



# Investment Funds Frequently Asked Questions

Cantor Fitzgerald Ireland Ltd (Cantor) is regulated by the Central Bank of Ireland. Cantor Fitzgerald Ireland Ltd is a member firm of the Irish Stock Exchange and the London Stock Exchange.

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# Funds: Frequently Asked Questions

Here we address the frequently asked questions about investment funds.

## General FAQ

### What is a fund?

A fund is a 'collective investment vehicle' that pools your money with other investors and allows you to gain exposure to equities, bonds, property or other types of assets. A fund manager runs the fund and selects the investments it holds in line with the fund objective.

### What assets can funds invest in?

Funds can invest in various types of assets around the world. These include equities, corporate and government bonds, property, commodities and cash. What your fund invests in depends on the specific investment objectives of the fund you have chosen.

### How do I determine the investment objective of a fund?

A fund's Key Investor Information Document (KIID) will provide details about the fund's investment objective. The KIID will also provide information about the type of assets the fund manager will invest in and the geographic area or sector the fund will focus on.

### Are there risks associated with investing in funds?

Yes. This will depend on the fund's investment objective and the underlying assets held within the fund. You can find out more about the fund's objective and risk in the fund factsheet and the accompanying Key Investor Information Document (KIID). Within each KIID and Factsheet there is also a Synthetic Risk Reward Indicator (SRRRI) which provides a risk score for all UCITS compliant funds.

### How can I find out how well a fund has performed in the past?

You will find relevant fund performance data on our Fund Factsheets and in the Key Investor Information Document (KIID).

## Investing in Funds FAQ

### How do I invest in funds?

First you need to contact us to open an account by completing our account opening form. Once you have chosen a fund you will be able to place an order with one of our advisors. Prior to executing your order we will require confirmation that you have read the Key Investor Information Document (KIID) of the fund you wish to invest in.

### How are funds priced / valued?

The price of each unit is derived from the fund's total Net Asset Value (NAV) divided by the total number of units. The value of the units will rise or fall depending on the fund's investment performance. The fund will typically calculate and publish a price every working day. Unlike shares, there is no continuous pricing of fund units throughout the trading day.

### What is the settlement period of funds?

Funds on our platform are priced daily and not exchange traded. Therefore trade cut off times are in place for executing a trade at the available price on our platform. If a trade is placed after the cut of time, your trade will be executed at the next available price. This is typically the next business day. For details on fund cut off times, please contact one of our advisors. Once your fund order is executed we will issue you with a contract note. Trade settlement is typically four days after execution (T+4).

### What is the minimum and maximum amount I can invest in a fund through Cantor Fitzgerald?

There is no minimum you can invest into a fund. We charge a fee of up to 1% on the client's total portfolio, subject to a minimum annual charge of €275 per annum. This charge is debited on your account on a quarterly basis in arrears.

### Do funds have a minimum investment period?

The majority of funds available on our platform can be bought and sold at the discretion of the investor. However, most fund managers recommend you usually hold a fund for at least three to five years. This may be longer in some cases and will be determined by the strategy and investment objective of the fund.

### How can I monitor the performance of my fund investments?

You can check your account online by visiting the Client Login section of our website. Recent fund performance is also available through the relevant Fund Factsheets available on our website. [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie)

## What charges apply when investing in funds?

### Commission & Fees Charged by Cantor Fitzgerald

Cantor Fitzgerald charges a fee for the administration of your investments. Cantor Fitzgerald's annual admin fee is up to 1% on the client's total portfolio, subject to a minimum of €275 per annum. This charge is debited to your account on a quarterly basis in arrears.

An investor trading in an investment fund will incur standard commission charges as per Cantor's rate card.

### Annual Management Fee

All investment funds have an Annual Management Charge (AMC). This is the annual percentage fee that investors pay to the fund manager for their expertise in managing their investments. This charge is reflected in the NAV of the fund and not debited from your account.

### Performance Fee

Some funds may also charge a performance fee. This fee is only taken if they deliver a return to investors above a specified performance target. The Key Investor Information Document (KIID) will state all potential performance charges associated with a fund.

### Ongoing Charges

In addition to the Annual Management Charge an investment fund will incur various costs associated with the day to day running of the fund. These costs range from trading, auditors, custodians, legal and other service providers. These charges are also reflected in the price of the NAV and normally range from 0.1- 0.8% depending on the style and strategy of the fund.

### Fund Manager Rebates?

A rebate is a charge built into the AMC of a fund to compensate sales agents who distribute the funds to retail investors. The rebate amount is determined by the fund provider but is typically around 0.5% and is subject to change without notice. However, we at Cantor Fitzgerald

refund 100% of all rebates received from fund providers to our clients when they invest in retail funds through our platform.

### Where can I find the rebate amount?

To determine the amount you can get back on each retail share class, please speak to one of our brokers.

### Minimum liquidity requirement?

We require our clients to maintain a minimum liquidity position within their accounts of 3% of their total investment amount in funds. This is in order to cover management charges within their account. Clients will be asked to specify this amount when completing a fund instruction form. For example, a client who wishes to invest €20,000 into funds will be required to retain 3% or €600 for liquidity purposes.

## Fund Operation/Administration FAQ

### What is a Key Investor Information Document (KIID)?

A Key Investor Information Document (KIID) is a document which must be provided to anyone who invests in a fund which comes under the EU's new regulatory directive, UCITS IV. The information in the KIID is required to help you understand the nature and the risks of investing in a particular fund. We require all our clients to read the KIID so they can make an informed decision about whether to invest in a fund.

### What are UCITS Funds?

UCITS are Undertakings for Collective Investment in Transferable Securities. A UCITS fund is a European regulated product that is marketable throughout EU Member States. It is open to all investors, including retail investors, and is the most common investment fund type in Europe. The UCITS brand is also recognised internationally, and many UCITS funds are registered in non European countries.

### Who are ESMA?

The European Securities and Market Authority (ESMA) is an independent EU Authority that contributes to safeguarding the stability of the European Union's financial system by ensuring the integrity, transparency, efficiency and orderly functioning of securities markets, as well as enhancing investor protection.

### What is a Synthetic Risk Reward Indicator (SRRI)?

The Synthetic Risk Reward Indicator (SRRI) is a risk score introduced by ESMA that all UCITS funds are required to provide in their Key Investor Information Document. The SRRI is a score between 1 and 7 which represents the risk reward profile of all UCITS funds. A ranking of 1 indicates the fund is of a lower risk profile and potential lower reward, and a value of 7 suggests a higher risk profile and typically therefore a higher reward.

### What is an ISIN code?

ISIN stands for "International Securities Identification Number". It is used to uniquely identify a security. The ISIN is used to identify bonds, commercial paper, equities, ETFs, warrants, funds and most listed derivatives. The ISIN code is a 12 character alphanumerical code and is located on the Fund Factsheet and KIID document.

### Where are my investment assets kept?

With regard to the safe custody and segregation of client assets, Cantor Fitzgerald Ireland does not hold any client cash or assets. Any

investments or cash we manage for you will be held in a nominee account on your behalf with Pershing Securities International limited.

### Who is Pershing Securities International Limited (PSIL)?

Pershing Securities International limited (PSIL) provides settlement, safe custody, nominee and associated services for Cantor Fitzgerald Ireland. PSIL, a Bank of New York Mellon company, is a financial services market leader located in 23 offices worldwide and the No.1 clearing firm in the US.

### What are the different fund share class?

Different classes of shares may be issued in respect of each fund. Classes may be distinguished by their different characteristics which include but are not limited to the currency denomination of the share class, accumulation or distribution shares classes and institutional or retail share classes.

### What is the difference between distribution and accumulation share classes?

Many funds offer investors a choice of either distribution or accumulation share classes. If you select a distribution share class you will receive any cash income generated by the underlying holdings. Alternatively, accumulation share classes reinvest any income generated back into more units in the fund.

### What is the difference between institutional and retail share classes?

The institutional share class is targeted at institutional investors and will carry lower management fees. This share class is not normally available to retail investors as the minimum investment amount can be €1 million or more. However, Cantor Fitzgerald offers access to the low fees of institutional share classes to our clients based on the money we invest across all our clients' accounts.

Retail share classes are designed for retail investors and have a much lower minimum investment amount. However, they can be more expensive as they may have a rebate built into the AMC for the benefit of sales agents.

### What is the tax treatment of investment funds?

Under current Irish tax law, funds are not subject to income or capital gains tax. However, an "exit tax" can arise on the occurrence of a "chargeable event" at current Irish tax rates. Chargeable events include a disposal of units by investors, distributions to investors, and on the 8th year anniversary from date of acquisition of the investment a deemed disposal will also arise. This is a very general tax summary and it's important to mention that individual circumstances may differ and tax legislation can change in the future. We strongly recommend that you seek independent tax advice as tax implications may vary depending on your circumstances.

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