
CG PORTFOLIO FUND ICAV

(the “ICAV”)

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

Capital Gearing Portfolio Fund

(the “Fund”)

SUPPLEMENT TO PROSPECTUS

31 May 2024

The Capital Gearing Portfolio Fund is a sub-fund of CG Portfolio Fund ICAV, an Irish collective-asset management vehicle with variable capital established pursuant to the UCITS Regulations as an umbrella fund with segregated liability between sub-funds, in which different sub-funds may be created from time to time, with the prior approval of the Central Bank. There are currently four other sub-funds of the ICAV; the Real Return Fund, the Dollar Fund, CG Absolute Return Fund and the UK index-Linked Bond Fund. Two classes of Shares (namely, the Class P Shares and the Class V Shares) are available for the Fund and are offered through this Supplement.

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

The Fund will use warrants, and convertible bonds, which for the purposes of the Central Bank's requirements are regarded as financial derivative instruments, for investment purposes and/or efficient portfolio management purposes. The Fund will also use forward foreign exchange contracts for hedging purposes only. No other financial derivative instruments will be used. While the prudent use of such derivatives can be beneficial, derivatives also involve risks different from the risks presented by more traditional investments. In relation to the leverage effect of investing in financial derivative instruments, see the section headed "Leverage" on page 9. The Fund will not invest principally in financial derivative instruments and the aggregate value of financial derivative instruments in the Fund will at all times be significantly lower than those of other securities.

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

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

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

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

The base currency of the Fund is denominated in Sterling.

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Section I: General

DEFINITIONS

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

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

Section I: General

“Supplement”

means this supplement; and

“UCITS Regulations”

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

The Fund

This Supplement is issued in connection with the offer of Shares of the Fund which has two classes of Shares, namely the 'Class P Shares' and the 'Class V Shares'.

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

Portfolio Currency Hedging

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

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

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

Investment Objective

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

Investment Policy

The Investment Manager uses an asset allocation strategy which has been key to delivering sustained outperformance with moderate risk. The belief is that asset allocation is the most important determinant of portfolio performance and the Investment Manager has been successful with this strategy since it incorporated in 2000. The asset allocation model is built on two principles: Firstly, asset returns will mean revert over a long horizon, therefore second, market timing is possible over a long horizon. Application of this asset allocation strategy requires the Investment Manager to make investment decisions based on the calculation of expected real returns on equities and bonds over various durations. As economic forces affecting financial markets change, so will the Investment Manager's view of the relative split of asset classes that the Fund should maintain. Broadly, the asset classes that will be held by the Fund are cash, Index Linked Bonds, nominal government bonds, credit and zero dividend preference stock and 'risk assets'. The securities that will form the 'risk asset' class may comprise equities, preferred and loan stock in investment companies and closed-ended investment trusts that provide exposure to global equity markets (including a particular focus on UK equity markets), real estate, infrastructure, commodities and precious metals. Smaller investment trusts and investment companies are of particular focus for this Fund and can provide value opportunities for the long term investor. Such investment shall be in accordance with the requirements of the UCITS Regulations and Central Bank UCITS Regulations.

The Fund may also invest in other obligations of companies listed on a Recognised Market including preferred shares, loan stocks, convertible bonds and warrants (as further detailed

below) as well as cash, Money Market Instruments and money market funds. The Fund does not acquire direct exposure to alternative asset classes (real estate, infrastructure, commodities and precious metals) instead it tends to acquire indirect exposure via open ended funds, exchange traded funds (ETFs), listed investment companies REITs and ordinary equities with substantial exposure to a given asset class. Such entities, in turn, may issue convertible bonds or warrants. The Fund may purchase such instruments and therefore, in turn, acquire indirect exposure to the underlying asset class.

The Fund may also invest in Collective Investment Schemes including exchange traded funds and money market funds up to a maximum of 10% of net asset value. Such investment may include investment in other sub-funds of the ICAV. Such investment is known as “cross-investment”. The Fund may not however, invest in shares of another sub-fund which itself holds shares in other sub-funds of the ICAV.

The section entitled ‘Investment Philosophy’ on page 7 further describes how the Investment Policy of the Fund will be implemented.

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

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

Investment Philosophy

The Fund is intended to provide an investment opportunity for investors looking for long term capital growth. Overall asset allocation between closed-ended investment trusts and investment companies, government bonds, corporate bonds (both fixed and floating rate), cash and Money Market Instruments reflects an assessment by the Investment Manager of long term value, risk and liquidity.

The Investment Manager’s approach is value driven, long term and emphasises asset allocation as a powerful tool for both capital preservation and superior long run investment performance. Asset allocation decisions are driven by the Investment Manager’s view of the risks inherent in the macro-economic and capital market environments. There are times when investors should seek to achieve strong investment gains and times when they should seek to avoid loss. A clear understanding of the risks in the investment environment combined with the portfolio construction abilities to mitigate those risks is the most important driver of long term investment returns. The Fund is managed without reference to indices or benchmarks. This allows the Investment Manager to focus on areas that it believes offers value, rather than being forced into pro-cyclical investment decisions by a requirement to shadow a benchmark.

It is anticipated that the asset allocation of the Fund will be approximately 30% in ordinary shares of closed-ended investment trusts and investment companies whose underlying exposure would be global and UK equity markets, real estate, infrastructure, and commodities and precious metals. The Fund may also use exchange traded funds, warrants and convertible loan stocks and bonds to gain exposure to these assets. Through buying the shares of closed-ended investment trusts and investment companies, the Fund will be able to take advantage of the investment management skills of many investment managers and potentially profit from any contraction in the discount of the share price to the net asset value per share of the underlying investment trust or investment company.

The balance of the Fund's assets will be invested in government and corporate bonds (both fixed and floating rate), Index-Linked Bonds and other obligations of companies listed on a Recognised Market such as preferred shares and conventional loan stocks (i.e. debt securities with a fixed rate of interest, which may be unsecured and is repaid after a specific period of time), with investment in both investment-grade and below investment-grade bonds. Not more than 30% of the net asset value of the Fund will be invested in below-investment-grade bonds.

On occasion cash and Money Market Instruments (including promissory notes and commercial paper) will be held in anticipation of cheaper markets or better investment opportunities and may be held for both long-term and short-term periods where the risks seem too great for the potential rewards. Cash may be kept on deposit with credit institutions as prescribed in the Central Bank UCITS Regulations, or invested in liquid assets in short term investments (i.e. commercial paper, bankers acceptances, certificates of deposit and government securities that are traded on Recognised Markets and of investment grade only).

As the Fund may obtain exposure to global equity and bond markets, the Investment Manager may use currency spot transactions to convert monies received in the base currency of the Fund into the currency of denomination of the underlying assets.

Integration of Sustainability Risks into the Investment Process

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

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

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

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

Convertible Bonds and Warrants

As outlined above, the Fund will use warrants and convertible bonds for investment purposes (i.e. to achieve exposure to global equity markets and in furtherance of the investment policy in the manner described above) and/or efficient portfolio management (further details are set out below).

Such instruments will be traded on a recognised exchange or a multilateral trading facility. Warrants and convertible bonds will be used for the purpose of enhancing returns on

underlying securities and gaining exposure to markets or issuers at minimum risk to the Fund. Convertible bonds and warrants are classified by the UCITS Regulations as financial derivative instruments for UCITS purposes. Accordingly, the Fund employs a Risk Management Process which enables it to accurately measure, monitor and manage the risks associated with financial derivative instruments.

Warrants

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

Convertible bonds/loan stocks

A convertible bond/loan stock is a hybrid security comprising both debt and equity features. Like a straight bond (non-convertible bond), the holders of a convertible bond receives coupon payments until maturity at which point the issuer redeems the convertible bond at par. However, the holders of a convertible bond also have the option to convert the convertible bond into shares of common stock of the issuer, at a predetermined price. Convertible bonds have the following characteristics (mirroring those of other types of bonds): an issue size and issue date; a maturity date and maturity value; a face value; and a coupon. Convertible loan stock operates in the same way as convertible bonds and has the same hybrid of debt and equity features with the same conversion rights.

Leverage

As the investment by the Fund in financial derivative instruments includes warrants, and convertible bonds which are non-complex instruments, the Fund is considered to be non-sophisticated. Accordingly, the Fund's exposure to financial derivative instruments can be calculated using the 'commitment approach' as permitted under the Central Bank UCITS Regulations. The Fund will also use forward foreign exchange contracts for hedging purposes only.

A UCITS cannot have global exposure greater than its net asset value. In the context of a non-sophisticated fund such as the Fund using the commitment approach to calculate its global exposure, total exposure is defined as the net asset value of the fund and its global exposure. This figure may therefore not be greater than 200% of net asset value.

It is not anticipated that the Fund's investment in long positions will exceed 100% and in short positions 0% of its net asset value respectively.

Profile of a Typical Investor

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

Volatility

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

Investment and Borrowing Restrictions.

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

Efficient Portfolio Management

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

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

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

The Investment Manager shall ensure that all revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, are kept by the Fund.

Dividend Policy

It is the intention of the Directors to declare annual dividends in respect of each share class of the Fund, subject to the availability of lawfully distributable profits. Such profits may include the Fund's accumulated net income plus the net of accumulated distributable realised gains less realised and unrealised losses. For the avoidance of doubt, distributions may be paid out of distributable realised gains only. Distributable realised gains can be those earned in the current

accounting period or prior accounting periods. The Directors of the ICAV applied for and have been granted approval by HMRC for the Fund to be treated as a Reporting Fund for the purposes of The Offshore Funds (Tax) Regulations 2009 from 1 May 2011. Although the Directors have obtained reporting fund status for the Fund, there can be no guarantee that the requirements of HMRC will be met in the future.

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

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

The Fund will go "ex-dividend" on the first valuation following 31 October of each year, and a distribution will be paid to Shareholders on the register at the close of dealing on the Dealing Day immediately following 31 October of each year, on or before 30 November in the same year.

Dividends that are declared but remain unclaimed for six years will be forfeited and will revert to the Fund.

Risk Factors

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

Investment Risk

Potential investors should note that the investments of the Fund are subject to market fluctuations and there can be no assurance that any appreciation in value will occur. The value of investments and the income from them, and therefore the value of, and income from the Shares, can go down as well as up and an investor may not get back the amount he invests. Investors should also be aware that the difference at any one time between the subscription and redemption prices of the Shares means that an investment in the Fund should be viewed as long term. Changes in exchange rates between currencies may also cause the value of the investments to diminish or increase.

Share Prices of Closed-Ended Investment Trusts and Investment Companies

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

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

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

Foreign Currency and Exchange Rates

The Fund's assets may be invested in securities denominated in a foreign currency. The value of the assets of the Fund and its income, as measured in sterling, may be affected by fluctuations in currency rates and exchange control regulations.

Dependence on the Investment Manager

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

Limited Diversification

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

Legal Risk

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

Derivative Risk

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

Settlement Risk

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

Sustainability Risks

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

market risk, liquidity risk, counterparty risk and operational risk), and as a factor, contribute to the materiality of these risk types.

Taxation

The attention of potential investors is drawn to the tax risk associated with investing in the Fund. Any change in the Fund's tax status or in taxation legislation could affect the value of the investments held by the Fund and could affect the return to investors. Potential investors and Shareholders of the Fund should note that the statements on taxation, which are set out in the Prospectus are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of the Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Fund will endure indefinitely. The attention of potential investors is drawn to the tax risk associated with investing in the Fund. See section headed "Taxation" on page 44 in the Prospectus.

Subscriptions

Applications for Shares in the Fund should be received by the Administrator by 2.00 pm (Irish time) on the Business Day preceding the relevant Dealing Day. For all initial applications for Shares, investors should complete the application form (available from the Administrator) and send it to the Administrator by electronic means, post, courier, or fax. Any application for Shares in the Fund after the initial application may be accepted by electronic means or fax. Unless otherwise agreed by the ICAV and the Administrator, subscription monies must be received by the Administrator, for the account of the Fund, by electronic transfer by no later than the second Business Day after the relevant Dealing Day. If payment in full has not been received by the time stipulated above, the application may be refused and the Shares in the Fund allotted will be cancelled. Unless otherwise agreed with the Administrator, Shares in the Fund will be issued on the relevant Dealing Day. Foreign currency subscriptions may be accepted, at the discretion of the Directors.

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

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

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

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

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

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

This minimum initial investment also applies to transferees. The creation of any further classes of shares in the Fund must be effected in accordance with the requirements of the Central Bank.

In respect of such subscription proceeds received in advance of the relevant Dealing Day and until such time as the Shares have been issued to the investor, in the event of the Fund becoming insolvent, the investor will rank as a general unsecured creditor of the Fund in respect of such subscription proceeds.

Subscription Price

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

Written Confirmation of Ownership

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

Redemptions

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

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

The Directors are not bound to redeem on any Dealing Day more than 10% of the Shares of the Fund. If the number of requests received exceeds that limit, the requests may be reduced proportionately. Any request not redeemed in full on the first applicable Dealing Day following its receipt by the Directors will be carried forward for redemption to each succeeding Dealing Day and will be treated pro rata with any requests received thereafter (i.e. the Fund shall treat such requests as if they were received on each subsequent Dealing Day until all of the Shares to which the original request related have been redeemed).

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

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

Redemption Price

Shares shall be redeemed at the applicable Net Asset Value per Share in the Fund determined at the Valuation Point for the relevant Dealing Day on which redemption is effected.

The redemption price per Share in the Fund may include a dilution adjustment of up to 0.5% of the Net Asset Value per Share in the Fund (excluding the amount of such charge) to cover the charges, duties and other costs involved in redeeming investments in the Fund and to preserve the value of the underlying assets of the Fund. Any such charge will become part of the assets of the Fund.

All payments of redemption monies shall be made by electronic transfer to the Shareholder's account details of which are provided in the Application Form. Redemption monies will normally be paid within ten Business Days however no redemption payment will be made until the original Application Form and all relevant supporting documentation in respect of the initial investment has been received and the Administrator is satisfied that all necessary anti-money laundering checks have been completed in full.

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

Dilution

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

In calculating the subscription/redemption price for the Fund, the Directors may on any Dealing Day when there are net subscriptions/redemptions adjust the subscription/redemption

price by adding/deducting an anti-dilution levy to cover charges, duties and other costs involved in buying or selling investments in the underlying investments of the Fund.

It is anticipated that during normal market conditions, the Directors will apply a 0.2% dilution adjustment on every Dealing Day when there are net subscriptions/redemptions. Additionally, the Directors will have the discretion to vary the rate of the dilution adjustment depending on market conditions. However, at all times, the dilution adjustment shall not exceed the upper limit of 1% of the Net Asset Value per Share for subscriptions or 0.5% of the Net Asset Value for redemptions as set out in the sections entitled 'Subscription Price' and 'Redemption Price' above.

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

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

Establishment Expenses

The expenses of or incidental to the setting up of the Fund, including printing costs and legal and other fees incurred by the ICAV, the Administrator, the Depositary and the Investment Manager were borne by Capital Gearing Portfolio Fund plc, an investment company which is also managed by the Investment Manager.

Management Fee

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

Investment Manager Fee

The Investment Manager shall receive a fee of 0.75 per cent per annum of the Net Asset Value of the Fund, accrued daily and payable monthly in arrears. The Investment Manager will also be reimbursed any out-of-pocket expenses incurred.

Administration Fees

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

Depositary Fees

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

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