



Continuing Obligations for investments funds listed under Chapter 9 of the Cayman Islands Stock Exchange (the “CSX” or “Exchange”) listing rules

Introduction

This memorandum has been prepared to inform the directors of the issuer and their advisers of their obligations on a listing of closed-ended and open-ended funds and other investment vehicles listed pursuant to Chapter 9 of the Listing Rules in order that the directors may satisfy themselves that they comply with all the relevant requirements.

Continuing obligations

The CSX listing rules ("Listing Rules") contain provisions setting out the continuing obligations which an issuer is required to observe once any of its issued securities have been admitted to listing. The Listing Rules also contain provisions regarding accountants' reports and other financial information. The continuing obligations are intended to ensure that all market users have simultaneous access to the same information and to maintain an orderly market in the listed securities.

A summary of the continuing obligations are set out below.

General obligation of disclosure for issuers Listing Rules (Listing Rule 2.39)

Generally and apart from compliance with all the specific requirements of these Listing Rules, the issuer shall keep the public, the CSX, the holders of the securities of the issuer and other holders of its listed securities informed as soon as reasonably practicable of any information relating to the issuer (including information on any major new developments in the issuer's sphere of activity which is not public knowledge) which:

- (a) is necessary to enable them and the public to appraise the financial position of the issuer and its group;
- (b) is necessary to avoid the establishment of a false market in its securities; and
- (c) might reasonably be expected materially to affect market activity in and the price of its securities.

New developments and matters requiring prior consultation

The investment fund must notify the CSX without delay, for dissemination by the CSX, of any new developments which are not public knowledge and which may reasonably be expected to affect materially the financial position or general course of business of the listed investment fund or the market activity in and the price of its listed securities.

The investment fund or its listing agent must consult the CSX in advance of any matter which, in the reasonable opinion of the investment fund, may affect the suitability of the fund for listing or may materially adversely affect the interests of security holders.

Equality of Treatment

The investment fund must ensure equal treatment of all holders of its listed securities of the same class.



Exercise of rights

The investment fund must ensure that all the necessary information and facilities are made available to holders of its listed securities in order to enable them to exercise their rights in relation to such securities.

Financial Information

An annual report and accounts must be filed with the CSX within nine (9) months of a fund's financial year end.

The investment fund must send a copy of its annual financial statements and any interim financial report to every holder of its listed securities as soon as they have been published and must make further copies available to investors or prospective investors upon request.

Additional fees

An additional administrative fee of US\$500 (CI\$410) may be charged where the issuer fails to file with the Exchange financial statements in breach of the Exchange's continuing obligations.

Notification of Net Asset Value

The investment fund must notify the CSX without delay, for dissemination by the CSX, whenever is calculated, of the net asset value of its listed securities.

The Fund's Net Asset Value will be published in the "Cayman Compass" report each Wednesday.

With effect from 1st January 2016, the CSX implemented new administrative fees in relation to the net asset value input. This fee will be levied once every quarter, regardless of the frequency of the inputs.

The CSX's administrative fees are as follows:

1. for issuers that have not signed the Administrator User Agreement and for which the CSX inputs net asset values:
 - an administrative fee of US\$300 (CI\$246), per class or sub-fund and per series of a class or sub-fund, payable quarterly.
2. for issuers who do not input their net asset values within the prescribed quarterly timeframe in breach of the CSX continuing obligations:
 - a late fee of US\$300 (CI\$246), per class or sub-fund and per series of a class or sub-fund, payable quarterly.

For further information please contact: NAV Notifications, email: nav@csx.ky



Copies of circulars and resolutions

The issuer must forward to the CSX copy of all circulars, notices, reports, announcements or other documents at the same time as they are issued.

Director's declarations and board changes

An issuer must notify the CSX without any delay when:

- (a) a new director is appointed; and
- (b) a director resigns or is removed.

As soon as practicable after the appointment of a new director each new director must sign and lodge with the CSX a Director's Declaration in the form set out in Appendix 3A of the Listing Rules (available on the CSX's webpage, *Listing Rules and Forms tab*).

Other Disclosures

The investment fund must notify the CSX without delay, for dissemination by the CSX, of any of the following:

- a. any material change in the investment fund's constitution;
- b. any change in the rights of any class of listed securities. Where the listed securities are convertible this requirement will also apply to any change in the rights of any class of securities into which the listed securities are convertible;
- c. any change in the general character or nature of the investment fund including if the fund becomes an umbrella or feeder fund;
- d. the creation of any additional classes of security in the investment fund, whether such classes will be listed or not;
- e. any material change in the investment policies or objectives, investment restrictions or borrowing restrictions of the investment fund;
- f. any changes in directors of the investment fund and in directors of the investment manager (and the investment fund must procure and lodge with the CSX as soon as practicable a signed declaration and undertaking in the form set out in the appendices to these listing rules for each new director of the investment fund);
- g. any changes in the service providers or auditors of the investment fund;
- h. any change in the way in which net asset value or issue or redemption prices are calculated;



- i. any change in the frequency of calculation of the net asset value or the frequency of subscriptions or redemptions;
- j. any intention of the investment fund to extend the life of or terminate the investment fund or to compulsorily redeem all of its securities;
- k. the redemption of all of its securities;
- l. any change in the status of the investment fund for taxation purposes;
- m. the investment fund agreeing to acquire from or dispose of an investment to a member of the investment fund family, unless such transaction has been fully disclosed in the listing document;
- n. the investment fund agreeing to acquire or dispose of an asset in which a director or member of the investment fund family is materially interested, unless such transaction has been fully disclosed in the listing document;
- o. unless otherwise disclosed as an investment objective or policy of the investment fund, the incurring of any material debt;
- p. so far as is known to any director of the investment fund, there occurs any material change in the holdings or identity of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the investment fund;
- q. any involvement in material litigation proceedings (where the amount involved is equal to or greater than twenty per cent. of the book value of the existing net assets of the investment fund);
- r. if its securities cease to be listed on another stock exchange or if it is the subject of disciplinary action by another stock exchange or any other securities regulatory body; and
- s. any change in the fund's registered or principal office.

Suspensions

The investment fund must notify the CSX without delay, for dissemination by the CSX, of any suspension in the calculation of net asset value or of subscriptions or redemptions. Such notification must include the reason for the suspension, details of whether fees will also be suspended, the actions planned with a view to the resumption of normal operations or liquidation of the investment fund, and (where possible) the anticipated timing.

Where an investment fund has suspended redemptions it should also suspend subscriptions unless the price of the listed securities based on net asset value is still capable of calculation through objective and reliable means.

Where there has been a suspension in the calculation of net asset value or of subscriptions or redemptions the investment fund must provide regular updates to the CSX, for dissemination, of progress made towards the resumption of normal operations.



The decision to lift a suspension in the calculation of net asset value or of subscriptions or redemptions should be notified to the CSX without delay, for dissemination.

Where there has been a suspension in the calculation of net asset value or of subscriptions or redemptions the CSX may also require a suspension under Chapter 3 of these rules of the investment fund's listing.

Closed-end funds: additional continuing obligations

A closed-ended fund must notify the CSX of any material change in the holdings or identity of any substantial shareholder stating the name of the person and the amount of the person's interest.

The closed-ended fund must inform the CSX immediately if it becomes aware that the percentage of listed securities which are in the hands of the public falls below 25%. The closed-ended fund must take steps to restore compliance at the earliest possible moment and must procure and lodge with the CSX as soon as practicable thereafter a signed shareholders' statement in the form set out in the appendices to the Listing Rules.

Retail funds: additional continuing obligations

A retail fund must prepare in respect of the first six months of its financial year an interim financial report. The interim financial report must have been prepared in a manner which is comparable with the audited annual financial statements of the retail fund. Where the accounting information given in an interim report has not been audited that fact must be stated. If the accounting information contained in an interim report has been audited the auditor's report including any qualifications must be set out. The interim financial report must be published as soon as possible after it has been approved and in any event within three months of the end of the period to which it relates.

Property funds: additional continuing obligations

Any property acquired by a property fund must be valued according to internationally accepted property valuation standards by a suitably qualified independent valuer. Where the price paid by the property fund for a property is materially different from the valuation the property fund must include details in its annual financial report.

A property fund must undertake at regular intervals (at least once every three years) an independent valuation of its property portfolio, carried out according to internationally accepted property valuation standards by a suitably qualified independent valuer. The frequency of valuation must be agreed in advance with the CSX.

The net asset value of a property fund must be based on independent expert valuations and should be in accordance with the property fund's applicable accounting standards. The net asset value must be calculated at least every six months rather than quarterly.

A property fund must include in its annual financial report a summary based on the most recent independent valuation of its property portfolio including:

- a) the total value of properties held at the year end;



- b) the total cost of properties acquired;
- c) the net book value of properties disposed of during the period; and
- d) a breakdown of the geographical location and type of properties held at the year
- e) end.

Annual listing fees

An issuer must pay the annual listing fee as published by the CSX from time to time.

Subsequent listings

Where an investment fund authorises the creation of further securities which are of the same class as securities already listed on the CSX, the investment fund must apply for the listing of such further securities prior to their issue, and must not issue such securities unless it has applied for the listing of those securities and the CSX has approved such application.

Registrar and transfer agent

The investment fund must maintain a registrar and transfer agent in the Cayman Islands or other financial centre acceptable to the CSX.

The information contained in this memorandum is necessarily brief and general in nature and does not constitute legal or taxation advice. This guide is therefore designed as a starting point for a more detailed and comprehensive discussion. Should you have any questions please contact the CSX so that we may best advise at all times on any appropriate course of action to be taken by a fund to demonstrate compliance with the continuing obligations requirements.