



## **SUBSCRIPTION IN KIND**; How does it work?

1. Collector present one or more cars to the fund for the subscription
2. The Fund selects the cars that are interesting for an entry
3. The Fund sends an independent expert to give a valuation of the car (this expense will have to be paid by the collector, approx Euro 500.00 depending on complexities). This valuation report will remain with the subscriber and is a superb indication of value at the time of the report including full details of the car.
4. The Fund will make an agreement wherein it will give the subscriber the possibility to store and use the car/cars with the subscriber covering the running costs. The Fund will naturally add into this agreement that the Fund cannot sell the car or any of the cars the subscriber entered into the fund, without your written agreement or before the determined period has expired. The subscriber will have the possibility to redeem his shares in the fund after a determinate period and receive the car/cars he subscribed the fund at a new valuation. The difference will be payed out or the subscriber will have to pay.
5. The subscriber will have to sign a subscription form, the fund will detail the value of the car/cars in the subscription (here the collector will have the possibility if he wishes to have his own ISIN number and class of fund, at an extra cost).
6. Now the Fund owns the car/cars and the subscriber owns the shares of the fund which can be transfered to his bank account or he can receive a subscription confirmation.
7. If the subscriber needs some cash, he can give an order to his banker or send written advise to the fund, requesting to sell part of said shares or it is equally possible to get a loan based on the fund value.
8. The advantage for the subscriber will be that he will receive a certificate of his subscription to the fund (the value of this certificate will be the value of the car/cars with which he entered the fund) and this certificate will be valued on a quarterly basis based on the value of all the cars in the fund. In this case, the subscriber will have diversified by investing in more than just the car/cars he owned. Another big advantage is, should something happen to the subscriber, those who will inherit the car/cars have the possibility of receiving the car/cars (at a new valuation) or the value of the shares and therefore the subscribers have less succession issues regarding family members selling the car/cars without knowledge of market value.

Example;

1. a collection of 3 cars gets valued at EUR 600,000 by an independent expert
2. the subscriber receives the shares of the fund at EUR 600.000 and the cars enter the fund
3. after the predetermined period of 3 years, the subscriber has the following possibilities:
  - a. keep the shares
  - b. sell the shares or a part of them
  - c. buy back 1 to 3 of the cars, following a current valuation made from an independent expert, some examples:
    - i. the price of the 3 cars after the new valuation is EUR 800.000
    - ii. the price of the shares is EUR 750.000
      - in this case the subscriber can sell his shares and add EUR 50.000 to get back his cars
      - sell his shares and get EUR 750.000, in this case the fund then has the right to sell the cars when ever it wishes as the period of 3 years is passed
    - iii. the price of the 3 cars after the new valuation is EUR 750.000
    - iv. the price of the shares is EUR 800.000
      - in this case the subscriber can sell his shares and get EUR 800.000
      - he can receive his 3 cars at the value of EUR 750.000 and get the remainder EUR 50.000 in cash or keep it invested in the fund

PLEASE CONTACT US FOR MORE INFORMATION

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