

# Compounder Fund Fact Sheet



<b>Currency of fund</b>	Singapore dollar
<b>Sales charge</b>	None
<b>Subscription charge</b>	None
<b>Redemption charge</b>	None
<b>Early withdrawal penalty</b>	3% in first year; 2% in second year; 1% in third year
<b>Management fee</b>	See “Compounder Fund Fees” section below
<b>Performance fee</b>	See “Compounder Fund Fees” section below
<b>Minimum Investment</b>	Prevailing Singapore dollar equivalent of US\$100,000
<b>Valuation</b>	Last trading day Quarterly
<b>Subscription</b>	Quarterly on first Dealing Day
<b>Redemption</b>	Quarterly on first Dealing Day
<b>Fund Domicile</b>	Cayman Islands
<b>Bank Account</b>	OCBC Bank
<b>Custodian</b>	Interactive Brokers
<b>Brokerage</b>	Interactive Brokers
<b>Auditor</b>	Baker Tilly
<b>Fund Administrator</b>	NAV Fund Administration Group
<b>Transaction, Drafting and Coordinating Counsel (Singapore)</b>	ArrowGates LLC
<b>Local Counsel (Cayman Islands)</b>	Sinclair Attorneys Ltd

## Compounder Fund Fees

Compounder Fund has two share classes: Class A and Class B. Class A is open only to early investors of the fund. Here's how the fee structure for the two share classes look like.

	Class A		Class B	
AUM of Compounder Fund (in S\$, million)	Management Fee	Performance Fee (with high watermark)	Management Fee	Performance Fee (with high watermark)
0 - 49.99	1%	10-over-6	1%	10-over-6
50 - 99.99	0.8%	10-over-6	0.8%	10-over-6
100 - 149.99	0.2%	6-over-6	0.6%	10-over-6
150 - 199.99	0.2%	6-over-6	0.4%	10-over-6
200	0.0%	6-over-6	0.2%	8-over-6

The management fee and performance fee for both Class A and Class B will decline as Compounder Fund's AUM increases. The performance fee for both Class A and Class B is given as "X-over-6" and involves a highwater mark. Let's break it down:

- **What "X-over-6" means:** The performance fee is X% of the excess return over a 6% compounded hurdle rate. The X% will fall as Compounder Fund's AUM grows. This is in line with our desire to lower costs for investors and to share the spoils.
- **What the 6% compounded hurdle rate means:** Whenever someone invests in Compounder Fund, imagine that there is a 6%-compounded-hurdle line that is drawn. The value of Compounder Fund has to exceed the line in order for us, as the fund manager, to earn a performance fee.
- **What the high watermark means:** Each time Compounder Fund's value hits a new peak, a new 6%-compounded-hurdle line will be drawn.

The structure for the performance fee sounds complex. But the intention is simple: We want to align our long-term incentives with Compounder Fund's investors in a way where we can earn a performance fee over the long run *only* if Compounder Fund's investors can earn an annual return of at least 6% over the same time period.

If and when Compounder Fund's AUM grows beyond S\$200 million, the Fund Manager will endeavour to lower fees for investors as and when the opportunities arise.

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