

**THIS NOTICE IS FOR INFORMATION PURPOSES ONLY – NO ACTION IS REQUIRED**

9 March, 2018

**To: Shareholders of Accumulating Share Classes in the KBI Institutional Water Fund, a sub-fund of KBI Institutional Fund ICAV (the “ICAV”)****Re: Charging of Recurring Expenses to Capital**

Dear Shareholder,

**Introduction**

We refer to the ICAV, an open-ended umbrella type Irish collective asset-management vehicle authorised by the Central Bank of Ireland (the “Central Bank”) as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. The Directors or the ICAV have agreed to offer distributing share classes within the sub-fund and as a result are proposing to charge recurring expenses to capital, in line with other ICAV sub-funds that offer distributing share classes.

**Charging of Expenses to Capital**

We are therefore writing to notify Shareholders of Accumulating Share Classes in the Sub-Fund that it is proposed to charge recurring expenses (excluding investment management fees) to capital in such manner as the Directors may from time to time decide. Shareholders of accumulating Share Classes in the Sub-Fund should note that capital of the relevant accumulating Share Class in the Sub-Fund may be temporarily eroded as a result of this charging method. Upon redemptions of holdings, Shareholders in accumulating Share Classes in the Sub-Fund receive both capital and income, accordingly, while they may not receive back the full amount of capital invested, the overall redemption amount is unaffected. The policy of charging recurring expenses, or a portion thereof, to capital in respect of accumulating Share Classes will have the effect of temporarily increasing the income element of your investment but it will also have the effect of lowering the capital value of your investment, until such time as income is capitalised (which is currently every six months).

**Implementation of Changes**

Subject to Central Bank approval, it is proposed that the changes outlined above will take effect from on or around 23 March 2018, upon which date a revised Supplement in respect of the Sub-



Fund will be issued and made available on the website of the investment manager at [www.kbiglobalinvestors.com](http://www.kbiglobalinvestors.com) .

If you have any queries in relation to the matters outlined herein, please do not hesitate to contact me at the email address below.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Patrick Cassells".

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**Patrick Cassells**

**Director**

**KBI Institutional Fund ICAV**

Email: [pat.cassells@kbigi.com](mailto:pat.cassells@kbigi.com)