



29 November 2018

**FMG Funds SICAV plc (the "SICAV")  
FMG (EU) Combo Fund  
Compulsory Redemption**

Dear Investor,

As at 16<sup>th</sup> November 2018 the net assets under management of the FMG (EU) Combo Fund (the "Sub-Fund") stood at circa USD 2.9 million. This follows a number of hard and challenging years for Emerging and Frontier markets, in particular the African, Middle East and Russian equity markets, exacerbated further by the collapse in the Indian and the Chinese equity markets over the past few months. This has led to a mixture of heavy redemptions, poor performance and an overall muted interest in the Sub-Fund. At this level of net assets under management the Total Expenses Ratio ("TER") of the Sub-Fund translates to an estimated 3.5% per annum.

The Directors and the Investment Manager (the "Manager") of the SICAV are now highly concerned that realistically, the dire past performance of the specific equity markets that the Sub-Fund invests into along with their downbeat outlook is unlikely to entice any reasonable investor's interest in the Sub-Fund.

Hence, sadly, the Directors strongly believe that it is no longer in the best interests of the existing shareholders in the Sub-Fund to keep it open and have hence invoked the right given to them by the Offering Memorandum (OM) of the SICAV to immediately suspend any dealing in the Sub-Fund and proceed to compulsory totally redeem all the shares in the Sub-Fund to eventually wind-up the Sub-Fund.

The Clause in the OM referred here above states *'If at any time the Net Asset Value of the Investor Shares in the Company calculated in accordance with the Offering Memorandum shall be less than five million (EUR 5,000,000) or equivalent in other currencies, the Company may, by not less than four (4) nor more than six (6) weeks' notice (expiring on a Dealing Day) to all Investor Shareholders of the Company redeem all the Investor Shares of the Company not previously redeemed.*

The Directors would also like to clarify that the suspension of dealing relates to the determination of the Net Asset Value (the "NAV") of the Sub-Fund as well as a suspension of subscriptions in and redemptions from the Sub-Fund with immediate effect, i.e. with last NAV calculation date being 30<sup>th</sup> November 2018.

The Directors have also informed the Manager of this decision and the Manager has already started to close down some of the Sub-Fund's underlying positions. It is expected that all the underlying positions held within the Sub-Fund will be sold off, and all trades settled and all proceeds deployed in the Sub-Fund's bank accounts by 27<sup>th</sup> December 2018.

Hence, the Directors have agreed to determine the 28<sup>th</sup> December 2018 as the last Valuation date of the Sub-Fund and distribute all remaining cash in the Sub-Fund to all the shareholders based on the register of members of the Sub-Fund as at 28<sup>th</sup> December 2018. It is expected that payment of the redemption proceeds will subsequently be processed within twenty (20) business days.

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**[www.fmgfunds.com](http://www.fmgfunds.com)**

*Authorised & Regulated by the Malta Financial Services Authority*



All investors are kindly asked to contact the Administrators at [investors@apexfunds.com.mt](mailto:investors@apexfunds.com.mt), or the Manager at [InvestorRelations@fmgfunds.com](mailto:InvestorRelations@fmgfunds.com) or on (+356) 2014 1220, with any further queries in relation to anything on the above.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'S. Tedesco', written over a horizontal line.

Steven Tedesco  
Director

A handwritten signature in blue ink, appearing to be 'P. Nwoko', written over a horizontal line.

Paulianne Nwoko  
Director

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