respect of a request for the repurchase of Shares subject to the lock-up period described above, the Dealing Deadline is 5 p.m. Dublin time on the Business Day 90 Business Days prior to the relevant Dealing Day which notice period may be shortened or waived at the discretion of the Directors whether generally or in a particular case, provided in any case that any such request must be received on or before the Valuation Point for the relevant Dealing Day.

Valuation Point

The point in time by reference to which the Net Asset Value of the Fund is calculated which, unless otherwise specified by the Directors or the AIFM, shall be the close of each relevant market on the Business Day prior to the relevant Dealing Day.

Preliminary Charge

No preliminary charge will be made in respect of the Shares in the Fund.

Repurchase Charge

A repurchase charge of up to 3% of the repurchase price of the Shares being repurchased may be charged which charge is payable to the AIFM or as it may direct. The AIFM may waive the repurchase charge in whole or in part.

Minimum Net Asset Value

The Minimum Net Asset Value of the Fund will be determined by the Directors from time to time.

Maximum Net Asset Value

The Maximum Net Asset value of the Fund will be determined by the Directors from time to time, however, it is anticipated that it will be at least €100 million. The Directors may, in their sole discretion, decide not to accept further subscriptions for Shares if the Fund has reached the maximum Net Asset Value.

Settlement Date

In the case of subscriptions, the applicable subscription proceeds must be transmitted in cleared funds by wire transfer to the account specified in the Application Form, to ensure that cleared funds are to be received by close of business on the Business Day prior to the relevant Dealing Day. Subscription proceeds must be paid to the account specified in the Application Form or, in the case of an in-specie application by transfer of assets in accordance with the provisions described in the Prospectus.

In the case of repurchases, repurchase proceeds will be paid by close of business on the tenth Business Day following the relevant Dealing Day.

7. HOW TO BUY SHARES

Application for Shares should be made on the Application Form and be submitted in accordance with the provisions set out in the Prospectus to be received by the Administrator on, or prior to, the Dealing Deadline for the relevant Dealing Day.

The Minimum Shareholding must be maintained by each Shareholder in the Fund (other than Accredited Employees and subject to the discretion of the Directors) following any partial repurchase, exchange or transfer of Shares.

Unless the Administrator otherwise agrees, payment for Shares must be received by the relevant Settlement Date by electronic transfer in cleared funds in the currency of the relevant Shares.

This section should be read in conjunction with the section entitled **Subscription for Shares** in the Prospectus.

8. HOW TO SELL SHARES

Requests for the sale of Shares should be submitted to the ICAV c/o the Administrator in accordance with the provisions set out in the Prospectus. Requests received on or prior to a Dealing Deadline will be dealt with on the relevant Dealing Day. A repurchase request once given will not be capable of revocation without the consent of the Administrator.

A Shareholder will not be permitted to request the repurchase of Shares in the Fund for the one year period commencing on the date of acquisition of the Shares. Where the Shareholder has acquired Shares at different times, each holding acquired will be subject to a separate lock-up period.

The amount due on the repurchase of Shares of any class in the Fund will be paid by the Settlement Date by electronic transfer to an account in the name of the Shareholder. Payment of the proceeds of repurchase will only be paid on receipt by the Administrator of any relevant repurchase documentation.

No Shareholder other than an Accredited Employee shall be entitled to realise part only of his holding of Shares of any class in the Fund if such realisation would result in his holding of Shares of such class after such realisation being below the Minimum Shareholding.

The Directors are entitled to limit the number of Shares of the Fund repurchased on any Dealing Day to Shares representing 10 per cent of the total Net Asset Value of Shares of the Fund in issue at the

Valuation Point for that Dealing Day. In such an instance, the repurchases processed on that Dealing Day will be reduced pro rata in the manner described under **Repurchase of Shares** in the Prospectus.

This section should be read in conjunction with the section entitled **Repurchase of Shares** in the Prospectus.

9. CHARGES AND EXPENSES

9.1. Fees of the AIFM and the Sub-Investment Manager

The AIFM shall be entitled to receive out of the assets of the Fund an annual fee of 1% of the Net Asset Value of the Fund (plus VAT, if any) (prior to the accrual of performance fees). Such fee will accrue monthly and will be calculated on each Dealing Day by reference to the Net Asset Value of the Fund at the relevant Valuation Point. The fee will be payable monthly in arrears. No performance fee will be payable to the AIFM but the Sub-Investment Manager may be entitled to a performance fee in the circumstances outlined below.

The AIFM will also be entitled to reimbursement of all reasonable vouched out-of-pocket costs (including, but not limited to, expenses for legal, auditing and consulting services) and investment related expenses (and any value added tax payable on any disbursement including trading advisory fees) incurred for the benefit of the Fund. Where a commission is received by the AIFM or the Sub-Investment Manager by virtue of an investment in another collective investment scheme, this commission must be paid to the Fund.

9.2 Performance Fee

Amount

The Sub-Investment Manager will be entitled to be paid out of the assets of the Fund an annual performance fee in respect of each Share. The Performance Fee will be calculated in respect of each calendar year by reference to the difference in the Net Asset Value per Share at the Valuation Point prior to the commencement of that calendar year and the Net Asset Value per Share as at the last Valuation Point for each class of Shares in that calendar year (each a **Calculation Period**) (the **Performance Fee**).

The Performance Fee in any Calculation Period will be equal to 20 per cent of any appreciation in the Net Asset Value per Share in respect of each Calculation Period. No Performance Fee will be payable unless the Net Asset Value per Share has increased over the previous highest Net Asset Value per Share in respect of which a Performance Fee was paid. As at each Valuation Point, the Performance Fee will be accrued and taken into account in the calculation of the Net Asset Value per Share of the applicable class.

The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value per Share before the deduction of any accrued Performance Fee.

The Performance Fee will normally be payable in arrears within 14 days of the end of each Calculation Period in respect of Shares in issue at the end of the Calculation Period. However, in the case of Shares repurchased during a Calculation Period, the Performance Fee will be calculated as though the date of repurchase were the end of a Calculation Period and an amount equal to any accrued Performance Fee in respect of such Shares will be deducted from the repurchase proceeds and will be paid to the Sub-Investment Manager. In the event of a partial repurchase, Shares will be treated as repurchased on a first in, first out basis for the purpose of calculating the Performance Fee.

If the Sub-Investment Management Agreement is terminated before the last Valuation Point in 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 Calculation Period.

Overview of Methodology

The Performance Fee will be calculated on a per Share basis so that each Share is only charged a Performance Fee which equates with that Share's performance. Generally this method of calculation is intended to ensure so far as possible (and with respect to each class of Shares) that (i) any Performance Fee paid to the Sub-Investment Manager is charged only to those Shares which have appreciated in value and (ii) all Shares have the same Net Asset Value per Share.

Equalisation

In order to achieve these objectives, the price at which Shares will be issued (other than on the initial issue of Shares) will be the Net Asset Value per Share before the accrual of any Performance Fee. The difference between the issue price of a Share and the Net Asset Value per Share after the accrual of any Performance Fee is referred to as an “Equalisation Credit”. An adjustment will be made at the end of each Calculation Period to compensate for the difference between the amount of Performance Fee accrued in respect of a Share at the time of subscription and the Performance Fee payable in respect of that Share at the end of the Calculation Period. This adjustment is described in further detail below.

Equalisation Adjustment

If an investor subscribes for Shares at a time when the Net Asset Value per Share is other than the High Water Mark per Share, certain adjustments will be made to reduce inequities that could otherwise result to the Shareholder or to the Sub-Investment Manager. The “High Water Mark per Share” is the greater of (i) the Initial Issue Price per Share and (ii) the highest previous Net Asset Value per Share in respect of which a performance fee was paid.

If Shares are subscribed for at a time when the Net Asset Value per Share is less than the High Water Mark per Share, the investor 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 at the date of subscription up to the High Water Mark per Share, the Performance Fee will be charged at the end of each Calculation Period (the point in time when any performance fees are due to crystallise), by repurchasing at nil value such number of the investor’s Shares as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to 20% of any such appreciation (a “Performance Fee Repurchase”). The aggregate Net Asset Value of the Shares so repurchased will be paid to the Sub-Investment Manager as a Performance Fee. Performance Fee Repurchases are employed to ensure that the Fund maintains uniform Net Asset Value per Share. As regards to the Shareholder’s remaining Shares, any appreciation in the Net Asset Value per Share of those Shares above the High Water Mark per Share will be charged a Performance Fee in the normal manner described above.

If Shares are subscribed for at a time when the Net Asset Value per Share is greater than the High Water Mark per Share, an amount equal to 20% of the difference shall be allocated to each such Share which shall constitute an “Equalisation Credit” in respect of that Share. At the end of the Calculation Period (the point in time when any performance fees are due to crystallise), the Equalisation Credit shall be applied as a credit against any Performance Fee payable in respect of such Share. This credit will be applied by issuing additional shares to the value of the total Equalisation Credit available at that point in time. Where the Equalisation Credit exceeds the amount of the Performance Fee owed on a Share, the excess shall be carried forward to be applied against future Performance Fees. On a repurchase of relevant Shares during the fiscal year, any remaining Equalisation Credit in respect of the Shares being repurchased shall be paid to the Shareholder in addition to and with the repurchase proceeds otherwise payable. The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders 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 have the same amount of capital at risk per Share. Only Shares that appreciate in value from their base Net Asset Value will be charged a Performance Fee and all Shares of the same class have the same Net Asset Value.

The Performance Fee is subject to adjustment upon completion of the relevant audit for the Calculation Period. The calculation of the performance fee will be verified by the Depositary or by a competent person appointed by the ICAV and approved for the purpose by the Depositary.

The Sub-Investment Manager may request the ICAV, prior to the Dealing Deadline for any Dealing Day, that any Performance Fee then payable to it should be applied in the purchase of Shares.

In the event of a dispute arising as to the amount of the Performance Fee payable, the same shall be referred to the auditors of the ICAV for settlement, who shall be entitled to make such future or other adjustments as may in the circumstances appear to them to be appropriate and whose decision shall be regarded as the decision of an expert and not of an arbitrator and shall be final and binding upon the parties.

The Performance Fee is verified by the Depositary or a competent person appointed by the ICAV and approved for the purpose by the Depositary.

9.3 **Fee of the Administrator and Depositary**

The Administrator and Depositary shall be entitled to the following fees. The Administrator's are paid quarterly in arrears and the Depositary's fees are paid monthly in arrears, out of the net assets of the Fund and such fees shall be calculated as follows:

	First €100 million	**Next €100 million**	**Thereafter**	**Minimum fee**
Administrator	Up to 0.08% per annum of Net Asset Value	Up to 0.06% of Net Asset Value	Up to 0.03% per annum of Net Asset Value	€55,000 per annum

The Depositary fee shall be the sum of the following items:

- 0.035% per annum of Net Asset Value for supervision, oversight and monitoring duties
- Variable safekeeping and transaction fees based on geographic location of underlying assets billed at normal commercial rates
- Miscellaneous expenses and transaction charges billed at normal commercial rates

The Administrator shall also be reimbursed by the Fund for all out-of-pocket and properly vouched expenses properly incurred by the Administrator in the performance of its duties. The Depository shall also be reimbursed by the Fund for all reasonable and properly vouched out-of-pocket expenses incurred by the Depositary in the performance of its duties.

The cost of establishing the Fund and the expenses of this offer which did not exceed €100,000 are being borne by the Fund and amortised over the first five years of the Fund's operation (or such other period as may be determined by the Directors at their discretion) (the **amortisation period**) and charged to the Fund.

This section should be read in conjunction with the section entitled **Charges and Expenses** in the Prospectus.

10 MISCELLANEOUS

The following other Fund of the ICAV is currently available:

Kinsale Navigator Fund