Docusign Envelope ID: 90F0A10E-5F34-4B50-A9FD-84B92D93E584

# COMMON TERMS OF THE PROPOSED MERGER

**OF**

**Grayscale Future of Finance UCITS ETF**

(the **Merging Fund**, a sub-fund of the ICAV)

**INTO**

**HAN-GINS Tech Megatrend Equal Weight UCITS ETF**

(the **Receiving Fund**, another sub-fund of the ICAV)

7 February 2025

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## COMMON TERMS OF MERGER

The following are the common terms of the proposed merger of the Merging Fund, sub-fund of the ICAV into the Receiving Fund, another sub-fund of the ICAV, as approved by the directors of the ICAV.

### DEFINITIONS

| | |
|---|---|
| **Administrator** | the administrator to the ICAV, as defined in the Prospectus; |
| **Auditor** | Ernst and Young, or any successor duly appointed to the ICAV; |
| **Business Day** | a day on which markets are open for business in London (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders); |
| **Central Bank** | the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the ICAV and the Receiving Fund; |
| **Central Bank UCITS Regulations** | the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (S.I. No. 230 of 2019) and related guidance issued by the Central Bank as amended, supplemented or replaced from time to time; |
| **Circular** | the circular to be issued to Shareholders in relation to the Merger; |
| **Depositary** | the depositary to the ICAV, as defined in the Prospectus; |
| **Directors** | the directors of the ICAV; |
| **Effective Date** | 19 March 2025; |
| **Instrument of Incorporation** | the Instrument of Incorporation of the ICAV as amended from time to time; |
| **Manager** | HANetf Management Limited, the UCITS management company of the ICAV; |
| **Meeting** | the extraordinary general meeting of the Merging Fund to be held on 4 March 2025 at 10am; |
| **Merger** | the proposed merger of the Merging Fund with the Receiving Fund as more particularly described in the Circular; |
| **Merger Dealing Deadline** | the last time for dealing in Shares and to submit redemption requests of Merging Fund Shares is 4.30pm on the Business Day before the Effective Date; |
| **Merging Fund** | Grayscale Future of Finance UCITS ETF, a sub-fund of the ICAV; |
| **Merging Fund Shares** | shares held in the Merging Fund; |
| **Prospectus** | the prospectus of the ICAV dated 13 May 2024; |
| **Receiving Fund** | HAN-GINS Tech Megatrend Equal Weight UCITS ETF, another sub-fund of the ICAV; |

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|---|---|
| **Regulations** | European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations 2011 as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016; |
| **Shareholder(s)** | a holder of Merging Fund Shares and/or Shares, as the context requires; |
| **Shares** | shares in the Receiving Fund to be issued under the Merger in exchange for their holding of Merging Fund Shares; |
| **Supplement** | the supplement for the Receiving Fund dated 13 May 2024; and |
| **UCITS** | an undertaking for collective investment in transferable securities authorised pursuant to the Regulations. |

## 1. THE TYPE OF MERGER AND THE FUND INVOLVED

### 1.1. Type of merger

The type of merger proposed is that set out in sub-section (a) of the definition of Merger in Part 1, section 3(1) of the Regulations, being a merger whereby one or more UCITS or sub-funds thereof (merging UCITS), on being dissolved without going into liquidation, transfer all of their assets and liabilities in exchange for the issue to their shareholders of Shares in the receiving UCITS.

### 1.2. Funds involved

The Merging Fund and the Receiving Fund are sub-funds of the ICAV. The ICAV is an open-ended umbrella fund with segregated liability between its sub-funds and is authorised in Ireland by the Central Bank as a UCITS pursuant to the Regulations.

### 1.3. Verification

In accordance with Regulation 59 of the Regulations, the Depositary will provide written verification of the type of merger referred to at 1.1 above and certain particulars of the Merger to the Central Bank.

## 2. BACKGROUND TO AND RATIONALE FOR THE PROPOSED MERGER

The investment objective of the Merging Fund is to track the price and the performance, before fees and expenses, of an index that provides exposure to the performance of companies that have exposure to the digital asset and blockchain ecosystem (the **Investment Objective**).

Since its inception in April 2022, the Merging Fund has failed to gather sufficient assets and an improvement is not expected in the short to medium term. Hence, it is no longer viable to maintain the Merging Fund and a decision has been made to merge it with the Receiving Fund.

The Directors of the ICAV believe the proposed Merger provides investors with a viable alternative.

It is therefore proposed to merge the Merging Fund with the Receiving Fund and it is anticipated that this will allow investors in the Merging Fund the opportunity to retain exposure to a portfolio with a similar investment objective.

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The differences in the investment objectives and policies of the Merging Fund and the Receiving Fund are included in **Appendix III** of the Circular to Shareholders of the Merging Fund.

## 3. EXPECTED IMPACT OF THE PROPOSED MERGER ON THE SHAREHOLDERS OF THE MERGING FUND AND OF THE RECEIVING FUND

### 3.1. The Merging Fund

#### 3.1.1. *Impact on assets of the Merging Fund*

The proposed Merger will involve the delivery and/or transfer of all of the assets and liabilities of the Merging Fund to the Receiving Fund in exchange for the issue of Shares in the Receiving Fund to Shareholders of the Merging Fund on the Effective Date.

#### 3.1.2. *Impact on holding*

Under the terms of the Merger, Shareholders in the Merging Fund will become Shareholders in the Receiving Fund and the total value of their holding will correspond to the total value of shares of the Merging Fund as of the last Net Asset Value calculated for the Merging Fund. As the value of the Shares which a Shareholder will receive in the Receiving Fund will be equal to the value of a Shareholder's holding of Merging Shares immediately prior to the Effective Date, the exact number of Shares to be issued in exchange for Merging Shares will not be known until the Effective Date.

#### 3.1.3. *Impact on performance*

The Merging Fund seeks to achieve its investment objective by tracking the price and the performance, before fees and expenses, of an index, the Bloomberg Grayscale Future of Finance Index (the **Index**), that provides exposure to the performance of companies that have exposure to the digital asset and blockchain ecosystem.

The Receiving Fund seeks to achieve its investment objective by tracking the price and the performance, before fees and expenses, of an index that measures the performance of publicly-traded companies that are involved in innovative and disruptive technological trends across a broad range of industries.

Details of the investment objective and indices tracked by the Merging Fund and the Receiving Fund are set out in **Appendix III** of the Circular to Shareholders of the Merging Fund. Other than the different indices tracked by the Merging Fund and the Receiving Fund, the investment policies are similar.

The synthetic risk and reward indicator for the Merging Fund is 7 and the synthetic risk and reward indicator for the Receiving Fund is 7.

Having regard to the comparative features of the investment policies of the Merging Fund and the Receiving Fund, the merger of the Merging Fund with the Receiving Fund is not expected to have a negative impact in performance for investors in the Merging Fund.

#### 3.1.4. *Selling Down the Portfolio of the Merging Fund*

The portfolio of investments of the Merging Fund will be sold down before the Effective Date and, as a result, only cash will remain in the Merging Fund and be transferred to the Receiving Fund at the Effective Date.

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The costs associated with selling down the assets in the portfolio shall be borne by the Merging Fund.

3.1.5. *Impact on rights of Shareholders*

The Merger will be voted upon by Shareholders at the Meeting.

Shareholders of the Merging Fund who do not wish to take part in the Merger must request the redemption of their Merging Fund Shares prior to the Merger Dealing Deadline. Otherwise such Merging Fund Shares will automatically form part of the Merger, in the event that the Merger proceeds. Shareholders in the Merging Fund will have the right to request a redemption of their Merging Fund Shares without charge (other than those retained to cover disinvestment costs) from the date of the Circular to the Shareholders of the Merging Fund up to the Merger Dealing Deadline.

If the resolution is passed, no further dealings in the Merging Fund Shares will take place as and from the Merger Dealing Deadline, the register will be closed and the Merging Fund Shares shall cease to be of any value or effect (subject to the terms of the Merger) at the Effective Date. Shareholders in the Merging Fund who do not request a redemption of their Merging Fund Shares prior to the Merger Dealing Deadline will be issued with Shares under the Merger without any further action on their part. Such Shareholders will be deemed to have accepted that, as and from the Effective Date, their investment in the Receiving Fund will continue to be governed by the terms of the Instrument of Incorporation. Furthermore, such Shareholders acknowledge and agree that all representations, warranties and undertakings given to the ICAV at the time of their original subscription into the Merging Fund shall continue in full force and effect and shall, from the Effective Date, be interpreted as having been given to the ICAV in connection with their continued investment in the Receiving Fund.

In the event that redemption requests are received for the Merging Fund after the Merger Dealing Deadline such requests will be refused, as Shareholders of the Merging Fund who do not request a redemption of their Merging Fund Shares prior to the Merger Dealing Deadline will automatically form part of the Merger. Shareholders of the Merging Fund who form part of the Merger and receive Shares in exchange for their Merging Fund Shares will be able to exercise their rights as Shareholders in the Receiving Fund as and from the first dealing day for dealing in Receiving Fund Shares as set out in the Circular to the Shareholders of the Merging Fund.

If the Merger proceeds, the first Dealing Day for dealing in Shares in the Receiving Fund will be 20 March 2025, as set out in Key Dates for the Merger in the Circular to Shareholders of the Merging Fund. Shareholders of the Merging Fund Shares will receive Shares in the relevant class of the Receiving Fund as set out in the table below.

| **Merging Fund Shares** | **Receiving Fund Shares** |
|---|---|
| Accumulating ETF Share Class | Accumulating ETF Share Class |
| IE000TVPSRI1 | IE00BDDRF700 |

A guide to the material differences between the Merging Fund and the Receiving Fund are set out in **Appendix III** of the Circular to Shareholders of the Merging Fund. The dealing arrangements for the Merging Fund and the Receiving Fund are the same. The base currencies are also the same with both the Merging Fund and the Receiving Fund being denominated in USD.

3.1.6. *Service Providers*

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The entities providing administration and custody services will remain the same.

3.1.7. *Costs and Expenses*

All legal, advisory and administrative costs and expenses including any foreign tax payable or incurred by the Merging Fund, which arise from or are incidental to the implementation of the Merger, will be borne by the Manager.

The current total expense ratio (**TER**) for the Merging Fund Shares is greater than the TER for the Receiving Fund Shares. The TER for the Merging Fund Shares and the TER for the Receiving Fund Shares are set out in the table below:

| TER - Merging Fund Shares | TER - Receiving Fund Shares |
|---|---|
| 0.70% | 0.59% |

All transaction costs (including costs associated with selling down the portfolio) and other fees and expenses incurred and otherwise arising in connection with realignment of the Merging Fund prior to the Merger will be borne by the Merging Fund.

3.1.8. **Impact on tax status**

**The below summary is only intended as a general guide to some of the main aspects of current Irish tax law and practice applicable to the Merger and may not apply to certain categories of investor. It is not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. If Shareholders are in any doubt about their personal tax position in relation to the Merger, they should seek independent advice immediately from their professional adviser.**

**Shareholders should be aware that, depending on their individual circumstances, there may be some impact in respect of taxation arising from the Merger. Shareholders should carefully consider their position in this regard. Non-Irish tax resident investors should in particular consider obtaining appropriate professional advice regarding their position under the proposed Merger.**

*Irish Taxation*

If the Merger is approved by the Shareholders of the Merging Fund, the exchange of the Merging Fund Shares in return for the issue of Shares in proportion to the Shareholders holding of the Merging Fund Shares shall not be a 'chargeable event' under Irish tax law. Accordingly, no Irish tax liability will arise for the Shareholders of the Merging Fund on the exchange of their Merging Fund Shares and the acquisition of Shares under the Merger. In the event that Shares are subsequently disposed of by the Shareholders of the Merging Fund, Irish tax legislation would deem such Shares to have been acquired at the date and at the price that the Merging Fund Shares were originally acquired. If Shareholders of the Merging Fund request the repurchase of their Merging Fund Shares this would constitute a chargeable event for Irish tax purposes and would be subject to the same tax consequences as any disposal of Merging Fund Shares.

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A disposal of Shares will be a chargeable event for Irish tax purposes. However, no tax should arise where the Shareholders are Irish tax resident exempt investors or non-Irish tax resident investors and the appropriate declarations have in each case been filed with the Receiving Fund prior to the chargeable event arising. Existing subscription forms (containing the relevant declarations) signed by Shareholders have been transferred to the Receiving Fund in lieu of Shareholders being required to sign new declarations.

No stamp, documentary, transfer or registration tax would be payable in Ireland by the Shareholders of the Merging Fund on the cancellation of their Merging Fund Shares or on the issue of Shares.

Following the Effective Date, there should be no difference in principle in the manner in which the Shareholders are taxed in relation to their holding of Shares from the Irish taxation treatment currently applied in relation to the holding of Merging Fund Shares.

*UK Taxation*

Shareholders should be aware that, depending on their individual circumstances, there may be some impact in respect of taxation arising from the Merger. Shareholders should carefully consider their position in this regard. Non-UK tax resident investors should in particular consider obtaining appropriate professional advice regarding their position under the proposed Merger. If the Merger is approved by Shareholders of the Merging Fund, the exchange of the Merging Fund Shares in return for the issue of Shares shall not be a taxable event under UK tax law. Accordingly, no UK tax liability will arise for Shareholders of the Merging Fund on the exchange of their Merging Fund Shares and the acquisition of Shares under the Merger. In the event that Shares are subsequently disposed of by Shareholders of the Merging Fund, UK tax legislation would deem such Shares to have been acquired at the date and at the price that the Merging Fund Shares were originally acquired. If Shareholders of the Merging Fund request the repurchase of their Merging Fund Shares this would constitute a taxable event for UK tax purposes and would be subject to the same tax consequences as any disposal of Merging Fund Shares as more specifically disclosed in the taxation section of the Prospectus. No stamp, documentary, transfer or registration tax would be payable in Ireland by the Shareholders of the Merging Fund on the disposal of their Merging Fund Shares or on the issue of Shares.

Following the Effective Date, there will be no difference in principle in the manner in which Shareholders of the Merging Fund are taxed in relation to their holding of Shares from the taxation treatment currently applied in relation to their holding of Merging Fund Shares.

3.1.9. After the Effective Date

If the resolution to approve the Merger is passed, the Merger will be binding on all Shareholders of the Merging Fund on the Effective Date. Shareholders who do not wish to take part in the Merger must submit a redemption request by the Merger Dealing Deadline in order to have their Merging Fund Shares redeemed in the Merging Fund.

3.2. **Receiving Fund**

3.2.1. *Impact on assets of Receiving Fund*

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The Merger will involve the delivery and/or transfer of the assets and liabilities of the Merging Fund to the Depositary to be held on behalf of the Receiving Fund.

3.2.2. *Impact on holding*

It is not anticipated that there will be any material impact on the Receiving Fund Shareholders arising from the Merger.

3.2.3. *Impact on performance*

The Merger is not expected to negatively impact the performance experienced by Shareholders.

Investors in the Receiving Fund will experience no material change in the investment policy or risk profile.

3.2.4. *Impact on rights of Shareholders*

It is not anticipated that there will be any material difference in the rights of Shareholders of the Receiving Fund arising from the Merger.

3.2.5. *Service Providers*

The entities providing administration and custody services will remain the same.

3.2.6. *Costs and Expenses*

All legal, advisory and administrative costs and expenses including any foreign tax payable or incurred by the Merging Fund, which arise from or are incidental to the implementation of the Merger, will be borne by the Manager.

The current TER for the Receiving Fund Shares is less than the TER for the Merging Fund Shares. The TER for the Receiving Fund Shares and the TER for the Merging Fund Shares are set out in the table below:

| **TER - Merging Fund Shares** | **TER - Receiving Fund Shares** |
|---|---|
| 0.70% | 0.59% |

All transaction costs and other fees and expenses incurred and otherwise arising in connection with realignment of the Merging Fund prior to the Merger will be borne by the Merging Fund.

3.2.7. *Impact on tax status*

*Irish Taxation*

Following the Effective Date, there will be no impact on the Irish taxation treatment of Receiving Fund Shareholders should the proposed Merger proceed. Shareholders who are in any doubt as to their individual tax position as a result of the Merger are strongly advised to consult their professional advisers.

3.2.8. *After the Effective Date*

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If the Merger is approved by the Shareholders of the Merging Fund, the Merger will be binding on all Shareholders on the register of members of the Merging Fund and Shareholders of the Receiving Fund on the Effective Date, and Shareholders of the Merging Fund will be issued Shares without any further action on their part, whether or not they voted in favour of the Merger or voted at all.

## 4. THE CRITERIA TO BE ADOPTED FOR THE VALUATION OF THE ASSETS AND, WHERE APPLICABLE, THE LIABILITIES ON THE DATE FOR CALCULATING THE EXCHANGE RATIO

The net asset value of the Merging Fund on the Effective Date will be calculated in accordance with the valuation methodology as set out in the Prospectus and Instrument of Incorporation. The net asset value of the Receiving Fund on the Effective Date and following the delivery and/or transfer of the assets and liabilities of the Merging Fund to the Receiving Fund will be calculated in accordance with the valuation methodology as set out in the Prospectus and the Instrument of Incorporation. The valuation methodology which applies to the Merging Fund is the same as that which applies to the Receiving Fund.

The net asset value of the Merging Fund and the Receiving Fund will not be known until the Effective Date.

## 5. THE CALCULATION METHOD FOR THE EXCHANGE RATIO

Under the terms of the Merger, Shareholders in the Merging Fund will become Shareholders in the Receiving Fund and the total value of their holding will correspond to the total value of shares of the Merging Fund as of the last Net Asset Value calculated for the Merging Fund. As the value of the Shares which a Shareholder will receive in the Receiving Fund will be equal to the value of a Shareholder's holding of Merging Shares immediately prior to the Effective Date, the exact number of Shares to be issued in exchange for Merging Shares will not be known until the Effective Date.

In accordance with Regulation 60 of the Regulations, the Auditor will prepare a report to validate the following: (a) the criteria adopted for the valuation on the assets and where applicable, the liabilities of the Merging Fund on the date for calculating the exchange ratio and (b) the calculation method of the exchange ratio as well as the actual exchange ratio as at the date for calculating that ratio. The report will be made available on request and free of charge to Shareholders.

No cash payment shall be made to Shareholders of the Merging Fund in exchange for the assets.

## 6. THE PLANNED EFFECTIVE DATE OF THE MERGER

Subject to the approval of the Central Bank, the planned Effective Date of the Merger is 19 March 2025. Any change to the Effective Date, which must be cleared in advance by the Central Bank, will be notified to Shareholders in advance via the website hanetf.com.

In accordance with regulation 59 of the Regulations, the Depositary will provide written verification of the Effective Date of the Merger to the Central Bank.

## 7. THE RULES APPLICABLE, RESPECTIVELY, TO THE TRANSFER OF ASSETS AND THE EXCHANGE OF MERGING FUND SHARES

The assets and liabilities of the Merging Fund will be transferred at the Effective Date in exchange for the issue of Shares in the Receiving Fund. Shareholders participating in the

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Merger will receive Shares in the Receiving Fund in the manner as detailed in paragraph 1 of Section 5 above, on the Effective Date.

Shareholders participating in the Merger will receive written notification confirming their shareholding in the Receiving Fund within 21 days of the Effective Date.

On the Effective Date, the Depositary will arrange to record the delivery and/or transfer of the assets of the Merging Fund to the Receiving Fund by noting that, as and from the Effective Date, it holds all of such assets (to include any cash or securities accounts) on behalf of the Receiving Fund.

In accordance with Regulation 59 of the Regulations, the Depositary has provided written verification of certain particulars of the Merger to the Central Bank.

DocuSigned by:

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**Director**
For and on behalf of
**HANetf ICAV**