

IMPORTANT NOTICE: INVESTOR ACTION REQUIRED

You are receiving this notice as a registered investor in Irish domiciled funds where KBI Global Investors Ltd is the investment manager, promoter and distributor. This notice accompanies a Circular to investors advising of an EGM to ratify changes that are being proposed following new regulatory guidelines issued by the Central Bank of Ireland (“CBI”) in October, 2020.

It is important to note that there are no changes to the investment management of the fund(s) in which you invest. KBI Global Investors Ltd will continue to have full responsibility for the investment process, portfolio construction and investment decisions for your fund(s).

The proposed changes are driven by updated CBI guidelines concerning the resourcing and substance of the entities that are responsible for operating Irish domiciled funds, known as fund management companies. KBI Global Investors Ltd has for many years operated two such fund management companies, in line with differing governance structures, as follows:

- **KBI FUNDS ICAV:** a **UCITS** regulated self-managed investment company for the UCITS products promoted globally
- **KBI FUND MANAGERS LTD:** an **AIFM** regulated management company for the unit trusts promoted exclusively in the domestic Irish market (the KBI Global Investment Fund and the KBI Qualifying Investor Fund)

To best comply with the new CBI guidelines, it is proposed to outsource the management of these fund management companies to an external party, **Amundi Ireland Ltd**, selected after a competitive tender process. Amundi Ireland Ltd’s role will relate to the regulatory and governance management of the funds and not to investment management and distribution.

For KBI Funds ICAV, the structure will change from being a ‘self-managed’ investment company, where the Board of the ICAV itself is responsible for the regulatory and governance management of the funds, to being an externally managed fund, where Amundi Ireland Ltd will assume these responsibilities on behalf of the ICAV. Externally managed funds are now the preferred choice of Irish domiciled UCITS funds in light of the new CBI requirements, specifically relating to resourcing and substance guidelines. Amundi Ireland Ltd will therefore become the fund management company for the UCITS funds and this requires changes to the Prospectus and other constitutional documents, hence the requirement for an EGM.

For the two unit trust funds (KBI Global Investment Fund and KBI Qualifying Investor Fund), KBI Global Investors Ltd’s subsidiary company, KBI Fund Managers Ltd, will no longer act as the fund management company and will be replaced by Amundi Ireland Ltd. This also requires changes to the Prospectus and constitutional documents and hence an EGM.

Given that there is no change in investment manager, with KBI Global Investors Ltd continuing to carry out this role for all funds, there is no proposed change to the investment management fees charged to the KBI funds. However, the increased layer of governance and oversight from the appointment of the new external fund management company will necessitate an additional cost of circa 1.5bpts, to be categorised as a ‘Management Fee’. This cost may be offset to varying degrees for certain funds as savings from some existing cost items will in future be covered under the proposed Management Fee and will no longer be charged directly to some funds.

KBI Global Investors Ltd supports and recommends the acceptance of the proposed changes. We realise there is a complexity surrounding terminology and the operation of fund vehicles, which can be confusing. If you require any assistance in understanding the changes outlined in the respective Circulars, please don’t hesitate to contact your Client Relationship Manager within KBI Global Investors Ltd.