



**CNO**  
Future Fund

# Prospectus

2023

Sustainable  
Renewable  
Environmental  
> **Citizenship By Investment**



**CNO**  
Future Fund

## Our Objective

Establish a meaningful and effective link between Vanuatu's sustainable development objectives, its commitment to 100% renewable electricity generation and the funds generated by its' Vanuatu Citizenship By Investment program.



**Environmental**



**Social**



01

## Overview

06

02

## Summary of Offer

08

03

## Preliminary

10

04

## Definitions

11

05

## The Company

<b>Investment Objective</b>	<b>14</b>
<b>The Offering</b>	<b>14</b>
<b>Forfeiture</b>	<b>15</b>
<b>Redemption</b>	<b>15</b>
<b>Net Asset Value/Valuation Point</b>	<b>15</b>
<b>Investor Restrictions</b>	<b>16</b>
<b>Principal Fees</b>	<b>16</b>
The Manager	16
The Investment Advisor	16
Directors' Remuneration and Expenses	16
Custodian Fees	16
Administrator, Registrar and Transfer Agent Fees	16
Brokerage Fees	17
Company Expenses	17
General	17

06

## Introduction

<b>Investment Objective and Policies</b>	<b>18</b>
<b>Investment Approach</b>	<b>18</b>
<b>Borrowing</b>	<b>19</b>
<b>Dividend Policy</b>	<b>19</b>
<b>Risk Factors</b>	<b>19</b>
1. Absence of trading history	20
2. Key person risk	20
3. Low market correlation	20
4. Limited liquidity	20
5. Limited ability to transfer	20
6. Political risk	20
7. Economic risk	20
8. Regulatory risk	20
9. Settlement risk	21
10. Custody risk	21
11. Valuations	21
12. Exchange and currency risk	21
13. Performance of the Investments	21
14. Possible business failures	21
15. Maintaining a balanced portfolio	21
16. Second and third - tier securities	21

## 07

# Management & administration

Directors	22
Manager	22
Administrator	22
Investment Adviser	23
Custodian	23
Secretary	23
Independent Auditors	23
Conflicts of Interest	23
Reporting	23
Meetings	23

## 08

# Names & Addresses

The Fund	24
Directors	24
Administrator & Transfer Agent	24
Manager	24
Custodians	24
Registrar	24
Investment Adviser	24
Bankers	24
Auditors	24

## 09

# Offer, valuation, subscription & redemptions

The Offer	25
Minimum Subscription, Applications and Settlements	25
Subscription Account	26
Calculation of Net Asset Value	26
Redemption of Redeemable Preference Shares	27
Redemption Fee	27
Cancellation of Redemptions	27
Compulsory Redemption	28
Redemption in Specie	28
Total Redemption/Winding Up	28
Transfers	28
Temporary Suspension/Postponements	29

## 10

# Fees & Expenses

Taxation	32
Statutory and General Information	32
Redeemable Preference Shares	32
Voting Rights	32
Additional Statutory Information	35

# Executive Summary

Vanuatu is a leading voice in the debate on climate change and the impact it is having on small island nations. To small, developing nations such as Vanuatu, climate change is the biggest single threat to their ongoing, sustainable development.

Vanuatu has launched one of the world's most ambitious climate policies, committing to 100% renewable energy in electricity generation by 2030 and ambitious targets on loss and damage. Vanuatu is already a carbon-negative country – meaning it absorbs more emissions than it produces – but has committed to going further, by phasing out fossil fuels almost entirely and planning to become 100% renewable in its electricity generation by 2030.


Vanuatu also has a vision and overarching policy framework for achieving a Stable, Sustainable and Prosperous Vanuatu within the next 10 to 15 years. This is reflected in Vanuatu 2030 which outlines the country's National Sustainable Development Plan. It serves as the country's highest level policy framework and is founded on the national culture, traditional knowledge and Christian principles, and builds on the country's development journey since Independence in 1980.

The overall objective of the CNO Future Fund is to establish a meaningful and effective link between Vanuatu's sustainable development objectives, its commitment to 100% renewable electricity generation and the funds generated by its' Vanuatu Citizenship By Investment program.

The Fund will structure a small but diverse portfolio of investments that will prioritize value addition to Vanuatu's local products and industries while at the same time supporting Vanuatu's sustainable development agenda. The investment strategy will focus on identifying opportunities that support and enhance the growth and sustainable development of Vanuatu's economy and contribute to the achievement of Vanuatu's national development objectives.

The fund's initial focus will be to significantly enhance the country's capability in the renewable energy sector and this will be achieved through appropriate levels of investment in the Coconut Oil sector. This industry is in the early stages of development but the opportunities for major growth are significant, both in the direct production process and in the indirect activities that are critical to the overall success of the sector. Potential investment sectors will include agriculture, supply chain logistics and commercial property, driven by the potential for significant value appreciation.

Vanuatu has launched one of the world's most ambitious climate policies, committing to

100%   
renewable  
energy in electricity  
generation  
by 2030

The impact of the Funds' investment on the Vanuatu economy and key stakeholders is likely to be significant.

### Local farmers



Local farmers – it is expected that the market for coconuts will be quadrupled, both through an expansion of farmers/suppliers and increases in crop yields and quality of raw materials. There is also the potential to develop some added-value activity at the farm-level.

### Communities



Communities – improved crop yields, expanded plantations and value-add activities will all drive employment and other income-generating activities which will enhance the livelihoods and well-being of the impacted communities.

### Government



Government – the exponential growth of the coconut oil sector will make a significant contribution to the Government's 2030 target of 100% renewable energy sourcing as well as a significant impact on the economy through secure and competitive energy costs on a domestically sustainable basis.

The fund's investment portfolio is likely to be in a range of companies in terms of size and liquidity designed to maximise the returns to the fund while ensuring the value-add opportunities and synergies of vertical integration are achieved.

In summary, the principal investment objective of the Fund is to achieve long-term capital appreciation and the Fund will invest in non-listed securities in the Republic of Vanuatu.

Applications are invited on behalf of the Directors of CNO Fund to invest in the future of Vanuatu to drive a prosperous and sustainable future on the terms and conditions laid out in this Prospectus.





01

# Overview

Application was made to the Vanuatu Financial Services Commission (VFSC) for Redeemable Preference Shares (the “Shares”) to be issued in CNO Future Fund Ltd (The “Company”). No application has been made to list the Shares on any stock exchange relating to the issue of 1,000,000 Redeemable Preference Shares in CNO Future Fund Ltd at an initial subscription price of USD\$100 per share. Only the information contained herein should be regarded as authorized by or on behalf of CNO Future Fund Ltd.

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

It is not intended that the Company will be registered or licensed in any jurisdiction or with any supervisory or regulatory authority outside Vanuatu.

The circulation and distribution of this Prospectus in certain countries is restricted by law. Persons into whose possession this Prospectus may come are required to inform themselves of and to observe any such restrictions.

The Company has been classified as a Vanuatu Public Company. As such, the Company is subject to regulation and supervision as provided by the Vanuatu Financial Services Commission. However, the Company should be viewed as an investment suitable only for investors who can fully evaluate and bear the risks involved.

This prospectus includes particulars given in compliance with the Regulations of the Vanuatu Financial Services Commission for the purpose of giving information with regard to the Company.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

**This Prospectus should be read in its entirety and is published in connection with the continuous offering of Shares in the Company, which are offered subject to the terms and conditions, which are set out herein.**



Permission under the Vanuatu Financial Services Commission has been received to start CNO Future Fund Ltd (“the Company”) in Vanuatu.

Approvals or permissions received from the authority do not constitute a guarantee by the Authority as to the performance of the Company or its creditworthiness. Furthermore, in giving such approvals or permissions, the Authority shall not be liable for the performance or default of the Company or for the correctness of any opinions or statements expressed.

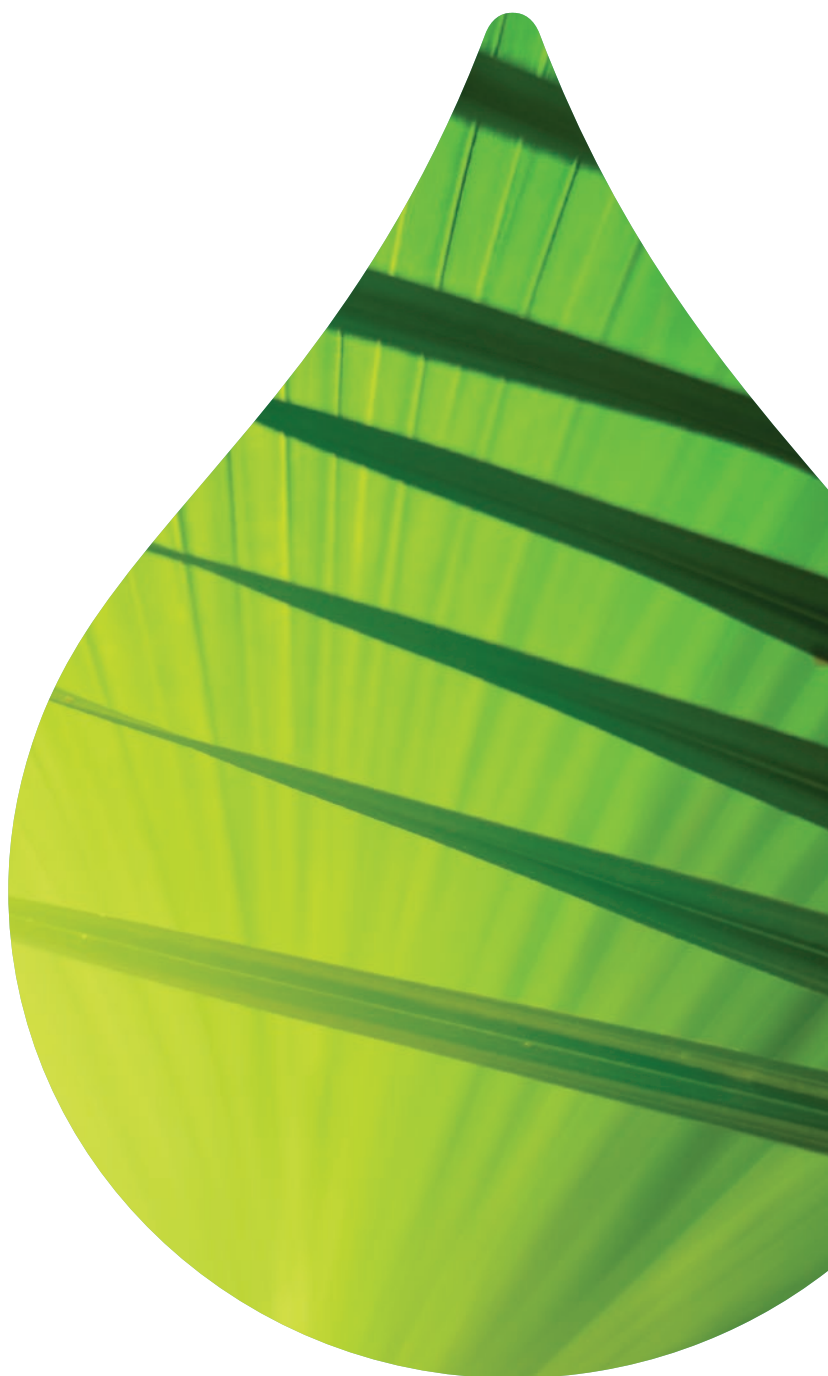
In addition, a copy of this Prospectus has been delivered to the Registrar of Companies in Vanuatu for filing pursuant to the Companies Act 1986 of Vanuatu. In accepting this document for filing, the Vanuatu Financial Services Commission accepts no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed with regard to them.

The Shares are offered on the basis of the information and representations contained in the Prospectus may be considered as being authorized by the Company or its Directors. Neither the delivery of this Prospectus nor the offer, allotment or issue of Shares constitute a representation that every item of information contained herein is correct subsequent to the date of this Prospectus.

Any reference to “US\$”, “U.S. Dollars” or “dollars” contained herein shall refer to the currency of the United States of America.

**If you are in doubt about this offer you should consult a stockbroker, licensed dealer, bank manager, solicitor or other professional advisor.**

**The date of this Prospectus  
is 16th August 2023**







02

## Summary of Offer

Investment Feature	Summary
The Investment	Investment will be made with an emphasis on emerging markets. Value Adding Sustainable Environmental Initiatives.
Objective of the Company	The Aim of the company is to generate returns by structuring a diverse portfolio of investments that prioritize value addition to local products and industries, starting with significant enhancement in the renewable energy sector through investments in the Coconut Oil industry.
Target Performance	The company aims to grow its' Net Asset Value by a minimum of 20% over the first 5 years of investment.
Investment Mandate	The Company is likely to hold a number of separate investments at any point in time in order to optimise growth, diversity and facilitate appropriate exit strategies. It is envisaged the number of investments will be between 2 and 12.
Issue Price	USD\$100 per share.
Offer	The offer is to issue up to 1,000,000 redeemable preference shares at USD \$100. The minimum offer subscription is USD \$50,000 (500 redeemable preference shares).
Minimum Investment	Applications, after the offer, must be for a minimum of 100 shares and thereafter in multiples of ten (10).

<b>Oversubscription</b>	The Company will not accept oversubscription.
<b>Closing Date</b>	When fully subscribed or 31 December 2023.
<b>Dividends</b>	The Company does not intend to distribute dividends to Shareholders.
<b>Redemption of Shares</b>	Once the minimum 5-year term matures, redemptions can be made quarterly, subject to market liquidity. Shareholders are required to provide the company with a written notice of their intent to redeem at least 21 days prior to the redemption dealing date.
<b>Investor Profile</b>	Investment in the Company is only suitable for investors who are able to bear the loss of a substantial portion or even all of the money they invest in the Company and who understand the above-average risks involved.
<b>Investment Management Fee</b>	2% per annum charged quarterly in arrears.
<b>Subscription Fee</b>	4% of the amount to be invested.
<b>Redemption Fees</b>	1% of the amount being redeemed.
<b>Performance Fees</b>	20% of profits. High on High.
<b>Risks</b>	While the company aims to capitalize on the growth opportunities in the coconut oil sector and invest in the emerging coconut oil for power market, it is essential to acknowledge that investing in emerging markets inherently carries certain risks and is considered an aggressive investment strategy. As such the Directors recommend that no more than 5% to 10% of any investor's portfolio be invested in the Company.
<b>Cost of the Offer</b>	The cost of the offer is not expected to exceed USD\$30,000, exclusive of subscription fees.
<b>Authorized Capital</b>	Subscription Shares – five (5) of this class of shares at a par value of USD\$1.00. Redeemable Preference Shares - 1,000,000 of this class at a par value of USD\$100.00.
<b>Issued and Paid Up Capital</b>	Five (5) Subscription Shares class shares of a par value of USD\$1.00
<b>Investment Currency</b>	United States Dollars (USD).
<b>Application Process</b>	Application for shares will only be accepted on the application form accompanying this prospectus.



An aerial photograph of a coastal town and harbor at sunset. The town is built on a peninsula, with buildings and a parking lot visible. The harbor is filled with many sailboats and other vessels. In the background, there is a large island with a lighthouse. The sky is filled with colorful clouds, and the water is a deep blue.

03

# Preliminary

This Prospectus comprises information relating to CNO Future Fund Ltd, an investment company incorporated in Vanuatu as a Public Company under the laws of Vanuatu. It is authorized and supervised in Vanuatu by the Vanuatu Financial Services Commission as a designated investment company pursuant to the Companies Act 1986. This Prospectus constitutes a prospectus for the purpose of the Vanuatu Companies Acts 1986.

Permission under the Vanuatu Financial Services Commission has been received to start CNO Future Fund Ltd (“the Company”) in Vanuatu.

The Company is authorized and supervised by the Vanuatu Financial Services Commission.

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Vanuatu and are subject to change.

No person has been authorized to give any information or to make any representation in connection with the offering or placing of Redeemable Preference Shares other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized

by the Company and/or the Directors. The delivery of this Prospectus of Redeemable Preference Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date of this Prospectus.

Redeemable Preference Shares may not at any time be directly or indirectly offered or sold in the United States of America to or for the benefit of any US person. None of the Redeemable Preference Shares has been or will be registered under the Securities Act of 1933.

Because of the associated risks, investment in the Company is only suitable for investors who are able to bear the loss of a substantial portion or even all of the money they invest in the Company and who understand the above-average risks involved.

**The Directors recommend that no more than 5 to 10% of any investor’s portfolio be invested in the Company.**





04

## Definitions

**“the Act”, “Act”** means the Vanvatu Companies Act 1986 as amended from time to time.

**“Administrator”** means International Finance Trust Company Limited, a limited liability company incorporated in Vanuatu.

**“Agency”** means any state, country or government or any governmental, quasi-governmental or judicial entity or authority.

**“Applicant”** means any person in whose name an Application is made, and “Applicants” shall be constructed accordingly.

**“Application”** means a valid application to subscribe for Redeemable Preference Shares made by submitting a duly completed and signed Application Form as attached to this Prospectus to the Registrar and by remitting (or causing to be remitted) cleared funds into the Subscription Account in the amount stated in part one of the Application Form.

**“Application Closing Date”** means the date falling ten Business Days prior to the Dealing Day on which the Applicant wishes the subscription for the Redeemable Preference Shares, in respect of which its Application is being made, to be affected.

**“Application Form”** means the application form for the Redeemable Preference Shares, one of which can be obtained from

the Company, to be completed and executed by an Applicant in order to apply for Redeemable Preference Shares. An application form is attached to this prospectus.

**“Articles”** means the Articles of Association of the Company as amended from time to time.

**“Auditors”** means (Auditors TBA).

**“Business Day”** means any day (other than Saturday or Sunday and Public Holidays) on which banks and foreign exchange markets are open for business in Vanuatu, unless otherwise stated, and “Business Days” shall be construed accordingly.

**“Company”** means CNO Future Funds Ltd, an investment company with variable capital incorporated in Vanuatu.

**“Custodian”** means International Finance Trust Company Limited, a limited liability company incorporated in Vanuatu.

**“Dealing Day”** means the first Business Day after the Day on which a Valuation Point occurs or such other Business Day as the Directors shall from time to time determine provided that (i) a Dealing Day shall never occur more than three Business Days after the Valuation Point to which it relates; and (ii) no more than one Dealing Day shall relate to any one Valuation Point.

**“Directors”** means the directors (or any alternate directors) of the Company or any duly authorized committee thereof.

**“Direct Shareholder”** means a person holding Redeemable Preference Shares in its own account.

**“Fully Paid Share”** means a share issued at par value and no outstanding calls.

**“High on High”** a performance fee model whereby the performance fee may only be charged if the NAV exceeds the NAV at which the performance fee was last crystallised.

**“Investment”** means any investment which is authorized by the directors from time to time and which is permitted by the Act and the Company’s Articles.

**“Investment Adviser”** means Neil Linwood, Sydney, Australia.

**“Investment Adviser Agreement”** means the agreement between the Company, the Manager, the Investment Adviser and the Marketing Adviser.

**“Liquidity Reserves”** means monies and any other assets of the Company, which are not immediately required for investing purposes, including all accrued interest thereon.

**“Management Agreement”** means the agreement made between the Company and the Manager.

**“Manager”** means CNO Management Limited, a limited liability company incorporated in the Saint Vincent & Grenadine (SVG).

**“Marketing Advisor”** means CNO Management Limited, a limited liability company incorporated in the Saint Vincent & Grenadine (SVG).

**“Minimum Holding”** means the minimum holding of Redeemable Preference Shares which a Shareholder must maintain being 100 Redeemable Preference Shares or a minimum investment amount of USD\$10,000 (or such lesser number as the Directors may determine from time to time).

**“Minimum Redemption”** means the minimum holding of Redeemable Preference Shares which a Shareholder may redeem pursuant to any single Redemption Notice, amounting to 100 Redeemable Preference Shares or a minimum investment amount of USD\$10,000 (or such lesser number as the Directors may determine from time to time).

**“Minimum Subscription”** means a minimum subscription of (i) USD\$10,000 The Directors reserve the right to amend the Minimum Subscription from time to time.

**“Net Asset Value”** means the aggregate net asset value of the Redeemable Preference Shares determined in accordance with the Articles.

**“Net Asset Value per Share”** means the Net Asset Value divided by the number of Redeemable Preference Shares on issue.

**“OECD”** means the Organization for Economic Co-operation and Development whose members are, at the date of this Prospectus, Australia, Hungary, Norway, Austria, Iceland, Poland, Belgium, Ireland, Portugal, Canada, Italy, Spain, Czech Republic, Slovak Republic, Japan, Sweden, Denmark, Korea, Switzerland, Finland, Luxembourg, Turkey, France, Mexico, the United Kingdom, Germany, the Netherlands, the United States, Greece and New Zealand.

**“Qualified Holder”** means any person, corporation or entity other than (i) a US Person which is not a Qualified US Person; (ii) a person, corporation or entity which cannot acquire or hold Redeemable Preference Shares without violating laws or regulations applicable to it; (iii) a person, corporation or entity in circumstances (whether directly or indirectly affecting such person, corporation or entity and whether taken alone or in conjunction with any other person, corporation or entity connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary or commercial disadvantage that the Company might not otherwise have incurred or suffered.

**“Redemption Dealing Date”** means the 31st March, 30th June, 30th September, and 31st December or the next preceding business day following these dates should a redemption dealing day not fall on a business day.

**“Redemption Notice”** means a notice from a shareholder to the Registrar by the close of business at least 21 business days preceding a Redemption Dealing Day, in a form acceptable to the Registrar, which includes, amongst other things (i) the name and address of the Shareholder; (ii) the number of Redeemable Preference Shares the Shareholder wishes to redeem; and (iii) in the case of the Shareholder requiring the redemption to occur on a Redemption Dealing Day which is not the next available Redemption Dealing Day, details of the Redemption Dealing Day that the Shareholder wishes those Redeemable Preference Shares to be redeemed.

**“Redemption Price”** means the redemption price calculated by reference to the Net Asset Value per Share at the Valuation Point immediately preceding the Redemption Dealing Day on which redemption is to be effected as further described in the section entitled “Redemption of Redeemable Preference Shares” herein.

**“Redemption Proceeds”** means the Redemption Price multiplied by the number of Redeemable Preference Shares being redeemed.

**“Registrar”** means Astrolabe Services Limited, a limited liability company incorporated in Vanuatu.

**“Redeemable Preference Share”** means a share in the Company designated as a ‘Redeemable Preference Share’ by the Articles.

**“Shareholder”** means an international company incorporated in the Republic of Vanuatu who is entered as the holder of Redeemable Preference Shares, or a local company incorporated in the Republic of Vanuatu who is entered as the holder of Subscriber Shares, in the Company’s register of Shareholders maintained by the Registrar.

**“Subscriber Shares”** means shares of USD\$1.00 each in the capital of the Company designated as Subscriber Shares in the Articles.

**“Subscription Price”** means the price at which a Redeemable Preference Share can be subscribed, as set in the manner set out herein.

**“United States”** and **“US”** means the United States of America and its territories and possessions including any state thereof and the District of Columbia.

**“US dollar”** or **“USD”** means the lawful currency of the United States.

**“US Person”** means any US person within the meaning of Regulation S under the Securities Act of 1933 as well as:

- (i) any natural person resident in the United States;
- (ii) any partnership or corporation organized or incorporated under the laws of the United States (or any state or other political subdivision thereof);
- (iii) any estate of which any executor or administrator is a US person;
- (iv) any trust of which any trustee is a US person;
- (v) any agency or branch of any non-US entity located in the United States;
- (vi) any non-discretionary account or similar account (other than in estate or trust) held by a dealer or other fiduciary for the benefit or account of a US person;
- (vii) any discretionary account or similar account (other than in estate or trust) held by a dealer or other fiduciary organized, incorporated or (if an individual) resident in the United States; and
- (viii) any partnership or corporation formed by a US person principally for the purpose of investing in securities not registered under the Securities Act of 1933.

For the purposes of this definition, “resident” includes any natural person who maintains a residence in the US regardless of the amount of time such person spends at such residence.

**“Valuation Point”** means the time of close of business in the market or markets relevant for the valuation of the assets and liabilities of the Company on the first Business Day of each calendar month.





05

## The Company

The company is an investment company incorporated in Vanuatu as a Public Limited Company under the Vanuatu Companies Act 1986.

### Investment Objective

The principal investment objective of the Company is to achieve long-term capital appreciation. The Company will invest in non-listed companies in the Republic of Vanuatu.

The objectives can be changed by the Directors with full disclosure to all shareholders.

The Company intends to invest with the emphasis on maximizing the growth in the capital value of the company. The Company is an equity fund vehicle, which will primarily invest in shares of companies specializing in coconut products and intends to diversify into a range of coconut bi-products as well as key activities that directly support the coconut oil sector. These investments are likely to be in the manufacturing, supply chain and property development sectors where significant growth and/or profit opportunities are identified.

The investment strategy will also focus on opportunities to support Vanuatu's National Sustainable Development Plan. The key objectives will be to enhance the overall growth of the Vanuatu economy, enrich the livelihoods of a range of communities and drive growth in employment opportunities for local citizens.

### The Offering

Subscriptions for Redeemable Preference Shares are subject to (i) the Minimum Subscription per Application; and (ii) if an Applicant is not a Shareholder at the time of its Application, the minimum Holding being held following any such subscription.

Redeemable Preference Shares are denominated in US dollars and will entitle the holders (i) to participate in the profits of the Company; (ii) in the event of a liquidation of the Company, to participate in the assets of the Company.

Redeemable Preference Shares will be issued at the Subscription Price. Applications must be received by the Registrar at the latest two Business Days prior to closing of the offer.

## **Forfeiture**

If Shares are issued partly paid and are subject to redemption/forfeiture by the Directors under the provisions as set out in the Articles.

A forfeiture will occur if a member fails to pay any call or instalment of a call on the day appointed for payment, of a partly paid redeemable preference share.

## **Redemption**

To redeem shares, redemption requests should be made in writing and sent by airmail or via email to the Administrator together with the relevant share certificate. Any redemption requests should contain the following information: the exact name and address of the person requesting redemption, the number of shares to be redeemed and the name of the person to whom payment is to be made. Notice to redeem must be received by the Administrator by the close of business at least 21 business days preceding a Redemption Dealing Day.

Please note that the investment in this company has a fixed term of five (5) years, and no redemption shall be available until the term matures.

Additionally, it is important to consider that market liquidity may affect the timing of redemption payments. While the Company will make every effort to process redemption requests promptly, the availability of payment may be subject to market liquidity conditions.

Subject to certain restrictions (see the text under the sub-heading “Net Asset Value” in the section entitled “Memorandum of Association and Articles of Association of the Company”), redemption of Shares will take place on the Redemption Dealing Day immediately following receipt of such written request and share certificate at the Net Asset Value per Share calculated at the close of business in Vanuatu on the Valuation Day immediately preceding that Dealing Day. Money will be wired within 28 days of the relevant Redemption Dealing Day, together with details of the redemption and share certificate for the balance (if any) of the holding.

The Company reserves the right to require redemption of the Shares of any shareholder whose total shareholding in the Company is Shares having a Net Asset Value of less than USD\$5,000.

There are no restrictions on who may buy Shares in the Company provided the legislation of the countries of citizenship, residence and domicile of the potential investor permits such purchase. The Memorandum of Association and Articles of Association include a clause empowering the Directors to redeem compulsorily Shares acquired by any person who has acquired them in contravention of such legislation or in the event that to do so would eliminate or reduce the exposure of the Company or its shareholders to adverse tax or regulatory consequences under the laws of any country or, if the acquisition or holding of Shares might be expected to prejudice or risk prejudicing in any way either the Company or the Shareholders.

## **Net Asset Value/Valuation Point**

The Net Asset Value will be calculated in accordance with the valuation guidelines established by the Directors from time to time. The Net Asset Value and the Net Asset Value per Share will be calculated by the Administrator in US Dollars. The Net Asset Value will be calculated as described below.

The Net Asset Value of the Company will be determined by subtracting the liabilities of the Company from the value of the Companies assets. In calculating the liabilities of the Company, the Administrator will include, without limitation, the accrued liabilities, including all fees, expenses and such amounts in respect of contingent or projected expenses as the Directors consider fair and reasonable determined in accordance with generally accepted accounting standards. In particular an amount equal to any performance fee which would be payable to the Manager if all of the fully paid Shares were redeemed on that Dealing Day will be included. The calculation of the value of the assets of the Company will include all cash and investments held by the Company and all accrued interest and dividends to be received by the Company as at the relevant Valuation Point and any unamortized expenses.

The assets of the Company will be valued in accordance with the guidelines determined from time to time by the Directors.

The Net Asset Value per Share will be calculated by ascertaining the Net Asset Value of the Company and dividing such sum by the number of fully paid redeemable preference shares on issue.



## **Investor Restrictions**

Redeemable Preference Shares may not be purchased or held by, or for the account of, persons who are not Qualified Holders.

## **Principal Fees**

### **The Manager**

The Manager is entitled to receive from the Company a management fee payable on the last Valuation Day in each quarter in arrears at the rate of two percent (2%) per annum of the Net Asset Value of the Company calculated on the Valuation Day.

In addition, the Manager is entitled to a performance fee ("Performance Fee"). The performance Fee is calculated at twenty percent (20%) of Net Profits, becomes due to the Manager at each Quarterly Valuation Day, and will be paid quarterly. Net Profits are defined as the cumulative profits for the period before the performance fee, after deduction of all transaction costs, management fees, expenses. Net Profits shall include both realized and unrealized profits if Net Profits for a month are negative, there shall be 'carry forward losses' for the beginning of the next quarter. No Performance Fee will be payable until Net Profits exceed carry forward losses. Once earned, the Performance Fee will be retained by the Manager regardless of the Companies future results.

During any period of suspension of the determination of the Net Asset Value the payment of the performance fees to which the Manager is entitled will be postponed (although such fees will continue to accrue), however management fees will continue to be paid.

The Manager will be entitled to a subscription fee prior to the issuing of Shares in the Fund of a sum not exceeding four percent (4%) of the amount subscribed. This fee should be included in addition to the subscription amount for the Purchase of Shares in the Company.

To the extent that the Manager delegates any of its duties to a third party, the charges of such party (other than out-of-pocket expenses) shall be for the account of the Manager and shall be paid by the Manager from the fees it receives from the Company.

The fees of the Manager may be altered by the mutual agreement of the Company and the Manager. All management expenses will be charged to income.

### **The Investment Advisor**

The Investment Advisor is entitled to such fees as to be agreed between the Manager and the Investment Advisor from time to time. All such fees will be borne by the Manager and will not be the responsibility of the Company.

### **Directors' Remuneration and Expenses**

The Directors shall be entitled to such remuneration as may be determined by the shareholders of the Company voting in General Meeting, to a maximum of USD\$15,000.00 per annum. The Directors may also be paid all traveling, hotel and other expenses properly incurred by them in the execution of their duties.

### **Custodian Fees**

In remuneration for its services rendered to the Company as the Custodians, International Finance Trust Company shall receive from the Company a Fee of USD\$12,000 per annum.

### **Administrator, Registrar and Transfer Agent Fees**

The Administrator is entitled to receive from the Company a fee payable on the last Valuation Day in each quarter in arrears at the rate of 1 percent per annum of the Net Asset Value of the Company calculated on the Valuation Day on all shares classes.





This fee is payable and will include responsibility for general administration and accounting, valuations, secretarial, registrar and transfer agency services to a service provider or service providers (as the case may be) which is/are approved to conduct such business. The Administrator may sub-contract or delegate these responsibilities; however, any reasonable disbursements may be separately billed to the company.

### Brokerage Fees

The Company bears all costs of trading transactions and interest on borrowing.

Institutional brokerage rates vary with the contract and the market on which the contract is traded.

### Company Expenses

The Company will incur costs in connection with the operation of the Company. These include the following operational expenses:

- (i) any fees in respect of circulating details of the Net Asset Value and/or the Net Asset Value per Share (including publishing prices);
- (ii) taxes (including VAT (if any) on fees payable by the company);
- (iii) Company secretarial fees;
- (iv) Rating fees (if any);
- (v) brokerage or other expenses of acquiring and disposing of Investments;
- (vi) fees and expenses of the Auditors, tax, legal and other professional advisers of the Company in respect of routine and/or recurring matters;

- (vii) fees connected with the listing of Redeemable Preference Shares on any stock exchange;
- (viii) fees and expenses in connection with the distribution of Redeemable Preference Shares and costs of registration of the Company and the Redeemable Preference Shares;
- (ix) costs of preparing, printing and distributing the Prospectus and supplements, reports, accounts and any explanatory memoranda;
- (x) any necessary translation fees;
- (xi) any costs incurred as a result of periodic updates of this Prospectus, any supplements, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);
- (xii) any other fees and expenses relating to the management and administration of the Company or attributable to the Company's investments; and
- (xiii) in respect to each financial year of the Company in which expenses are being determined, such proportion (if any) of the establishment expenses as are being amortized in that year.

### General

All fees and expenses relating to the establishment and launch of the Company have been amortized. The Company is responsible for VAT (if any) payable on any fees and expenses payable by it.





06

# Introduction

This Prospectus comprises information relating to CNO Future Fund Ltd, incorporated under the laws of The Republic of Vanuatu. It qualifies, and is authorized in Vanuatu, as a designated public company under the Vanuatu Companies Act 1986. The Redeemable Preference Shares are available for subscription in accordance with the Articles and this Prospectus.

## Investment Objective and Policies

The principal investment objective of the Company is to achieve long-term capital appreciation. The Company will invest in non-listed securities in the Republic of Vanuatu. The objectives can be changed by the Directors with full disclosure to all shareholders.

The Company intends to invest with emphasis on maximizing returns. The Company is an equity fund vehicle, which primarily invests in shares of companies incorporated in the Republic of Vanuatu specializing in coconut produces and intends to diversify into property development, manufacturing and exportation on a special opportunity basis.

The Company will attempt to structure a portfolio consisting of liquid shares of major companies, less liquid and illiquid second, and third-tier companies that the Manager believes support and enhance the growth and development of Vanuatu's economy and demonstrate potential for significant value appreciation.

The base reference currency of the Company is US dollars.

## Investment Approach

The principal investment objective of the Company is to achieve long-term capital appreciation. The Company will invest either directly or indirectly in a concentrated portfolio of company shares as instruments. It is the intention of the Company to limit the maximum holdings to twelve (12) different investments and a minimum of two (2) holdings at any given time.

**The Company intends to invest with emphasis on capital appreciation the aim to generate returns by structuring a diverse portfolio of investments that prioritize value addition to local products and industries, starting with significant enhancement in the renewable energy sector through investments in the Coconut Oil industry**

The Company will structure a diverse portfolio comprising both liquid and less liquid investments that prioritize value addition to Vanuatu's local produces and industries. The investment strategy focuses on identifying opportunities that support and enhance the growth and development of Vanuatu's economy. This includes investing in liquid assets such as shares of major companies, as well as selectively considering less liquid investments in second and third-tier companies and commercial property that demonstrate potential for significant value appreciation.

The Company will make a payment or payments to the relevant counterparty upon entering into contracts for investments, the return of which (together with any gain/loss thereon) is linked to and dependent upon, the performance and/or dividends paid in respect of a particular pool of investments or the interest and/or principal payments in respect of a particular investment as well as to the relevant rates of exchange prevailing between any relevant currencies. The Company will endeavour to contract with counterparties which are reputable financial institutions.

The Company may also invest in such instruments where it is in the interests of the Company for the Manager to take a defensive strategy for temporary purposes, where the liquidity of the Companies Portfolio Investments and the ability to convert assets into US dollars allow. Subject to the investment restrictions set out later in this Prospectus, the Company is authorized to use hedging and investment strategies to hedge various market risks (such as broad or specific market movements, interest rates and currency exchange rates) or to manage the effective maturity or duration of debt instruments held by the Company, but for no other purpose. These strategies can practicably be used to a significant extent by the Company at the present time and may not become available for extensive use in the future. Techniques and instruments may

change, however, over time as new instruments and strategies are developed or regulatory changes occur.

The Company's principal investment objective and policies set out above will, in the absence of unforeseen circumstances, be adhered to for at least three (3) years following the date of its Vanuatu incorporation. Any material change to the investment objective and policies within that period will only be made with the prior notification of Shareholders.

### **Borrowing**

There are no restrictions in the Articles of Association on borrowing, the Company may employ leverage in its investment strategy. The board of directors may change their policy in the future. The Directors may exercise the borrowing powers given to them in the Company's Articles of Association (see the text under the sub-heading "Borrowing Powers" in the section entitled "Articles of Association of the Company").

### **Dividend Policy**

The Company does not intend to distribute dividends to Shareholders. Instead, all income and profits will be reinvested on behalf of Shareholders. Dividends, if paid on the Redeemable Preference Shares, may come from the Company's net revenues and realized and unrealized capital gains, minus any capital losses.

### **Risk Factors**

Potential investors should note that there are significant risks inherent in investing in this type of investment, not typically associated with investing in securities of companies in more-developed countries or mainstream investments, including those described below. There are also specific risks associated with this type of investment. Investment is only suitable for sophisticated investors who understand and are able to bear the risks of a total loss on his/her investment.



NB: The following list of risk factors is not a complete explanation of the risks involved in an investment in this company.

### 1. Absence of trading history

The company has no trading history and therefore past performance (although admittedly is not an indicator of future performance) cannot be used as a guide to investors. The results of the company will therefore depend on the ability of the Manager to make sound decisions.

The Company is strategically positioned to leverage growth opportunities in the expanding coconut oil industry and the emerging market of coconut oil-based energy solutions. While these sectors offer notable potential for robust returns, prospective investors should be aware that investments in emerging markets inherently entail a heightened level of risk and should be considered a speculative component of an investment strategy. Fluctuations in the coconut oil market, whether on a local or international scale, may pose substantial risk to capital invested. Given these risk parameters, the Board of Directors advises that any investment in the Corporation should constitute no more than 5 to 10% of an individual investor's diversified portfolio.

### 2. Key person risk

The Companies performance and investment style could potentially be impacted by the loss of key personnel.

### 3. Low market correlation

The profit or loss potential is not dependant on favourable or unfavourable economic conditions and the company's portfolio can be equally profitable or generate losses during periods of declining or rising security prices as at other times.

### 4. High leverage

The Company can use a high degree of leverage. The use of leverage increases the volatility of the Company's performance and makes it possible for the Company to suffer losses on any open position in excess of the assets committed to such positions.

### 5. Limited liquidity

The company may from time to time invest in an illiquid pool of investments.

### 6. Limited ability to transfer

While the Articles allow Redeemable Preference Shares to be transferred the ability to transfer these Shares will be extremely limited as there is no secondary market on which the Shares are quoted or listed and stamp duty currently of 0.6% on transfer consideration is payable in Vanuatu.

### 7. Political risk

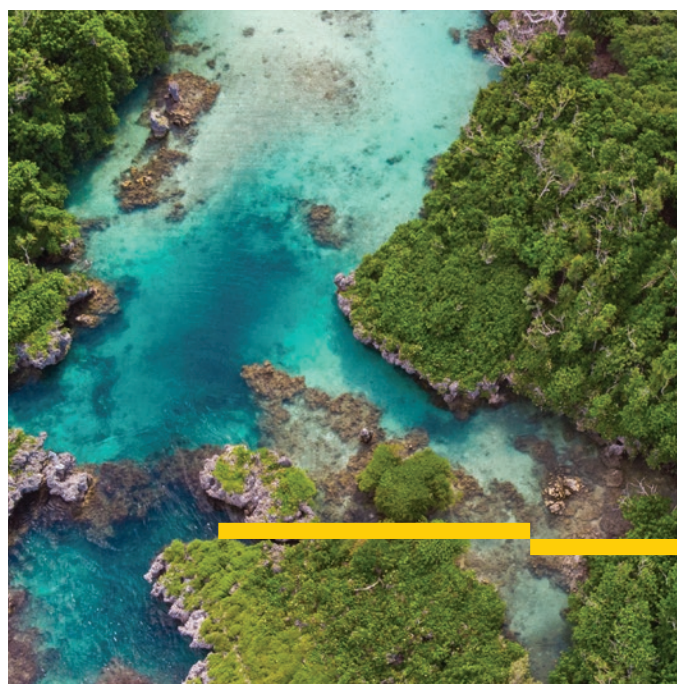
As laws in different regions may be changed without notice there is the possibility of holding what was once a liquid security and having it rendered illiquid by changes in legislation.

### 8. Economic risk

Investing in Vanuatu's small economy carries economic risks due to its sensitivity to external factors, developing infrastructure, and regulatory environment. While the Fund aims to capitalize on opportunities and foster sustainable growth, prospective investors should be cautious and mindful of the unique economic landscape.

### 9. Regulatory risk

Investments in which the Company invests may become subject to unduly burdensome and restrictive regulations affecting the commercial freedom of the investments which may diminish the value of the Companies investment in it.



### 10. Settlement risk

The absence of an organized securities market as well as the undeveloped state of the banking and telecommunications systems in some jurisdictions that the company may invest in could lead to concerns arising in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments.

### 11. Custody risk

Local custody services in some regions could remain undeveloped and although the Company will endeavour to put in place control mechanisms, including the selection of agents to register securities on behalf of the Company and regular audits of entries on relevant share and securities registers, there is a transaction, settlement and custody risk of dealing in some less established regions.

### 12. Valuations

The Company determines its Net Asset Value (NAV) by calculating the value of its assets and subtracting its liabilities. The NAV is calculated in US Dollars on each Valuation Day. Liabilities include accrued expenses, fees, and amounts for contingent or projected expenses deemed fair and reasonable by the Directors. Additionally, the calculation incorporates any performance fee payable to the Manager if all fully paid Shares were redeemed on that day. Assets comprise cash, investments, accrued interest, dividends, and unamortized expenses held by the Company at the relevant Valuation Point. The NAV is determined following the valuation guidelines set by the Directors.

### 13. Exchange and currency risk

The Company's assets will be invested in securities denominated in the local currency of the relevant country it invests in, which may not be freely convertible into other currencies outside of that country nor internationally traded. The value of an investment in the Company and its income, as denominated in U.S. dollars, may be affected by fluctuations in the value of the underlying currency of the Company's investments against the U.S. dollar or by control regulations.

The Company may attempt to mitigate the risks associated with currency fluctuations by entering into forward, futures or options contracts to purchase or sell the relevant currency to the extent such possibilities are available on terms acceptable to the Company.

### 14. Performance of the Investments

Investors should be aware that the value of investments made by the Funds and the income from them can go down dramatically as well as up.

### 15. Possible business failures

The insolvency or other business failure of any one of more of the Company's investments could have an adverse effect on the Company's performance and ability to achieve its objectives.

### 16. Maintaining a balanced portfolio

Although the Company will attempt to structure a balanced portfolio, rapid and significant changes in the values of securities in which it has invested may have the effect of placing the Company in the position of having too great a proportion of its Net Asset Value concentrated in one country, Region, investment or limited number of market sectors.

### 17. Second and third - tier securities

As described above, the Company will invest in liquid shares and in less-liquid and illiquid second and third-tier investments. The less-liquid and illiquid second and third-tier could involve greater risks of loss of the investment than first tier securities.

Adverse publicity and investors' perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of securities in second and third-tier companies, especially in thinly traded markets and regions. Analysis of the value of securities issued by second and third-tier companies and their creditworthiness may be more complex than for securities in first-tier companies.

Securities in second and third-tier companies may be more susceptible to real or perceived adverse economic and competitive industry conditions than securities in first-tier companies.

Second and third-tier investments often have limited product lines, markets or financial resources. They may be dependent for their management on one or two key individuals and can be more susceptible to losses and risk of insolvency. Furthermore, the shares of second and third-tier companies may be thinly traded and therefore may have to be sold at a discount from current market prices or sold in small lots over an extended period of time.



07

## Management & administration

### Directors

The Directors, whose details are set out below, control, manage and supervise the affairs of the Company and are responsible for the overall investment policy, which will be determined by them and given to the Manager from time to time.

The Directors of the Company are as follows:

1. Mr John Tonner (Vanuatu Citizen)
2. Mr Daniel Agius (Vanuatu Citizen)

### Manager

The Company has appointed CNO Management Limited, as its manager pursuant to the Management Agreement. It has responsibility for investment management subject to the overall supervision and control of the Directors.

The Manager is a private company limited by shares and was incorporated in the Saint Vincent and Grenadine.

The Manager's main business is the provision of fund management advice, investment advice and research and marketing.

### Administrator

The Administrator, International Finance Trust Company Limited, was incorporated in Vanuatu as a limited liability company on 7th August 1984. It is one of Vanuatu's largest trust companies and has extensive experience in registry, custodianship, and public company administration services. International Finance Trust Company Limited's role will include responsibility for general administration and accounting, valuations, secretarial, registrar and transfer agency services to a service provider or service providers (as the case may be) which is/are approved to conduct such business. The Administrator may sub-contract or delegate these responsibilities.



### **Investment Adviser**

Neil Linwood has over 40 years' experience in the corporate sector working with blue chip companies including Bank of America, PepsiCo, Hilton Hotels and Royal Caribbean. A qualified accountant, Neil has held senior finance, project management and strategic development roles with a focus on driving growth and profitable commercial performance. Neil also has extensive international experience having worked in UK, Africa and Asia before settling in Australia. He has also had significant exposure to the Vanuatu business and government sectors through playing a leading role in an investment in Vanuatu's tourism sector.

### **Custodian**

International Finance Trust Limited, as part of its role as administrator, has been appointed to act as Custodian to the Company.

It provides safe custody for the assets of the Company held by it and will carry out the other functions and obligations required to be performed by it as Custodian. In dealing with the assets of the Company, the Custodian will be relying on the instructions of the Company, and/or the Investment Adviser or its appointed agents.

### **Secretary**

The secretary of the Company is Astrolabe Nominees Limited, a Vanuatu Secretarial company. Astrolabe Nominees Limited is a wholly owned subsidiary of the Administrator.

### **Independent Auditors**

The Company has appointed (Auditors TBA), as its auditor.

### **Conflicts of Interest**

Due to the widespread operations undertaken by the Manager, the Administrator, the Custodian and the Investment Adviser and their respective holding companies (if any), subsidiaries and affiliates (each an "interested party") conflicts of interest may arise. An interested party may acquire, hold or dispose of Investments notwithstanding that such investments had been

acquired or disposed of by on behalf of the Company by virtue of a transaction effected by the Company in which the interested party was concerned provided that the acquisition by an interested party of such Investments is effected on normal commercial terms negotiated on an arm's length basis and the Investments held by the Company are acquired on the best terms reasonably obtainable having regard to the interests of the Company. An interested party may deal with the Company as principal or as agent, provided that any such dealings are in the best interests of Shareholders and are carried out as if effected on normal commercial terms negotiated on an arm's length basis and in relation to which, the transaction is executed on terms which the Custodian (or the Directors in the case of a transaction with the Custodian) is satisfied are normal commercial terms negotiated at arm's length.

In the event that a conflict of interest does arise, the Directors and each interested party will endeavor, so far as they are able (in view of the frequency of trading and the importance of timely execution of trades) to ensure that it is resolved fairly and reviewed where possible by an independent third party.

### **Reporting**

The Company's accounting period will end each year on 31 December. The Company will prepare audited annual accounts, a copy of which will be available and, if requested, sent to shareholders via email within three (3) months after the end of the financial period to which it relates (i.e. by 31 March).

It is intended that the Net Asset Valuation will be published on a quarterly basis on the CNO Future Fund Limited website ([www.cno.vu](http://www.cno.vu)) no later than the 20th of the following month.

### **Meetings**

Shareholders (being entitled to vote) will be entitled to attend and vote at general meetings of the Company. The annual general meeting of the Company will be held in Vanuatu within six months after the end of each financial year. Notices concerning each annual general meeting will be sent to shareholders, together with a copy of the annual accounts and reports, not less than 21 days before the date fixed for the meeting. These will be sent via email.



08

## Names & Addresses

### The Fund

#### **CNO Future Fund Ltd**

iCount House  
Kumul Highway  
Port Vila, Vanuatu  
South Pacific

Telephone: +678 22159  
Fax: +678 23799  
Email: info@cno.vu

### Directors

**Mr John Tonner**  
(Vanuatu citizen)  
Malapoa Estate  
Port Vila, Vanuatu  
South Pacific

**Mr Daniel Agius**  
(Vanuatu citizen)  
Dream Cove  
Port Vila, Vanuatu,  
South Pacific

### Administrator & Transfer Agent

#### **International Finance Trust**

Company Limited  
Kumul Highway, Port Vila  
Vanuatu, South Pacific

Telephone: +678 2240  
Fax: +678 23799  
Email: iftc@vanuatu.com.vu

### Manager

#### **CNO Management Limited**

C/of Wilfred Services  
Griffith Corporate Centre  
Beachmont, Kingstown  
Saint Vincent and Grenadine  
(SVG)

### Custodians

#### **International Finance Trust**

Company Limited  
Kumul Highway, Port Vila  
Vanuatu, South Pacific

Telephone: +678 2240  
Fax: +678 23799  
Email: iftc@vanuatu.com.vu

### Registrar

#### **Astrolabe Limited**

Kumul Highway  
Port Vila, Vanuatu  
South Pacific

Telephone: +678 22159  
Fax: +678 23799  
Email: iftc@vanuatu.com.vu

### Investment Adviser

Mr Neil Linwood  
Sydney, Australia

### Bankers

#### **Bank of South Pacific**

PO Box 32, Kumul Highway  
Port Vila, Vanuatu

Telephone: (678) 22084  
Fax: (678) 24773

### National Bank of Vanuatu

Rue de Paris  
P.O Box 249  
Port Vila, Vanuatu

Telephone: +678 22201  
Fax: +678 27227

### Auditors

(Auditors TBA)



# Offer, valuation, subscription & redemptions

## The Offer

The Company is offering Redeemable Preference Shares to investors. The Subscription Price is at par. If Redeemable Preference Shares are forfeited the subscribed shares may be sold by the Directors and in that situation the selling price will be ascertained by:

- (i) determining the Net Asset Value calculated as at the Valuation Point immediately preceding the applicable Dealing Day;
- (ii) dividing the amount calculated under (i) above by the number of Redeemable Preference Shares in issue or deemed to be in issue at the relevant Valuation Point; and
- (iii) deducting there from such amount as may be necessary to amend the resulting amount down to the nearest cent.

Under the Articles of Association, the Directors are given authority to effect the issue of Redeemable Preference Shares and have absolute discretion to accept or reject in whole or in part any Application. In the event of the Directors rejecting an Application, the application monies (or relevant part thereof) will be returned, as soon as practicable after such rejection, via bank transfer to the Applicant without interest and at the Applicant's risk and expense.

## Minimum Subscription, Applications and Settlements

Applications for Shares on subscription or on resale of forfeited shares should be made on the Companies application form set out at the back of this document to CNO Future Fund Ltd, accompanied by funds wired for the sum to be invested and inclusive of any fees.

Application forms should be sent by email and then once acceptance has been received the original application is to be sent by courier to:

### CNO Future Fund Limited

PO Box 211

Port Vila, Vanuatu, South Pacific

Fax: +678 22159

Email: [info@cno.vu](mailto:info@cno.vu)

Offer applications for Redeemable Preference Shares is a minimum value of USD\$50,000 par value. Additional Shareholders applications for Redeemable Preference Shares is a minimum amount of USD\$10,000 par value.

Duly completed applications received and accepted by the Company are irrevocable. The Company reserves the right to reject and return any application and remittance if it considers it



appropriate and not to accept further remittances until such time as it thinks fit. The proceeds from the Shares issued will be invested in accordance with the investment objective of the Company as outlined in the prospectus.

The number of Shares to be allotted in respect of each application will be determined by dividing the sum remitted by the Net Asset Value per Share on the Valuation Day immediately preceding the next following Dealing Day, calculated as set out under the subheading “Net Asset Value Per Share” in the section entitled “Shareholder Information, Accounting and Audit”.

Following receipt of accepted applications, Shares in the Company will be allotted immediately. A contract note will be sent to applicants via email confirming acceptance of application and the number of Shares allotted. Shares are held in book entry form and share certificates will be issued. Due to the fact that share certificates must accompany all redemption requests the Manager recommends that share certificates be retained by the Registrar for safe-keeping.

The Manager is entitled to a fee of four (4) percent of the amount subscribed, which, is in addition to the amount being subscribed as it will not be taken from the subscription amount. No other discounts or commissions have been granted by the Company.

### **Subscription Account**

A Subscription Account has been opened by the Company. Any monies received from an Applicant and credited to the Subscription Account shall be held in escrow for the benefit of that Applicant pending the allocation of any Redeemable Preference Share to that Applicant. No interest shall be credited to Applicants on monies paid into the Subscription Account. Upon the issue of any Redeemable Preference Shares to an Applicant all monies standing to the credit of the Subscription Account and which were subscribed in respect of those Redeemable Preference Shares shall belong to the Company absolutely.

If an Application is accepted by the Company, the Company will issue (subject to the conditions contained in this Prospectus) “X” Redeemable Preference Shares to the Applicant. For the purposes of this paragraph, “X” is the number of Shares (rounding down to the subscription monies received into the Subscription Account in respect of the relevant Application by the applicable Subscription

Price. If the amount of the relevant subscription monies is not an exact multiple of the Subscription Price, the excess subscription monies (the amount of which will in all cases be less than the Subscription Price) shall be retained by the Company).

### **Calculation of Net Asset Value**

The Net Asset Value will be calculated in accordance with the valuation guidelines established by the Directors from time to time. The Net Asset Value and the Net Asset Value per Share will be calculated by the Administrator in US Dollars on each Valuation Day. The Net Asset Value will be calculated at the mid price, as described below.

The Net Asset Value of the Company will be determined by subtracting the liabilities of the Company from the value of the Company’s assets. In calculation the liabilities of the Company the Administrator will include, without limitation, the accrued liabilities, including all fees, expenses and such amounts in respect of contingent or projected expenses as the Directors consider fair and reasonable determined in accordance with generally accepted accounting standards. In particular an amount equal to any performance fee which would be payable to the Manager if all of the fully paid Shares were redeemed on that Dealing Day will be included. The calculation of the value of the assets of the Company will include all cash and investments held by the Company and all accrued interest and dividends to be received by the Company as at the relevant Valuation Point and any unamortized expenses.

The assets of the Company will be valued in accordance with the guidelines determined from time to time by the Directors. Listed investments will be valued on the basis of their quoted prices. Unlisted securities and quoted securities for which a price is unavailable will be valued at their fair value as may be determined in good faith by Directors. If the Directors consider that any of the above valuation rules do not give rise to a fair value, they may adopt or approve such other valuations as they consider fair in the circumstances.

The Net Asset Value per Share will be calculated by ascertaining the Net Asset Value of the Company and dividing such sum by the number of fully paid redeemable preference shares in issue.



### **Redemption of Redeemable Preference Shares**

To redeem shares, redemption requests should be made in writing and sent by airmail, facsimile or via email to the Administrator together with the relevant share certificate. Any redemption requests should contain the following information: the exact name and address of the person requesting redemption, the number of shares to be redeemed and the name of the person to whom payment is to be made. Notice to redeem must be received by the Administrator by the close of business at least 21 business days preceding a Redemption Dealing Day.

Please note that redemption of shares will only be available after the investor's investment has completed the five (5) year fixed term.

The availability of redemption payments may be subject to market liquidity at the time of the request. While efforts will be made to process redemption requests promptly, payment timing may be influenced by market liquidity. Shareholders will be notified of any potential delays due to market liquidity conditions.

Subject to certain restrictions, redemption of Shares will take place on the Redemption Dealing Day immediately following receipt of such written request and share certificate at the Net Asset Value per Share calculated at the close of business in Vanuatu on the Valuation Day immediately preceding that Dealing Day. Money will be wired within 28 days of the relevant Redemption Dealing Day, together with details of the redemption and share certificate for the balance (if any) of the holding.

The Company reserves the right to require redemption of the Shares of any shareholder whose total shareholding in the Company is Shares having a Net Asset Value of less than USD\$5,000.

There are no restrictions on who may buy Shares in the Company provided the legislation of the countries of citizenship, residence and domicile of the potential investor permits such purchase. The Company's Articles of Association include a clause empowering the Directors to redeem compulsorily Shares acquired by any person who has acquired them in contravention of such legislation or in the event that to do so would eliminate or reduce the exposure of the Company or its shareholders to adverse tax or regulatory consequences under the laws of any country or, if the acquisition or holding of Shares might be expected to prejudice or risk prejudicing in any way either the Company or the Shareholders.

### **Redemption Fee**

The fee payable for redemption is one percent (1%) of the value of the redemption. The fee will be deducted from the redemption funds prior to remittance. The directors retain the right to modify the amount charged for redemptions. The directors also retain the right to levy special redemption fees upon redemption requests made outside of the subscribed Redemption Dealing Date, which is subject to their discretion.

### **Cancellation of Redemptions**

Shareholders are not entitled to withdraw a Redemption Notice unless the Directors otherwise determine or unless a suspension of dealings and/or calculations has been declared as per the terms of this Prospectus.



### **Compulsory Redemption**

The Directors may redeem Redeemable Preference Shares compulsorily if they become aware or believe that such Redeemable Preference Shares (i) are held, or are beneficially owned, by a person who is not a Qualified Holder; or (ii) expose the Company to adverse tax or regulatory consequences.

### **Redemption in Specie**

The Directors may redeem Redeemable Preference Shares by way of exchange for assets (including Investments) of the Company in the circumstances set out in sub-paragraph (i) and in accordance with the terms set out in sub-paragraphs (ii) and (iii).

- (i) (a) in the event that the Company receives, in respect of any Dealing Day, requests for redemptions which, in the aggregate, amount to more than twenty percent (20%) of the total number of Redeemable Preference Shares in issue; or  
(b) in the event that a Shareholder applying for redemption of Redeemable Preference Shares has requested or agrees to the redemption of all or part of the relevant Redeemable Preference Shares by way of an exchange for assets as aforesaid.
- (ii) In the circumstances described in (i) (b) above, the Shareholder must provide a redemption request to the Registrar as required by this Prospectus and otherwise satisfy all the requirements of the Directors as to such request.
- (iii) If the Directors approve a redemption in specie they shall transfer (or cause to be transferred) to the relevant Shareholder(s) that proportion of the assets of the Company which is, on the relevant Dealing Day, equivalent in value to the Redeemable Preference Shares being redeemed on behalf of the Shareholder or those Shareholders (as the case may be). The Shareholder shall be entitled to request the sale of any asset of assets proposed to be so transferred and the transfer to such Shareholder of the cash proceeds of sale. The costs of such sale shall be borne by the relevant Shareholder. The nature of the assets and the type of assets to be transferred to the Shareholder(s) shall be determined by the Directors on such basis as the Directors in their sole discretion shall deem equitable and not prejudicial to the interests of the remaining Shareholders and for these purposes the value of the assets shall be determined on the same basis as used in calculating the Redemption Price applicable to the Dealing Day.

If the discretion conferred upon the Directors to effect a redemption in specie is exercised, the Directors shall notify the Custodian and shall supply to the Custodian particulars of the non-cash assets (including any Investments) to be transferred and any amount of cash to be paid to the relevant Shareholder(s).

### **Total Redemption/Winding Up**

All of the Redeemable Preference Shares shall be redeemed if:

The holders of seventy-five percent (75%) in value of the issued shares of the Company approve of the redemption at a general meeting;

All of the Redeemable Preference Shares may, at the Directors' discretion, be redeemed if the Custodian has served notice of its intention to retire under the terms of the Custodian Agreement (and has not revoked such notice) and no new custodian has been formally approved and appointed within six months after the date of service of such notice.

On a winding up of the Company the assets available for distribution (after satisfaction of creditors) shall be distributed firstly to the holders of Subscriber Shares to the extent of their nominal value up to the nominal amount paid thereon and secondly to the Shareholders in respect of the remaining assets of the Company in proportion to the number of fully paid Redeemable Preference Shares held.

### **Transfers**

Shares are transferable by instrument in writing signed by (or in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor and registered in the register of shareholders of the Company. Unless the Directors otherwise agree, no transfer may be made which would result in either the transferor or the transferee remaining or being registered as the holder of Shares valued at less than USD\$5,000 at the time of such intended transfer.

Share transfers are subject to Vanuatu stamp duty at a rate of 0.60% on consideration before registration.

### **Temporary Suspension/Postponements**

The Company may temporarily suspend the determination of the Net Asset Value, the determination of the Net Asset Value per Share and the Subscription and redemption of Redeemable Preference Shares:

- (i) on days which would otherwise be Dealing Days and which fall in the first and last weeks on each calendar year, as the Directors may determine;
- (ii) during the whole or any part period when any of the principal markets on which any significant portion of the Investments of the Company from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant futures exchange or market is restricted or suspended;
- (iii) during the whole or any part of any period when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Directors, any disposal or valuation of Investments of the Company is not, in the opinion of the Directors, reasonably practicable without this being seriously detrimental to the interests of owners of Redeemable Preference Shares or if, in the opinion of the Directors, the Net Asset Value cannot fairly be calculated or such disposal would be materially prejudicial to the owners of Redeemable Preference Shares;
- (iv) during the whole or any part of any period when the Company is unable to repatriate funds required for the purpose of making redemption payments or when such payments cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or during which there are difficulties with or it is envisaged that there will be difficulties with, the transfer of monies or assets required for subscriptions, redemptions or trading; or
- (v) upon the publication of a notice convening a general meeting of shareholders for the purpose of resolving to wind up the Company.

If total requests for redemptions on any Dealing Day exceed 10% of the total number of Redeemable Preference Shares in issue, each redemption request may, if in the sole discretion of the Directors acting in good faith it is believed to be necessary or desirable in order not to prejudice the interests of the Shareholders not requesting redemption or on grounds of liquidity or other like reason, be reduced "pro rata". Any redemption request so reduced shall be effected in priority to subsequent redemption requests on the following Dealing Day, subject always to the foregoing provisions. Direct Shareholders would have to re-submit Redemption Notices in accordance with the rules and procedures of the relevant Clearing System.

The company may also postpone the payment of Redemption Proceeds (or a portion thereof) in circumstances where Investments of the Company cannot be liquidated in a timely fashion to meet redemption requirements without having a significant adverse effect on the Company, but only to the extent that the Company has not received funds in respect of the liquidation of Investments. Any such postponement shall take effect at such time as the Directors shall declare and shall end on the earliest to occur of:

- (i) the receipt by the Company of funds in respect of the liquidation of all the relevant Investments;
- (ii) the borrowing by the Company of sums required to meet its redemption obligations; and
- (iii) the first Business Day after the period of 30 days following the day on which such declaration is made.





# 10

## Fees & Expenses

### General

All fees and expenses relating to the establishment and launch of the Company have been amortized. The Company is responsible for VAT (if any) payable on any fees and expenses payable by it

### Management Fees

The Manager is entitled to receive from the Company a management fee payable on the last Valuation Day in each quarter in arrears at the rate of two (2) percent per annum of the Net Asset Value of the Company calculated on the Valuation Day on all shares classes.

In addition, the Manager is entitled to a performance fee calculated on each Quarterly Valuation Day. A Performance Fee of twenty percent (20%) of Net Profits is calculated and becomes due to the Manager at each Quarterly Valuation Day, and will be paid quarterly ("Performance Fee"). Net Profits are defined as the cumulative profits for the quarter before the performance fee, after deduction of all transaction costs, management fees, expenses and the amount that would have been earned in that quarter had the assets of the Company been invested. Trading Profits shall include both realized and unrealized profits. If Net Profits for a

month are negative, there shall be 'carry forward losses' for the beginning of the next month. No Performance Fee will be payable until Net Profits exceed carry forward losses, after adjustment for redemptions. Once earned, the Performance Fee will be retained by the Manager regardless of the Companies future results.

During any period of suspension of the determination of the Net Asset Value the cash payment of the performance fees to which the Manager is entitled will be postponed (although such fees will continue to accrue), however management fees will continue to be paid.

The Manager may charge a placement fee prior to the issuing of Shares in the Company of a sum not exceeding four (4) percent of the amount subscribed. This fee should be included in addition to the subscription amount for the Purchase of Shares in the Company.

The Manager is also entitled to be reimbursed for certain reasonable out-of-pocket and third-party expenses incurred in the performance of its duties. The fees of the Manager may be altered by the mutual agreement of the Company and the Manager. All management expenses will be charged to income.

### Third Party Costs

To the extent that the Manager delegates any of its duties to a third party, the charges of such party (other than out-of-pocket expenses) shall be for the account of the Manager and shall be paid by the Manager from the fees it receives from the Company.

### Administrator Fees

The Administrator is entitled to receive from the Company a fee payable on the last Valuation Day in each quarter in arrears at the rate of one percent (1%) per annum of the Net Asset Value of the Company calculated on the Valuation Day on all shares classes.

This fee is payable and will include responsibility for general administration and accounting, valuations, secretarial, registrar and transfer agency services to a service provider or service providers (as the case may be) which is/are approved to conduct such business. The Administrator may sub-contract or delegate these responsibilities; however any reasonable disbursements may be separately billed to the company.

### Investment Advisor Fee

The Investment manager will be remunerated directly by the Fund Manager.

### Brokerage Fees

The Company bears all costs of trading transactions and interest on borrowing.

Institutional brokerage rates vary with the contract and the market on which the contract is traded.

### Directors' Fees

The Directors shall be entitled to such remuneration as may be determined by the shareholders of the Company voting in General Meeting, to a maximum of USD\$15,000 per annum. The Directors may also be paid reasonable travelling, hotel and other expenses properly incurred by them in the execution of their duties.

### Operational Expenses

The Company will also pay out of its assets:

- (i) any fees in respect of circulating details of the Net Asset Value and/or the Net Asset Value per Share (including publishing prices);
- (ii) taxes (including VAT (if any) on fees payable by the company);
- (iii) Company secretarial fees;
- (iv) Rating fees (if any);
- (v) brokerage or other expenses of acquiring and disposing of Investments;
- (vi) fees and expenses of the Auditors, tax, legal and other professional advisers of the Company in respect of routine and/or recurring matters;
- (vii) fees connected with the listing of Redeemable Preference Shares on any stock exchange;
- (viii) fees and expenses in connection with the distribution of Redeemable Preference Shares and costs of registration of the Company and the Redeemable Preference Shares;
- (ix) costs of preparing, printing and distributing the Prospectus and supplements, reports, accounts and any explanatory memoranda;
- (x) any necessary translation fees;
- (xi) any costs incurred as a result of periodic updates of this Prospectus, any supplements, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);
- (xii) any other fees and expenses relating to the management and administration of the Company or attributable to the Company's investments; and
- (xiii) in respect to each financial year of the Company in which expenses are being determined, such proportion (if any) of the establishment expenses as are being amortized in that year.

## **Taxation**

The company is registered as a Public Company within the meaning of The Companies Act 1986 of Vanuatu and as such, under current law, is not liable for any taxes in Vanuatu.

The Company is required to pay an annual VFSC registration fee.

Potential purchasers of Shares should inform themselves as to the possible tax and other consequences under the laws of the countries of their citizenship, residence and domicile, which might be relevant to the purchase, holding and eventual sale of Shares.

## **Statutory and General Information**

### **1. Incorporation, Registered Office and Share Capital**

- (i) The Company will be incorporated in Vanuatu as a public limited company under the name “CNO Future Fund Limited”. The Company is regulated under the laws of Vanuatu.
- (ii) The registered office of the Company is presently at 1st Floor, iCOUNT House, Kumul Highway, Port Vila, Vanuatu.
- (iii) On incorporation the Company has an authorised share capital of USD\$5.00 divided into five (5) Subscriber Shares (each of which has been issued at par and is fully paid) and 1,000,000 Redeemable Preference Shares at a par value of USD\$100.00. At the date of this Prospectus the nominees of the Manager hold in aggregate five (5) Subscriber Shares. No further Subscriber Shares will be issued.
- (iv) All shares will be issued in registered form.

### **2. Share Capital**

#### **Subscriber Shares**

The holders of the Subscriber Shares shall:

- (i) on a poll be entitled to one vote per Subscriber Share;
- (ii) not be entitled to any dividends whatsoever in respect of their holding of Subscriber Shares; and
- (iii) in the event of a winding up or dissolution of the Company, be entitled to payment in respect of the nominal amount paid up thereon out of the assets of the Company, but shall not be entitled to any further or other amount.

## **Redeemable Preference Shares**

The holders of Redeemable Preference Shares shall:

- (i) be entitled to such dividends as the Directors may from time to time declare; and
- (ii) in the event of a winding up or dissolution of the Company, be entitled (after payment to the holders of the Subscriber Shares of the nominal amount paid up thereon) to the remaining assets of the Company in proportion of the number of Redeemable Preference Shares held.

## **Voting Rights**

This is dealt with under the rights attached to the Subscriber Shares and Redeemable Preference Shares respectively referred to above.

**A quorum at a general meeting shall be five subscriber shareholders in the Company present (i) in the case of an individual, in person; (ii) in the case of a corporate body, by its duly authorized representative; and (iii) in either case, by proxy.**

Subject to any special terms as to voting upon which any shares in the Company may be issued or may for the time being be held, at any general meeting on a show of hands every holder of shares in the Company who (being an individual) is present in person or (being corporation) is present by duly authorized representative shall have one vote. On a poll every such holder present as aforesaid or by proxy shall have one vote for every share held in the Company.

To be passed, resolutions of the Company in general meeting will require a simple majority of the votes cast by the shareholders in the Company.

A majority of not less than seventy-five percent (75%) of the shareholders in the Company present in person or by proxy and (being entitled to vote) voting in general meetings is required in order to (i) rescind, alter or amend the Articles of Association or (ii) wind up the Company.



### 3. Memorandum of Association

The Memorandum of Association of the Company provides that the Company's principal object is the collective investment of its funds with the aim of spreading investment risk and giving members of the Company the benefit of the results of the management of its funds. The object and powers of the Company are set out in full in the Memorandum of Association, which is available for inspection at the registered office of the Company.

### 4. Articles of Association

A copy of the company's Articles of Association is available on request.

### 5. Money Laundering

The Manager has responsibility to regulators for compliance with money laundering regulations around the world and, for that reason, existing Shareholders, potential subscribers for and transferees of Redeemable Preference Shares may be asked for proof of identity. Until satisfactory proof of identity is provided by potential investors or transferees, as determined by the Directors, the Directors reserve the right to withhold the issue or approval of transfers (as the case may be) of the applicable Redeemable Preference Shares.

In case of delay or failure to provide satisfactory proof of identity, the Company and the Manager may take such action as they see fit including the right to redeem issued Redeemable Preference Shares compulsorily.

### 6. Indemnities

The Directors, Secretary and other officers of the Company shall be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in discharge of his duties (other than in the case of fraud, negligence or wilful default).

### 7. Calculation of the Net Asset Value

The calculation of the Net Asset Value is the responsibility of the Administrator. In determining such:

- (a) The Net Asset Value shall be expressed in US dollars or in such other currency as the Directors may determine in any specific case (translated where necessary at such rate of exchange as the Directors think fit) and shall be determined, subject to suspension, as at each Valuation Point and shall be the value of all the assets of the Company.

- (b) The assets of the Company shall be deemed to include:

- all cash in hand, on deposit or on call including any interest accrued thereon and all accounts receivable;
- all bills, demand notes, certificates of deposit and promissory notes;
- all stock and cash dividends and cash distributions to be received by the Company and not yet received by it but declared to shareholders on record on a date on or before the day as of which the Net Asset Value is being determined;
- all interest accrued on any interest-bearing securities owned by the Company except to the extent that the same is included or reflected in the principal value of such security;
- all other Investments of the Company;
- the preliminary expenses of the Company including the cost of issuing and distributing Redeemable Preference Shares in so far as the same have not been written off; and
- all other assets of the Company of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors. The paid-up nominal capital of the Subscriber Shares shall be excluded as an asset of the Company for the purposes of determining the Net Asset Value.

- (c) Cash shall be valued at face value (together with accrued interest to the relevant Valuation Point) unless, in the opinion of the Directors, any adjustment should be made to reflect the value thereof.

- (d) If in any case a particular value is not ascertainable as above provided if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Directors shall decide provided that such method has been approved by the Custodian.

- (e) Any valuations made pursuant to the Articles shall be binding on all persons.

### 8. Circumstances of a Winding Up

The Company shall be wound up in the following circumstances:

- (i) by the passing of a special resolution for a winding up;
- (ii) where the Company suspends its business for a year;

- (iv) where the number of shareholders falls below the statutory minimum;
- (v) where the Company is unable to pay its debts and a liquidator has been appointed;
- (iv) where the appropriate court in Vanuatu is of the opinion that the Company's affairs and the powers of the Directors have been exercised in a manner oppressive to shareholders; or
- (v) the appropriate court in Vanuatu is of the opinion that it is just and equitable that the Company should be wound up.

## 9. Commissions

Save as disclosed within the section headed "Fees and Expenses", no commissions, discounts, brokerages or other special terms have been granted or are payable by the Company in connection with the issue or sale of any capital of the Company.

## 10. Directors' Interests

Neither the Directors nor any connected person has any interest in the Redeemable Preference Shares or any options in respect of such Redeemable Preference Shares.

For the purposes of this paragraph "connected person" means in respect of any Director:

- (a) his spouse, parent, brother, sister or child;
- (b) a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or any body corporate which he controls;
- (c) a partner of the Director; or
- (d) a company controlled by that Director.

There are no existing or proposed service contracts between any of the Directors and the Company.

Save for the contracts disclosed herein, no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.

The Company has not granted loans to any Directors nor has it provided any guarantees for their benefit.

## 11. Litigation

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

## 12. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- (a) the Management Agreement. This agreement provides that the appointment of the Manager will continue in force unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances (for example the insolvency of either party, unremedied breach after notice, etc.) the agreement may be terminated forthwith by notice in writing by either party to the other. The agreement contains indemnities in favour of the Manager excluding matters arising by reason of its wilful misconduct, fraud, bad faith, wilful default or negligence and provisions regarding the Manager's legal responsibilities. Details of the fees payable to the Manager by the Company are set out within the section headed "Fees and Expenses".
- (b) the Administration Agreement. This agreement provides that the appointment of the Administrator will continue in force unless and until terminated by the Company, the Manager or the Administrator giving to the others not less than 90 days' written notice although in certain circumstances (for example the insolvency of any party) the agreement may be terminated forthwith by notice in writing by any such party to the others. This agreement contains indemnities in favour of the Administrator excluding matters arising by reason of its fraud, wilful default or negligence and provisions regarding the Administrator's legal responsibilities.

## 13. Miscellaneous

- (i) The Company does not have, nor has it had since its incorporation, any employees.
- (ii) The Company may buy securities from or sell securities to any entity managed by the Manager or any associate or affiliate thereof on an arm's length basis.
- (iii) The Company has not purchased or acquired, nor agreed to purchase or acquire, any property.
- (iv) At the date of this Prospectus, the Company does not have any loan capital (including long-term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings, including bank overdrafts, liabilities under acceptances or acceptance credit, hire purchase or finance lease, guarantee or other contingent liabilities save as permitted pursuant to this Prospectus.

- (v) No Director has:
- (a) any unspent convictions in relation to indictable offences;
  - (b) become bankrupt or entered into any voluntary arrangement;
  - (c) been a director of any company or a partner of any firm which, at the time or within twelve (12) months after his ceasing to become a director or a partner (as the case may be), had a receiver appointed to it or had gone into compulsory liquidation, creditors voluntary liquidation or into administration, or had entered into company or partnership voluntary arrangements or made any composition or arrangement with its creditors;
  - (d) owned an asset or been partner of a partnership owning an asset over which a receiver has been appointed at the time or within twelve (12) months after his ceasing to be a partner; or
  - (e) had any public criticism against him by any statutory or regulatory authority (including recognized professional bodies) or has been disqualified by a court from acting as a director or acting in the management or conduct of the affairs of any company.

#### 14. Inspection of Documents

Copies of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) free of charge at the registered offices of the Company in Vanuatu.

- (a) the Memorandum of Association of the Company and the Articles of Association;
- (b) the Management Agreement;
- (c) the Administration Agreement;
- (d) the Companies Act of Vanuatu 1986 and its amendments;
- (e) the latest available annual and half-yearly reports and accounts of the Company; and
- (f) copies of this prospectus.

#### Additional Statutory Information

In accordance with the requirements of the laws of the Republic of Vanuatu Companies Act [Cap. 191] the following information is included in the prospectus and forms part of it.

1. There are no founders' or management or deferred shares.
2. There is no number of shares fixed by the Articles of Association as to the qualification of a Director. The provisions of the said Articles as to the remuneration of the Directors are:  
  
The remuneration of the Directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any Committee of the Directors or general meetings of the Company or in connection with the business of the Company.
3. The names, descriptions and addresses of all Directors are set out on pages 26 of this prospectus.
4. (a) The minimum amount which, in the opinion of the Directors must be raised by the issue of the shares offered by this prospectus is USD\$1,000,000.

This sum will provide the amounts required to be provided in respect of each of the following:

(i)	the cash element of purchase price of any property which is to be defrayed in whole or in part out of the proceeds of the issue	\$ Nil
(ii)	the estimated preliminary expenses of the Company	\$5,000
(iii)	Contract sales and marketing fees (maximum) to any person or firm in consideration of them agreeing to subscribe for, or of them procuring or agreeing to procure subscriptions for any shares in the Company	\$250,000
(iv)	the repayment of any money borrowed by the Company in respect of any of the foregoing matters	\$ Nil
(v)	Working capital	\$75,000
(vi)	the estimated amount of the expenses of the issue (other than commission) payable by the Company	\$30,000



- (b) No amounts are to be provided in respect of the matters aforesaid otherwise than out of the proceeds of the issue.
5. The amount payable on application on each share offered for subscription is

Share Class	Par Value Per Share	Subscription Price Per Share	Minimum Subscription
Redeemable	USD\$100.00	USD\$100.00	USD\$50,000

No shares in the Company have previously been offered for subscription.

6. No options to subscribe for shares in the Company are issued.
7. As required by the Act for the formation of a public company, the company has issued five (5) fully paid subscriber shares of USD\$1.00 each.
8. No amount is payable for goodwill.
9. Other than stated above, no commission is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of the company.
10. The estimated amount of preliminary expenses of the company is USD\$5,000 and the estimated amount of the expenses of the issue will not exceed USD\$30,000.
11. Other than as disclosed herein, no amount has been paid or benefit given within the two years preceding the date of this prospectus, nor is any amount intended to be paid or any benefit intended to be given to any promoter of the Company.
12. No contract was entered into in the ordinary course of business carried on or intended to be carried on by the Company or a contract entered into more than two years before the date of the issue of this prospectus.
13. The name and address of the auditors of the Company are set out on page 24 of this prospectus.
14. The share capital of the Company is divided into different classes of shares – redeemable preference shares and subscriber shares.
15. The Company has not carried on any business.
16. The prospectus is to be issued prior to the commencement of business.
17. There has been no contract, absolute or conditional, for the sale or purchase, or for any option of purchase, of any property to be acquired by the company.
18. In accordance with Clause 7. above, no options to subscribe for shares in the Company are issued.
19. The company is yet to commence trading and application for incorporation of the company was lodged concurrently with this prospectus.

### Anti-money laundering provisions

As a result of anti-money laundering regulations, documentation will be required for subscriptions into the Company. This will be used for compliance with these regulations and to verify the identity of investors and will remain confidential. Please note that the Manager reserves the right to request further documentation or information. Failure to provide such documentation or information may result in rejection of the subscription and/or the withholding of redemption proceeds.

Documentation may not be required if the subscriber or the beneficial owner(s) of the investment:

- (a) have an existing investment in the Company and have already provided documentation; or
- (b) have already provided evidence of identity to a Manager; or

In the event of none of the above applying to a subscriber, the subscriber will have to provide proof of identity to the Manager. Such proof of identity may include:

- (i) In the case of private individuals (including beneficiaries of trusts):
  - a certified\* extract from a full passport (i.e. a copy of the front cover and pages showing photograph, personal details and signature, date and place of issue and serial number).
- (ii) In the case of corporate investors:
  - a certified\* copy of Articles of Association or Statutes or Published Accounts or Certificates of Incorporation or Trade Register Entry or Certificate of Trade or Partnership Agreements; and
  - names and addresses of all directors or partners and specimen signatures.

*\* The certified documents must be certified by a professional person such as notary, justice of the peace, commissioner of oaths, lawyer, CPA or Chartered Accountant.*



**ANNEXURE “A”****DEFINITION OF “UNITED STATES PERSON”**

The definition of “United States person” is as follows:

- (i) any natural person resident in the United States;
  - (ii) any partnership or corporation organized or incorporated under the laws of the United States;
  - (iii) any estate of which any executor or administrator is a United States person;
  - (iv) any trust of which any trustee is a United States person;
  - (v) any agency or branch of a foreign entity located in the United States;
  - (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a United States person;
  - (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary or organized, incorporated, or (if an individual) resident in the United States; and
  - (viii) any partnership or corporation if:
    - (a) organized or incorporated under the laws of any foreign jurisdiction; and
    - (b) formed by a United States person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rules 501 (a) under the Securities Act of 1933) who are not natural persons, estates or trusts.
- (2) Any estate of which any professional fiduciary acting as executor or administrator is a U.S. person shall not be deemed a United States person if:
    - (i) an executor or administrator of the estate who is not a United States person has sole or shared investment discretion with respect to the assets of the estate; and
    - (ii) the estate is governed by foreign law.
  - (3) Any trust of which any professional fiduciary acting as trustee is a United States person shall not be deemed a United States person if a trustee who is not a United States person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a United States person.
  - (4) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a United States person.
  - (5) Any agency or branch of a United States person located outside the United States shall not be deemed a “United States person” if:
    - (i) the agency or branch operates for valid business reasons; and
    - (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
  - (6) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, The Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans shall not be deemed “United States persons”.

(“United States” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia).

**Additionally:**

- (1) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-United States person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States shall not be deemed a “United States person”.





**CNO**  
Future Fund

**Sustainable  
Renewable  
Environmental  
> Citizenship By Investment**