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EXCHANGE TRADED PRODUCTS



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Securitization for product creation

State of the market in asset management

- How do traditional industries grow?
  - Targeted advertising - Internet
  - Targeted food product – Organics
  - Targeted content – TV and publications

- Asset Management has created targeted products to increase growth
  - ETFs
  - Private Funds
  - Structured Notes

- We need further product customization to continue to grow

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Securitization for product creation

Growth barriers

- Current growth is reaching its limits
  - Large segments ETFs
  - Inefficient private funds
  - Risky structured products

- We have real barriers in the investment management industry
  - Increased cost for service providers including administration, fiduciary, custodial and audit
  - Escalated regulation including FIRPTA and Common Reporting Standards
  - Distribution limitation for most platforms and investment restrictions

- The most efficient way to overcome these barriers is through securitization

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Securitization for product creation

Overcoming growth barriers

- Securitization allows the accessibility to an underlying asset by purchasing a listed security
  - Cost and time to market reduced to a minimum
  - Regulation offset to security custodial banks
  - Distribution with global access

- Multiple applications for product creation
  - Securities
  - Real assets
  - Loans

- Through Securitization, industry growth now depends on the initiative from Asset Managers

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Securitize Opportunities

With the most efficient investment vehicles
for customized strategies and global distribution

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Welcome to FlexETP

Securitization Solution

FlexETPs are exchange traded products providing a new solution for investment management and distribution. The underlying assets are distributed through a euroclearable listed security.

The program provides price (NAV) calculation and distribution, ISIN/CUSIP, Bloomberg page, trustee and audit services.

FlexETPs provide a simple and low cost solution with reduced regulatory oversight and no issuer risk.

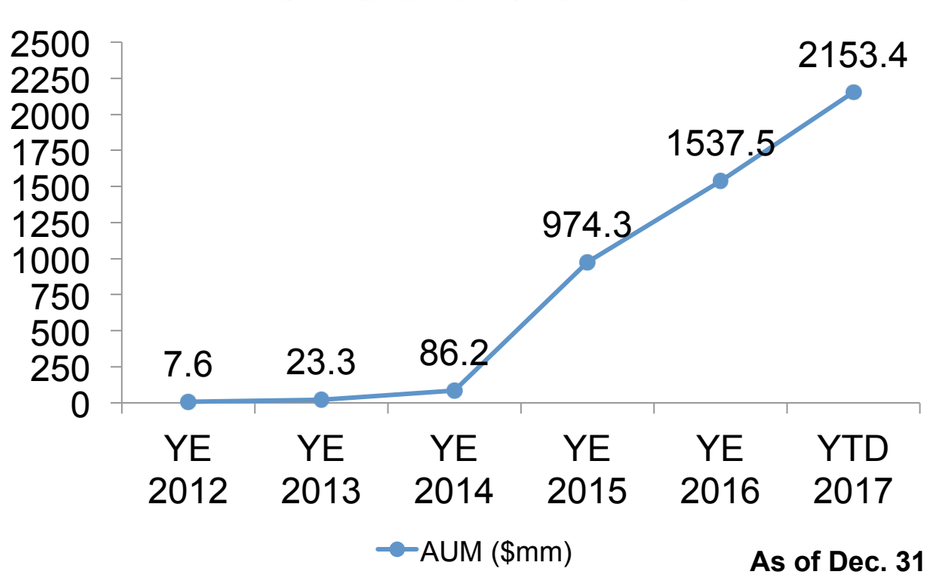
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Firm Overview

- Founded in 2011 with a global footprint in Madrid, Buenos Aires, Caracas, New York, Miami, Bermuda and Singapore, as well as representative offices in Montevideo, Zurich and Cayman Islands
- Over 100 products issued over $2bn
- Dedicated team of executive business, trading and operation support in local markets



AUM Growth Over Time



As of Dec. 31, 2016

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Case Study | Prodigy Network

PRODIGY NETWORK
THE LEADER IN REAL ESTATE CROWDFUNDING

Prodigy Network, one of the largest crowd-investing platforms globally, worked with FlexFunds to create over 10 ETPs

Goal / Objective

- Overcome obstacles in emerging markets- oversight and peace of mind of the investment
- Raise capital from retail investors worldwide for Manhattan real estate

Problem

- In doing this, Prodigy needed to target clients, perform KYC and AML as well as administer the products individually which can be a burdensome process when trying to distribute to the masses

Solutions

- Create a security that can represent any type of real estate asset in Manhattan that resolves global distribution via the Euroclear
- No KYC or AML is necessary because it is completed through clients' investment accounts
- This allows for creation of a banking product - it eliminates the need to target investors individually; and it allows bankers to retain assets within their custody
- No administration needs to be done because NAV is distributed to all investors automatically

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FlexETP Benefits

Global Distribution

Speed & Efficiency

Issuances launched within 4 to 6 weeks including turnkey solution and setup on banking platforms

Global Access

Access capital markets providing a listed security with an ISIN code

Compliance Coverage

KYC/AML requirements covered by investors' existing brokerage accounts, maintaining investors confidentiality

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FlexETP Benefits

Investment Management

Integrated Administration

Services provided by the most trusted financial and legal institutions

Flexible Uses

Multiple types of assets can be securitized under customized terms

Direct Reporting

Price calculated and distributed directly to Bloomberg, stock exchange and investors' accounts

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How it Works (Wrapper)

1 ISSUER
IA Capital (Ireland)

FlexETPs issued for each independent series by Citi as Issue Agent

Subscription agreement under the FlexETP Series name

citi
FlexETP

2 INVESTORS

euroclear
Broker transaction through Euroclear into investor's brokerage account

citi
$$$

Custodial account receives cash from investors and is managed by Portfolio Manager

3 CASH / CUSTODIAN ACCOUNT

Custodial account receives Underlying Assets - Provides FlexETP NAV

PORTFOLIO MANAGER (Optional)

PROGRAM OVERSIGHT

Trustee SANNE

Auditor pwc

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Programme Participants

ISSUING AGENT AND PRINCIPAL PAYING AGENT

Citibank N.A. London Branch

As Issuing Agent, Citi registers the security with ISIN in Euroclear and executes the matching of the Investor's funds with the issued securities. Money movements (including subscriptions and redemptions) between Investors and the FlexETP Custodian Account are executed by Citi

STOCK EXCHANGE

Euronext/Viena

The Wiener Börse AG is the only stock exchange in Vienna, Austria, and one of the most established exchanges in Eastern and Southeastern Europe.
Euronext is the Netherlands-based pan European exchange, offering a diverse range of products and services for securities' markets in Paris, Amsterdam, Brussels, Lisbon and London

DEPOSITORY

Euroclear

Euroclear is the world's leading provider of domestic and cross-border settlement and related services for certain securities

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Programme Participants

AUDITOR

PricewaterhouseCoopers (PwC)

PwC is the Auditor for the FlexETP program. As Auditor, PwC reviews the entire FlexETP program on an annual basis, ensuring that each FlexETP Series is backed by the stated underlying assets

TRUSTEE

Sanne Fiduciary Services Limited

Sanne is the Trustee for the FlexETP Program and acts as administrator for the Issuer's operations. Sanne's fiduciary duties are mainly focused on maintaning and protecting the interest FlexETP investors

ISSUER

IA Capital Structures (Ireland) Plc

The issuer for the FlexETP program, IA Capital Structures ("IAC") is an Irish Special Purpose Company (SPC) created for the sole purpose of issuing FlexETP series


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