

The Directors of Marsham Funds ICAV (the “**ICAV**”) whose names appear in the section of the Prospectus entitled “**THE ICAV**” are the persons responsible for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement and the Prospectus is in accordance with the facts and does not omit any material information likely to affect the import of such information. The Directors accept responsibility accordingly.

**If you are in any doubt about the contents of this Supplement or the Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.**

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## **MARSHAM EURO FIXED INCOME FUND**

**(A sub-fund of Marsham Funds ICAV, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 and the AIFMD Regulations)**

**DATED: 1 October 2021**

### **AIFM**

**KBA Consulting Management Limited**

**Investment Manager**

**Marsham Investment Management LLP**

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**This Supplement forms part of, and should be read in the context of and together with, the Prospectus dated 1 October 2021 (the “Prospectus”) in relation to the ICAV and contains information relating to Marsham Euro Fixed Income Fund (the “Fund”) which is a separate portfolio of the ICAV. The names of the other sub-funds of the ICAV are available on request.**

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## INVESTMENT OBJECTIVE AND POLICIES

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### Investment Objective

To preserve assets in the long-term and to maximise total return by investing primarily in EUR denominated Debt Securities.

### Investment Policies

The Fund will seek to obtain its investment objective by investing primarily in Debt Securities, both investment grade and sub-investment grade, with short as well as long duration without restriction. The Fund will mainly invest in Developed Markets, however, investments may be made in any geography including Emerging Markets.

The Fund employs a long-only strategy and will not carry out uncovered sales of securities.

The Fund may also invest in Money Market Instruments or cash for liquidity purposes or otherwise.

The Fund will comply with the following investment restrictions:

Criteria	Investment Restriction
<b>Asset Backed Securities</b>	No more than 10% of NAV
<b>Convertible Bonds</b>	No more than 10% of NAV
<b>Contingent Convertible and write-down Notes (“CoCos”)</b>	No more than 40% of NAV
<b>Aggregate exposure to ABS, Convertible bonds and CoCos</b>	No more than 40% of NAV
<b>Collective Investment Schemes</b>	No more than 20% of NAV
<b>Commodities by means of Exchange Traded Commodities (“ETCs”) or Exchange Traded Funds (“ETFs”)</b>	No more than 10% of NAV
<b>Securities not traded on a Recognised Market</b>	No more than 10% of NAV
<b>Amount outstanding of each security</b>	At least EUR 100m or equivalent
<b>Allocation to debt instruments rated B+ or worse or unrated. Worst issue rating approach; ratings considered from S&amp;P and Moody’s</b>	No more than 40% of NAV
<b>Securities denominated in hard currency (USD, EUR, CHF, GBP, JPY, HKD, SGD, AUD, CAD)</b>	At least 90% of NAV
<b>Each issuer, aggregate company or parent / ultimate parent company exposure except government debt</b>	No more than 10% of NAV
<b>Aggregate exposure to each of the following regions: Emerging Markets in Americas, Emerging Markets in Europe, Middle East &amp; Africa, and Emerging Markets in Asia excluding China</b>	No more than 40% of NAV

The Fund will generally hold investments denominated in EUR, however the Fund may hold investments, including commodities, denominated in other currencies, and in such circumstances the value of the Fund may be affected by the value of the local currency relative to EUR. To mitigate this risk, the Investment Manager may use foreign exchange forwards and currency swaps for currency hedging. There can be no guarantee that such currency hedging techniques will be effective. The risks associated with currency hedging are set out in the paragraphs headed “Currency Risk” of the “Investment Risks” section of the Prospectus.

The Fund applies a dedicated environmental, social or governance (“ESG”) exclusion policy on a norm-based approach (“**Negative Screening Strategy**”) and a Best-In-Class (as defined below) approach to integration of ESG criteria in its investment process.

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## **INVESTMENT RISKS**

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Investors should be aware that there are risks inherent in all investments and there can be no guarantee against loss resulting from investments in any fund, nor can there be any assurance that the Fund’s investment objective will be attained, that the Fund will perform well compared to similar investments or that the Fund will not experience volatile performance.

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “**Investment Risks**” section of the Prospectus. The Fund could potentially be affected by risks beyond those described there and the risk descriptions themselves are not intended to be exhaustive.

### **Sustainability Risk**

The Fund will be exposed to some Sustainability Risks, which is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the Fund, which will differ from company to company. In particular, some companies, markets and sectors will have greater exposure to Sustainability Risks than others. Such Sustainability Risks are integrated into the investment decision making and risk monitoring of the Fund to the extent that they represent a potential or actual material risk and/or opportunity to maximise the long-term risk-adjusted returns.

Applying Sustainability Risks and ESG criteria in the investment process may result in the exclusion of securities in which the Fund might otherwise invest. Such securities could be within the universe of potential investments. This may have a positive or negative impact on performance and may mean that the Fund’s performance profile differs to that of funds which invest in a similar universe of potential investments but without applying Sustainability Risks and/or ESG criteria. Furthermore, the lack of common or harmonised definitions and labels regarding Sustainability Risks and ESG criteria may result in different approaches by managers when integrating Sustainability Risks and ESG criteria into investment decisions. This means that it may be difficult to compare funds with ostensibly similar objectives and that these funds will employ different security selection and exclusion criteria. Consequently, the performance profile of otherwise similar funds may deviate more substantially than might otherwise be expected. Additionally, in the absence of common or harmonised definitions and labels, a degree of subjectivity is required and this will mean that the Fund may invest in a security that another manager or an investor would not.

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## **BORROWING AND LEVERAGE**

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The Fund may employ leverage for short-term procurement of liquidity and to this end may use borrowing up to 10% of its NAV for such purposes.

Pursuant to its regulatory obligations the AIFM is required to express the level which the Funds’ leverage will not exceed. For the purposes of this disclosure, leverage is any method by which a Fund’s exposure is increased, whether through borrowing of cash or securities or by any other means. AIFMD requires that each leverage ratio be expressed as the ratio between a Fund’s exposure and its Net Asset Value, and prescribes two required methodologies, the gross methodology and the commitment methodology for calculating such exposure.

Using the methodologies prescribed under AIFMD, the Fund’s leverage will not exceed the ratio of 2.6:1

using the commitment methodology and 3.1:1 using the gross methodology.

**VALUATION OF ASSETS**

The assets of the Fund will be valued on each Business Day in accordance with the “Determination and Publication of Net Asset Value” section in the Prospectus.

The Investment Manager expects that assets of the Fund may be acquired and disposed of each Business Day. The Net Asset Value per Share is published on Bloomberg and Morningstar on a daily basis and may also be obtained from either the Investment Manager or the Administrator on each Business Day during normal business hours.

In determining the value of the assets of the Fund, each Investment shall be valued in accordance with the provisions set out in the Prospectus.

**SUBSCRIPTIONS**

As at the date of this Supplement, the ICAV offers Class B Shares in the Fund.

The minimum subscription for Shares in the Fund is EUR 1,000,000.

Shares shall be issued at the Net Asset Value per Share on each Dealing Day and adding thereto the amount of the preliminary fee (where applicable). The Net Asset Value per Share may be obtained from either the Investment Manager or the Administrator on each Business Day during normal business hours.

In order to receive Shares at the Net Asset Value per Share as of any particular Dealing Day, the application form (which may be requested from the Administrator or the Investment Manager) must be received by the ICAV c/o the Administrator no later than the Dealing Deadline for that Dealing Day or such later time as any Director may from time to time permit provided that applications will not be accepted after the Valuation Point of the Dealing Day. Applications received after the Dealing Deadline for a Dealing Day will be held over until the following Dealing Day.

Where the applicant is an existing Shareholder a dealing form must be used unless trading is done via SWIFT. The dealing form or SWIFT trading instruction must be received no later than the Dealing Deadline for that Dealing Day or such later time as any Director may from time to time permit provided that applications will not be accepted after the Valuation Point of that Dealing Day.

Payment for subscriptions must be received on or before the Settlement Date and in the Share Class currency of the relevant Class by wire transfer.

**Key Dates:**

D-1 (1 Business Day prior to Dealing Day)	Subscription order received before 4 pm (Irish time) (the Dealing Deadline).
D (Dealing Day)	Net Asset Value calculated as of the close of the Dealing Day and issued before close of business on D+1.
D+3 (Settlement Day)	Proceeds received by the Fund and Shares issued to the investor.
D+5	Contract note sent to applicants.

Subscription payments net of all bank charges should be paid by electronic transfer to the bank account(s) set out in the application form. If payment in cleared funds in respect of a subscription has

not been received in full by close of business on the relevant Settlement Day or in the event of any non-clearance, any provisional allotment of Shares made in respect of an application may be cancelled. In such circumstances, the Directors may charge the applicant for any expense incurred by the Fund and for any loss to the Fund arising out of such non-receipt or non-clearance. In addition, the ICAV will have the right to sell all or part of the applicant's holding of Shares in the Fund or any other Fund of the ICAV in order to meet those charges. No interest will be paid on monies received early.

A contract note will be sent to applicants within 5 Business Day of the relevant Dealing Day. The contract note will provide full details of the transaction and a Shareholder number. The Shareholder number should be used for all future dealings with the ICAV and the Administrator.

For the avoidance of doubt, acceptance of subscriptions is in all cases at the absolute discretion of the Directors, and the Directors reserve the right to reject any application for Shares in whole or in part for any reason.

As disclosed in the Prospectus in the “**Determination and Publication and Temporary Suspension of Net Asset Value**” section, in calculating the subscription or redemption fee for the Fund, the Directors may adjust the subscription or redemption price by adding or deducting an anti-dilution levy to cover dealing costs and to preserve the value of the underlying assets of the Fund.

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## REDEMPTIONS

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Shareholders may request the Fund to redeem their Shares on and with effect from any Dealing Day at the Net Asset Value per Share and receive redemption proceeds within 5 Business Days in accordance with the redemption procedures specified below.

Shareholder must send a signed redemption request including their name, account number, ISIN, Fund name and number of shares to redeem or amount. Such redemption request must be received by the ICAV c/o the Administrator no later than the relevant Redemption Dealing Deadline or such later time as any Director may from time to time permit provided that redemption request will not be accepted after the Valuation Point.

The Investment Manager will take all actions it determines to be reasonably required in order to have sufficient funds on hand to make the redemption payment. Redemption proceeds will be paid out within a period which shall not exceed 5 Business Days following the Valuation Point that has been applied to the redemption.

Redemption proceeds will not be paid until the original application form where required has been received by the Administrator and all documentation required by the ICAV (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed.

If a redemption request form is received by the Administrator after the time specified for receipt of same for a particular Dealing Day, it shall be treated as a request for redemption on the next Dealing Day, unless otherwise determined by the Directors, however in no circumstances will a redemption request form received after the relevant Valuation Point be accepted for that Dealing Day. Redemption requests will be processed on receipt of faxed instructions only in circumstances where payment is made to the account of record. In the event that a Shareholder requires payment of redemption proceeds to an account other than that specified in the application form, the Shareholder must provide an original request in writing, executed by an authorised signatory of the Shareholder to the Administrator on or prior to receipt of the redemption request form. Redemption proceeds will only be paid to an account (unless otherwise agreed by the Directors) in the name of the relevant Shareholder. Redemption proceeds will not be paid in any other currency other than the currency of denomination of the relevant Class.

If redemption requests for any Dealing Day exceed 10% of the Shares in the Fund, the ICAV may defer the excess redemption requests to subsequent Dealing Days and shall redeem such Shares rateably. Any deferred redemption requests shall be treated in priority to any redemption requests received on subsequent Dealing Days and it will not be necessary for the Shareholder to submit a new redemption request form. The portion of any redemption request which is so deferred will remain in the queue

provided that the Fund shall not be obliged to redeem more than 10% of the Net Asset Value of all of the Shares outstanding in the Fund on any Dealing Day, until all the Shares to which the original request related have been redeemed. Any deferred redemption requests may be revoked by the redeeming Shareholder by written instruction to the Administrator to be received by the Administrator no later than the next Redemption Dealing Deadline. The acceptance of such requests will be at the sole discretion of the Directors taking due account of the interests of Shareholders as a whole.

For further information in relation to the redemption of Shares, investors should refer to the “Redemption and Transfers of Shares” section of the Prospectus.

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## DIVIDEND POLICY

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The Directors may, at their absolute discretion, declare dividends in respect of net income. Dividends, if any, shall be declared on a quarterly basis on the last Business Day of March, June, September and December. Dividends will be paid by electronic transfer within one month of the relevant declaration date. No dividend shall bear interest against the Fund. All unclaimed dividends may be invested or otherwise made use of for the benefit of the Fund until claimed. Any dividend unclaimed after six years from the date when it first became payable shall be forfeited automatically, without the necessity for any declaration or other action by the Fund.

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## ESG DISCLOSURE (ARTICLE 8)

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The Fund promotes environmental or social characteristics. It may partially invest in assets that have a sustainable objective. The investment process incorporates sustainability considerations by applying exclusions and integrating a best-in-class approach into portfolio construction to enhance risk-adjusted returns (both as described below).

The Investment Manager, on behalf of the Fund, considers all aspects of ESG factors when screening securities and making investment decisions. Good management of ESG factors can help preserve company values, better manage risks as a whole and optimize the return of a portfolio over the long term. Consequently, taking into account ESG factors is an integral part of investment assessments.

The Investment Manager relies on ESG ratings of industry-leading data providers (e.g. Sustainalytics, S&P, Bloomberg, ISS, CDP and MSCI) to assess the ESG performance of individual companies.

### **Exclusions**

The Investment Manager applies ESG exclusion criteria, however the main objective is to sustain a valuation based investment process that does not categorically exclude lower rated companies or sectors (e.g. energy) from the overall investment universe. However, the Investment Manager expects those lower rated companies to formulate quantifiable objectives to gradually improve their respective rankings.

The Investment Manager will exclude sectors with negative externalities and those experiencing disruptions that are expected to lead to structural shifts, taking into account long-term industry trends and will not invest in companies that are unable to align to such shifts and trends.

Under the Investment Manager’s exclusion policy, norm-based exclusion criteria are applied to all potential investments, with initial reference to the UN’s Global Compact principles. This ensures that investments considered for the Fund do not breach established fundamental responsibilities across the areas of human rights, labour, environment and anti-corruption. Exclusion criteria also extends to unconventional and controversial weapons (e.g. chemical, biological, nuclear). Furthermore, investments are excluded on the basis of the exclusion list of the Swiss Association for Responsible Investments (“**SVVK Exclusion List Recommendations**”).

For all exclusion categories, the applicable criteria may evolve over time. Specific exclusion criteria and thresholds for non-compliant investments relevant at a certain point in time are available on the Fund’s specific website disclosure (see link below).

## **ESG integration (“Best-In-Class” approach)**

The Investment Manager aims to be invested in companies which achieve the highest ESG rankings (“Best-In-Class companies”). However, in case of a large valuation gap between a Best-In-Class company and other companies in the relevant sector (on a risk-adjusted basis), the Investment Manager may choose not to invest in the highest ESG ranked company.

Specific Sustainability Risks relating to the environment, social capital, human capital, business model and leadership and governance are incorporated in the investment process as part of the basic fundamental assessment of any company.

The Investment Manager regularly assesses information provided by each company that the Fund invests in and monitors any deviation with regards to any company's ESG factor guidance.

Please visit the Investment Manager’s website for more information about its ESG investment policy and sustainability information: Link: [www.marshamim.com](http://www.marshamim.com)

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## **FEES AND EXPENSES**

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### **AIFM Fees**

The AIFM is entitled to receive a fee, payable out of the assets of the Fund, at a rate which shall not exceed 0.025% per annum of the Net Asset Value of the relevant Class subject to an average minimum fee of €25,000 per annum for each of the initial four Funds of the ICAV, which shall accrue on a pro-rata basis based on the NAV of each of the initial four Funds and be payable monthly in arrears. The AIFM is entitled to be reimbursed out of the assets of the Fund for all of its own reasonable and properly vouched out-of-pocket costs and expenses incurred by it in the proper performance of its duties.

### **Investment Management Fee**

The Investment Manager is entitled to receive an annual investment management and distribution fee (the “**Investment Management Fee**”) payable monthly in arrears for Class B Shares equal to 0.5% of the Net Asset Value of the relevant Class B Shares. The Investment Management Fee is accrued on each Dealing Day based on the Net Asset Value of each Class of Shares on the relevant Dealing Day and is paid monthly in arrears. The Investment Manager shall pay the fees of any Sub-Investment Manager out of the Investment Management Fee.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to intermediaries and/or Shareholders part or all of the Investment Management Fee outlined above payable to the Investment Manager. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder.

### **Administration Fee**

The Administrator is entitled to receive a fee, payable out of the assets of the Fund, at a rate which shall not exceed 0.04% per annum, subject to an annual minimum fee of €30,000 during the first twelve months and thereafter €35,000 per annum. The Administrator is also entitled to be reimbursed for all its disbursements and out-of-pocket expenses, and shall receive transaction fees, additional annual maintenance fees per share class of €3,000 per annum, shareholder servicing fees of €400 per annum per register account and transfer agent reporting fees of €6,000 per annum (the transfer agent reporting fee is divided amongst the Funds of the ICAV). The fees payable to the Administrator are accrued on each Dealing Day based on the Net Asset Value of each Class of Shares on the relevant Dealing Day and are paid monthly in arrears.

### **Depositary Fee**

The Depositary is entitled to receive a fee, payable out of the assets of the Fund, at a rate which shall not exceed 0.04% per annum, subject to an annual minimum fee of €25,000 during the first twelve months and thereafter €35,000 per annum, which shall accrue and be payable monthly in arrears. The

Depositary shall also be entitled to be reimbursed out of the assets of the Fund all agreed safekeeping fees, expenses and transaction charges (which will be charged at normal commercial rates).

### **Other Fees and Expenses**

The other fees and expenses of the ICAV and the Fund are set out in the Prospectus under the heading “**Fees and Expenses**”.

**Investors should refer to the “Fees and Expenses” section of the Prospectus for establishment and operating expenses, Directors’ fees and any other fees that may be payable and which are not specifically mentioned here.**



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## DEFINITIONS

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Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein.

<b>“Asset Backed Securities”</b>	asset-backed securities (ABS) are instruments such as non-agency residential mortgage backed securities (RMBS), commercial mortgage backed securities (CMBS) and whole business securitisation (WBS);
<b>“Base Currency”</b>	for the purposes of this Supplement, the base currency shall be Euro (EUR);
<b>“Business Day”</b>	means any day (except Saturdays and Sundays) on which banks in Dublin, Luxembourg and London are open for normal banking business or such other day or days as may be specified, with the approval of the Depositary, by the Directors and notified to the Shareholders in advance;
<b>“Commodities”</b>	means a range of commodities and securities and instruments linked to a particular commodity index, including in exchange traded funds (“ETFs”), which may be listed, traded or dealt in on a Recognised Market. The Fund does not intend to trade any physical commodities or take physical delivery of any commodities;
<b>“Collective Investment Schemes”</b>	means collective investment schemes, including exchange traded funds, investment companies, investment limited partnerships, unit trusts or their equivalents, where such investments are consistent with the investment objective of the Fund. Such collective investment schemes may be listed or unlisted, regulated or unregulated, and will not charge annual management fees of in excess of 3% or performance fees in excess of 20% those underlying collective investment schemes’ respective net asset values and will be domiciled in OECD countries.
<b>“Dealing Day”</b>	means each Business Day or such other Business Day as may be determined by the Directors and notified to Shareholders in advance;
<b>“Dealing Deadline”</b>	means 4 pm (Irish time) on the Business Day prior to the relevant Dealing Day or such other time as may be determined by the Directors provided the Dealing Deadline is always prior to the corresponding Valuation Point;
<b>“Debt Securities”</b>	means fixed and floating rate investment grade and sub-investment grade debt securities which will include bonds issued by companies, government entities, sub-sovereigns and supranational entities domiciled in any jurisdiction.  The fixed and floating rate securities in which the Fund will invest may include all types of debt obligations including but not limited to corporate bonds, covered bonds, sub-sovereigns and supranationals, emerging market corporate bonds, contingent convertible bonds, regular convertible bonds, subordinated bonds, perpetual bonds and sinkable bonds;
<b>“Developed Markets”</b>	means such markets not defined as a “high income country” by the World Bank;

<b>“Emerging Markets”</b>	means such markets not defined as a “high income country” by the World Bank;
<b>“Money Market Instruments”</b>	include bank deposits, certificates of deposit, commercial paper, floating rate notes and freely transferable promissory notes for ancillary liquidity purposes;
<b>“Prospectus”</b>	means the prospectus of the ICAV;
<b>“Redemption Dealing Deadline”</b>	means 4 pm (Irish time) on the day prior to the relevant Dealing Day or such other time as may be determined by the Directors provided the Redemption Dealing Deadline is always prior to the corresponding Valuation Point;
<b>“Sustainability Risks”</b>	has the meaning as set out under the corresponding heading in the “Investment Risks” section of this Supplement;
<b>“Settlement Date”</b>	means the third business day following the relevant Dealing Day;
<b>“Supplement”</b>	means this supplement of the Fund;
<b>“Valuation Day”</b>	means each Dealing Day;
<b>“Valuation Point”</b>	means close of business (Irish time) on the relevant Valuation Day or such other time or times following the Valuation Day as the Directors may determine provided that the valuation point shall always be after the relevant Dealing Deadline or Redemption Dealing Deadline and provided further that Shareholders shall have been notified in advance of such other time or times; and
<b>“World Bank”</b>	means the World Bank Group.