**Bitcoin Plus Fund — Fee Term Sheet (Final Version)**

**Fund Name:**  
Bluebottle Bitcoin Plus Fund

**Fund Objective:**  
To deliver outperformance relative to Bitcoin benchmark returns, net of fees.

### 1. Base Management Fee

* **Rate:** 1.00% per annum
* **Calculation:**
  + Accrued daily, based on daily NAV.
  + Deducted monthly from the Fund’s assets.
* **Purpose:** Covers operational and management expenses.

### 2. Performance Fee

* **Rate:** 20% of outperformance over the Benchmark.
* **Benchmark:**  
  The Bitcoin Benchmark is defined as the return of the Bitcoin Spot Index, as published by **CoinMarketCap**.

Performance fees are calculated based on the Fund’s net outperformance relative to this Benchmark.

* **Calculation:**
  + The Fund’s performance, **net of the base management fee**, is compared to the Bitcoin Benchmark less the strategy maintenance hurdle of 0.25% per annum (accrued daily).
  + Performance fees are calculated based on the Fund’s net outperformance relative to the net Benchmark.
  + Fees are accrued daily in the Fund’s NAV and crystallised at the end of each calendar month.
* **Strategy Maintenance Hurdle:**
  + A notional hurdle of **0.25% per annum**, accrued daily.
  + The maintenance hurdle reflects costs associated with maintaining the strategy and is in addition to the base management fee.
* **Crystallisation:**
  + Performance fees are crystallised monthly at the end of each calendar month.
* **High-Water Mark:**
  + The high-water mark applies to the Fund’s cumulative outperformance over the Benchmark, **after including the strategy maintenance hurdle and base management fee.**
  + Performance fees are only payable on the portion of cumulative net outperformance that exceeds the prior high-water mark.
  + The high-water mark is reset at each crystallisation point if a new cumulative outperformance level is reached.
  + This ensures that investors are not charged performance fees for recouping previous underperformance relative to the Benchmark.

### 3. Crystallisation Period

* **Frequency:** Monthly (last calendar day of each month)
* **Mechanism:**
  + Performance fee accrued daily and crystallised at month-end.
  + At crystallisation, the accrued fee is paid to the Manager.

### 4. Subscription and Redemption Terms

* **Dealing Frequency:** Daily subscriptions and redemptions.
* **Notification deadline: 4:00 PM (fund time zone) the day before dealing.**
* **Series Accounting / Equalisation:**
  + **Recommended:** Ensures fair allocation of performance fees, preventing new investors from subsidising older ones. Includes mid-period inflows/outflows in the fee model.

### 5. Calculation and Reporting

* **NAV Calculation:** Daily
* **Fee Accrual:**
  + Base management fee, strategy maintenance charge, and performance fee accrued daily.
  + Daily NAV reflects accrued fees for fair dealing pricing.
* **Reporting:**
  + Monthly investor reports to include fee breakdown.
  + Annual audit to verify fee calculation accuracy.

### 6. Administrator and Auditor Notes

* **Daily benchmark pricing required:** Use CoinMarketCap Bitcoin Spot Index with timestamped data.
* **Systems requirement:**
  + Daily NAV and fee accrual automation.
  + Monthly crystallisation automation.
  + High-water mark tracking embedded in administrator's systems.