

PROVEN



Offering Circular
Conditions & Regulations

PROVEN
FUND MANAGERS

EFFECTIVE PERIOD

This Offering Circular was registered by the Financial Services Commission on the 1st day of August 2018 and is valid until 31st day of July 2019. Upon the expiry of this effective period, this Offering Circular should not be used as a basis for any investment decision or marketing the **PROVEN SELECT FUND**. The Manager shall not be held liable for your reliance on this Circular after the expiration date.

DISCLAIMER

"The Financial Services Commission (FSC) does not pass upon the accuracy or adequacy of the information contained in this Offering Circular. Any representation to the contrary will be deemed by FSC to be a false and misleading statement."

IMPORTANT - IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT, YOU SHOULD SEEK INDEPENDENT FINANCIAL ADVICE.

The **PROVEN Select Fund** owns different types of investments, depending on the investment objectives of its portfolios. The value of these investments may change from day to day, reflecting changes in interest rates, economic conditions and company news. As a result of these changes, the value of the Fund's securities may go up or down and the value of the investment in any of the Fund's portfolios, when redeemed, may be more or less than when it was purchased. The full amount of the investment is not guaranteed.

Past performance of the **PROVEN Select Fund's** portfolios should not be taken as an indication of future performance.

OTHER DISCLOSURE

The Trustee and Manager, collectively and individually, accept full responsibility for the accuracy of the information contained in this Offering Circular and confirm, having made reasonable enquires, that to the best of their knowledge and belief, there are no facts, the omission of which would make any Information or statement within this Offering Circular misleading.

1. DEFINITIONS

"Business Day" means a day on which banks in Jamaica are ordinarily open for business excluding weekends and public general holidays.

"The Fund" means the **PROVEN SELECT FUND**.

"The Trustee" means the person appointed as Trustee of the Fund and in this Offering Circular means JCSD Trustee Services Limited.

"The Custodian" means JCSD Trustee Services Limited or any other person appointed for the time being by the Fund to exercise the functions of the Custodian of the Fund.

"The Manager" means the PROVEN Fund Managers Limited or any person appointed for the time being by the Fund to exercise the functions of Manager of the Fund.

2. THE PROVEN SELECT FUND

The **PROVENSELECTFUND** was established by a Trust Deed dated 1st day of December, 2016 and duly registered in Jamaica with the Financial Services Commission on the 1st day of August 2017, referred to herein as "the Fund". The **PROVEN SELECT FUND** is an open-ended daily investment participating fund. The Fund's assets are held in individual Sub-Funds with each Sub-Fund holding separate portfolios of securities which are managed in accordance with specific investment objectives.

The Trust Deed may be inspected at the offices of the Manager, PROVEN Fund Managers Limited between the hours of 9:00 a.m. and 3:30 p.m., Mondays to Fridays, except on public holidays.

3. THE MANAGER OF THE FUND

The Manager of the Fund is PROVEN FUND MANAGERS LIMITED a company incorporated under the laws of Jamaica having its registered office at 26 Belmont Road, Kingston 5 a subsidiary of PROVEN Investments Ltd. was incorporated under the companies act on December 23, 2002. The Manager is entitled to receive a management fee computed by reference to the Net Asset Value of each fund. The Directors of the Manager are-

Lisa Gomes (Chairman)
Garfield Sinclair
John Bell
Johann Heaven
Christopher Williams
Charmaine Boyd-Walker
Gary Barrow
Marcus Steele

Manager contact information:

Address: 26 Belmont Road, Kingston 5

Telephone Number: (876) 908-3800-1

Email address: info@provenfundmanagers.com

Website: www.provenfundmanagers.com

4. THE TRUSTEE and CUSTODIAN

The Trustee for the Fund is JCSD Trustee Services Limited (JCSDTS) a company duly incorporated under the laws of Jamaica on July 21, 2008. JCSDTS is a wholly-owned subsidiary of the Jamaica Central Securities Depository (JCSD), which itself is a wholly owned subsidiary of the Jamaica Stock Exchange (JSE). JCSDTS with registered offices is located at 40 Harbour Street, Kingston. JCSDTS is not licensed under the Financial Institutions Act but it satisfies the legal requirements to be a Trustee for a collective investment scheme, JCSDTS core business is that of providing trustee services to its clients. JCSDTS was appointed Trustee of the Fund on 22nd day of June 2016. The directors of the Trustee as of September 30, 2015 are:

Garth Kiddoe (Chairman)

Alvaro Casserly (Deputy Chairman)

Curtis Martin

Gary Peart

Marlene Street-Forrest

Livingstone Morrison

Yvolyn Maxwell

Leo Williams

Allan Lewis

Ian McNaughton

5. FUND SERVICE PROVIDERS

- I. *AUDITORS*
- II. PricewaterhouseCoopers
Scotiabank Centre
Duke Street
P.O. Box 372
Kingston
- III. *ATTORNEYS-AT-LAW*
Hart Muirhead Fatta
Attorneys-at-Law
2nd Floor Victoria Mutual Building
53 Knutsford Boulevard
Kingston 5
- IV. *BANKERS*
The Bank of Nova Scotia Jamaica Limited
Scotia Centre
Cnr Duke & Port Royal Streets,
Kingston, Jamaica
- V. *STOCK BROKERS*
PROVEN Wealth Limited
26 Belmont Road
Kingston 5
- VI. *ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT*
PROVEN Fund Managers Limited
26 Belmont Road,
Kingston 5
- VII. *SELLING AGENTS*
PROVEN Wealth Limited
26 Belmont Road
Kingston 5

6. PORTFOLIOS

The PROVEN SELECT FUND may be comprised of one or more portfolios and/or class or classes of portfolios in any currency. The Manager has the discretion to establish further portfolios and classes of units within such portfolios subject to the applicable law and any required approval, regulatory or otherwise:

- (a) The PROVEN SELECT FUND is comprised of four (4) Portfolios –
 - i. PROVEN Select Money Market (JMD)
 - ii. PROVEN Select Money Market (USD)
 - iii. PROVEN Select Fixed Income (USD)
 - iv. PROVEN Select Equity (JMD)

7. INITIAL ISSUE PRICE

The Initial Issue Price for the PROVEN SELECT FUND is [JA\$1.00] per unit for portfolios whose base currency is Jamaican Dollar and [US\$1.00] per unit for portfolios whose base currency is United States Dollars.

8. BUYING AND SELLING UNITS

Before purchasing Units in a Portfolio, it is important to read this Offering Circular in its entirety. If you require further explanation on any aspect of this Offering Circular, please contact the office of the Manager or your financial advisor.

Units may be bought or sold on any business day at the prevailing offer and bid prices, subject to the minimum holding period as the Manager may determine. The "ask" or "offer" or "issue" price (also called the purchase

price) is the price at which the Manager will sell units for the public on a business day and are subject to the current selling and buying prices of the investments in the Funds. The "bid" or "purchase" price or "realization" price is the price at which the Manager will repurchase units from the Unit Holders and are subject to the current selling and buying prices of the investments in the Portfolios.

Units in the Portfolios are distributed through PROVEN Fund Managers Limited distribution channels and any other authorized securities dealers that may be appointed for that purpose by PROVEN Fund Managers Limited from time to time. Clients may complete a Unit Trust Instruction form and email or fax it to the Manager once an email/fax indemnity is in place or submit original Unit Trust Instruction forms bearing the signature of the intended Unit Holder (or their duly authorized agent) to the Manager for subscription/redemption of Units.

Orders for purchases or redemption of units must be received by the Manager no later than 1:00 pm local time on a business day (or such earlier time as may be specified by the Manager) in order to be processed based on the Net Asset Value (NAV) calculated on the previous day. Otherwise, the order will be processed based on the applicable NAV per unit of the current business day. The Manager will seek to make payment within three (3) business days of the day on which the Units were redeemed provided that the necessary documentation has been received.

The Manager reserves the right to accept or reject any application to purchase Units, within five (5) days after receipt of the application. If an application is rejected, all monies received with the application will be returned

without interest within five (5) days of receipt of the application.

In the event that the purchase of units is made with a cheque, the Manager may require a minimum waiting period, comparable with that set by commercial banks in Jamaica, to allow the cheque to clear. If a cheque is dishonoured by the bank, the Manager reserves the right to cancel the unit holdings of the applicant after reasonable efforts have been made to secure the replacement of funds.

Note that the Manager may suspend the payment of any Realization Price for a period of up to three months from the date of receipt of a realization or redemption notice if in the Manager's determination it is prudent to suspend such a payment.

9. VALUING AND PRICE QUOTATIONS OF UNITS

The Funds' investments are carried at fair market value. Quoted equities are valued at the closing bid price on the Stock Exchange of the market of issue or such other stock exchange, as the Manager may decide. Foreign currency-denominated assets are converted at the mid-point of the Bank of Jamaica's weighted average selling and buying rates. The prices for other asset classes are based on the prices prevailing at the close of business in the markets in which such assets are traded. Unit prices are valued each business day and will be published on the website of Proven Fund Managers Limited (www.provenfundmanagers.com) The bid and ask prices will be published in either the Gleaner or the Daily Observer or both every Wednesday and Friday. Prices will be guaranteed until 1p.m. each business day.

The daily NAV of each Portfolio will be determined by using the fair value of the underlying investments and reducing such value by the fair value of the total liabilities for that Portfolio (such as, an appropriate provision for fiscal and purchase/sales charges, loading charges (if applicable) together with any taxes which may be levied or imposed by the Government).

The purchase price of units is determined by dividing the NAV of the respective Portfolio by the number of units in issue of that Portfolio.

The "Bid" price of units (the redemption price at which the unit holder sells units back to the Managers) is determined by dividing the NAV of the respective Portfolio by the number of units in issue of that Portfolio.

On each business day a separate NAV for each portfolio will be determined and such determination will be subject always to accounting standards used in Jamaica.

The Net Asset Value of units in a portfolio is calculated after the close of business on each business day.

10. OTHER VALUATION DISCLOSURES

Value of Units may vary:

Unit Trusts own different types of investments, depending on their investment objectives. The value of these investments may change from day to day, reflecting changes in interest rates, economic conditions and company news. As a result of these changes, the value of the Fund's securities may go up or down and the

value of your investment in the fund, when you redeem it, may be more or less than when you purchased it. The full amount of your investment is not guaranteed.

11. MINIMUM INVESTMENTS, FEES & CHARGES, HOLDING PERIOD

Units may be bought or sold on any Business Day at the prevailing offer and bid prices respectively, subject to minimum holding periods as the Manager may determine. The “ask” or “offer” or “issue” price and the “bid” or “purchase” or “realization” price are based on the current selling and buying prices of the investments in the **PROVEN SELECT FUND**.

The initial minimum dollar value of units that can be purchased for the portfolios of the **PROVEN SELECT FUND** are outlined below:

	INITIAL INVESTMENT	SUBSEQUENT INVESTMENT	HOLDING PERIOD	CURRENCY
PROVEN Select Money Market	J\$200,000	J\$10,000	30 DAYS	JMD
PROVEN Select Money Market	USD\$2,000	USD\$100	30 DAYS	USD
PROVEN Select Fixed Income	USD\$2,000	USD\$100	90 DAYS	USD
PROVEN Select Equity	J\$200,000	J\$10,000	90 DAYS	JMD

The Manager will receive income based on:

- A) Preliminary charges not exceeding 4.00% of the bid price of units. The difference between the bid and the ask price of units represents the preliminary charge.
- B) Management fee not exceeding 1.75%

per annum of the value of investments in the Portfolio. Periodic fees will be accrued daily and paid on a monthly basis.

- C) Early redemption charge not exceeding 4.00% of the value of the amount invested by the Unit Holder in the Portfolio.
- D) Any applicable charges for exiting the fund.

The Management fees will be treated as expenses of the Fund and will be accrued daily and paid on a monthly basis. Preliminary charges and early redemption charges shall be payable by unit holders.

Please note that the Manager has, within the limits prescribed in the Trust Deed, the discretion to change fee amounts set out in this section from time to time. Any change in the fees outlined above will be subject to the Manager providing written notice, by publication on the website of Proven Fund Managers Limited or by mail. Such notice should be published at least one (1) month prior to the effective date of the change.

12. REDEMPTION OF UNITS

When the Unit Holder wishes to encash units (i.e. when a Unit Holder sells units to the Managers) he/she will be required to complete a request signed by all joint holders and return with his or her Certificate(s), if any, to the offices of the Managers or Selling Agent. Provisions have been made where joint holders in writing to the Trustee may authorize any one of their number to request and effect a realization of Units or where joint holders may sign several counterparts of the request and send to the Managers or Selling Agent by electronic means, including e-mail or fax.

No money should be paid to any person in Jamaica to acquire Units unless that person is licensed or registered as a dealer under the Securities Act.

13. THE PROVEN SELECT FUND PORTFOLIOS

PROVEN Select Money Market Portfolio (JMD)

Invests in mainly fixed income securities with average portfolio duration less than five (5) years.

a. *INVESTMENT OBJECTIVE*

The Portfolio's objective is to provide capital preservation and liquidity by investing in short to medium term fixed income instruments.

b. *INVESTMENT STRATEGY*

In order to meet its investment objectives, the Portfolio will mainly invest in the following instruments denominated in JMDollar:

- Short to medium term securities issued by GOJ/BOJ
- Commercial papers
- Repurchase Agreements

The Portfolio may also invest in non-JMD denominated fixed income investments subject to the investment restrictions imposed under the Bank of Jamaica Act. These include investment grade sovereign obligations, investment grade corporate obligations of entities incorporated outside of Jamaica as well as preferred stocks and common stocks that provide a high dividend yield.

PROVEN Select Money Market Portfolio (USD)

Invests in mainly fixed income securities with average

portfolio duration less than five (5) years.

a. *INVESTMENT OBJECTIVE*

The Portfolio's objective is to provide capital preservation and liquidity by investing in short to medium term fixed income instruments.

b. *INVESTMENT STRATEGY*

In order to meet its investment objectives, the Portfolio will mainly invest in the following instruments denominated in USD dollar:

- Short to medium term securities issued by GOJ/BOJ
- Instruments issued or backed by the Government of the US, UK or Canada or agencies of these Governments.
- Repurchase Agreements.

The Portfolio may also invest in commercial paper subject to the investment restrictions imposed under the Bank of Jamaica Act. Other investments include investment grade sovereign obligations, investment grade corporate obligations of entities incorporated outside of Jamaica as well as preferred stocks and common stocks that provide a high dividend yield.

PROVEN Select Fixed Income Portfolio (USD)

The PROVEN Select Fixed Income Portfolio (USD) invests mainly in medium to long-term fixed income securities with a duration period not exceeding 10 years, subject to the foreign exchange restrictions outlined in the Bank of Jamaica Act.

a. *INVESTMENT OBJECTIVE*

The Portfolio's objective is to earn long-term

capital growth through capital appreciation and interest income by investing in medium to long term fixed income instruments.

b. *INVESTMENT STRATEGY*

In order to meet its objectives, the Portfolio will invest in a well-diversified portfolio of primarily US dollar fixed income instruments as permitted. These include:

- Securities issued by GOJ/BOJ
- Medium to long term securities issued by recognized sovereigns or agencies (US, UK and Canada)

The Portfolio may also invest investment grade sovereign obligations and investment grade corporate obligations of entities incorporated outside of Jamaica. The Portfolio may also invest in preferred stocks as well as common stocks that provide an attractive dividend yield.

PROVEN Select Equity Portfolio (JMD)

Invests mainly in equities listed on the Jamaican Stock Exchange and any other recognized stock exchanges, as determined by the Financial Services Commission.

a. *INVESTMENT OBJECTIVE*

The Portfolio's objective is to earn long-term capital growth by investing mainly in equities listed on the Jamaican Stock Exchange and any other recognized stock exchange subject to the foreign exchange restrictions outlined in the Bank of Jamaica Act.

b. *INVESTMENT STRATEGY*

The Portfolio will aim to maintain a well-

diversified portfolio of equities listed on the Jamaica Stock Exchange as well as any other recognized stock exchange subject to the foreign exchange restrictions outlined in the Bank of Jamaica Act

The Portfolio will be structured to enhance returns through fundamental analysis and will include a mix of both value and growth stocks with diversification by industry. The Portfolio may also invest in the following:

- Securities issued by GOJ/BOJ
- Commercial papers / Corporate Papers
- Repurchase Agreements
- Investment grade sovereign obligations outside of Jamaica
- Investment grade corporate obligations of entities incorporated outside of Jamaica.

14. INVESTMENT POLICY

The Manager will be consistently acting to mitigate the risk of the investments in the Portfolios and has outlined the following guidelines for the Portfolios' management, which include, but are not limited to the following: PROVEN SELECT Portfolios will not:

- a) Invest more than 10% of the total value of the Deposited Property of the Portfolio in any one company or issuer. These restrictions do not apply to:
 - i. Government of Jamaica Debt or Government of Jamaica Guaranteed Instruments;
 - i. Securities issued by any government where those securities have received

an investment grade credit rating

- b) Invest in more than 10% of the total nominal value of any issued debt instrument, shares or stock of any class in any company or body.
- c) Invest more than 10% of the value of the Portfolio in unquoted securities.

These limitations apply immediately after the investment is made, but if through appreciation the limits are exceeded, then the Manager may not make further acquisitions in the respective class until they have divested themselves of the appropriate class of investments.

REBALANCING

Over time, the value of the assets within the Portfolios will change and possibly result in the need for portfolio rebalancing to safeguard it from being overly exposed to undesirable risks. The primary goal of a rebalancing strategy is to minimize risk relative to a target asset allocation, rather than to maximize returns. There will be periodic deviations in actual asset weights from the long-term/current policy asset weights specified above. Causes for periodic deviations are market movements, cash flows, and varying portfolio performance. The Manager will assess the portfolio composition at least annually and make adjustments where necessary to bring the portfolio in line with target asset allocation. The rebalancing program may be delayed if it is believed to be in the best interest of the portfolio.

SELL DISCIPLINE

The Manager will constantly monitor existing holdings and hold investments as long as the original thesis remains sound and the asset's fundamentals and valuation are compelling. Inevitably though, given that

the portfolio will be actively managed, from time to time, positions must be exited and these decisions are predicated upon the following factors:

- a) *Deteriorating Fundamentals*: Change in original thesis, including a deterioration or change in the asset's fundamentals. If a change in credit rating, either via an upgrade or downgrade, results in the security shifting into a different allocation segment and increasing the allocation to that segment, the Manager may or may not reduce the exposure automatically to bring it in line with this Investment Policy.
- b) *Opportunity Cost*: To create liquidity to acquire other investments which are likely to have a greater total return potential.
- c) *Up-from-cost*: Target price has been met and the security is no longer attractive from a valuation perspective.
- d) *Down from Cost*: A 15% price decline triggers an automatic in-depth review, which may or may not lead to the sale of the asset
- e) *Over-Exposure*: Fixed income securities that account for more than 20% of the portfolio as a result of capital appreciation will also be reduced.

The Portfolios above will also comply with the following restrictions outlined in the Securities (Amendment) Act 2013:

- *No more than 15% of the Portfolio's net assets can be invested in illiquid assets. According to the regulations an illiquid*

asset means, a portfolio asset that cannot be readily disposed of through market facilities on which public quotations in common use are widely available at an amount that at least approximates the amount at which the portfolio asset is valued in calculating the net asset value per security of the collective investment scheme concerned.

- No more than 10% of the Portfolio's net assets shall consist of securities from one issuer, except in the case of securities issues by any government where those securities have received an investment grade credit rating.

Any other restrictions imposed by the Financial Services Commission (FSC).

15. BORROWING

The Manager is allowed to temporarily borrow money in an amount up to 10% of the aggregate market value of the Fund's assets for the purpose of accommodating requests for redemption made by investors of the Fund.

16. RISK EXPOSURE

By its nature, the Funds' activities are principally related to the use of financial instruments, and the Manager aims to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Funds' financial performance. The Manager's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to

limits by means of reliable and up-to-date information systems.

The list below outlines the key risks that Unit Holders should be aware of, which includes, but is not limited to the following:

Credit Risk

Credit risk is the risk of default by an obligor. This risk is managed primarily by reviews of the financial status of each obligor. Credit risk may be disaggregated into three (3) types of risk:

1. *Liquidity Risk* - Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations from their financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value.
2. *Market Risk* - Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to the individual security or its issuer, and/or micro- or macro-economic factors affecting securities traded in the market.
3. *Currency Risk* - Foreign currency risk is the risk that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Floating rate instruments expose the Funds to cash flow interest risk, whereas fixed

interest rate instruments expose the Funds to fair value interest risk.

Operational Risk

Operational Risk is the risk arising from execution of the Company's business functions and in particular the risk of loss resulting from inadequate or failed internal processes, systems, personnel loss or error, or from external events

17. INVESTOR PROFILE

PROVEN Select Money Market Portfolio (JMD & USD)

This portfolio is suitable for investors who:

1. Are seeking to preserve the value of their capital.
2. Have low to moderate risk tolerance

PROVEN Select Equity Portfolio (JMD)

The portfolio is suitable for investors who:

1. Have an Aggressive risk tolerance
2. Want to participate and benefit from the potential upside of local and regional equities.
3. Wish to diversify their investment locally and abroad.

PROVEN Select Fixed Income Portfolio (USD)

This portfolio is designed for investors (individuals, companies, institutions) who

1. Are looking for a relatively safe way to diversify their investments, who seek a conservative, liquid investment to balance out more conservative investments, and who are investing on

behalf of a business, or other organization that must keep assets in safer, more liquid investments

2. Have moderate risk tolerance
3. Want professional management of their investments by the experts on the financial markets.

18. PERFORMANCE BENCHMARKS

Each Portfolio and their established benchmarks are as follows:

PORTFOLIO	PERFORMANCE BENCHMARK
PROVEN Select Money Market (JMD)	30 Day Certificate of Deposit Rate
PROVEN Select Money Market (USD)	30 day PSOJ Yield Curve
PROVEN Select Fixed Income (USD)	JSE Jamaica Global Bond Index
PROVEN Select Equity (JMD)	Return of JSE Main Market

19. ACCUMULATION OF INCOME & DISTRIBUTION POLICY

The Trustee may determine whether there is a distribution of income. The PROVEN Select Money Market Portfolio, Proven Select Fixed Income Portfolio and the Proven Select Equity Portfolio reserve the right to distribute the income attributable to the portfolio. Neither the Trustee nor the Manager, however, gives any warranty or undertaking that there will be any distribution of income at any time. It is important to note, that in practice, the PROVEN Select Portfolios do not distribute its income but rather reinvests it, and the Unit Holders enjoy the benefit of this reinvestment through accretions in the price of their units.

20. REPORTS AND ACCOUNTS

Audited statements will be prepared by the Manager and filed with the Trustee. Copies will be available for inspection by Unit Holders during business hours at the offices and also on the websites of the Manager. Audited Statements will be prepared as at the Fund's financial year end March 31st each year.

21. REMUNERATION TO MANAGER, TRUSTEE & REGISTRAR

The remuneration of the Manager is as follows:

- A fee of one and three-quarter percent (1.75%) of the NAV and
- A Performance Bonus payable on each portfolio which shall be equivalent to twenty per cent (20%) of the amount by which the NAV of the relevant Portfolio exceeds the performance benchmarks set out above
for the relevant accounting period of the Fund. The Manager and the Trustee may reduce the percentage applicable to the performance bonus by agreement in writing.
- The remuneration of the Trustee shall be agreed from time to time by the Manager and the Trustee provided that such remuneration shall not exceed five basis points (0.05%) per annum of NAV unless approved by an ordinary resolution of the Unit Holders.

22. TRANSFER OF UNITS

(i) Transfer of Units

Unit Holders shall be entitled to transfer any Units held

by them in such form as the Manager may from time to time prescribe, PROVIDED THAT the transferee shall comply with any transfer directions given by the Manager that will facilitate the Registrar, the Manager and/or Trustee complying with any statutory provision or governmental or other requirement or regulation at the time being in force AND FURTHER PROVIDED THAT no transfer of part of a holding of Units shall be registered without the approval of the Manager if in consequence thereof either the transferor or the transferee would be the Unit Holder of less than the minimum Holding of Units.

The Manager shall upon transferring Units inform the Trustee or the Registrar of such transfers and the Registrar shall update the corresponding Register. The Manager shall provide the Trustee or Registrar with such evidence as the Trustee or Registrar may require to prove the title of the transferor or his right to transfer the Units.

(ii) Death of Unit Holders

Where a person acquired the Units on death of a sole Unit Holder, such a person must notify the Registrar, through the Manager, of such event and submit any documentation required by the Manager, by mail or hand, with the authorisation letter (where necessary). In the event of acquisition on death, the person(s) must provide proof of said entitlement, together with an accurately completed Transfer Form, to the offices of the Manager, who shall send same to the offices of the Trustee for registration. Thereafter, the book of registration will be updated pursuant to the Transfer Form, once the Registrar has satisfied itself on the evidence presented as to entitlement. All Instruments of Transfer must be signed by the legal representative on behalf of the deceased. Please note that all limitations, restrictions and other provisions of the Trust Deed pertaining to the

matter of transfers shall be applicable to any notice or transfer. There will be no fee attached to the change of ownership as a result of death. Upon the death of a Unit Holder only the personal representative(s) with Grant of Probate or Letters of Administration shall be recognised as a person entitled to the Units in the Fund and in the event of the death of a party listed as a joint account holder, only the surviving joint party account Unit Holder shall be recognised as being entitled to the Units held in the Fund.

(iii) Keeping of Register

The Trustee shall be responsible for the keeping and maintenance of a Register of all the Unit Holders under the Fund; however, it may delegate its responsibility as it deems fit. The Register shall contain the name and address of each Unit Holder.

23. CONFLICTS OF INTEREST

The Trustee will use its best efforts to avoid any conflicts of interest, and should any such conflict of interest (or potential conflict) arise, it will disclose such conflict in any offering circular issued hereafter or in such manner as is approved by the Regulator.

Where a conflict of interest has arisen and the Trustee is of the view that the conflict cannot be readily resolved and that same poses a material threat to the interests of the Unit Holders, the Trustee will retire from the Trust pursuant to the provisions of Clause 12.1.5 (g) and 14 of the Trust Deed.

24. TERMINATION OF THE FUND

The Fund can be terminated by an extraordinary

resolution passed by at least seventy-five percent (75%) of the votes cast, in person or by proxy, at a meeting of Unit Holders held in accordance with the Trust Deed. In addition to the above, the Fund may be terminated:

- (i) Where either the Trustee or the Manager having given six (6) month's written notice of its intention to retire, and a suitable successor has not been identified within six (6) months or such other period as the parties may agree, from the date of the said notice being given by either party.
- (ii) If either the Trustee or the Manager enters into liquidation, other than for the purpose of reorganization and or amalgamation, which must have been agreed by both parties with the prior approval of the Financial Services Commission and a reasonable notice being given to the Unit Holders of the Fund.
- (iii) if either the Manager or the Trustee files for bankruptcy.
- (iv) if the Manager deems it no longer economically viable, practical or for any other valid reason determines that it would be in the best interest of the Unit Holders of the Fund that the Fund be terminated.
- (v) if the Manager and/or Trustee is prohibited by law or the registration and/or licence of the Manager and/or Trustee has been cancelled by the Financial Services Commission or any other governing body and notice of the cancellation has been received by the Trustee regarding the Manager or the Manager regarding the Trustee.

25. EFFECTS OF TERMINATION

- (i) In any event of termination above, the Manager shall give notice of the termination to all Unit Holders, as the case may be, and to the Commission.
- (ii) From the date of termination fixed by the Manager in consensus with the Trustee, the right of Unit Holders with respect to redemption shall cease.
- (iii) The Manager in conjunction with the Trustee shall sell all remaining assets in its possession and such sale shall be carried out and completed in a manner and within a period as determined by the Manager and the Trustee.
- (iv) The Trustee or Manager, as the case may be, shall be entitled to retain monies to meet outstanding payments for all debts, expenses and other such cost directly or indirectly related to the liquidation of the Fund, including the fees of the Trustee and/or Manager. Thereafter the Unit Holders shall be paid on a pro-rata basis in proportion to the number of Units held at the date of termination of the Fund.
- (v) All distributions made to Unit Holders shall be done based on the records maintained by the Registrar and same shall be endorsed with any such payments made.

21. STATEMENT OF INVESTMENT

In addition to the last audited statements of the Fund,

Unit Holders can obtain a list of investments held by the Fund as at the end of each quarter on request from the Manager. In the event that any asset or liability cannot be attributable to a particular portfolio, that asset or liability shall be allocated to all portfolios to which it is attributable pro rata to the values of those portfolios at the time of allocation except that all liabilities, to whatever portfolios they may be attributable, shall unless otherwise agreed on with the creditors, be binding on the trust as a whole. Losses will not be transferred from one Portfolio to the next.

26. ISSUANCE OF CONTRACT NOTE AND STATEMENTS

Upon receipt of the duly completed Unit Trust Instruction Form, as accepted by the Manager, as well as the appropriate monies, the Manager will issue a contract note to the unit holder evidencing the number of units held by the unit holder.

Statements are to be dispatched to unit holders on a quarterly basis, specifying the number of units purchased or held, the name of the unit holder and the value of their investment.

27. SPECIAL TAX CONCESSIONS

Unit Holders benefit from the following tax concessions:

- a) The income received by Trustee is received without deduction of tax. While the distribution of income by the Trustee to the Unit Holders would be subject to income tax however, as long as the Manager reinvests it the Unit Holders enjoy the benefit of this reinvestment through

accretions in the price of their units. When units are encashed or redeemed by a Unit Holder, the accretion realized by the Unit Holder is subject to withholding tax at the applicable rate under the Income Tax Act.

- b) Unit Holders pay no Stamp Duty or Transfer Tax or Capital Gains Tax on encashment, disposal or redemption of their units.
- c) Under the Income Tax Act (ITA), "money market funds" such as the Proven Select Money Market Portfolio and Proven Select Fixed Income Portfolio are tax-free for individuals if: (i) held for over five years; (ii) the maximum investment in any one year does not exceed 1 million dollars (iii) the units are not transferable except on the death or bankruptcy of the investor and (iv) not more than 75 % of the accretions realized in any year have been paid out; The ITA defines a money market fund as: "a pool of financial assets administered or managed collectively in respect of which-(a) at least 31 percent of the value as regards interest arising before 1st January, 2000;(b) at least 51 percent of the value as regards interest arising after 31st December, 1999, is comprised of interest-bearing instruments."

For tax purposes, unit holders residing outside of Jamaica should seek advice as to the tax treatment of any investment in the Portfolios in their jurisdiction of residence.

28. ADDITIONAL INFORMATION & CONSTITUTIVE DOCUMENTS

Published offering documents, circulars, notices, announcements, financial reports and the latest available subscription and redemption prices or net asset value will be available at: www.provenfundmanagers.com

Additional information may be obtained from the Fund's financial statements and the Trust Deed which may be inspected at the offices of the Manager. Copies of the Trust Deed and/or any supplemental Deed or Deeds thereto will be supplied by the Manager to any person on request at a charge of \$1,000.00 per copy or such other price per copy as the Managers or delegate may determine. Electronic copies can be viewed online at www.provenfundmanagers.com. The constitutive documents of the Fund are as follows:

The Principal Trust Deed dated December 1, 2016

REGISTRATION DATE OF THIS OFFERING CIRCULAR

Registration Date: August 1, 2018

Expiry Date: July 31, 2019

PROVEN

FUND MANAGERS

876.908.3800 [1]

Kingston - 26 Belmont Road, Kingston 5

Mandeville - Unit 5B Cobblestone Professional Centre, 1A Brumalia Road.

Montego Bay - Unit 11 Suite B, Fairview II Shopping Centre

www.provenwealth.com



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