

FINEX PHYSICALLY BACKED FUNDS PUBLIC LIMITED COMPANY

(the "Company")

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY  
HELD AT 75 ST. STEPHEN'S GREEN, DUBLIN 2 ON WEDNESDAY 23 MAY 2018 AT 12.15 P.M.

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<b>Present:</b>	Tom Murray Simon Luhr Jeremy O'Sullivan	(In the Chair)
<b>In Attendance:</b>	Martin Bednall Prakesh MMistry Kevin Jacob Rafael Funken Eimear Young Sinead Druhan Patricia Flynn Denise Coghlan Anthony Finegan Kyle Brown	(FinEx Investment Management LLP) (FinEx Investment Management LLP)* (BNY Mellon Fund Services (Ireland) DAC) ** (BNY Mellon Fund Services (Ireland) DAC) ** (BNY Mellon Fund Services (Ireland) DAC)* ** (BNY Mellon Fund Services (Ireland) DAC)* ** (BNY Mellon Trust Company (Ireland) Limited)* ** (DMS Offshore Investment Services)* ** (MFD Secretaries Limited) (MFD Secretaries Limited)

\*By Telephone

\*\*Part of Meeting

## 1 Constitution of the Meeting

It was noted that a quorum of directors of the Company (collectively, the "**Board**" or "**Directors**" or each a "**Director**") was present, the Board had received notice of the meeting (the "**Meeting**") and that the Meeting had been convened in accordance with the articles of association of the Company (the "**Articles**").

## 2 Appointment of Chairman

It was noted that Mr Murray was appointed as permanent chairman of the Company and accordingly he would chair the Meeting. (the "**Chairman**").

## 3 Board Compliance

### 3.1 Declarations of Interest

- (a) The Chairman presented to the Meeting a memorandum in relation to the provisions of Section 231(1) and Sections 261 – 263 of the Companies Act 2014 (the "**Act**") and reminded the Directors of their responsibilities to disclose any interest in shares or debentures that they, their spouse or minor children held in the Company as well as to declare the nature of any interest in a contract or proposed contract with the Company.
- (b) The Board considered the requirements of the Act and each Director confirmed that they had no new interests to declare at the current time that had not been previously disclosed to secretary of the Company, MFD Secretaries Limited (the "**Company Secretary**").
- (c) The Directors noted the memorandum as presented to the Meeting.

### 3.2 Fitness and Probity – Disclosure of Material Changes

- (a) The Chairman reminded the Directors of their obligations under the Central Bank of Ireland's (the "**Central Bank**") Fitness and Probity Standards (the "**Standards**") whereby should any material change to the circumstances of the Directors occur, such material change is to be notified to the Board.
- (b) It was noted that the Directors had confirmed there had been no material change to their circumstances under the Standards that required notification to the Board.

### 3.3 Corporate Governance Code – Disclosure of Material Interest

- (a) The Chairman reminded the Directors that under the provisions of the Irish Funds' corporate governance code for collective investment schemes and management companies (the "**Code**"), adopted by the Company, they each had continuing obligations in respect of their directorship list and their time commitment declaration previously provided to the Board.
- (b) The Chairman presented to the Meeting for noting, a list of Mr Jeremy O'Sullivan's directorships (the "**Directorship List**").
- (c) The Directors noted the Directorship List as presented to the Meeting and the Chairman and Mr Simon Luhr confirmed that there had been no material change to their circumstances under the Code that required notification to the Board.

### 3.4 Online Reporting System Administrator Report

- (a) The Chairman presented to the Meeting a table setting out the scheduled filings required to be made by the Company with the Central Bank via its online reporting system ("**ONR**"). It was noted that the following filings were required to be made with the Central Bank during the current quarter;
  - (i) Interim Financial Statements.

## 4 **To Note the Letters of Comfort**

- 4.1 The Chairman then presented to the Meeting letters of comfort from the investment manager of the Company, FinEx Investment Management LLP (the "**Investment Manager**"), the administrator of the Company, BNY Mellon Fund Services (Ireland) Limited (the "**Administrator**"), and the depository of the Company, BNY Mellon Trust Company (Ireland) Limited (the "**Depository**") in respect of the Company, providing the Board with a number of assurances with regard to the unaudited semi annual financial statements of the Company for the period 1 October 2017 to 31 March 2018 (collectively, the "**Letters of Comfort**").
- 4.2 It was noted that the Investment Manager and the Depository had confirmed to the Directors that any transactions with connected parties were made on a best execution basis and had been negotiated at an arm's length basis and were in the best interests of the shareholders of the Company.
- 4.3 The Directors noted the Letters of Comfort as presented to the Meeting.

## **5 To Review and Approve the Semi Annual Financial Statements**

- 5.1 The Chairman presented to the Meeting for consideration and, if thought fit, approval the semi annual financial statements of the Company for the period ended 31 March 2018 (the "**Semi Annual Financial Statements**")
- 5.2 After due and careful consideration, it was resolved that the Semi Annual Financial Statements be and are hereby approved and that the Administrator be instructed to file the Semi Annual Financial Statements with the Central Bank by the required deadline and that the Company Secretary be instructed to prepare the relevant extract of the minutes of the Meeting for provision to the Central Bank as part of that submission.. **AP1**

## **6 Minutes of the Previous Meeting**

- 6.1 The Chairman presented to the Meeting for consideration and, if thought fit for approval, the minutes of the previous Board meeting held on 24 January 2018 (the "**Previous Minutes**").
- 6.2 After due and careful consideration, it was resolved that the Previous Minutes be and are hereby approved and the signing of same by the Chairman of the Meeting be and is hereby approved and that the Company Secretary be instructed to retain a copy of the signed minutes on the Company's minute book. **AP2**

## **7 Action Points from the previous Board Meeting**

- 7.1 The Chairman presented to the Meeting a list of action points arising from the previous Board meeting held on 24 January 2018 (the "**Previous Meeting**") and invited each of the parties to which the action points were assigned to provide the Board with an update on the action points.

### Action Point 12

- 7.2 It was noted that the Investment Manager undertook to follow up with the Administrator and Maples and Calder to ensure that all of the necessary documentation would be finalised for the Company, to ensure compliance with the requirements of Regulation (EU) 2016/67 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the "**General Data Protection Regulation**" of "**GDPR**"). **AP3**
- 7.3 The Directors noted that all of the remaining action points from the Previous Meeting were either completed or would be dealt with during the course of the Meeting.

## **8 To Note the Signed AGM Minutes**

- 8.1 The Chairman presented to the Meeting for noting, the signed minutes of the annual general meeting of the Company which was held on Friday 23 March 2018 (the "**AGM Minutes**").
- 8.2 The Directors noted the AGM Minutes as presented to the Meeting.

## **9 Administrator's Report**

- 9.1 The Chairman invited Mr Jacob and Mr Funken on behalf of the Administrator to present to the Meeting a report from the Administrator in relation to the FinEx Gold ETF Fund (the "**Fund**") for the period from 1 December 2017 to 31 March 2018 (the "**Administrator's Report**").

- 9.2 Mr Funken began his presentation by informing the Directors that there was a 29.93% increase in value of the assets under management of the Company (the “**AUM**”) from US\$8,440,015.68 as at 30 November 2017 to US\$10,543,970.09 as at 29 March 2018.
- 9.3 Mr Funken noted that 82 NAVs were completed during the Reporting Period with 100% accuracy. He further noted there were 3 subscriptions during the period with no redemptions during the same time frame.
- 9.4 The Chairman presented to the Meeting for consideration and, if thought fit, approval a letter from the Administrator seeking the consent of the Company to the outsourcing of transfer agency cash reconciliation (the “**Outsourcing Letter**”) and a presentation in respect of the Administrator’s securities data management transformation programme (the “**SDM Transformation Presentation**”).
- 9.5 Mr Funken confirmed that the Administrator remain ultimately responsible for and ensured adequate monitoring of all outsourced functions and all outsourcing had been reviewed and approved by the Central Bank.
- 9.6 Following due and careful consideration, it was resolved that the Company consented to the outsourcing by the Administrator of the following functions ;
- (a) transfer agency cash reconciliation; and
  - (b) all securities data management activities including pricing corporate actions and security master.
- 9.7 It was further resolved that any one Director be and is hereby authorised to sign the Outsourcing Letter for and on behalf of the Company.
- 9.8 Following a request from the Board, the Administrator undertook to notify the Directors regarding the outsourcing of services if and when they occurred. **AP4**
- 9.9 The Director’s noted the Administrator’s Report and the SDM Transformation Presentation as presented to the Meeting.

*(At this point Ms Druhan and Ms Young left the Meeting and Ms Flynn joined the Meeting)*

## **10 Depositary’s Report**

- 10.1 The Chairman invited Ms Patricia Flynn on behalf of the Depositary, to present to the Meeting a report from the Depositary in respect of the Fund for the period from 1 December 2017 to 31 March 2018 (the “**Depositary’s Report**”).
- 10.2 Ms Flynn confirmed that there were no errors in respect of the calculation of the NAV and no transfer agency errors identified during the period. In addition, she reported that there were no breaches of investment restrictions during the period or outstanding cash reconciliations.
- 10.3 Ms Flynn advised that there were no cash reconciliation items within the period.
- 10.4 Concluding, Ms Flynn confirmed that no cyber security incidents were identified during the period.
- 10.5 The Directors noted the Depositary’s Report as presented to the Meeting.

*(At this point Ms Flynn left the Meeting and Ms Coughlan joined)*



## 11 Money Laundering Reporting Officer's Report

- 11.1 The Chairman invited Ms Denise Coughlan, the money laundering reporting officer of the Company (the "**MLRO**") to present to the Meeting a report from the MLRO for the period from 1 December 2017 to 31 March 2018 (the "**MLRO's Report**").
- 11.2 Ms Coughlan informed the Directors that during the period there were no suspicious activity reports, no politically exposed persons identified, no outstanding AML documentation and that there was no change to the risk rating of the investors. She advised that there continued to be one high risk investor in the Company, which was domiciled in Russia. She confirmed that enhanced AML due diligence had been carried out in respect of this investor.
- 11.3 The Chairman enquired why there was no overall risk rating carried out in respect of the Company and whether there was an AML risk rating framework for the Company. Ms Coughlan confirmed that she would revert to the Board on these points. **AP5**
- 11.4 The Directors noted the MLRO's Report as presented to the Meeting.

## 12 Annual Review of the AML Policy

- 12.1 The Chairman presented to the Meeting for consideration and, if thought fit, approval the anti money laundering policy and procedures framework of the Company (the "**AML Policy**").
- 12.2 Ms Coughlan noted that any investor who failed to produce any requested anti money laundering ("**AML**") documentation would have their respective investor accounts froze until the AML documentation was received.
- 12.3 Discussion ensued around AML documentation of investors in the prospective Kazakhstan ETF fund which was due to be opened and it was noted that the Investment Manager undertook to check whether full Board approval was requested for the launch of the Kazakhstan ETF fund by the Company. **AP6**
- 12.4 Following due and careful consideration, it was resolved that the AML Policy be and is hereby approved.

*(At this point, Ms Coughlan left the Meeting)*

## 13 Beneficial Ownership Register

- 13.1 The Chairman presented to the Meeting a copy of the beneficial ownership register (the "**Beneficial Ownership Register**") in respect of the Company.
- 13.2 It was noted that the requirement to maintain a beneficial ownership register under the S.I. No. 560/2016 - European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2016 (the "**Beneficial Ownership Regulations**") came into effect on 15 November 2016, and that any ultimate beneficial owner, being a natural person holding 25% or more of the Company's shareholdings be included on the Beneficial Ownership Register. It was further noted that the Beneficial Owner Register of the Company included the details of the Director's of the Company due to the absence of any natural persons holding 25% or more.
- 13.1 The Directors noted the Beneficial Ownership Register as presented to the Meeting.

## **14 Investment Manager's Report**

- 14.1 The Chairman invited Mr Bednall on behalf of the Investment Manager to present to the Meeting a report from the Investment Manager in respect of the Company for the period from 1 January 2018 to 31 March 2018 (the "**Investment Manager's Report**").
- 14.2 Mr Bednall provided the Directors with an overview of the performance of Fund during the period under review. He began his report by confirming that there had been no errors, compliance issues in respect of the Fund and that the Company was compliant with its requirements in relation to brokerage practices, best execution and inducements, as detailed in the Company's compliance manual. In addition, he confirmed that no cyber security issues had been detected during the period. He reported that during the period under review, the Fund had performed in line with expectations, although there was some slight under performance due to cost of trading via swaps.
- 14.3 Mr Bednall noted that Mr Wayne Parker, a portfolio manager, had left as an employee of the Investment Manager in March 2018 and that a replacement for this position was being actively sought.
- 14.4 The Directors noted the Investment Manager's Report as presented to the Meeting.

## **15 Distribution and Marketing Report**

- 15.1 The Chairman invited Mr Bednall to present to the Meeting a distribution and marketing report for the period from 1 January 2018 to 31 March 2018 (the "**Distribution and Marketing Report**").
- 15.2 Following a query from the Chairman, Mr Bednall confirmed that there was a delay with launching the Kazakhstan ETF fund due to no wet ink AML documentation from Freedom Finance.
- 15.3 The Directors noted the Distribution and Marketing Report as presented to the Meeting.

## **16 Designated Director Management Function Update**

- 16.1 The Chairman presented to the Meeting a list of designated management functions assigned to particular Directors of the Company under the Alternative Investment Fund Manager Directive.
- 16.2 Following due discussion, the Directors confirmed that they were carrying out their functions in accordance with the management functions assigned and advised that there were no issues which the other directors ought to be aware.
- 16.3 It was noted that Mr Jeremy O'Sullivan undertook to arrange a discussion with the Chairman in relation to the organisational effectiveness role report which needed to be completed on behalf of the Company. **AP7**
- 16.4 The Directors noted the Designated Director Management Function Update as presented to the Meeting.

## **17 Central Bank Correspondence**

- 17.1 The Chairman presented to the Meeting for consideration, correspondence from the Central Bank entitled 'Financial Sanctions Alert' (the "**Financial Sanctions Correspondence**").



17.2 The Directors noted the Financial Sanctions Correspondence as presented to the Meeting.

## **18 Legal and Regulatory Update**

18.1 The Chairman presented to the Meeting an update from Maples and Calder on legal and regulatory matters for the period January 2018 to March 2018 (the “**Legal and Regulatory Update**”).

18.2 The Directors noted the Legal and Regulatory Update as presented to the Meeting.

## **19 Brexit Update**

19.1 The Board discussed the various implications of Brexit in terms of whether a ‘hard’ Brexit or ‘soft’ Brexit would be implemented. It was noted that at that current time there continued to be uncertainty as to how the final Brexit agreement would unfold. Subsequently, it was noted that Brexit would remain as a standing agenda item until further notice for further discussion at future Board meetings. **AP8**

## **20 GDPR Update**

20.1 It was noted that the topic of GDPR had been discussed earlier during the Meeting.

## **21 Ratification of Documents**

The Directors noted there were no documents that were signed during the period 19 January 2018 to 16 May 2018 that were required to be ratified by the Board.

## **22 Date of next Board Meeting**

It was noted that the next Board meeting of the Company was scheduled to be held on 30 August 2018 at 12.15pm.

## **23 Any Other Business**

### Change of Company Secretary and Registered Office

23.1 The Chairman informed the Meeting that it was proposed that the Company Secretary be changed from MFD Secretaries Limited to DMS Governance Risk And Compliance Services Limited with effect from 1 July 2018.

23.2 It was resolved that;

- (a) DMS Governance Risk and Compliance Services Limited be and is hereby appointed as Secretary to the Company in place of MFD Secretaries Limited with effect from 1 July 2018;
- (b) the registered office address of the Company be changed from the offices of MFD Secretaries Limited with effect from the date that the statutory books and records of the Company are transferred to the offices of DMS Governance Risk And Compliance Services Limited;
- (c) DMS Governance Risk and Compliance Services Limited be and is hereby instructed to attend to the necessary filings with the Companies Registration Office in Ireland and the Central Bank in order to notify them of the above resolutions; and

- (d) DMS Governance Risk and Compliance Services Limited would furnish the Company with the necessary documentation in respect of its appointment as Company Secretary for the purposes of compliance with the requirements of the Fitness and Probity Standards and the change of MLRO would be notified to the Central Bank.  
**AP9**

There being no further business the Meeting then concluded.



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**Chairman**

\_\_\_\_\_  
**Date**



**FinEx Physically Backed Funds Public Limited Company**  
(the "Company")

**SCHEDULE OF ATTENDANCE OF THE BOARD OF DIRECTORS OF THE COMPANY FROM  
1 JANUARY 2018 to 31 DECEMBER 2018**

<b>Date of Meeting</b>	<b>Quarterly/ Ad Hoc</b>	<b>Directors in attendance</b>	<b>By Phone/In Person</b>	<b>Apologies</b>
<b>24 January 2018</b>	Quarterly	Tom Murray	In Person	N/A
		Simon Luhr	In Person	
		Jeremy O'Sullivan	In Person	
<b>23 May 2018</b>	Quarterly	Tom Murray	In Person	N/A
		Simon Luhr	In Person	
		Jeremy O'Sullivan	In Person	