



J \$BCOIN

The Jacobi FT Wilshire Bitcoin ETF

A CELL OF JACOBI INVESTMENT FUNDS PCC LIMITED (COMPANY)

A protected cell company incorporated with limited liability under the laws of Guernsey on 21 June 2021 with registration number 69375 and an open-ended authorised collective investment scheme authorised as a Class B Scheme by the Guernsey Financial Services Commission.

ISIN Code: GG00BMTPK874

MARKETING MATERIAL - SCHEME PARTICULARS

These scheme particulars (Scheme Particulars) contain information relating to Jacobi FT Wilshire Bitcoin ETF (Fund), which is a cell of Jacobi Investment Funds PCC Limited (the Company).

The directors, whose names appear on page 7, accept full responsibility for the information contained in these Scheme Particulars and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Further copies of the Scheme Particulars can be obtained from the Manager.

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DISCLAIMER AND REGULATORY NOTICES

These Scheme Particulars are dated 02 August 2023. The Scheme Particulars relating to the Fund are not, and under no circumstances shall be construed as, an advertisement or a public offering of shares in Jacobi Investment Funds PCC Limited (Company).

These Scheme Particulars have been prepared solely for, and are being delivered on a confidential basis to, prospective investors considering the offering and purchase of non-voting, participating shares in the Fund. Any reproduction or distribution of the Scheme Particulars, in whole or in part, or the disclosure of their contents, without the prior written consent of the Company is prohibited and all recipients agree they will keep confidential all information contained in the Scheme Particulars and not already in the public domain and will use the Scheme Particulars for the sole purpose of evaluating a possible investment in the Fund.

Notwithstanding anything herein to the contrary, the confidential nature of the Scheme Particulars will not apply to the information related to the tax treatment or the tax structure of the transactions contemplated herein. For this purpose, tax structure is limited to any facts relevant to the U.S. federal income tax treatment of the transactions and does not include information relating to the identity of the parties.

The distribution of the Scheme Particulars and the offering of participating shares may be restricted in certain jurisdictions and any person coming into possession of the Scheme Particulars is required to inform themselves of, and to observe any such restrictions. The Scheme Particulars do not constitute an offer or solicitation to anyone to purchase participating shares in any jurisdiction in which such offer or solicitation is not authorised nor to any person to whom it is unlawful to make such an offer or solicitation. Unless otherwise stated in these Scheme Particulars, the participating shares to be offered have not been registered and will not be registered under the securities laws of any jurisdiction, other than as required to qualify for exemptions from prospectus requirements where applicable and will be offered and sold in reliance on an exemption from the registration and/or prospectus requirements of such laws. The Company accepts no legal liability for any violation of such restriction by any person, whether or not a prospective investor for participating shares.

This document includes statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms believes, estimates, plans, projects, anticipates, expects, intends, may, will, or should or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical fact and include statements regarding the Company's intentions, beliefs or current expectations.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, the factors described in the risk factors section. Forward-looking statements may and often do differ materially from actual results.

Potential investors should keep in mind that any forward-looking statement made by the Company in the Scheme Particulars or elsewhere applies only at the date on which the Company makes it. New factors that would or could cause the Company's business to develop or perform other than as expected or predicted may emerge from time to time and it is not possible for the Company to predict such factors. Further factors may cause actual results to differ from those contained in the forward-looking statements. The Company has no duty to, and does not intend to, update or revise such forward-looking statements in the Scheme Particulars after the date of such documents, except as may be required under law or regulation.

An investment in the Company requires the financial ability and willingness to accept high risks and a potential lack

of liquidity. Investors in the Fund must be prepared to bear such economic risks for an indefinite period of time.

Prospective investors are expected to conduct their own enquiries into the Company, the Fund and any related matters. Each prospective investor will be afforded the opportunity to obtain all additional information which such investor may reasonably request relating to the Company, the Fund or any of the documents that the Company possesses or can acquire without unreasonable effort or expense and which are necessary to verify the accuracy of the information contained in the Scheme Particulars.

The offer of Shares set out in the Scheme Particulars may, without notice, be withdrawn, cancelled or modified by the Company at any time and is specifically made subject to the conditions described in the Scheme Particulars (and any contractual documentation that is subsequently sent to investors). The Company reserves the right at its discretion to reject any application, in whole or in part.

Prospective investors shall not construe the contents of the Scheme Particulars as legal, accounting or tax advice or as information necessarily applicable to each prospective investor's particular financial situation.

As a matter of Guernsey law, provided that the conditions laid down in the Companies Law governing protected cell companies are complied with, assets attributable to the Fund of the Company (including the Fund) shall only be available to investors or creditors in respect of that fund and the assets of that fund shall be protected from investors or creditors of the Company who are not investors or creditors in respect of that fund.

REGULATORY STATUS OF THE COMPANY

The Company has been authorised by the Guernsey Financial Services Commission (the Commission) as a Class B Scheme under the POI Law. In giving this authorisation the Commission does not vouch for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

Investors are not eligible for the payment of compensation under the Collective Investment Schemes (Compensation of Investors) Rules, 1988 made under the POI Law. It should be remembered that the price of shares and the income from them (if any) can go down as well as up and that, on redemption of their shares, investors may not receive the amount that they originally invested.

If you are uncertain as to your rights and obligations under this document you should consult your accountant, legal or professional adviser or financial adviser.

The directors of the Company have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts, the omission of which, would make misleading any statement in the document, whether of facts or of opinion. All of the Directors accept responsibility accordingly.

DISCLAIMER OF THE BENCHMARK PROVIDER

Wilshire®, the Wilshire IndexesSM and FT Wilshire Bitcoin IndexSM are service marks of Wilshire Opco UK Limited ("Wilshire") and have been licensed for use by Jacobi Asset Management (Holdings) Limited. All copyrightable subject matter in the Indexes and Index Data is © 2023 Wilshire Opco UK Limited, all rights reserved. The Fund is not sponsored, endorsed, sold or promoted by Wilshire, and Wilshire makes no representations or warranties with respect to the Fund. Wilshire does not accept any liability to any person for any loss or damage arising out of any error or omission in the Indexes or the Index Data.

STOCK EXCHANGE LISTING

Application will be made for the participating shares to be admitted to trade on Euronext Amsterdam. Flow Traders B.V., authorised participants for the Fund, will also be market maker for the Fund.

FOR THE ATTENTION OF UNITED KINGDOM RESIDENTS

No authorised person has approved the Scheme Particulars for the purposes of the United Kingdom Financial Services and Markets Act 2000 (FSMA). The Scheme Particulars are confidential and only for distribution in the United Kingdom at any time, to (i) persons reasonably believed by the Company to be investment professionals within the meaning of paragraph (5) of Article 19; (ii) to high net worth companies or unincorporated associations within the meaning of paragraph (2) of Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529), as amended and (iii) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as relevant persons). Persons who are not relevant persons must not act on or rely on these Scheme Particulars or any of its contents. Any investment or investment activity to which these Scheme Particulars relate is available only to relevant persons and will be engaged only with relevant persons. Recipients must not distribute, publish, reproduce or disclose this document, in whole or in part, to any other person.

Participating Shares in the Fund are being marketed in the United Kingdom in compliance with the National Private Placement Regime.

Outside the United Kingdom (and subject as provided below), Scheme Particulars are only being sent to persons to whom it may be lawful to distribute them. The Scheme Particulars are being supplied to you solely for your information and may not be reproduced, further distributed or published in whole or in part by any other person.

FOR THE ATTENTION OF EU / EEA RESIDENTS

In the European Union / European Economic Area the Fund will only be sold to Professional Clients as defined in MiFID II.

UNITED STATES

The Fund has not been and will not be registered under the Investment Companies Act of 1940 of the United States and the Participating Shares have not been and will not be registered under the Securities Act of 1933 of the United States (as amended) (the "1933 Act") or the securities laws of any State of the United States. The Participating Shares may not be directly or indirectly offered, sold or delivered to any person in the United States or to or for the account or benefit of any US Person (as defined herein) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable securities laws. Applicants for Participating Shares will be required to declare that they are not a US Person and are not applying for Participating Shares on behalf of any US Person.

"US Person" means, with respect to individuals, any US citizen (and certain former US citizens) or "resident alien" within the meaning of US income tax laws as in effect from time to time. With respect to persons other than individuals, the term "US Person" means (i) a corporation or partnership created or organised in the United States or under the laws of the United States or any state or (ii) a trust or estate which is subject to US tax on its worldwide income from all sources. "US Person" shall also include a "US Person" as defined by Rule 902 of Regulation S under the Securities Act and shall not include any "Non-United States person" as used in Rule 4.7 promulgated under the US Commodity Exchange Act (as amended);

"United States" or "US" the United States of America (including the States and District of Columbia) and any of its

any of its territories, possessions and other areas subject to its jurisdiction;

Potential investors should consult their own financial adviser, lawyer or accountant as to legal, tax or related matters concerning the acquisition, holding or disposal of Shares regarding the disclosures referred to above. This investment involves a high degree of risk. Refer to section 11 “Risk Factors” for more information.

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2. DEFINITIONS AND INTERPRETATIONS

2.1 In this document the following expressions have (unless the context otherwise requires) the following meanings:

Administration and Management Agreement

the administration and management agreement dated 9 November 2021 and as may be updated from time to time between the Company, for and on behalf of the Fund, the Manager and the Promoter

AML Undertaking

has the meaning given to such term in section 18 of these Scheme Particulars

Applicant

a person who submits an Application Form pursuant to these Scheme Particulars

Application

an application to subscribe for Participating Shares on the terms set out in these Scheme Particulars

Application Form

an application form to subscribe for Participating Shares in such form as otherwise approved by the Directors from time to time

Application Supplement

the application supplement, which forms part of the Application Form, and which provides prospective investors with details of the information required, together with any documentation to be provided, in relation to AML/CFT compliance

Articles

the memorandum and articles of incorporation of the Company from time to time

Auditor

KPMG Channel Islands Limited of Gategny Court, Gategny Esplanade, St Peter Port, Guernsey GY1 1WR

Authorised Participant

means the companies who are appointed to subscribe and redeem Shares of the Fund

Base Currency

in respect of the Company and the Fund is US Dollars or US\$

Benchmark

means the FT Wilshire Digital Asset Blended Price Index

Bitcoin

the digital currency known as "Bitcoin" or "BTC"

Bitcoin Network

the network of computers running the software protocol underlying Bitcoin maintaining the database of

Bitcoin ownership and facilitating the transfer of Bitcoin among parties

Business Day

any day on which banks and Euronext Amsterdam are open for business in Guernsey (excluding Saturdays and Sundays) and the Netherlands

CDD requirements

the regulatory requirements of each introducing broker, the Registrar and the Manager to perform upon its customers to forestall money laundering and the financing of terrorism and the criminal justice requirements not to handle, arrange for or process the proceeds of crime

Class Account

has the meaning given to such term in section 7.3

Commission

the Guernsey Financial Services Commission or any statutory or other body replacing it

Common Depository

the entity appointed as a depository for the ICSD, currently The Bank of New York Mellon, London Branch having its registered office at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom

Common Depository's Nominee

the entity appointed as nominee for any Common Depository and as such acts as the registered holder of the Shares in the funds, currently The Bank of New York Depository (Nominees) Limited

Companies Law

the companies (Guernsey) law, 2008 (as amended)

Company

Jacobi Investment Funds PCC Limited

Clearstream

Clearstream Banking Societe, Luxembourg and any such successor in business thereto, as an operator of the ICSD system, a recognised clearing system

CRS

Has the meaning given to such term in section 17.22 of these Scheme Particulars.

Custodian

Fidelity Digital Assets, Ltd

Custodian Agreement

the custodian agreement between the Company, the Custodian and the Promoter

Data Protection Laws

the Data Protection Act 2018, the Privacy and Electronic Communications Regulations 2003, the Data Protection (Bailiwick of Guernsey) Law, 2017 (the **2017 DP Law**) and all other applicable laws, enact-

ments, regulations, orders, standards and other similar instruments, each as may be amended or superseded from time to time (including the General Data Protection Regulation (**GDPR**))

Directors

the directors of the Company from time to time on any quorate meeting of the directors or committee of directors

Euroclear Bank

a Belgium-based financial services company that specializes in the settlement of securities transactions

Euronext

Euronext Amsterdam, a Recognised Investment Exchange regulated by the Netherlands Autoriteit Financiële Markten (AFM) and approved to operate a Regulated Market, Multilateral Trading Facility

FATCA

has the meaning given to such term in section 17.22 of these Scheme Particulars

Founder Shares

voting shares of no par value each in the capital of the Company issued as ordinary shares pursuant to the Articles, which are referable to the Core (as defined in the Articles) and the proceeds of issue of which (including premium (if any)) shall form part of the Core

Fund

Jacobi FT Wilshire Bitcoin ETF, being a cell in the Company

Global Share Certificate

a global share certificate issued by the Fund to a Common Depository (or its nominee) for the Shares

ICSD

Means International Central Securities Depository

KYC Requirements

the know your client requirements of the Manager from time to time

KYT

“Know Your cryptocurrency Transaction” requirements i.e. the monitoring of the flow of funds through a wallet address to assess the legitimacy and legality of the transaction

Management Fee

the fees of the Manager set out in section 13.2 of these Scheme Particulars

Manager

Sigma Asset Management (Guernsey) Limited

Market Maker Agreements

the agreement between the Company, Flow Traders and the Promoter

Minimum Subscription

- a) For new investors US\$100,000 in respect of the Participating Shares;
- b) For follow-on investments US\$50,000 in respect of Participating Shares

Net Asset Value

the net asset value in respect of the Fund's Class Account determined in accordance with section 10 of these Scheme Particulars

Participating Shares

means non-voting participating, redeemable shares of no par value issued in respect of the Fund

Paying Agent

Paying Agent means one or more paying agents including but not limited to representatives, distributors, correspondent banks, or centralising agents appointed by the Fund and/or the Manager in certain jurisdictions

POI Law

the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (as amended) and any applicable rules issued under such law

Prescribed Number

the number of Participating Shares determined by the Manager from time to time for the purpose of subscriptions, redemptions or for other purposes

Privacy Notice

has the meaning given to such term in the Application Supplement

Prohibited Person

any person who by virtue of his holding of Shares might, in the opinion of the Directors:

- i. cause or be likely to cause the Company some pecuniary, tax or regulatory disadvantage;
- ii. cause or be likely to cause the Company to be in breach of the law or requirements of any country or governmental authority applicable to the Company including, without limitation, any exchange control regulations applicable to it; or
- iii. (whether taken alone or in conjunction with other persons or any other circumstances appearing to the Directors to be relevant) result in the Company and/or the Shareholder as a whole incurring any liability to taxation or suffering any other regulatory, pecuniary, legal or material administrative disadvantage that the Company might not otherwise have suffered or incurred

Promoter

Jacobi Asset Management (Holdings) Ltd

Redemption Date

any Business Day as the Directors may determine in their absolute discretion

Redemption Form

means a redemption form in the form attached to these Scheme Particulars or such form as is otherwise approved by the Directors from time to time

Redemption Price

the price payable to a Shareholder on the redemption of the relevant class of Participating Shares, being the Net Asset Value per Participating Share of the relevant class less the cost of executing trading on the underlying assets, including but not limited to spreads, commissions, taxes, slippage, custodian transaction charges, transfer agency transaction charges and any other applicable fees

Register

the register of Shareholders

Renewable Energy Certificates or RECs

tradable, non-tangible energy certificates that represent proof that 1 megawatt-hour (MWh) of electricity was generated from an eligible renewable energy resource (renewable electricity) and was fed into the shared system of power lines which transport energy; also known as Energy Attribute Certificates (EACs).

Rules

The Authorised Collective Investment Schemes (Class B) Rules, 2013

Scheme Particulars

these Scheme Particulars issued by the Company as may be amended from time to time

Shareholder

a holder of Shares

Sterling or £ or GBP

pounds Sterling being the lawful currency of the United Kingdom

Subscription Date

any Business Day as the Directors may determine in their absolute discretion

Subscription Price

US\$20.00 per Participating Share and thereafter in each case on each subsequent Subscription Date the Net Asset Value per Participating Share of the relevant Class plus the cost of executing trading on the underlying assets, including but not limited to spreads, commissions, taxes, slippage, custodian transaction charges, transfer agency transaction charges and any other applicable fees

Total Expense Ratio or TER

The total percentage cost charged to the fund by the Promoter and from which the Promoter will pay all other ongoing fees and expenses

US Dollars or US\$

United States Dollars being the lawful currency of the United States

Valuation Point

16:00 GMT on each Business Day (or such other or additional Business Day(s) as the Directors may determine in their absolute discretion)

2.2 Interpretation

- 2.2.1 Unless the context otherwise requires, the masculine gender shall include the feminine and neuter and singular number shall include the plural and vice versa.
- 2.2.2 References to any time or date shall be to local time in Guernsey.
- 2.2.3 References to a provision of law, rule, regulation or guideline are references to that provision and any provision which amends, extends, consolidates or replaces the same and shall include any orders, ordinances, regulations, instruments or other subordinated legislation relating to such provision of law, rule, regulation or guideline.
- 2.2.4 References to a person includes any person, firm, company, corporation, government or quasi-governmental authority, state or agency or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing including all the partners in a partnership, the personal representatives of any individual and the receiver or other person lawfully acting on behalf of any of the above.
- 2.2.5 References to these Scheme Particulars or any other agreement, instrument or document are references to each as amended, varied, novated or supplemented from time to time

3. COMPANY

3.1 Constitution

The Company is a limited liability company incorporated as a protected cell company. Under Guernsey law, the cellular structure permits the segregation and protection of assets of a cell from other liabilities of the Company and any other cells. The Company was incorporated under the Companies Law on 21 June 2021 with registered number 69375. The Company's objects are unlimited as provided for by its memorandum of incorporation and as permitted under the Companies Law.

The Fund was created by resolution of the board of Directors of Jacobi Investment Funds PCC Limited passed on 7 October 2021.

The assets and liabilities of the common pool of assets of the Fund shall be allocated to the Class Account referable to the Participating Shares, with adjustments for ongoing subscriptions and redemptions, by the Manager under the supervision of the Directors.

3.2 Current Share Capital

In accordance with the Companies Law and the Articles the Directors are authorised to issue an unlimited amount of Founder Shares and Participating Shares.

Participating Shares may be divided into such classes as the Directors may from time to time determine. Founder Shares shall be issued only to Jacobi Asset Management (Holdings) Ltd.

The Company has not issued any options, or entered into any subscription or allotment arrangements in respect of any shares in the Company.

The holders of Founder Shares shall be entitled to notice of, attend and vote at general meetings of the Company. Save as required by law, holders of Participating Shares shall have no right to notice of, attend or vote at general meetings of the Company.

4. INVESTMENT OBJECTIVES AND STRATEGY

- 4.1 The Fund's overall objective is to buy and hold all of its assets in long-term holdings of Bitcoin that have been decarbonised by the Promoter and seeks to provide holders of Participating Shares with the opportunity for long-term capital appreciation.
- 4.2 To achieve its investment objective, the Fund will invest in and hold substantially all of its assets in long-term holdings of Bitcoin and the Promoter will decarbonise the total value of Bitcoin held by the Fund and Bitcoin transactions as further described in Sections 4.7, 4.8 and 6 below.
- 4.3 It is currently possible for anyone to obtain a Bitcoin wallet and purchase the asset through exchanges such as Coinbase, Bitstamp or Kraken. It is estimated that more than 500 of these cryptocurrency exchanges exist as of the date of this document, though this may change at any moment. Currently setting up a wallet, purchasing/selling Bitcoin and safeguarding the asset is not a straightforward process with multiple single points of failure resulting in potentially irretrievable loss of the asset. It also opens up the holder to become a target for fraud/loss due to the technical nature of handling transactions. Bitcoin and crypto-currencies in general, have suffered from a poor reputation through inadequate execution platforms, lost access to assets and being linked with secrecy, possible criminality and unknown owners. It has been suggested that possibly as much as 20% of all Bitcoin is technically lost forever.
- 4.4 The Fund seeks to provide holders of Participating Shares with a secure, convenient, lower-cost alternative to a direct investment in Bitcoin, thereby removing the barriers to entry to Bitcoin exposure for investors who may be unwilling to bear the risks associated with direct exposure, as outlined above. The Fund's control framework and structuring with recognisably reputable service providers is intended to give investors a more reliable means of accessing this asset class.
- 4.5 See "BITCOIN" below for further information about Bitcoin and the manner in which the Fund will purchase and hold Bitcoin for its portfolio.
- 4.6 The Fund will not speculate with regard to short-term changes in Bitcoin prices.
- 4.7 The Directors have initially chosen the FT Wilshire Digital Asset Blended Price Index as the Benchmark for the Fund. This may be changed at any time by the Directors.
- The methodology for the benchmark can be found at: https://assets.website-files.com/60f8038183eb841e628c14df/62a9eb3dc64fa621acda1220_Digital Assets - Methodology.pdf.
- 4.8 The Promoter intends to purchase Renewable Energy Certificates ("RECs") to enable the Fund's entire holding of Bitcoin to be fully decarbonised by ensuring the energy usage of the Fund's Bitcoin holdings and transactions has a claim on renewable energy
- 4.9 See "DECARBONISATION" below for further information about Decarbonisation and the manner in which the Promoter will ensure that the total value of Bitcoin in the Fund is decarbonised.
- 4.10 Any material changes to the investment objectives, investment restrictions, borrowings or spread of risk shall be notified to holders of Participating Shares in accordance with the Rules. There is no assurance

that the objectives of the trading strategies and methods utilised by the Fund will be met and no guarantee that such trading strategies and methods will be profitable or will avoid losses.

4.11 The Fund will not borrow or use leverage under any circumstances. Further, the Fund will not trade derivatives, options or futures, except FX spot and FX forwards.

4.12 Payment of Dividends and/or Capital Payments

There is no proposal to pay dividends on Participating Shares.

5. BITCOIN

5.1 Bitcoin is a form of digital asset (or “crypto-currency”) that is not backed by any country’s central bank or government and is created, held and transferred electronically. Bitcoin is created digitally by a global community of individuals (or “miners” or “nodes”) using the computing power of a distributed network. There are in excess of 9,000 nodes connected to the Bitcoin Network, with the greatest density being in the U.S., Germany, France, the Netherlands and Canada.

5.2 The peer-to-peer Bitcoin Network processes Bitcoin transactions made with virtual currency, effectively making Bitcoin its own payment network. The supply of Bitcoin is regulated by software and the agreement of users of the system (the “Bitcoin Protocol”) and cannot be independently manipulated by any government, bank, organisation or individual. The Bitcoin Protocol stipulates that only 21 million Bitcoins can ever be created by miners however, these coins can be divided into smaller parts (the smallest divisible amount is one hundred millionth of a Bitcoin).

5.3 Movement of Bitcoin is facilitated by a digital, transparent and immutable ledger which enables the transfer of value across the internet without the need for centralised intermediaries.

5.4 The software creating Bitcoin is open source and is available to the public to review and follow the mathematical formula producing Bitcoin at any time. The Bitcoin Network software source code includes the protocol that governs the creation of Bitcoin and the cryptographic operations that verify and secure Bitcoin transactions. The blockchain is a shared ledger on which the entire Bitcoin Network relies. All confirmed transactions are included in the blockchain. Although Bitcoin transactions are recorded in a public log, the names of buyers and sellers are never revealed (only their wallet ID information is revealed). A Bitcoin transaction involves the transfer of value from one Bitcoin address to another that gets included in the blockchain. Bitcoin wallets (described in more detail below) keep confidential data known as “private keys” which are used in transactions providing mathematical proof that they have come from the owner of the wallet. The signature also prevents the transaction from being altered following its completion; each Bitcoin transaction is therefore irreversible. Miners confirm waiting transactions by including them in the Bitcoin blockchain. This system enforces a chronological order in the blockchain which protects the neutrality of the Bitcoin Network and allows different computers to agree on the state of the system. To be “confirmed” a transaction must be included in the block that fits very strict cryptographic rules which must be verified by the Bitcoin Network. These rules prevent previous blocks from being modified because doing so would invalidate all following blocks. Only the owner of Bitcoin can send Bitcoin, and only the intended recipient of Bitcoin can unlock what the sender sent them and the transactional validation and Bitcoin ownership can be verified by any third party anywhere in the world.

5.5 Bitcoin is stored in a “digital wallet” which exists in either “hot storage” or “cold storage”. A “hot wallet”

refers to Bitcoin that is held in a wallet that is online and connected in some way to the internet. A user is able to pay for certain goods and services by making withdrawals from his or her hot wallet. Bitcoin stored in a hot wallet is easily accessible for payment of goods and services however it is also at the greatest risk of unrecoverable theft in the event of an attack by a hacker or malware. A “cold wallet” refers to Bitcoin that is held in a wallet that is offline and is not present on a web server or any other computer. Typical methods of cold storage include storing data on a USB and storing the USB in safety deposit box or safe. By keeping the majority of one’s Bitcoin in cold storage users are able to minimise the possibility of theft in the event of a security breach. The Fund’s Bitcoin will be held in the Custodian’s cold storage system, protected in accordance with the industry-leading protocols. Bitcoin held by the Fund will only be moved to a “hot wallet” (or intermediate “warm wallet”) to facilitate trading.

- 5.6 Fidelity Investments, the group of companies the Custodian belongs to, aligns its security governance approach to the cybersecurity framework established by the National Institute of Standards and Technology (NIST). The framework’s core consists of five concurrent and continuous functions—Identify, Protect, Detect, Respond, and Recover. The Custodian, Fidelity Digital Assets leverages this same framework to understand the current state of cybersecurity risks, identify opportunities to achieve a desired future state, and continuously stay ahead of the ever-changing threat landscape. Fidelity Digital Assets layers cybersecurity controls with advanced cryptographic solutions and robust operational and physical controls to combat the industry’s most prevalent threats and vulnerabilities.
- 5.7 In addition to the cybersecurity framework in place Fidelity Digital Assets maintains strict processes in terms of digital asset security, customer protection and risk management including advanced client authentication requirements, transactional security and approval processes and fraud monitoring as well as maintaining suitable insurance cover in respect of assets held including digital assets in all wallets, in transit and at rest, with no sub-limits applied based on the type of wallets. The coverage also applies to both fiat and digital asset transactions.
- 5.8 Flow Traders uses Elliptic (www.elliptic.co) to vet the source of Bitcoin as part of its KYT procedures. The work to achieve this covers checking the source of the Bitcoin, including what wallets the Bitcoin has been held in, and flagging up any AML/CFT issues and ensuring compliance with FATF regulatory guidance.
- 5.9 Flow Traders conducts enhanced due diligence on all of the venues where they market make and ultimately source liquidity. Flow Traders B.V. also undertakes forensic blockchain analysis with the help of third-party service providers.

6. DECARBONISATION

- 6.1 The Promoter intends to decarbonise the Bitcoin held by the Fund by calculating the Bitcoin networks electricity consumption using independent industry data and calculation methodologies and will procure claims on renewable energy in the form of RECs to ensure the Fund’s proportion of the Bitcoin blockchain electricity consumption is verifiably powered by renewables.
- 6.2 There is increasing pressure on all businesses to have credible plans to decarbonise, and to publicly report their progress on reducing their carbon footprint. Because the most material environmental impact of Bitcoin is electricity consumption, this is an ‘elegant solution’ in terms of decarbonisation. The decarbonising solution allows for rapid decarbonisation of Bitcoin activity.

- 6.3 A third-party model has been developed to calculate the electricity consumption of Bitcoin activity. This 'hybrid approach' looks at the electricity consumption of a network over a period and apportions this based on Bitcoin holdings and transactions. Publicly available data are used where these are available – in the case of Bitcoin the data used are from the University of Cambridge. There may be some instances when it is more appropriate to apportion the electricity consumption to the purchase action of Bitcoin.
- 6.4 RECs are the standard market instrument to prove ownership of renewables. One REC represents ownership over the verified carbon-free attributes of a given megawatt-hour of electricity delivered to the grid. These are purchased based on the electricity use associated with The Fund's transactions and holdings.
- 6.5 The Promoter has made an undertaking to the Fund to purchase sufficient RECs to cover the whole number of Bitcoin held by the Fund. The Promoter will purchase the RECs from the TER paid to the Promoter by the Fund.

7. VALUATION

- 7.1 The Net Asset Value of the Fund will be calculated by the Sub-Administrator at each Valuation Point.
- 7.2 The Fund will be using a recognised Bitcoin index as a reference price which in the opinion of the Directors best reflects the transactional price of Bitcoin.
- 7.3 The Company may issue multiple classes of share. Each class shall be attributed to a separate cell of the Company. The Directors shall, where necessary, for the purposes of determining the Net Asset Value per Share of each class, establish a separate sub-account in the books of the Company for each such class and each separate sub-account (each a Class Account) shall be designated by reference to a class of Share.
- 7.4 The Net Asset Value of the Fund at any time shall be the aggregate of the Net Asset Values of the Class Account attributable to the Fund. The Net Asset Value of that Class Account shall (except when determination of Net Asset Value has been suspended) be determined by the Manager (or such person as shall be appointed by them for this purpose) by reference to the assets and liabilities of the Class Account as at each Valuation Point or at such other times as the Directors (or the person appointed by them as aforesaid) may determine. Any determination of Net Asset Value shall be binding on all parties. The Net Asset Value of Participating Shares in issue shall be published on Bloomberg.
- 7.5 The Net Asset Value of a Class Account shall be the value of all the assets of such Class Account less the value of all of its liabilities as at the relevant time.
- 7.6 The assets of each Class Account shall be deemed to include:
 - 7.6.1 Bitcoin;
 - 7.6.2 all cash in hand, on deposit, including any profit accrued thereon;
 - 7.6.3 all unsettled and unamortised expenses relating to the formation of the Company or the relevant Class Account, which are expected to be nil as they will be paid by the Promoter; and
 - 7.6.4 all other property of every kind and nature.
- 7.7 The liabilities of each Class Account shall be deemed to include:

- 7.7.1 all bills and accounts payable;
- 7.7.2 all costs and expenses payable and/or accrued;
- 7.7.3 all contractual obligations for the payment of money or the acquisition of property;
- 7.7.4 all provisions authorised or approved by the Directors for fiscal charges, taxes or contingencies; and
- 7.7.5 all other liabilities of the relevant Class Account of whatsoever kind and nature (including without limitation dividends declared but not paid) and the estimated realisation costs of all assets except liabilities represented by outstanding share capital and share premium account (as applicable) and profits of the relevant Class Account.

The assets of the Fund shall be valued in accordance with International Financial Reporting Standards (as may be amended or modified from time to time).

8. MANAGEMENT AND ORGANISATION

8.1 Board of Directors

Under the Articles, the power to manage the business of the Company is vested in the Directors who have delegated certain management functions and day-to-day administration to the Manager as described below. The Directors retain ultimate responsibility for monitoring and supervising the operation of the Company and for communications with Shareholders, including the reports and financial statements.

The Directors will monitor the affairs of the Company and the Fund through regular board meetings held in accordance with the Articles, with the assistance of periodic reports from the Manager and the Authorised Participants.

Details of each of the Directors are set out below:

Roy McGregor

Roy is a financial services specialist having spent over 40 years working with banks, investment advisors and fiduciary companies in a variety of sectors and countries. For most of the last 25 years he worked within the private banking and wealth management sector managing large and complex businesses within international groups.

He has been a member of the Institute of Chartered Accountants of Scotland since 1984.

Before moving to Guernsey in 2006, Roy lived and worked for 10 years in London and before that spent a dozen years in Asia including time in Hong Kong, Singapore and Thailand. At various times he has been responsible for financial services businesses not only in those locations and also in Bahamas, Cayman Islands, Gibraltar, Isle of Man, Miami, New York and Switzerland. Prior to retiring from the firm at the end of 2016 Roy was Country Head for all Credit Suisse operations in the Crown Dependencies of Jersey, Guernsey and Isle of Man, one of the group's larger operations outside Switzerland. During his career he has worked with SG Hambros, Coutts, Deutsche Morgan Grenfell and PriceWaterhouseCoopers, having started his career with them in 1980 in Glasgow.

He is now focussed on building a series of roles in the non-executive and consulting sector and is active-

ly involved with a number of start-up and small businesses. However, he remains connected with, and interested in, several private client banking, investment and fiduciary firms.

Roy was appointed to the board of Directors of the Company on 21 June 2021.

Christopher Jehan

Christopher is the founder, managing director and principal consultant for Midshore Consulting Limited. Christopher founded Midshore Consulting Limited in 2016 following a 22-year career at Investec Asset Management.

During his time at Investec Asset Management, Christopher held various roles including Legal & Technical Manager, Projects Manager, Operations Manager and Technical Director. In addition to being an Executive Director at Investec Asset Management Guernsey Limited he was a director of various funds and special purpose vehicles as well as a Member of the Management Committee and General Representative of the Guernsey Branch of Investec Assurance Limited.

Christopher sits on numerous committees and working groups in the financial services sector in Guernsey. Christopher is a Chartered Fellow of the Chartered Institute for Securities and Investment, a Member of the Institute of Directors and an IMC Member of the CFA Society of the UK. Christopher's past industry roles include Chair of the Guernsey Investment & Funds Association (April 2019 to April 2021), President of the Guernsey Branch of the Chartered Institute for Securities and Investment (July 2020 to July 2022) and Director of Guernsey Finance LBG (January 2021 to December 2022).

Christopher was appointed to the board of directors of the Company on 21 June 2021

Martin Bednall

Martin is currently the CEO for Jacobi Asset Management and the COO for the FinEx Group where he is responsible for the investment management operations at both firms.

Prior to his current roles Martin was responsible for the European iShares Product team at Blackrock. His team was responsible for the launch and management of all ETPs in Europe. During the period iShares established itself as the dominant global leader in ETFs with the broadest range of products.

Martin was responsible for the integration of IndexChange, a German ETF business bought by Barclays Global Investors (BGI) in 2006.

Previous to his roles with iShares Martin managed high value, complex transitions for some of the world's largest institutional investors. He was responsible for designing and implementing hedging and trading strategies, transitioning billions of dollars for both BGI and State Street. Martin sat on the Index & Markets Executive Committee at BGI.

Martin is a CFA charterholder. Martin was appointed to the board of directors of the Company on 03 March 2023.

Jamal "Jamie" Khurshid

Jamie has been an investment banker for over 20 years at Goldman Sachs, Credit Suisse and Royal Bank

of Scotland before joining Cinnober Financial Technology, the world's leading independent exchange and clearing house technology provider, as a senior partner.

He previously held the position of CEO at Boat Services, Europe's longest running independent regulatory business where, he successfully designed and delivered the first European voluntary transparency regime for the global bullion market on behalf of the London Bullion Market Association, authorised by the Bank of England and the FCA.

Following this he made a decision to make the career move into crypto and digital assets after having seen the opportunity and need for this fast-growing asset class to move into the traditional financial market structure. Voted by financial news as one of the top 40 under 40 in European trading and technology

(2014) and ranked in the 'Exchange invest' Top 1000 most influential people in global financial markets in 2017. Jamie is now Founder & Managing Director of Jacobi Asset (Holdings) Management after seeing a market for regulated digital asset products to protect investors.

Jamie was appointed to the board of directors of the Company on 21 June 2021.

Jonathan Sebire

Jonathan joined the Manager in 2002 and is its Managing Director. He was formerly a senior administrator at International Private Equity Services, a relationship manager at Credit Suisse (Guernsey) Ltd and a supervisor at Lazard Brothers (Guernsey) Ltd, as well as gaining experience at various levels at Barclays Bank plc. Jonathan was educated in Guernsey and has obtained economics, legal and marketing qualifications through the Chartered Institute of Bankers. He is a Member of the Institute of Directors.

Jonathan was appointed to the board of directors of the Company on 7 October 2021.

8.2 Administrator and Manager

Sigma Asset Management (Guernsey) Limited has been appointed as the administrator and manager to the Company under the terms of the Administration and Management Agreement. For the purposes of the Rules, the Manager is the designated administrator and designated manager.

The Manager was incorporated with registered number 28221 as a company with limited liability in Guernsey on 31 May 1994, having its registered office at Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT.

The Manager is licensed under the POI Law to carry out controlled investment business in the Bailiwick of Guernsey.

The Manager is permitted to trade in Shares and to satisfy investors' applications for Shares either from its own holding of Shares or by requesting the Company to issue such Shares. Conversely, upon a Shareholder wishing to redeem his holding, the Manager may acquire such Shares for its own account, or alternatively ask the Company to cancel such Shares. Whilst the Manager may only trade in such Shares on a Subscription Date or Redemption Date and at the relevant Subscription Price or Redemption Price, it is under no obligation to account to the Company, the Custodian or to any Shareholder for any profit it makes on the issue of Shares or on the reissue or cancellation of Shares which it has repurchased.

their significant activities not connected with the Company or any Fund are as follows:

Michael de Haaff

Mr. Michael de Haaff was employed by the Eurostep Group until he retired from his role in the group in June 2014. Previously he was managing director of Close Fund Services Limited until May 2006, having joined them from Rothschild Asset Management (C.I.) Limited in June 1985. He is a non-executive director of a number of Guernsey-based mutual fund companies and investment companies, is a member of the Securities Institute, a Member of the Institute of Directors, was chairman of the Guernsey Investment Fund Association from 2006 to 2007 and presently acts as a consultant to that association. He is a resident of Guernsey.

Jonathan Sebire

Jonathan Sebire's biography can be found at 8.1 above.

8.3 Promoter

Jacobi Asset Management (Holdings) Ltd is the promoter of the Company and holds the Founders Shares in the Company.

The Promoter was incorporated with registered number 12638181 in England on 23 September 2021, having its registered office at Unit 3, 9-15 Leather Lane, London, England, EC1N 7ST.

The Promoter is registered with the FCA (FCA Reference 967399) as an authorised representative of Razlin Limited (FCA Reference 730805).

8.4 Custodian

Due to the specialist nature of the targeted assets of the Fund, the Company has requested and has been granted a derogation from the requirements under the Rules to appoint a local custodian to the Fund. Further to the derogation, the Company has appointed Fidelity Digital Assets Ltd to act as the custodian of the assets of the Fund under the terms of a Custody Agreement.

The Custodian was incorporated with limited liability in England and Wales on 16 December 2019 with registered number 12363802 and having its registered office at 1 St Martin's Le Grand, London, England, EC1A 4AS.

The Custodian is registered with the FCA as a cryptoasset firm for the purposes of supervision of their AML/CFT program.

Many of the services undertaken by the Custodian will be outsourced to Fidelity Digital Asset Services, LLC (the **Sub-Custodian**). The Sub-Custodian is regulated by the New York Department of Financial Services as a limited purpose trust company.

8.5 Market Makers

Flow Traders B.V (**Flow Traders**) have been appointed as market maker for the Fund.

Flow Traders B.V. was incorporated with limited liability in the Netherlands with registered number 33223268 and having its registered office at Jacob Bontiusplaats 9, Amsterdam 1018LL, the Nether-

lands. Flow Traders B.V. is regulated by the Autoriteit Financiële Markten in the Netherlands. Flow Traders B.V. is part of the Flow Traders Group. Its ultimate parent is Flow Traders N.V., which is listed on Euronext Amsterdam.

As Market Maker of the Fund, Flow Traders will be able to instruct the issue and redemption of Shares in the Fund directly from the Fund, other than in limited circumstances described in these Scheme Particulars. The Market Maker will transfer Bitcoin directly to the Sub-Custodian. These trades will be internally settle on an in-kind basis.

The Market Maker may buy and sell issued Shares from and to investors on an over-the-counter basis or via Euronext Amsterdam or any other exchange the Fund may be traded on.

9. DEALING IN SHARES

9.1 Subscription Procedure

Participating Shares in the Fund will be issued on a continuous basis and there is no maximum number of Participating Shares that can be issued.

All orders to purchase Participating Shares directly from the Fund must be placed by an Authorised Participant. The Manager reserves the absolute right to reject any subscription order placed by the Authorised Participant. No fees will be payable by the Fund to the Authorised Participant in connection with the issuance of Participating Shares.

On the issuance of Participating Shares, the Manager may, in its discretion, charge an administrative fee to the Authorised Participant or Dealer to offset the expenses (including any applicable additional listing fees) incurred in issuing the Participating Shares.

On any Business Day, the Authorised Participant may place a subscription order for the Prescribed Number of Participating Shares (or an integral multiple thereof) of the Fund. If a subscription order is received by the Fund by 16:00 on the Business Day prior to the effective date of the subscription order (or such later time as the Manager may permit), the Fund will issue to the Authorised Participant the Prescribed Number of Participating Shares (or an integral multiple thereof) by no later than the second Business Day following the effective date of the subscription order or such other day as mutually agreed between the Manager and the Authorised Participant, provided that payment for such Participating Shares has been received.

For each Prescribed Number of Securities issued, the Authorised Participant must deliver payment consisting of Bitcoin in an amount equal to the NAV of the Participating Shares next determined following the receipt of the subscription order. Subscription orders must be received by 16:00 on the effective date of the subscription order or such other time as indicated on the website for the Fund.

The Manager may, in its discretion, increase or decrease the Prescribed Number of Participating Shares from time to time.

9.2 Qualification of Subscribers

Participating Shares are offered only to prospective investors for whom such an investment would be lawful and who can afford an investment having in mind the risks, objectives and prospects of an interest

in the Company. Subscriptions for Participating Shares will not be accepted from any investor who, in the opinion of the board of directors of the Company or the Manager, would be considered to be a “retail” investor.

All subscriptions by prospective investors into the Fund are subject to the Minimum Subscription amounts set out in these Scheme Particulars. The Manager will monitor investor compliance with Minimum Subscriptions.

Subscriptions for Shares will not be accepted from Prohibited Persons.

The Directors reserve the right to reject any application in whole or in part and to negotiate any fees or penalties for any investor at their sole discretion.

It is the responsibility of each investor to ensure that the purchase of Shares does not violate any applicable laws in the investor’s jurisdiction of residence.

9.3 Customer Due Diligence

As part of their responsibility for the prevention of money laundering and countering the financing of terrorism, the Company, the Manager, and introducing brokers, and their affiliates, subsidiaries or associates or any of the Company’s other service providers will require, on a risk based approach, detailed verification of a Shareholder’s identity, any beneficial owner underlying the account and the source of the funds and/or wealth: the collection of this information and risk analysis is known as Customer Due Diligence.

The Company and the Manager reserve the right to request such information as is necessary to verify the identity of a subscriber and the underlying beneficial owner of a subscriber’s or a Shareholder’s Shares in the Company. In the event of delay or failure by the subscriber or Shareholder to produce any information required for verification purposes, the Manager may refuse to accept a subscription or may cause the redemption of any such Shareholder from the Company. The Manager, by written notice to any Shareholder, may suspend the payment of redemption proceeds payable to such Shareholder if it reasonably deems it necessary to do so to comply with anti-money laundering laws and regulations applicable to the Company, the Manager, and their affiliates, subsidiaries or associates or any of the Company’s other service providers.

9.4 Redemption Procedures and Redemption Price

Redemptions are permitted on each Redemption Date.

On any Business Day, holders of Participating Shares may redeem Participating Shares of the Fund at an amount equivalent to the Redemption Price. Because Shareholders will generally be able to sell Participating Shares at the market price on Euronext Amsterdam (or such other designated exchange on which the Participating Shares of the Fund may be listed from time to time) through a registered broker or dealer subject only to customary brokerage commissions, Shareholders are advised to consult their brokers, dealers or investment advisors before redeeming their Participating Shares for cash.

In order for a redemption to be effective on a Redemption Date, a Redemption Request must be delivered to the Transfer Agent at its registered office by 16:00 (GMT) on the relevant Redemption Date (or such later time on such Redemption Date as the Manager may permit). If a redemption request is not received by the delivery deadline noted immediately above on a Redemption Date, the Redemption

Request will be effective on the next Business Day. Payment of the Redemption Price will be made by no later than the second Business Day after the Redemption Date. Redemption Request forms may be obtained from the Transfer Agent.

Redemption Prices shall be calculated in US Dollars. A redemption request must be received by 16:00 on a Redemption Date in order to qualify for that Redemption Date.

Any Redemption Form in respect of which the Transfer Agent receives less than the applicable notice period (and which the Directors have not otherwise accepted) will be processed the following Redemption Date.

The redemption proceeds shall be the Redemption Price for each Share.

Redemption proceeds will be paid electronically, at the Shareholder's cost and will be paid within 2 Business Days of the Valuation Point for the respective redemption.

Wire transfers will be made to the bank account from which subscription monies were received, unless an alternative account is nominated by the redeeming Shareholder on the Redemption Request but must be to an account of the registered Shareholder.

The Directors may retain any portion of the Redemption Proceeds where there are contingencies or contingent liabilities affecting the Net Asset Value of the applicable Shares.

9.5 International Central Securities Depository (ICSD)

All Shares in issue are represented by a Global Share Certificate and the Global Share Certificate is held by the Common Depository and registered in the name of the Common Depository's Nominee on behalf of an International Central Securities Depository, beneficial interests in such Shares will only be transferable in accordance with the rules and procedures for the time being of the relevant International Central Securities Depository.

Each Participant must look solely to its International Central Securities Depository for documentary evidence as to the amount of its interests in any Shares. Any certificate or other document issued by the relevant International Central Securities Depository, as to the amount of interests in such Shares standing to the account of any person shall be conclusive and binding as accurately representing such records. Each Participant must look solely to its International Central Securities Depository for such Participant's share of each payment or distribution made by the Company to or on the instructions of the Common Depository's Nominee and in relation to all other rights arising under the Global Share Certificate. The extent to which, and the manner in which, Participants may exercise any rights arising under the Global Share Certificate will be determined by the respective rules and procedures of their International Central Securities Depository. Participants shall have no claim directly against the Company, the Paying Agent or any other person (other than their International Central Securities Depository) in respect of payments or distributions due under the Global Share Certificate which are made by the Company to or on the instructions of the Common Depository's Nominee and such obligations of the Company shall be discharged thereby. The International Central Securities Depository shall have no claim directly against the Company, Paying Agent or any other person (other than the Common Depository).

The Company or its duly authorised agent may from time to time require the holder of the indirect beneficial interest in the Shares to provide them with information relating to: (a) the capacity in which they

hold an interest in Shares; (b) the identity of any other person or persons then or previously interested in such Shares; (c) the nature of any such interests; and (d) any other matter where disclosure of such matter is required to enable compliance by the Company with applicable laws or the constitutional documents of the Company.

The Company or its duly authorised agent may from time to time request the applicable International Central Securities Depository to provide the Company with following details: ISIN, ICSD participant name, ICSD participant type, Residence of ICSD Participant, number of ETF of the Participant within Euroclear and Clearstream, as appropriate, that hold an interest in Shares and the number of such interests in the Shares held by each such Participant. Euroclear and Clearstream Participants which are holders of interests in Shares or intermediaries acting on behalf of such account holders will provide such information upon request of the ICSD or its duly authorized agent and have authorised pursuant to the respective rules and procedures of Euroclear and Clearstream to disclose such information to the Company of the interest in Shares or to its duly authorised agent

Investors may be required to provide promptly any information as required and requested by the Company or its duly authorised agent, and agree to the applicable International Central Securities Depository providing the identity of such Participant or investor to the Company upon their request.

Notices of general meetings and associated documentation will be issued by the Company to the registered holder of the Global Share Certificate, the Common Depository's Nominee. Each Participant must look solely to its International Central Securities Depository and the rules and procedures for the time being of the relevant International Central Securities Depository governing delivery of such notices and exercising voting rights. For investors, other than Participants, delivery of notices and exercising voting rights shall be governed by the arrangements with a Participant of the International Central Securities Depository (for example, their nominee, broker or Central Securities Depositories, as appropriate).

The Common Depository's Nominee has a contractual obligation to promptly notify the Common Depository of any Shareholder meetings of the Fund and to relay any associated documentation issued by the Fund to the Common Depository, which, in turn, has a contractual obligation to relay any such notices and documentation to the relevant ICSD. Each ICSD will, in turn, relay notices received from the Common Depository to its Participants in accordance with its rules and procedures. In accordance with their respective rules and procedures, each ICSD is contractually bound to collate and transfer all votes received from its Participants to the Common Depository and the Common Depository is, in turn, contractually bound to collate and transfer all votes received from each ICSD to the Common Depository's Nominee, which is obligated to vote in accordance with the Common Depository's voting instructions.

Suspension of the Calculation of Net Asset Value and the Right of Redemption

The Directors may require that at any time the redemption of Shares in the Fund be suspended for a limited period if they are of the opinion that by reason of the closure of or the suspension of trading on any futures exchange, money market or stock exchange it is not reasonably practicable to ascertain the value of investments comprised in the Fund or for any other reason circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable fairly to determine the Net Asset Value of the Fund or a Class of Shares in the Fund.

The Directors also have a general discretion to suspend redemptions where they consider that it is in the

interests of Shareholders as a whole to do so. Such a suspension does not mean an automatic suspension of Net Asset Value calculation of the Fund. A suspension may or may not require that the Net Asset Value calculation is also suspended.

The investors will be notified of the existence of any suspension and may withdraw their Redemption Request. Unless a Redemption Request is withdrawn, redemptions will be affected by the Company on the first Redemption Date following the lifting of a suspension.

The Directors do not anticipate any suspension of redemptions except in the most exceptional circumstances such as the closure or suspension of trading on a relevant market, or of extreme volatility or illiquidity in the relevant markets which could affect the Shareholders' interests, or in the event of the liquidation and dissolution of the Company or the closure of the Fund.

A suspension either of the calculation of the Net Asset Value of the Fund or the redemption of a Class of Shares in the Fund may result in the suspension or delisting of the Fund from Euronext Amsterdam, once listed.

During any period of suspension any fees payable by reference to the Fund's Net Asset Value shall be paid on the basis of the most recent calculation prior to the suspension, or as otherwise determined by the Directors.

9.6 Compulsory Redemption

The Directors have the power to compulsorily redeem the Participating Shares of any investor if:

- 9.6.1 such Participating Shares are being held by a Prohibited Person;
- 9.6.2 such investor's holding of Participating Shares drops below the Minimum Subscription;
- 9.6.3 at any time after the first anniversary of the first issue of Shares of the Fund the Net Asset Value of the Fund on any Redemption Date is less than US\$100,000,000 or equivalent and the Directors so elect.

9.7 Availability of prices

The Subscription Price and Redemption Price of Shares in the Fund are available on request from the Manager and will be published on Bloomberg.

9.8 Share Certificates and the Register

All Shares issued will be in registered, uncertificated form and the Register will be conclusive evidence of ownership. The Register may be inspected at the registered office of the Company. Following subscription or redemption, a confirmation will be issued detailing the Class and number of Shares subscribed for or redeemed, the Subscription or Redemption Price on the relevant date of subscription or redemption and a reference number, including a personal account number, relating to the subscription or redemption. This will comply with the Licensees (Conduct of Business) Rules, 2021. Entry in the register shall be conclusive evidence of title to the Shares, Shareholders requiring confirmation of holdings should write to the Manager at the address set out in these Scheme Particulars. Share Certificates will not be issued as a matter of course. Any changes to a Shareholder's personal details must be notified promptly to the Manager in writing. The Directors reserve the right to require an indemnity or verification countersigned by a bank, stockbroker or other party acceptable to it before the Manager can accept instructions to alter the Register.

The settlement of trading in Shares of the Fund is centralised in the ICSD settlement structure operated by Clearstream which provides centralised issuance in Clearstream and allows for centralised settlement in the ICSD structure jointly operated by Clearstream and Euroclear. Shares in the Fund will not be issued in Dematerialised Form but no temporary documents of title or share certificates will be issued in respect of Shares. The Company has been admitted for clearing and settlement through Clearstream. Whilst Shares will be issued in Clearstream, settlement will be facilitated within Clearstream, Euroclear and other CSDs which are Clearstream Participants. The Articles permit the holding of Shares under the ICSD system and the Shares being admitted to ICSD.

10. ACCOUNTS AND REPORTS

The accounting period of the Company ends on 30 June in each year. The first accounting period for the Company is from the date of incorporation of the Company until 30 June 2022. The Base Currency of the Company is United States Dollars (US\$ or USD) and financial statements will be prepared in US\$ in accordance with International Financial Reporting Standards.

Copies of the audited financial statements of the Company, together with the financial statements and reports of the applicable Fund(s) to which their Shares relate, will be sent to all Shareholders, as listed on the share register, within 4 months of the end of each financial year, as will all annual reports and notices of annual general meetings of Shareholders. Such statements will also be accessible to Shareholders in a secure section of the Company's website, the details of which will be provided to investors. It is the responsibility of the registered Shareholder to onward transmit the annual financial statements and any other documents to any underlying holder or beneficial owner.

The appointment of the Auditor is on an annual, renewable basis or can be terminated earlier upon default by either party. The Auditor may appoint sub-auditors at its discretion and in such cases the sub-auditor's fee will form part of the Auditor's fee.

11. RISK FACTORS

There are significant risks associated with an investment of the type described in this document including the risk of loss of the entire amount invested.

An investment in the Fund involves certain risks relating to the investment strategies to be utilised by the Fund and the assets in which the Fund may invest. No guarantee or representation is made that the Fund's investment objectives will be achieved.

Prospective investors should give careful consideration to the following risk factors in evaluating the merits and suitability of an investment in the Fund. This information is not, and is not intended to be, an exhaustive listing or a comprehensive description of all potential risks associated with an investment in the Fund. Prospective investors should read the Scheme Particulars in their entirety and consult with their own legal, tax and financial advisers before deciding to invest in the Shares.

The following risk factors are relevant to an investment in Shares:

11.1 General

The Company's success, to a significant extent, depends upon the skill and expertise of the investment professionals and independent advisers employed or engaged by the Company, the Manager and the Authorised Participants and there can be no assurance that such individuals will continue to be employed by such party or to function on the Company's behalf.

The Company may acquire interests in investments which, due to subsequent events, may not be advantageously disposed of prior to the date that the Company or the applicable Fund will be dissolved or terminated, as the case may be. Although the Company expects that investments will be disposed of prior to dissolution, the Company may have to sell, distribute or otherwise dispose of investments at a disadvantageous time.

11.2 No assurance of investment objective being achieved

11.2.1 No representation has been or can be made as to the future performance of the Company and there is no assurance that the Company will achieve its investment objective in relation the Fund.

11.2.2 Past performance of similar investments is not necessarily a guide to the future performance of the Company or the Fund.

11.3 Limited Investment History

The Company was incorporated on 21 June 2021 and as such has no, or a limited, investment history. Potential investors should consider the Company and any Fund's prospects in light of the risks associated with companies and funds in their early inception stage.

Advisors selected will ordinarily be those that can demonstrate a proven track record in comparable structures.

11.4 Limited Information

This document only outlines the general characteristics of the investment strategy relying on the financial, tax and legal sophistications of prospective investors and their advisers to evaluate the merits and risks of an investment in the Company.

11.5 Not a Complete Investment Programme

Investment in the Fund is a speculative investment and is not intended as a complete investment programme. It is designed only for investors who are able to bear the risk of loss of their entire investment in the Fund.

11.6 Political and/or Regulatory Risks

The value of the Company's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

11.7 Global Pandemic

Any public health emergency, or the threat thereof, and the resulting financial and economic market

uncertainty could have a significant adverse impact on the Fund and its service providers, and could adversely affect the Fund's ability to fulfil its investment objectives. The extent of the impact of any public health emergency on the Fund's operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted

11.8 Tax and Regulatory Changes

The tax consequences to the Company and Shareholders, the ability of the Company to repatriate its assets including any income and profit earned on those assets and other operations of the Company are based on existing regulations and are subject to change through legislative, judicial or administrative action (including changes to interpretation and potential retrospective application of any such change) in the various jurisdictions in which the Company or its respective agents and advisers operate.

11.9 Early Termination or Substantial Redemptions

In the event of its liquidation or winding up, the Company would have to distribute to the Shareholders their pro rata interest in the assets of the Company at that time. In this event and in the event of substantial redemptions by Shareholders within a short period of time, the Company could be required to liquidate its investments for the Fund more rapidly than would otherwise be desirable, which could adversely affect the value of the Fund's assets. Certain assets of the Fund may be worth less than the initial cost of such investments. Substantial redemptions might also result in early liquidation of the Company.

11.10 Fluctuations in Value

By virtue of the Company's investment policy for the Fund, the Shares in the Fund are likely to be subject to greater risks and rewards than would be the case with a standard equity portfolio. An investment such as this should only be made for the long term and in circumstances where security of capital is not essential.

11.11 The Company may be subject to increases in operating and other expenses

The Company's operating and other expenses could increase without a corresponding increase in income.

Factors that may increase operating and other expenses include (i) increases in the rate of inflation (ii) increases in regulatory charges (iii) changes in laws, regulations or government policies which could increase the costs of compliance with such laws, regulations or policies.

11.12 Counterparty and Institutional Risk

There are risks involved in dealing with the custodians (including sub-custodians) or brokers who settle trades, particularly with respect to non-U.S. investments. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Fund and hence the Company should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing the Company's rights to its assets in the case of an insolvency of any such party. Any such inability to enforce such payments could subject the Company and Shareholders to material losses.

11.13 Arbitrage between Bitcoin Prices

Bitcoin trading platforms generally report publicly on their websites the bid and ask prices for the purchase or sale of Bitcoin. Although each Bitcoin trading platform has its own market price, it is expected that reputable Bitcoin trading platforms' market prices should be relatively consistent with the Bitcoin trading platform market average since market participants can choose the Bitcoin trading platform on which to buy or sell Bitcoin. Price differentials across Bitcoin trading platforms may enable arbitrage between Bitcoin prices on the various Bitcoin trading platforms.

11.14 Volatile Markets

Generally, price movements in the markets in which the Company may invest can be volatile and are influenced, among other things, by: changing supply and demand relationships; government trade and fiscal policies; national and international political and economic events; and changes in interest rates.

In addition, in some circumstances markets can be illiquid, making it difficult to acquire or dispose of contracts at the prices quoted on the various exchanges or at normal bid/offer spreads quoted off-exchange. These and other factors mean that, as with other investments, there can be no assurance that trading will be profitable.

11.15 Restrictions on Redemption and Transfer of Shares and Illiquidity of Shares

Investors will be able to realise their investment in the Fund by redeeming their Shares (which can only be effected on the relevant Redemption Date) or by transfer to another person and both methods of realisation of investor's investments are subject to certain restrictions in certain circumstances.

The Shareholders may be able to dispose of their Shares only by means of redemptions on the relevant Redemption Date at the relevant Redemption Price. The risk of any decline in the Net Asset Value per Share during the period from the date of notice of redemption until the relevant Redemption Date (if any), will be borne by the shareholder(s) requesting the redemption. The Directors have the power to suspend and compel redemptions subject to the limitations outlined in section 14 of these Scheme Particulars.

It is expected that the majority of dealing will be in the secondary market.

11.16 Compulsory Redemption

The Directors have the right to compel any Shareholder to a full redemption if in the sole and conclusive opinion of the Directors the ownership of Shares by such Shareholder could result in adverse tax or regulatory consequences for the Company or any of its Shareholders.

11.17 Guernsey Law and the Articles

The Companies Law was brought into force on 1 July 2008 and there has been limited case law concerning the interpretation of the Companies Law to date. The Guernsey courts tend to follow English law principles where there is no directly relevant Guernsey case law, but there are instances where the Companies Law has diverged from principles well established under English company law. As such, the future interpretation of the Companies Law by the Guernsey courts may not be consistent with English company law.

11.18 Inability of investors to remove the Directors or the Manager etc.

Investors will acquire participating, non-voting shares in the Fund. Such shares do not grant the investors the right to appoint or remove Directors of the Company. Further, investors will not have any right to remove the Manager, Sub-Administrator, Custodian, Sub-Custodian or any other service provider to

the Fund. The remedy available to investors will be to petition the Directors to take these steps, where appropriate, in accordance with their corporate governance obligations.

11.19 Market Price Risk

The Net Asset Value of the Shares and the value of your investment may fluctuate.

The market prices of the Shares will generally fluctuate in accordance with changes in Net Asset Value and changes in the intraday value of the Fund's holdings, as well as the relative supply of and demand for the Shares on the Fund's listing exchange.

Although it is expected that the Fund's shares will remain listed on the exchange, disruptions to subscriptions and redemptions, the existence of market volatility or lack of an active trading market for the shares (including through a trading halt), as well as other factors, may result in the shares trading significantly above (at a premium to) or below (at a discount to) the Fund's Net Asset Value or the intraday value of the Fund's holdings. During such periods, investors may be unable to sell Shares or may incur significant losses if they sell their Shares.

There are various methods by which investors can purchase and sell shares and various types of orders that may be placed. Investors should consult their financial advisors before purchasing or selling Shares in the Fund. Neither the Manager nor the Authorised Participants can predict whether the Shares will trade below, at or above their Net Asset Value.

Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for the Fund's Shares will be closely related to, but not identical to, the same forces influencing the prices of the Fund's holdings trading individually or in the aggregate at any point in time. While the Fund is seeking to track the performance of the Benchmark, there can be no assurance as to whether and/or to what extent the Fund's Shares will trade at premiums or discounts to Net Asset Value or to the intraday value of the Fund's holdings.

11.20 Counterparty and Settlement Risk

The Company may take a credit risk on parties with whom it trades and will also bear the risk of settlement default.

11.21 Authorised Participant Concentration Risk

Only an authorised participant may engage in subscription or redemption transactions directly with the Fund. The Fund may have only one intermediary that will act as authorised participant, and such participant is not, nor will it be obligated to engage in subscription or redemption transactions.

To the extent that this intermediary exits the business or is unable to or chooses not to proceed with subscription and/or redemption orders with respect to the Fund and no other authorised participant is able to take its place, the Fund's Shares may be more likely to trade at a discount to Net Asset Value and possibly face trading halts and/or delisting.

11.22 Volatility in the Price of Bitcoin

Bitcoin markets are sensitive to new developments, and since volumes are still maturing, any significant changes in market sentiment can provoke significant shifts in volume and subsequent price changes. Such volatility can adversely affect the Net Asset Value of the Participating Shares. The price of Bitcoin on public Bitcoin trading platforms has a limited history. Bitcoin prices on the Bitcoin trading platforms

as a whole have been volatile and subject to influence by many factors including the levels of liquidity on Bitcoin trading platforms. Bitcoin may trade at different prices across the various Bitcoin trading platforms and there may be times where Bitcoin will trade at a premium on one trading platform to other platforms. Volatility in the price of Bitcoin on Bitcoin trading platforms could adversely affect the Net Asset Value per Participating Share.

11.23 Decrease in Demand for and Usage of Bitcoin Risk

There is no assurance that Bitcoin will maintain its long-term value in terms of purchasing power in the future or that the acceptance of Bitcoin as a means for payments by mainstream retail merchants and commercial businesses will continue to grow. In the event that the price of Bitcoin declines, the board expects the Net Asset Value per Participating Share to decline proportionately. As relatively new products and technologies, cryptoassets such as Bitcoin have only recently become widely accepted as a means of payment for goods and services by many major retail and commercial outlets, and use of Bitcoin by consumers to pay such retail and commercial outlets remains limited. Banks and other established financial institutions may refuse to process funds for Bitcoin transactions, process wire transfers to or from Bitcoin trading platforms, Bitcoin related companies or service providers, or maintain accounts for persons or entities transacting in Bitcoin. Conversely, a significant portion of Bitcoin demand is generated by speculators and investors seeking to profit from the short- or long-term holding of Bitcoin. A decrease in demand and use of Bitcoin could adversely affect the Net Asset Value per Participating Share.

11.24 Competitors to Bitcoin

To the extent a competitor to Bitcoin gains popularity and greater market share, the use and price of Bitcoin could be negatively impacted, which may adversely affect an investment in the Fund. Similarly, Bitcoin and the price of Bitcoin could be negatively impacted by competition from incumbents in the credit card and payments industries, which may adversely affect the Net Asset Value per Participating Share.

11.25 Attacks on the Bitcoin Network

The Bitcoin Network is periodically subject to distributed denial of service attacks to clog the list of transactions being tabulated by miners, which can slow the confirmation of authentic transactions. Another avenue of attack would be if a large number of miners were taken offline then it could take some time before the difficulty of the mining process algorithmically adjusts, which would stall block creation time and therefore transaction confirmation time. In the past these scenarios have not caused significant delays or resulted any significant systemic issues.

11.26 Increased Regulation of Bitcoin

The regulation of Bitcoin (globally) continues to evolve and may restrict the use of Bitcoin or otherwise impact the demand for Bitcoin in the future. Some global regulators view that Bitcoin is a commodity while others have taken steps to treat Bitcoin as a currency for taxation purposes. While the regulation of Bitcoin continues to evolve, the board believes that it is unlikely that a hostile regulatory environment will develop rather, the Board believes that such processes will bring about innovation and increased protections for Bitcoin users. Because the cryptoasset markets are largely unregulated today, many marketplaces and OTC counterparties that trade or facilitate trading exclusively in cryptoassets are not subject to registration or licensing requirements with any financial services regulatory body and, therefore, are not directly subject to prescribed, KYT, KYC and/or CDD, reporting and recordkeeping requirements which apply financial services firms and other "reporting entities" under AML regulation.

The Authorised Participants will use all reasonable efforts to confirm that each Bitcoin trading platform and institutional liquidity provider from which the Fund may purchase Bitcoin has adopted KYC and

KYT procedures which reflect industry best practices to seek to ensure compliance with AML regulation requirements which apply generally in the jurisdictions where they carry on business.

11.27 Risk Relating to the Cryptography Underlying the Bitcoin Network

Although the Bitcoin Network is the most established digital asset network, the Bitcoin Network and other cryptographic and algorithmic protocols governing the issuance of digital assets represent a new and rapidly evolving industry that is subject to a variety of factors that are difficult to evaluate. The cryptography underlying Bitcoin could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to take the Fund's Bitcoin, the functionality of the Bitcoin Network may be negatively affected such that it is no longer attractive to users, a reduction in user confidence in the digital asset Bitcoin and/or the demand for Bitcoin may decrease all of which would adversely affect the Net Asset Value per Participating Share.

11.28 Lack of Agreement on the Development of the Bitcoin Network

Contributors such as software developers and miners may not agree on the most appropriate means of maintaining and developing the Bitcoin software. These disputes may adversely affect the supply and price of Bitcoin which in turn may adversely affect the Net Asset Value per Participating Share.

11.29 Risk that Blockchain may Experience a Temporary or Permanent Fork and/or Split

The Bitcoin software and protocol are open source. In the event that a change is activated in the Bitcoin software and the community of miners is split in their acceptance of such change, this could result in what is known as a "hard fork". One blockchain would be maintained by the pre-modified software and the other by the post-modification software each running parallel to one another and building independent blockchain with independent native assets. The emergence of a hard fork could adversely affect the value of Bitcoin and adversely affect the Net Asset Value per Participating Share. The Custodian Agreement provides that the Custodian will support the forked network that requires the greatest total threshold number of hash attempts to mine all existing blocks measured during the 48-hour period following the fork, subject to its ability to, under certain circumstances and in consultation with the New York State Department of Financial Services and its licensing partners, make a good faith determination as to the forked network that is most likely to be supported by the greatest number of users and miners and support that network. The Custodian may, in its discretion, choose to not support the forked network, in which case the Custodian may abandon the Fork Asset (as defined below), retain the Fork Asset for itself or allow a one-time withdrawal of the Fork Asset by the Fund. The Custodian may also choose to support the forked network. The Board, Custodian and the Manager will work together with the Authorised Participants to determine how the Fund will deal with a fork in the Bitcoin blockchain. There will likely be many factors relevant to such decision, including the value and liquidity of the new/replacement asset (the "Fork Asset"), the timing of when such information becomes available, whether the Board and Custodian can find another sub-custodian to take custody of the Fork Asset for the Fund and whether a disposition of such Fork Asset would trigger a taxable event for the Fund. As such, if it was in the best interest of the Fund to receive a Fork Asset or otherwise participate in a fork in the Bitcoin blockchain that is not supported by the Custodian, the Board could instruct the Custodian to move the Fund's Bitcoin from the Custodian to an account with another sub-custodian which would support such fork. The Manager will consult with the auditor of the Fund to ensure that all Fork Assets held by the Fund are properly valued in accordance with International Financial Reporting Standards for the purpose of calculating the Net Asset Value of the Fund and Net Asset Value per Participating Share. The Manager has confirmed with the auditor of the Fund that in the event of a fork or split of the Bitcoin blockchain (or the blockchain of another Fork Asset

held by the Fund), the Fund would not be required to reflect ownership of any resulting Fork Asset on its financial statements until such asset is released by the Custodian (or the relevant Fork Asset custodian) into the Fund's account. The Manager will ensure that redeeming Shareholders receive the appropriate redemption price for their Participating Shares, including in circumstances where a Fork Asset held by the Fund cannot be liquidated due to restrictions imposed by the custodian of the Fork Asset or other market forces.

11.30 Dependence on Bitcoin Developers

While many contributors to Bitcoin's software are employed by companies in the industry, most of them are not directly compensated for helping to maintain the protocol. As a result, there are no contracts or guarantees that such individuals will continue to contribute to Bitcoin's software development.

11.31 Risk that Demand for Bitcoin may Exceed Supply

The demand for Bitcoin may develop at a pace which exceeds supply which may frustrate users and cause them to lose faith in the Bitcoin Network which may in turn adversely affect the Net Asset Value per Participating Share.

11.32 Increase in Transaction Fees

Bitcoin miners, functioning in their transaction confirmation capacity, collect fees for each transaction they confirm. Miners confirm transactions by adding previously unconfirmed transactions to new blocks in the blockchain. Miners are not forced to confirm any specific transaction, but they are economically incentivised to confirm valid transactions as a means of collecting fees. Miners have historically accepted relatively low transaction confirmation fees because miners have very low marginal cost of validating unconfirmed transactions. If miners collude in an anticompetitive manner to reject low transaction fees, then Bitcoin users could be forced to pay higher fees, thus reducing the attractiveness of the Bitcoin Network. Bitcoin mining occurs globally and it may be difficult for authorities to apply antitrust regulations across multiple jurisdictions. Any collusion among miners may adversely impact the Net Asset Value per Participating Share.

11.33 Decrease in Block Reward

The block reward will decrease over time. The block reward is currently 6.25 Bitcoin. The block reward will decrease to 3.125 Bitcoin in 2024. As the block reward continues to decrease over time, the mining incentive structure will transition to a higher reliance on transaction verification fees in order to incentivise miners to continue to dedicate processing power to the blockchain. If transaction verification fees become too high, the marketplace may be reluctant to use Bitcoin. Decreased demand for Bitcoin may adversely affect the Net Asset Value of the Fund.

11.34 Dependence on the Internet

Bitcoin miners (and full nodes) relay transactions to one another via the internet, and when blocks are mined they are also forwarded via the internet. Vendors of goods and services that accept Bitcoin access Bitcoin's blockchain via the internet, and most customers access a Vendor's goods and services via the internet. Thus, the entire system is dependent upon the continued functioning of the internet.

11.35 Control of the Outstanding Bitcoin

Concentration in respect of Bitcoin holdings has decreased significantly over the past couple of years, however it is still concentrated. If one of these top holders of Bitcoin were to liquidate their position, this could cause volatility in the price of Bitcoin and in turn adversely affect the Net Asset Value of the Fund.

11.36 Control of the Bitcoin Network

If an entity gains controls over 51% of the compute power (hash rate) the entity could use its majority share to double spend Bitcoin. Essentially, the entity would send Bitcoin to one recipient, which is confirmed in the existing blockchain, while also creating a shadow blockchain that sends that same Bitcoin to another entity under its control. After a period of time, the entity will release its hidden blockchain and reverse previously confirmed transactions, and due to the way mining works, that new blockchain will become the record of truth. This would significantly erode trust in the Bitcoin Network to store value and serve as a means of exchange which may significantly decrease the value of the Bitcoin and in turn the Net Asset Value per Participating Share.

11.37 Risk Relating to Energy Consumption Required to Operate the Bitcoin Network

Because of the significant computing power required to mine Bitcoin, the network's energy consumption as a whole may ultimately be deemed to be or indeed become unsustainable (barring improvements in efficiency which could be designed for the protocol). This could pose a risk to broader and sustained acceptance of the network as a peer-to-peer transactional platform.

11.38 Improper Transfers

Bitcoin transfers are irreversible. An improper transfer (whereby Bitcoin is accidentally sent to the wrong recipient), whether accidental or resulting from theft, and either by the sender or by the relevant trading platform, can only be undone by the receiver of the Bitcoin agreeing to send the Bitcoin back to the original sender in a separate subsequent transaction. To the extent the Fund erroneously transfers, whether accidental or otherwise, Bitcoin in incorrect amounts or to the wrong recipients, the Fund may be unable to recover the Bitcoin, which could adversely affect an investment in the Participating Shares.

11.39 Loss of "Private Keys"

The loss or destruction of certain "private keys" (numerical codes required by the Fund to access its Bitcoin) could prevent the Fund from accessing its Bitcoin. Loss of these private keys may be irreversible and could result in the loss of all or substantially all of the Fund's assets.

11.40 Limited History of Bitcoin and Bitcoin Trading Platforms

Bitcoin and cryptocurrencies generally are new technological innovations with a limited history. There is no assurance that usage of Bitcoin and its blockchain will continue to grow. Increased volatility of Bitcoin and/or a reduction in its price could adversely affect the Net Asset Value per Participating Share. Bitcoin trading platforms have a limited operating history. Since 2009, several Bitcoin trading platforms have been closed or experienced disruptions due to fraud, failure, security breaches or distributed denial of service attacks. In many of these instances, the customers of such trading platforms were not compensated or made whole for the partial or complete loss of funds held at such Bitcoin trading platforms. The potential for instability of Bitcoin trading platforms and the closure or temporary shutdown of Bitcoin trading platforms due to fraud, business failure, hackers, distributed denial of service attacks or malware or government-mandated regulation may reduce confidence in Bitcoin, which may adversely affect the Net Asset Value per Participating Share. Public Bitcoin trading platforms have a limited history. The price of Bitcoin on trading platforms throughout the world has historically been volatile and subject to influence by any number of factors including supply and demand, geo-political uncertainties, macroeconomic concerns such as inflation, speculative investor interest, and the level of liquidity on such exchanges.

11.41 Hacking of Bitcoin Trading Platforms

Certain Bitcoin trading platforms have in the past been compromised by hackers and malware. In the

event that a Bitcoin trading platform is hacked such an event may result in the in the closure or temporary closure of a Bitcoin trading platform or reduce investor confidence in Bitcoin generally which could affect the price of Bitcoin and in turn adversely affect the Net Asset Value per Participating Share. The Fund's Bitcoins will be held by the Sub-Custodian offline in "cold storage". Bitcoins held in cold storage are protected by the Sub-Custodian's security measures, which reflect best practices in the payment industry generally and in the cryptoasset space in particular. The Fund's Bitcoins may also be temporarily held online in a "hot wallet" by the Sub-Custodian.

11.42 Regulation of Bitcoin Trading Platforms

Bitcoin trading platforms are spot markets on which Bitcoin can be exchanged for U.S. dollars. Bitcoin trading platforms are not regulated as securities exchanges or commodity futures exchanges under the securities or commodity futures laws. The Manager seeks to ensure that the Bitcoin trading platforms on which the Fund transacts are reputable, stable and in compliance with AML Regulation.

11.43 Illiquid Securities

The Fund may not always be able to liquidate its Bitcoin at a desired price. It may become difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in the marketplace, including on Bitcoin trading platforms. Unexpected market illiquidity may cause major losses to the holders of Bitcoin. The amount of Bitcoin that the Fund may acquire increases the risks of illiquidity by both making its Bitcoin difficult to liquidate and in liquidating, the Fund may significantly affect Bitcoin's price.

11.44 Concentration

The Fund was created to invest in Bitcoin and is not expected to have significant exposure to any other investments or assets. The Net Asset Value per Participating Share may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative impact on the Net Asset Value per Participating Share.

11.45 US Tax Treatment

The Fund expects to be treated as a partnership for U.S. federal income tax purposes. Each investor, in determining its U.S. federal income tax liability, will take into account its allocable share of income, gain, loss, deduction and credits of the Fund, without regard to whether it has received distributions from the Fund. The consequences to investors of an investment in the Fund are complex. Accordingly, each prospective investor is advised to consult its own tax counsel as to the specific tax consequences of an investment in the Fund.

11.46 Dividends/Capital Payments

It is not the Board's intention to pay dividends, however the ability to pay dividends or make capital payments, should they be determined, on the Shares will depend on the Fund's ability to generate profits from its investment portfolio. Any change in the tax treatment of profits or gains realised by the Fund on its investments may reduce the level of yield received by Shareholders.

11.47 Nominee Arrangements

Where a nominee service provider is used by an investor to invest in the Shares, such investor will only receive payments in respect of redemption proceeds and/or any dividends attributable to the Shares on the basis of the arrangements entered into by the investor with the relevant nominee service provider. Furthermore, any such investor will not appear on the Register, shall have no direct right of recourse against the Company and must look to the relevant nominee service provider for all payments attributable

to the relevant Shares. The Company and the Directors will only recognise as Shareholders those persons who are at any time shown on the Register for the purposes of:

- 11.47.1 the payment of dividends and other payments due to be made to Shareholders (as applicable);
- 11.47.2 the circulation of documents to Shareholders;
- 11.47.3 the attendance and voting by Shareholders at any meetings; and
- 11.47.4 all other rights of Shareholders attributable to the Shares. None of the Company, the Directors nor the Manager or any other person shall be responsible for the acts or omissions of any nominee service provider nor make any representation or warranty, express or implied, as to the services provided by any nominee service provider

11.48 Possible Adverse Economic Conditions and Market Risk

The financial operations of the Company or the Fund may be affected by general economic conditions, by conditions within the environment in which the investments are made, or by the particular financial condition of the parties conducting business with the Company. In particular, changes in the rates of inflation, tax and interest may affect the Fund's value or the value of the underlying assets attributable to that Fund.

11.49 Forward-Looking Statements

This document includes statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms believes, estimates, plans, projects, anticipates, expects, intends, may, will, or should or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical fact and include statements regarding the Company's intentions, beliefs or current expectations.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, the factors described in this risk factors section. Forward-looking statements may and often do differ materially from actual results

Potential investors should keep in mind that any forward-looking statement made by the Company in the Scheme Particulars or elsewhere applies only at the date on which the Company makes it. New factors that would or could cause the Company's business to develop or perform other than as expected or predicts may emerge from time to time and it is not possible for the Company to predict such factor. Further factors may cause actual results to differ from those contained in the forward-looking statements. The Company has no duty to, and does not intend to, update or revise such forward-looking statements in the Scheme Particulars after the date of such documents, except as may be required under law.

11.50 Fees Payable Regardless of Profit

The Company will incur obligations to pay costs. The Company will also incur obligations to pay all fees and out-of-pocket expenses properly incurred by the Manager. In addition, the Company's investment approach may generate substantial transaction costs which will be borne by the Company. These expenses will be payable regardless of whether the Company makes a profit. These fees will be paid by the Promoter out of the Total Expense Ratio.

11.51 Cross Liability between Cells

11.51.1 No recourse to the assets of any other cell

Each separate cell of the Company will maintain separate accounting books and records. A holder of Shares issued in respect of the Fund shall be entitled to look solely to the assets of the Fund in respect of all payments (including dividends, if applicable) due in respect of the Shares held by that holder which are issued in the Fund. If the realised net assets of the Fund are insufficient to pay any amounts due on the relevant Shares, the holder of those Shares shall have no further right of payment in respect of those Shares nor any claim against or recourse to any of the assets of any other cell or any of the other non-cellular assets of the Company.

11.51.2 Allocation of liabilities between cells

The Company may from time to time incur liabilities which are not attributable to a single given fund, but which may relate to or inure to the general benefit of more than one cell. In such circumstances the Directors shall allocate to each applicable fund a proportion of such liabilities pro-rata to the Fund or on such other basis as the Directors, after consultation with the Manager, may determine having regard to what the Directors consider in their discretion to be fair and reasonable in the circumstances.

11.51.3 Allocation of liabilities among all Shareholders in the event of non-recognition of protected cell status.

11.51.3.1 A protected cell company is a company whose principal feature is that each cell has its own distinct assets which are not available to creditors of other cells or of the company as a whole.

11.51.3.2 The Company expects from time to time to make issues of Shares in different cells.

11.51.3.3 The Fund is not a separate legal entity. The Company as a whole is one legal entity. Whilst the Company intends at all times to comply with the stipulation in the Companies Law that the Company identify the specific Fund in respect of which it is transacting from time to time, and whilst the Companies Law seeks to protect the assets of cells of protected cell companies from the claims of creditors of other cells or of the Company as a whole as a matter of Guernsey law, it is possible that the law of another jurisdiction may not recognise the nature of protected cell companies as intended under the Companies Law.

11.51.3.4 The protected cell company structure has not, so far as the Directors are aware, been tested in any foreign courts. Accordingly, if the assets of the Company are situated in a jurisdiction other than Guernsey, or legal proceedings are brought in respect of the Company outside Guernsey, it is not known whether courts in other jurisdictions would recognise the protected cell structure and the integrity of cells. As such, it is possible that a judgment in a jurisdiction other than Guernsey may deem the assets of other cells to be available to meet the claims of creditors of a given Fund or of the Company as a whole.

11.51.3.5 Similarly, it is conceivable that a creditor of one Fund or of the Company as a whole may, in taking action against the Company in respect of that Fund or of the Company as a whole, occasion the transpiration of what may be deemed to be an insolvency, termination or like event insofar as the contractual relations of one or more of the Company's other cells are concerned (whether in respect of any investments or otherwise), causing such other cell or cells of the Company as a whole to be in default of their contractual obligations or otherwise adversely impacting upon their respective contractual standing. However, the Company will wherever possible endeavour to transact with all counterparties in accordance with the Companies Law and otherwise on a limited recourse basis with the intention of legislating that claims against the Company would be restricted to the assets

of the applicable Fund in respect of which the transaction or transactions giving rise to the claim were entered into.

11.51.3.6 Under the Companies Law creditors of a particular cell may, pursuant to a recourse agreement, have recourse to the non-cellular assets of the Company or assets of another cell of the Company to the extent that the assets of that particular cell are insufficient to meet the liability in question. As at the date of these Scheme Particulars the Directors are not aware of any such existing recourse agreement.

11.51.4 Consequences of winding-up proceedings

11.51.4.1 If the Company fails for any reason to meet the obligations of any one or more of its cells or any of its non-cellular obligations, or is unable to pay its debts or those attributable, in accordance with the Companies Law, to any of its Cells, a creditor may be entitled to make an application for the winding up of the Company. The commencement of such proceedings may entitle creditors to terminate contracts with the Company and claim damages for any loss arising from such early termination. The commencement of such proceedings may result in the Company being dissolved at a time prior to the relevant scheduled Redemption Date and the assets of its Cells being realised and applied to pay off the liabilities attributable to those Cells respectively.

11.51.4.2 Notably, it is possible that such proceedings may be issued as a consequence of only one Fund failing to have sufficient assets to meet the obligations of the Company entered into in respect of that Fund, while the other Cells continue to have sufficient assets to enable the Company to discharge their respective liabilities. In other words, despite the provisions of the Companies Law providing for the segregation of the assets and liabilities of the Fund and the endeavours of the Company and the Directors to ensure that the Company transacts on a limited recourse basis in respect of transactions entered into with respect to its particular Cells from time to time, any difficulties the Company may experience in respect of discharging the obligations of one Fund may conceivably have an adverse impact on the position of other Cells which are otherwise solvent and performing as intended in the event winding-up proceedings are commenced.

11.51.4.3 In the event that the Company becomes subject to winding-up proceedings, the liquidator of the Company will be bound by the Companies Law to keep cellular assets separate and separately identifiable from other cellular assets and from non-cellular assets and to discharge the claims of creditors in conformity with the provisions of the Companies Law.

11.52 No Separate Counsel

Collas Crill acts as Guernsey legal adviser to the Company. The Company has not appointed any other legal advisers separate and independent from the above. Collas Crill does not represent investors in the Company, and no independent legal adviser has been sought to represent investors in the Company.

Prospective investors and Shareholders are advised to consult their own independent counsel with respect to the legal and tax implications of an investment in the Company.

In connection with the preparation of these Scheme Particulars, Collas Crill has relied upon the information provided to them by the Company and the Manager and have not made any systematic effort to verify the information contained in these Scheme Particulars.

11.53 Guernsey Law

The Company is a limited liability company incorporated under the Companies Law. Guernsey law does

not make a distinction between private and public companies and some of the protections and safeguards that investors may expect to find in relation to a public company under United Kingdom law are not provided for under Guernsey law.

11.54 Liability and Indemnification of Service Providers

The Manager and the Custodian will be excluded from liability to the Company and have the benefit of indemnities from the Company under certain circumstances.

11.55 Tax

- 11.55.1 The tax rules, and their interpretation relating to investments may change. Such changes may have retrospective effect.
- 11.55.2 Any change in the Company's tax status or tax legislation or its interpretation, could affect the value of the Company's investments and the Company's ability to provide returns to investors or alter the post-tax returns to investors. Statements in these Scheme Particulars concerning the taxation of the Company and its investors are based upon current tax law and practice which are subject to change.
- 11.55.3 The foregoing factors are not exhaustive and do not purport to be a complete explanation of all the risks and considerations involved in investing in the Fund. In particular, the Fund's performance may be affected by changes in market or economic conditions, and legal, regulatory and tax requirements. The Cells and/or the Company will be responsible for paying the fees, charges and expenses referred to in the Scheme Particulars regardless of the level of profitability.
- 11.55.4 Potential investors are advised to obtain independent financial, legal and tax advice before making an investment.

12. POTENTIAL CONFLICTS OF INTEREST

The Manager and the Authorised Participants could enter into transactions in the same investment to be traded on behalf of the Company for their own proprietary accounts and for other accounts under their management and advisory services.

The results of the investment activities of the Company could differ from the results achieved by the Manager/ Authorised Participants for their proprietary accounts or other accounts under their management and advisory services.

The Manager, the Authorised Participants, their affiliates and their principals are only required to devote so much of their time to the Company's affairs as they reasonably believe is necessary in good faith. Such persons are not prohibited from engaging in any other existing or future business or in other investment activities.

The Fund may invest with affiliated and related parties.

The Manager, the Authorised Participants, their affiliates and principals may face certain conflicts of interest in relation to the Company, including, without limitation, involvement with managed accounts or other investment funds that utilise investment strategies similar to those of the Company or its investments. The Manager, its affiliates and its principals may also invest and trade for their own accounts. This could create a level of competition for the same investment. In addition, the Manager may face a conflict of

interest with respect to the determination of the Net Asset Value of the Shares since the Manager will be assisting in determining Net Asset Value and will be receiving a fees based upon Net Asset Value and its appreciation.

The services of the Authorised Participants, the Board of Directors, the Custodian and the Manager are not to be deemed exclusive to the Fund. No provision of these Scheme Particulars shall be construed to preclude these parties or any affiliate of them from engaging in any other activity whatsoever and in receiving compensation for providing services in the performance of any such activity.

If a conflict of interest arises, the Directors will seek to ensure that it is resolved fairly and in accordance with any requirements under the POI Law and the Rules.

13. FEES AND EXPENSES

13.1 The Total Expense Ratio (the **TER**)

The Fund will be charged a TER of 1.5%.

Investors shall be given no less than one month's notice of any proposed change in the TER.

The Fund will be responsible for payment of all brokerage and trading charges including those charged by any brokers.

The Promoter will be responsible, following the provision detailed in 13.3, for payment of all other Fund expenses including, without limiting the generality of the foregoing, the annual Guernsey Companies Registry charges, Commission fees, insurance premiums and related costs, fees and expenses of its Auditors, Legal Advisers, the out-of-pocket expenses incurred by the Manager or the Custodian on behalf of the Fund, Directors' fees, the cost of printing and distributing periodic and annual reports and statements to shareholders as may be requested, and the costs of obtaining and maintaining any stock exchange listings if applicable. Where appropriate such other costs which should be shared between cells of the Company will be apportioned by the Directors on a fair and equitable basis, the decision of the Directors in this respect is final.

13.2 Establishment Costs

The formation expenses attributable to the establishment of the Fund and the Company will be paid by the Promoter from the TER..

13.3 Manager's Fees

The Manager is entitled, under the Administration and Management Agreement, to receive from the Company an annual management fee (the **Management Fee**). This fee will be retained by the Manager from the TER before the balance of the TER is paid to the Promoter.

The Manager may defer, waive or reduce the Management Fee in whole or in part.

The Manager will receive an additional fee, as agreed in the Administration and Management Agreement for auditor liaison, oversight, compliance and regulatory reporting. This will be retained by the Manager from the TER in the same manner as referred to above.

13.4 Market Maker Fees

Flow Traders are entitled, under the relevant Market Maker Agreement to receive from the Company an annual fee, which will be paid by the Promoter from the TER.

13.5 Sub-Administrator Fees

The Sub-Administrator is entitled, under the Sub-Administration Agreement, to receive from the Company an annual fee, which will be paid by the Promoter from the TER.

13.6 The Custodian's Fees

The Custodian is entitled, under the Custodian Agreement, to receive from the Company a fee, which will be paid by the Promoter from the TER.

13.7 Other Operating Expenses

The following expenses will be paid by the Company from the assets of the Fund.:

- 13.7.1 fees charged by both Euroclear and Clearstream;
- 13.7.2 brokerage, commissions, stamp duties and taxes, if any;
- 13.7.3 costs relating to the purchase, registration, custody, sub-custody and realisation of investments and insurance;

The following expenses will be paid by the Promoter:

- 13.7.4 the formation costs, travelling expenses, promotion expenses and listing fees;
- 13.7.5 auditors' fees, legal fees, printing charges, fees payable to the Commission and the States of Guernsey Director of Revenue Service; and
- 13.7.6 Euronext Amsterdam listing fees and expenses, once listed; and
- 13.7.7 the costs of preparing, printing and distributing all valuations, statements, accounts, reports and any other information disseminated to Shareholders.

13.8 Director's Remuneration

The aggregate remuneration payable to the Directors shall be no more than £100,000 per annum (£20,000 per Director, per annum). The Directors may also be reimbursed for expenses incurred in connection with the business of the Company which will include Directors' professional indemnity insurance. Director's remuneration and expenses will be paid by the Promoter from the TER.

14. MATERIAL CONTRACTS

Set out below are the material agreements in relation to the Company and Fund.

14.1 Administration and Management Agreement

The Company and the Manager entered into the Administration and Management Agreement dated 9 November 2021 pursuant to which the Manager has been appointed to act as administrator and manager of the Company and provide administration, management and other functions to the Company. The Administration and Management Agreement provides for a fee to be payable by the Company to the Manager in respect of providing these services, further details of which are set out in section 13 above. This fee will be paid by the Promoter from the TER.

The Administration and Management Agreement is for an initial term of 5 years from the date of launch of the Fund and thereafter is terminable by any party upon 3 months' notice. The Manager will not in

the absence of wilful default, fraud or negligence be liable for any loss or damage which the Company may suffer as a result of, or in the course of, the discharge by the Manager of its duties thereunder. The Administration and Management Agreement also contains provisions for the indemnification of the Manager out of the assets of the applicable Fund against claims by third parties made against the Manager in connection with its services under the Administration and Management Agreement except to the extent that the claim is due to wilful default, fraud or negligence of the Manager.

14.2 Sub-Administration Agreement (Fund Accounting)

The Company, the Manager, the Sub-Administrator and the Promoter entered into a sub-administration agreement dated on 25 July 2023, and as may be updated from time to time, pursuant to which the Sub-Administrator has been appointed to perform certain delegated functions of the Manager, including, but not limited to:

- (i) prepare the net asset value of each such Fund in accordance with that Fund's valuation policies and procedures;
- (ii) furnishing periodic investor statements to the investors; and
- (iii) providing transfer agency services to the Fund; and
- (iv) performing certain other administrative and clerical services in connection with the administration of the Fund as agreed among those funds and the sub- Administrator.

The Sub-Administration Agreement is terminable on 3 months' notice. Under the Sub-Administration Agreement, the Fund will indemnify and hold harmless the Sub-Administrator and each of its affiliates, directors, officers, employees, permitted delegates and sub-delegates, agents or shareholders or any of them (together Indemnified Parties) against any liabilities, obligations, losses, damages, penalties, actions, judgments, claims, demands, suits, costs, expenses or disbursements of any kind which may be imposed on, incurred by or asserted against any Indemnified Parties in connection with their services to that fund, except that no Indemnified Party will be indemnified against any liability to which it would be subject by reason of its gross negligence, wilful misconduct or fraud. In addition, in the absence of gross negligence, wilful misconduct or fraud by any of the Indemnified Parties, no such party will be liable for any loss or damage that the Fund may suffer on account of anything done, omitted or suffered by that party in good faith in providing services to the Fund.

The Manager is responsible for establishing valuation processes and procedures to ensure that the valuation techniques for investments are categorized within the fair value hierarchy in a fair, consistent, and verifiable manner.

Where a Fund invests in assets, the Sub -Administrator is responsible for calculating the net asset value in accordance with the Manager's Valuation Policy. The Manager has not considered the effectiveness of the Manager's valuation governance framework, including the Manager's Valuation Policy. Further, the Manager has not considered if effective valuation policies and procedures have been implemented, nor if appropriate personnel and infrastructure are in place.

The Sub-Administrator is not an independent valuation expert and has not been engaged to provide an independent and objective opinion as to the reasonableness of the conclusions of fair value with respect to the individual positions held by the Fund.

Any fees, costs or expenses of the Sub-Administrator will be paid by the Promoter from the TER.

14.3 Custodian Agreement

The Company, the Manager, the Custodian and the Promoter entered into a revised Custodian Agreement dated 19 July 2023, and as may be updated from time to time pursuant to which the Custodian has been appointed to act as Custodian of the assets of the Company. The Custodian Agreement provides for a fee to be payable to the Custodian in respect of providing these services, which will be paid by the Promoter from the TER as set out in section 13 above.

The Custodian Agreement is terminable by any party upon 3 months' notice. The Custodian will not in the absence of wilful default, fraud or negligence be liable for any loss or damage which the Company may suffer as a result of, or in the course of, the discharge by the Custodian of its duties thereunder. The Custodian Agreement also contains provisions for the indemnification of the Custodian out of the assets of the applicable Fund against claims by third parties made against the Custodian in connection with its services under the Custodian Agreement except to the extent that the claim is due to wilful default, fraud or negligence of the Custodian.

14.4 Market Maker/Authorised Participant Agreements

The Company, the Manager, the Promoter and Flow Traders entered into a Market Maker Agreement dated on 03 November 2021, and as may be updated from time to time pursuant to which Flow Traders has been appointed to act as market maker of the Fund. The Market Maker Agreement provides for a fee to be payable to the Market Maker in respect of providing these services, which will be paid by the Promoter from the TER as set out in section 13 above.

The Market Maker Agreement is terminable by any party upon 3 months' notice. The Market Maker will not in the absence of wilful default, fraud or negligence be liable for any loss or damage which the Company or the Manager may suffer as a result of, or in the course of, the discharge by the Market Maker of its duties thereunder. The Market Maker Agreement also contains provisions for the indemnification of the Market Maker out of the assets of the Fund against claims by third parties made against the Market Maker in connection with its services under the Market Maker Agreement except to the extent that the claim is due to wilful default, fraud or negligence of the Market Maker.

15. ADDITIONAL INFORMATION

15.1 Articles of Incorporation

The following is a summary of certain provisions of the Articles. To the extent of any inconsistency between the Scheme Particulars and the Articles, the Articles shall prevail.

15.1.1 Variation of Rights and Alteration of Capital

15.1.1.1 The special rights and privileges attached to any class of Shares (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, only be altered or abrogated with the consent in writing of the holders of not less than 75 per cent. of the issued Shares of that class or with the sanction of a resolution passed by a majority of not less than 75 per cent. of the votes cast at a separate general meeting of the holders of the Shares of that class.

15.1.1.2 The rights attached to any class of Shares having preferential rights shall not be deemed to be varied by the creation, allotment or issue of any Founder Shares, Participating Shares or any shares therewith ranking pari passu with them, the conversion of Shares of one Fund into Shares of another Fund, the payment of a dividend on the Shares of any Fund

where the dividend is paid out of the assets attributable to that Fund, the exercise by the Directors of their discretion, any variation of the rights attached to shares of any other class or by the creation or issue of any shares other than shares ranking above them in priority in respect of rights in a winding up and rights to a dividend or, if the Company should be wound up, the exercise by the liquidator of his powers under the Articles.

15.1.1.3 The Company may by ordinary resolution alter its share capital in accordance with section 287 of the Companies Law.

15.1.2 Issue and Transfer of Shares

15.1.2.1 Unless otherwise stated in these Scheme Particulars the Directors may issue Participating Shares and Founder Shares on such terms and to such persons as they think fit.

15.1.2.2 Subject to the restrictions below, any shareholder may transfer in writing all or any of his Shares in the usual or common form in use in Guernsey or such other form as the Directors may approve.

15.1.2.3 The Directors may at their discretion for any or no reason decline to register any transfer of Shares that are not fully paid or in respect of which the Company otherwise has a lien.

15.1.2.4 The Directors may also decline to register any transfer of a Share (whether fully paid or not):

15.1.2.4.1 unless and until the transferee has furnished a declaration, in a form satisfactory to the Directors, together with, if the Directors so require, evidence and declarations as to status, residence or otherwise;

15.1.2.4.2 if such transfer would result in either the transferor or the transferee holding less than the Minimum Subscription;

15.1.2.4.3 unless the instrument of transfer:

15.1.2.4.3.1 is deposited at the registered office or such other place as the Directors may reasonably require, accompanied by the certificate for the Shares (if applicable) to which it relates and such other evidence as the Directors may reasonably require, to show the right of the transferor to make the transfer; and

15.1.2.4.3.2 relates to Shares of one class only; or

15.1.2.4.3.3 to a person who is a Prohibited Person.

15.1.2.4.4 If the Directors refuse to register a transfer of a share they shall, within two months after the date on which the instrument of transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.

15.1.2.4.5 The registration of transfers of Shares or of transfers of any class of Shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors may determine.

15.1.3 Prohibited Persons

The Directors may, by notice in writing to a Shareholder at any time request a Shareholder to furnish a declaration, in a form satisfactory to the Directors, as to whether or not he is a Prohibited Person. If the Shareholder shall fail to give such a declaration within 2 months after service of such notice, the Shareholder shall be deemed to be a Prohibited Person.

If such Shareholder holds Participating Shares the Directors may require the compulsory redemption or transfer of such shares.

15.1.4 Compulsory Redemption

If it shall come to the notice of the Directors that Participating Shares are held directly, indirectly or beneficially by a Prohibited Person the Directors may serve a notice upon the person requiring that person within 30 days to transfer the relevant shares to another person qualified to hold such shares. If within 30 days after the receipt of a notice it has not been complied with, the Directors shall take such steps to redeem the shares in accordance with the Articles.

15.1.5 Directors

- 15.1.5.1 Unless otherwise determined by ordinary resolution of the holders of Shares, the number of Directors shall be not less than 2.
- 15.1.5.2 A Director need not be a Shareholder.
- 15.1.5.3 The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director provided that such appointment does not cause the number of Directors to exceed the number fixed as the maximum number of directors (if any).
- 15.1.5.4 The Company may by ordinary resolution appoint and remove any person as a Director in accordance with the provisions of the Articles.
- 15.1.5.5 No person shall be appointed as a Director unless he is recommended by the Directors for appointment or, not less than 7 and not more than 35 days before the date appointed for the general meeting, notice signed by a Shareholder has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.
- 15.1.5.6 A Director may retire from office as a Director by giving notice in writing to that effect to the Company at its registered office or tendered at a meeting of the Directors.
- 15.1.5.7 There is no fixed retirement age for the Directors and there is no provision for the retirement of Directors by rotation.
- 15.1.5.8 The office of a Director shall be vacated if:
 - 15.1.5.8.1 he ceases to be a Director by virtue of any provision of, or he ceases to be eligible to be a director in accordance with, the Companies Law; or
 - 15.1.5.8.2 he has his affairs declared en désastre or has a preliminary vesting order made against his Guernsey realty, becomes bankrupt, suspends payment or compounds with his creditors, or is adjudged insolvent or any analogous event occurs under the laws of any jurisdiction, or
 - 15.1.5.8.3 his resignation is requested by the majority of the other Directors, not being less than two in number. Where the number of other Directors is even, the Chairman shall have a casting vote (save in respect of a request for resignation of the Chairman there shall be no casting vote); or
 - 15.1.5.8.4 he is absent from meetings of the Directors for three successive meetings without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated.
- 15.1.5.9 Unless otherwise determined by the Company by ordinary resolution, there shall be paid to the Directors (other than alternate Directors) such fees for their services in the office of Director as the Directors may determine.
- 15.1.5.10 The Directors shall be entitled to be repaid by the Company all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Directors or of committees of the Directors or general meetings or separate meetings of

the holders of any class of shares or otherwise in discharge of their duties. These expenses will be paid by the Promoter from the Total Expense Ratio.

- 15.1.5.11 Subject to the Companies Law, provided that he has disclosed the nature and extent of any material interest of his, a Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any office or place of profit under the Company, or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement, other than his own appointment or the arrangement of the terms of it.
- 15.1.5.12 A Director who has any material interest in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first considered or if the Director was not, at the date of that meeting, interested in the proposed contract or arrangement, at the next meeting of the board held after he becomes so interested.
- 15.1.6 Borrowing Powers
- 15.1.6.1 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt facility, liability or obligation of the Company or of any third party.
- 15.1.6.2 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any), so as to secure (as regards its subsidiary companies, so far as by such exercise they can secure) that the aggregate principal amount (including any fixed or minimum premium payable on final repayment) of monies borrowed by the Company in respect of any Fund shall not exceed the limit, if any, set out in the Scheme Particulars from time to time. Compliance with this restriction will be measured at the time a borrowing is made and there will be no obligation on the Company to make changes as a result of subsequent changes in Net Asset Values.
- 15.1.7 Indemnity
- The Directors, secretary, other officers or employees and affiliates of the Company shall be indemnified out of the assets of the Company to the fullest extent permitted by the Companies Law from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by reason of any contract entered into or any act done, concurred in or omitted, in or about the execution of their duty or supposed duty or in relation to it.
- 15.1.8 Right to Dividends and Distributions
- 15.1.8.1 Dividends and distributions (as such term is defined in the Companies Law) may be paid to the holders of the Shares in accordance with the provisions of the Companies Law either by:
- 15.1.8.1.1 the Company by ordinary resolution but such dividend shall not exceed the amount (if any) recommended by the Directors; or
- 15.1.8.1.2 by the Directors.
- 15.1.8.2 Dividends shall not be payable to holders of Founder Shares.
- 15.1.8.3 The Directors may issue Shares in lieu of dividends in accordance with the Companies

Law.

- 15.1.8.4 The Directors may deduct from any dividend, distribution or other monies payable to any Member on, or in respect of, any share, all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to such shares.
- 15.1.8.5 All unclaimed dividends and distributions may be invested or otherwise made use of by the Company for the benefit of the applicable Fund until claimed. No dividend or distribution shall bear interest against the applicable Fund or the Company. The payment by the Company of any unclaimed dividend or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect of it and any dividend or distribution unclaimed after a period of 6 years from the date of declaration of such dividend or distribution shall be forfeited and shall revert to the applicable Fund.
- 15.1.9 Winding Up and Distribution of Assets
 - 15.1.9.1 The Company may be wound up upon the passing of a special resolution of Shareholders, in which case it shall be wound up in accordance with the Articles and applicable Guernsey law and regulation (including the Companies Law).
 - 15.1.9.2 If the Company shall be wound up the liquidator shall apply the assets of the Company in satisfaction of creditors' claims in such manner and order as he thinks fit but at all times by reference to the Companies Law as it relates to protected cell companies in this respect.
 - 15.1.9.3 The assets available for distribution among the Members shall then be applied in the following order of priority:
 - 15.1.9.3.1 first, in payment to the holders of Founder Shares the subscription price of the Founder Shares in full; and
 - 15.1.9.3.2 second, in payment to the holders of each class of Participating Shares of any balance then remaining in the applicable Fund, such payment being made in proportion to the number of shares of that class held.
- 15.1.10 Distributions in Specie on Winding Up

If the Company shall be wound up, the liquidator may with the authority of a special resolution and any other sanction required by the Companies Law, divide in specie among the persons entitled to it the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the holders of shares or different classes of shares. The liquidator may with the like authority vest any part of the assets with trustees upon such trusts for the benefit of the persons entitled to them as the liquidator shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no person shall be compelled to accept any shares in respect of which there is liability.
- 15.1.11 Forfeiture
 - 15.1.11.1 If any call or instalment of a call remains unpaid after it has become due and payable, the Directors may at any time serve a notice on the holder requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment.
 - 15.1.11.2 The notice shall name a day (not being less than 14 days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day and at the place

appointed, the shares in respect of which the call has been made or instalment is payable will be liable to be forfeited. The Directors may accept the surrender of any Share liable to be forfeited and, in that event, references in these Articles to forfeiture shall include surrender.

- 15.1.11.3 If the notice is not complied with, any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect, and the forfeiture shall include all dividends declared or other monies payable in respect of the forfeited shares and not paid before the forfeiture.
 - 15.1.11.4 When any share has been forfeited, notice of the forfeiture shall be served upon the person who was, before forfeiture, the holder of the share, but no forfeiture shall be invalidated by any omission or neglect to give notice.
 - 15.1.11.5 Subject to the Companies Law, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine, either to the person who was, before the forfeiture, the holder, or to any other person, and, at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the Directors may authorise some person to execute an instrument of transfer of the share to that person.
 - 15.1.11.6 A person whose shares have been forfeited shall cease to be a Member in respect of them and shall surrender to the Company for cancellation the certificate (if any) for the forfeited shares, but shall remain liable to pay the Company all monies which at the date of the forfeiture were payable by him to the Company in respect of those shares, with interest at the rate at which interest was payable on those monies before the forfeiture, or if no interest was so payable, at the rate of 10 per cent. per annum from the date of forfeiture until payment, but the Directors may waive payment wholly or in part or enforce payment, without being under any obligation to make any allowance for the value of the shares forfeited or for any consideration received on their disposal.
- 15.1.12 **Untraceable Members**
- If it shall come to the notice of the Directors that any Shares are owned by an untraceable person, then subject to having written to the person's last known address and after advertising in La Gazette Officielle for two successive weeks, if the person does not come forward within a period of 90 days, the Company may compulsorily redeem the holding, and the proceeds from such redemption will be held for the account of the Company.
- 15.1.13 **Power to Require Disclosure of Beneficial Interest**
- 15.1.13.1 The Directors shall have power by notice in writing to require any Shareholder to disclose to the Company the identity of any person other than the Shareholder (interested party) who has any interest in the Shares held by the Shareholder and the nature of such interest.
 - 15.1.13.2 Any such notice shall require any information in response to such notice to be given in writing within such reasonable time as the Directors shall determine.
 - 15.1.13.3 The Company shall maintain a register of interested parties to which the provisions of Sections 123 and 127 of the Companies Law shall apply as if the register of interested parties was the Register and whenever in pursuance of a requirement imposed on a Shareholder, the Company is informed of an interested party, the identity of the interested party and the nature of the interest shall be promptly inscribed in it together with the date of the request.
 - 15.1.13.4 The Directors shall exercise their powers under 15.1.13.1 on the requisition of a Sharehold-

er's holding as at the date of the deposit of the requisition, where such holding is not less than one-tenth of the paid-up capital of the Company.

15.1.13.5 If any Shareholder has been duly served with a notice given by the Directors in accordance with 15.1.13 and is in default for more than 14 days in supplying to the Company the information they require, then the Directors may in their absolute discretion at any time after the serving of the notice, serve a notice (direction notice) upon such Shareholder. A direction notice may direct that, in respect of:

15.1.13.5.1 any shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the default shares); and

15.1.13.5.2 any other shares held by the Shareholder,

the Shareholder shall not be entitled to vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by proxy to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company.

15.1.13.6 Where the default shares represent at least 0.25 percent of the class of shares concerned, the direction notice may additionally direct that in respect of the default shares:

15.1.13.6.1 any dividend or part of it which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the Shareholder;

15.1.13.6.2 no transfer other than an approved transfer of the default shares held by such Shareholder shall be registered unless:

15.1.13.6.2.1 the Shareholder is not himself in default as regards supplying the information requested; and

15.1.13.6.2.2 when presented for registration the transfer is accompanied by a certificate by the Shareholder in a form satisfactory to the Directors to the effect that after due and careful enquiry the Shareholder is satisfied that no person in default as regards supplying such information is interested in any of the Shares that are the subject of the transfer.

The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but failure or omission by the Company to do so shall not invalidate such notice.

15.1.13.7 If shares are issued to a Shareholder as a result of that Shareholder holding other shares in the Company and if the shares in respect of which the new shares are issued are default shares in respect of which the Shareholder is for the time being subject to particular restrictions, the new Shares shall on issue become subject to the same restrictions whilst held by that Shareholder as such default shares. For this purpose, shares which the Company procures to be offered to Shareholders pro rata (or pro rata ignoring fractional entitlements and shares not offered to certain Shareholders by reason of legal or practical problems associated with offering shares in any jurisdiction) shall be treated as shares issued as a result of a Shareholder holding other shares in the Company.

15.1.13.8 Any direction notice shall have effect in accordance with its terms for as long as the default, in respect of which the direction notice was issued, continues but shall cease to have effect in relation to any Shares which are transferred by such Shareholder by means of an approved transfer. As soon as practical after the direction notice has ceased to have ef-

fect (and in any event within 7 days after it) the Directors shall procure that the restrictions imposed by clause 15.1.13.6 and 15.1.13.7 shall be removed and that dividends withheld pursuant to clause 15.1.13.6.1 are paid to the relevant Shareholder.

15.1.13.9 Any Shareholder who has given notice of an interested party in accordance with clause 15.1.13.1 who subsequently ceases to have any party interested in his Shares or has any other person interested in his Shares shall notify the Company in writing of the cessation or change in such interest and the Directors shall promptly amend the register of interested parties accordingly.

15.1.14 Voting Rights

15.1.14.1 The holders of Founder Shares shall be entitled to notice of, attend and vote at general meetings. Save as required by law, holders of Participating Shares shall have no right to notice of, attend or vote at general meetings.

15.1.14.2 Notice of meetings will be sent to all Shareholders entitled to attend.

15.1.14.3 At any meeting of Shareholders of the Company, resolutions may be passed by a show of hands at the meeting unless a poll is required. A poll of Shareholders may be demanded by the chairman of the meeting, or at least five Shareholders having the right to vote on the resolution, or a Shareholder or shareholders representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote on the resolution.

15.1.14.4 Only eligible Shareholders or their proxies may vote at general meetings of the Company. On a show of hands Shareholders present in person or by proxy shall have one vote. On a poll Shareholders present in person or by proxy shall be entitled to one vote for each Share held.

15.2 Takeover Provisions under Guernsey Law

There are takeover provisions in the Companies Law allowing a proposed purchaser acceptance of 90 per cent. in value of shares in a company to compulsorily acquire the remaining shares in the company provided certain procedural requirements under the Companies Law are complied with.

16. MISCELLANEOUS

The Company is not engaged in any litigation or arbitration proceedings and the Directors are not aware of any litigation or arbitration proceedings pending or threatened against the Company.

No commissions or discounts have been agreed in connection with the issue or sale of any capital of the Company. Commissions payable to intermediaries may, at their request, be satisfied by the issue of Shares.

There are no arrangements in place where the Company or the Manager has undertaken to place business with a third party (in lieu of direct payment) in exchange for a service or benefit intended to improve the relevant party's performance.

No person has, or is entitled to be given, an option to subscribe for Shares.

16.1 Interests of Directors and Senior Management

16.1.1 At the date of these Scheme Particulars, the Directors of the Company or their associates have the following interest in shares in the Company or the Fund:

Name	Interest	Notes
Roy McGregor	Roy McGregor is a director and shareholder of the Promoter which will receive fees from the Fund as set out in section 13.1 above	
Christopher Jehan	Christopher Jehan is a director of the Promoter which will receive fees from the Fund as set out in section 13.1 above	
Martin Bednall	Martin Bednall is a director and shareholder of the Promoter which will receive fees from the Fund as set out in section 13.1 above	
Jamie Khurshid	Jamie Khurshid is a director and shareholder of the Promoter which will receive fees from the Fund as set out in section 13.1 above	
Jonathan Sebire	None	

16.1.2 There are no:

- 16.1.2.1 Outstanding loans made by the Company to any Director;
- 16.1.2.2 Guarantees provided for the benefit of any Director

16.2 Other Conflicts

16.2.1 Jonathan Sebire is a director of the Manager and Administrator.

16.3 Documents for Inspection

Copies of the following documents are available for inspection during normal business hours on any Business Day at the registered office of the Company:

- 16.3.1 These Scheme Particulars;
- 16.3.2 The Articles;
- 16.3.3 The Administration and Management Agreement;
- 16.3.4 The Investment Management Agreement;
- 16.3.5 The Sub-Administration Agreement;
- 16.3.6 The Custodian Agreement;
- 16.3.7 The Market Maker/Authorised Participant Agreements;
- 16.3.8 a list of the directorships of the Directors for the last five years up to the date of these Scheme Particulars; and
- 16.3.9 The Companies Law.

16.4 The statutory records of the Company are held at the registered office of the Company.

17. TAXATION

The following information is general in nature and relates only to taxation applicable to the Company, the Cells, any subsidiaries, and its Shareholders who hold their Shares as an investment and who are resident or ordinarily resident in the United Kingdom (except where indicated otherwise). The information is for guidance purposes only. Neither the Directors, or any other party are purporting to provide tax advice of any nature in the Scheme Particulars. The information is based on existing law and tax

authority practice for the relevant jurisdiction at the date of these Scheme Particulars and may be subject to subsequent change.

Prospective investors should seek their own professional advice on the laws and regulations (including those relating to taxation and exchange controls) currently applicable to the acquisition of, subscription for, and the holding and realisation of, Shares in the places of their citizenship, residence and domicile. The tax consequences for each investor of acquiring, holding, redeeming or disposing of Shares will depend upon the relevant laws of any jurisdiction to which the investor is subject. Prospective investors should seek their own professional advice as to this, as well as to any relevant exchange control or other laws and regulations. In particular United Kingdom resident or ordinarily resident individual Shareholders who are not United Kingdom domiciled may be subject to different income tax and capital gains tax rules to those outlined below and should seek their own independent professional tax advice with respect to their tax position.

Any change in the Company's tax status or in taxation legislation in Guernsey or any other tax jurisdiction affecting Shareholders could affect the value of the investments held by the Company or affect the Company's ability to achieve its investment objective for the Shares or alter the post tax returns to Shareholders.

Prospective Shareholders should ascertain from their professional advisors the consequences to them of making an investment or trading in, holding or disposing of Shares and the receipt of distributions under the relevant laws of the jurisdiction to which they are subject, including the tax consequences and any exchange control requirements. These consequences will vary with the law and practice of an investor's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

The taxation of income and capital gains of the Company, the Cells, any subsidiaries and Shareholders is subject to the fiscal laws and practice of the jurisdictions referred to below, those in which the Company, the Cells and any subsidiaries enter into transactions and those in which Shareholders are resident or otherwise subject to tax.

Prospective investors should note that neither the Company nor the Cells nor any subsidiary will be tax transparent under Guernsey fiscal rules.

This summary is based on taxation law and practice at the date of this document but prospective investors should be aware that the relevant fiscal rules and practice or their interpretation may change. The following summary of the anticipated tax treatment is based on current law and practice in Guernsey and is subject to any changes to it and is not a guarantee to any investor of the tax results of investing in the Company. The information should not be regarded as legal or tax advice.

17.1 Taxation in Guernsey

The Company is not currently liable to pay tax in Guernsey on any income or capital gains arising within the Company. The Company has applied to the Director of Revenue Service in Guernsey for exemption from Guernsey Income Tax and accordingly pays an annual fee for such exemption. This fee is currently £1,200 per annum.

Shareholders (unless they are resident in Guernsey for tax purposes) will not suffer any income tax in Guernsey on any distributions to them. There are no death duties, capital inheritance, capital gains, gifts, sales or turnover taxes levied in Guernsey in connection with the acquisition, holding or disposal

of Shares other than ad valorem fees for the grant of probate or letters of administration. No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of Shares.

No deduction of tax from any dividends payable by the Company will be made but the Manager will provide details of any distributions made to Shareholders resident in the Islands of Guernsey, Alderney and Herm or who carry out business there through a permanent establishment, to the Director of Revenue Service in Guernsey.

17.2 Information Reporting in Guernsey

17.2.1 US Foreign Account Tax Compliance Act

17.2.1.1 The US Foreign Account Tax Compliance Act and sections 1471 through 1474 of the US Internal Revenue Code (collectively referred to as FATCA) requires certain Foreign Financial Institutions, including the Company, to report on assets held by US person. Failure to do so could result in the Foreign Financial Institution being subject to a withholding tax (currently at the rate of 30 per cent) on certain payments. Payments subject to withholding under these rules generally include gross US-source dividend and interest income, gross proceeds from the sale of property that produces dividend or interest income from sources within the US and certain other payments made by or through Participating Foreign Financial Institutions to recalcitrant account holders and Non-participating Financial Institutions (so called foreign pass thru payments).

17.2.1.2 Guernsey has entered into a Model 1 intergovernmental agreement with the United States (the US IGA) and implemented the Income Tax (Approved International Agreements) (Implementation) (United Kingdom and United States of America) (Amendment) Regulations, 2015 (the **Guernsey US FATCA Regulations**) to facilitate compliance with FATCA. The US IGA provides that Guernsey Financial Institutions, including the Company, which comply with the Guernsey US FATCA Regulations (and through them the US IGA) will be treated as satisfying the due diligence and reporting requirements of FATCA and accordingly will be deemed compliant with the requirements of FATCA. To comply with its obligations under the Guernsey US FATCA Regulations, the Company will be required to identify whether Participating Shares are held directly or indirectly by Specified US Persons (as defined in the US IGA) and report information on such Specified US Persons to the Guernsey Revenue Service. The Guernsey Revenue Service will in turn report relevant information to the United States Internal Revenue Service (IRS). If the Company is not able to comply with its reporting requirements under the US IGA (whether due to a failure of one or more Shareholders to provide adequate information or otherwise), the Company could be deemed to be a Non-participating Financial Institution as a result of significant non-compliance. In such a situation the withholding tax under FATCA could be imposed on US-sourced amounts paid to the Company.

17.2.2 OECD Common Reporting Standard requirements regarding tax reporting

17.2.2.1 The Common Reporting Standard (**CRS**) was developed by the OECD to be an international standard for the automatic exchange of financial account information between relevant jurisdictions. Jurisdictions committed to the CRS (each a Participating Jurisdiction) will either be a signatory to the multi-lateral competent authority agreement (**MCAA**) or will sign bilateral competent authority agreements with certain other Participating Jurisdictions.

17.2.2.2 Under the MCAA (or the relevant bilateral agreement), Participating Jurisdictions have to collect and exchange relevant information with relevant Reportable Jurisdictions. The list

of Reportable Jurisdictions for Guernsey is available on the Guernsey Revenue Service website at <https://www.gov.gg/CHttpHandler.ashx?id=117019&p=0>

- 17.2.2.3 Guernsey is a signatory to the MCAA and has implemented CRS through The Income Tax (Approved International Agreements)(Implementation) (Common Reporting Standard) Regulations, 2015 (the **CRS Regulations**). Under the CRS Regulations, the Company is required to make an annual filing to the Guernsey Revenue Service in respect of Shareholders who are tax resident in a Reportable Jurisdiction and/or whose Controlling Persons are tax resident in a Reportable Jurisdiction (unless one or more of the limited exemptions in the CRS Regulations apply).
- 17.2.3 Implications for Shareholders
 - 17.2.3.1 In order to comply with the US IGA, the MCAA (or any relevant bilateral agreement) and the relevant domestic legislation (collectively **AEOI Legislation**), the Company may be required to disclose certain confidential information provided by Shareholders to the Guernsey Revenue Service, which in turn will report the information to the relevant foreign fiscal authority. In addition, the Company may at any time require a Shareholder to provide additional information and/or documentation which the Company may be required to disclose to the Guernsey Revenue Service.
 - 17.2.3.2 If a Shareholder does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Company, or a risk of the Company being subject to any withholding tax or other liability or being required to withhold amounts from distributions to be made to any Shareholder, the Company may take any action and/or pursue any remedy at its disposal. Such action or remedy may include the compulsory redemption of some or all of the Participating Shares held by the Shareholder concerned or the conversion of such Participating Shares into Participating Shares of another Class.
 - 17.2.3.3 To the extent the Company incurs any costs or suffers any withholding as a result of a Shareholder's failure, or is required by law to apply a withholding against the Shareholder, it may set off such amount against any payment otherwise due from the Company to the Shareholder or may allocate such amount to the Participating Shares held by such Shareholder. No Shareholder affected by any such action or remedy shall have any claim against the Company for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with the AEOI Legislation.

Shareholders are encouraged to consult their own advisors regarding the possible application of the AEOI Legislation and the potential impact of the same, on their investment in the Fund.

18. ANTI-MONEY LAUNDERING REGULATIONS

As part of the Company's responsibility for the prevention of money laundering, the Company, or the Manager may require a detailed verification of an investor's identity as well as their address and details of any beneficial owner underlying the account, and may also be required to be satisfied as to the source of the investor's subscription payment.

The Company and the Manager will at all times comply with any obligations imposed by any applicable laws, rules and regulations with respect to money laundering (**AML Undertaking**).

The Manager will adopt procedures designed to ensure, to the extent applicable, that it and its agents shall comply with the AML Undertaking.

Measures under The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, as amended, aimed towards the prevention of money laundering will require an investor to verify his identity. The Manager will notify applicants of the proof of identity which will be required.

The Company and the Manager reserve the right to request such information as they deem necessary for verification purposes. In the event of delay or failure by the applicant or Shareholder to produce any information required, the Directors may refuse to accept a subscription, may require a transfer of Shares or may compulsorily redeem such Shareholder's Shares. The Directors, by written notice to any Shareholder, may suspend the payment of redemption proceeds payable to such Shareholder if it reasonably deems it necessary to do so to comply with applicable anti-money laundering regulations.

Each prospective investor and Shareholder shall be required to make such representations to the Company as the Company or the Manager shall require in connection with applicable anti-money laundering procedures, including, without limitation, representations to the Company that such prospective investor or Shareholder is not a prohibited country, territory, individual or entity listed on the US Department of Treasury's Office of Foreign Assets Control (**OFAC**) website or HM Treasury's Office of Financial Sanctions Implementation (**OFSI**) list of individuals or entities subject to financial sanctions, and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or OFSI list or prohibited by any OFAC or OFSI sanctions programmes. Such prospective investor or Shareholder shall also represent to the Company that amounts contributed by it to the Company were not directly or indirectly derived from activities that may contravene US Federal, state, UK or international laws and regulations, including, without limitation, any applicable anti-money laundering laws and regulations.

The Manager may disclose information regarding investors to such parties (for example, its affiliates, attorneys, auditors, administrators or regulators) as it deems necessary or advisable to facilitate the transfer of the Shares, including, but not limited to, in connection with anti-money laundering and similar laws. The Manager or other service providers may also release information if compelled to do so by law or by any regulatory (including self-regulatory) organisation or pursuant to any investigation related to anti-money laundering or other laws or regulations.

Additional requirements may be imposed from time to time to comply with all applicable anti-money laundering laws and will be detailed in the current Application Form.

19. DATA PROTECTION

The information that an investor in the Company provides in an Application Form or in any way and by whatever means (which includes by way of electronic data) in relation to any natural person (a relevant individual) and in relation to an application to become or continue as a Shareholder of the Company (together personal data) will be held and controlled and processed by the Authorised Participants and the Manager (and the Company, as the party with ultimate responsibility for such data), each as a data controller, each under the relevant Data Protection Laws in confidence and in accordance with its obligations under the Data Protection Laws.

Each relevant individual subscribing for Participating Shares in the Company will be asked to provide certain confirmations to the Authorised Participants and the Manager, including that that they have read and acknowledged their rights in relation to personal data as contained in the Privacy Notice.

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