

Approved by
Emerald Capital Partners Ltd.
on “26” January 2023

CONSTITUTION OF SAPPHIRE CAPITAL OEIC Ltd.

An Exempt Fund created in a form of
Open-Ended Investment Company

***Risk Disclaimer:** Investing in the Fund is intended for Investors who are professional clients that have adequate knowledge of the principles of financial markets, as well as adequate livelihoods without considering the distribution of possible fund profits, as well as those who can afford to lose all, or part of the capital invested into the Fund. There are no guarantees that the Fund will be able to realize its objectives. It is intended only for sophisticated (professional) investors and is not subject to many of the requirements of the Collective Investment Scheme Rules.*

The Astana Financial Services Authority (AFSA) has no responsibility for reviewing or verifying any offering materials, particulars or other documents in connection with this Fund. Accordingly, the Astana Financial Services Authority has not reviewed, nor taken any steps to verify, this document, the information it contains, or any other documents relating to the Fund and has no responsibility for it. The securities to which this document relates may be illiquid or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence. If you do not understand the contents of this document you should consult an authorised financial adviser.

January 2023



Contents

1. INTERPRETATIONS.....	3
2. NAME OF THE FUND	4
3. FUND MANAGER’S GENERAL INFORMATION.....	4
4. APPLICABLE LAWS OF THE FUND	4
5. LEGAL FORM OF THE FUND.....	4
6. RIGHTS AND OBLIGATIONS OF FUND MANAGER.....	5
7. DURATION OF THE FUND	7
8. FEES OF THE FUND.....	7
9. SHARE CAPITAL. UNITS. PROCEDURE OF ISSUE OF NEW UNITS OF THE FUND. RIGHTS GRANTED TO UNITHOLDERS	8
10. PROCEDURE OF DISTRIBUTION AND PAYMENT OF DIVIDEND TO UNITHOLDERS	10
11. OFFERING AND REDEMPTION OF UNITS OF THE FUND.....	10
12. INVESTMENT OBJECTIVES OF THE FUND	12
13. GENERAL MEETINGS	14
14. VALUATION OF ASSETS OF THE FUND AND CALCULATION OF THE NET ASSET VALUE	14
15. ACCOUNTING AND AUDIT OF THE FUND.....	16
16. CLIENT COMMUNICATION AND REPORTING.....	16
17. AMENDMENTS TO THE CONSTITUTION.....	17



**CONSTITUTION OF AN OPEN-ENDED
INVESTMENT COMPANY SAPPHIRE CAPITAL LTD.**

1. INTERPRETATIONS

1.1. In these Articles the following expressions shall have the following meanings:

“AFSA”, the Astana Financial Services Authority or any successor body thereto.

“AIFC”, the Astana International Financial Centre or any successor body thereto.

“AIFC Legislation and Rules”, the set of official written documents, adopted by an AIFC Body, relating to the relationships between AIFC Participants, AIFC Bodies, their Employees, AIFC Participants and AIFC Bodies, AIFC Participants and their Employees or Employees of AIFC Bodies, AIFC Bodies and their Employees or Employees of AIFC Participants;

“Articles”, the Articles of Association of the Fund as originally adopted or as subsequently adapted, amended or altered from time to time the Fund Manager. The terms “Article” and “Constitution” are interchangeable.

“Collective Investment Scheme”, means any arrangements with respect to property of any description, including money, the purpose or effect of which is to enable Persons taking part in the arrangements (whether by becoming owners of the property or any part of it or otherwise) to participate in or receive profits or income arising from the acquisition, holding, management or disposal of the property or sums paid out of such profits or income. In relation to any such Collective Investment Scheme, the term "Unit" means any share, unit or other interest of similar nature in such Collective Investment Scheme.

“Collective Investment Scheme Rules” or “CIS Rules”, means the AIFC Collective Investment Scheme Rules of 2017 and any amendments to it thereto.

“Director”, Person duly appointed to the position of the Fund’s director by the Fund Manager in accordance with the requirements of AFSA.

“Exempt Fund”, means a Collective Investment Scheme identified in CIS Rules 2.2(a).

“Fund”, means Sapphire Capital OEIC Ltd.

“Fund Manager” or “Manager”, Emerald Capital Partners Ltd.

“Investment”, any investment authorised by these Articles and which is permitted by the AIFC Legislation and Rules.

“Management Agreement”, any agreement for the time being subsisting between the Fund and the Fund Manager in relation to the appointment and duties of the Fund Manager.

“Management Fee”, fee payable to Fund Manager in accordance with Chapter 8 of these Articles.

“Net Asset Value” or “NAV”, the amount determined in accordance with Chapter 14 of these Articles.

“Management Shares”, means shares with nominal value of 100 US Dollars each in the initial share capital of the Fund and issued for the sole purpose of incorporation of the Fund.

“Participation Shares” or “Units”, means shares with nominal value of 1 US Dollars each in the share capital and issued in line with the establishing of Collective Investment Scheme without any voting rights.



“Person”, the term includes any natural person or incorporated or unincorporated body, including a Fund, partnership, unincorporated association, government or state.

“Shareholder”, means a Person entered in the Fund’s Register of Shareholders as the holder of a Share in the Fund.

“Success Fee”, fee payable to Fund Manager in accordance with Chapter 8 of these Articles.

“Registrar”, Astana International Exchange Registrar Limited (AIX Registrar).

“Unitholder”, means holders of the Participation Shares / Units of the Fund issued in accordance with these Articles and with the rights and obligations provided for under these Articles.

“US Dollar” or “USD”, the lawful currency of the United States.

2. NAME OF THE FUND

2.1. The name of the Fund is “Sapphire Capital OEIC Ltd”.

3. FUND MANAGER’S GENERAL INFORMATION

3.1. The Fund Manager’s name is Emerald Capital Partners Ltd. doing business in the AIFC holding a license No. AFSA-A-LA-2022-0021 dated July 25, 2022.

3.2. The Fund Manager’s principal place of business: Republic of Kazakhstan, Astana, Yessil district, 42 Turan Street, office 500A.

3.3. The Fund Manager is required by Licence conditions to be Compliant with AFSA Rules and has an authority to manage Exempt Fund in AIFC Jurisdiction.

3.4. The Fund Manager’s Controllers, Authorized individuals and designated individuals are required to be authorized by AFSA. Fund Manager’s details, Roles, Controllers, Approved individuals and Management are available in the Public Register of AIFC (<https://publicreg.myafsa.com/>).

3.5. The Fund Manager is required to notify AFSA according to Collective Investment Scheme Rules Clause 4.7 at least 7 (seven) Calendar days before formation of Fund.

3.6. The Fund Manager is required to install and implement all required policies and monitoring systems to be compliant with AFSA Legislation and Rules.

4. APPLICABLE LAWS OF THE FUND

4.1. The Fund is a Domestic Fund, the Constitution of which is governed by the AIFC Legislation and Rules.

4.2. The Fund is regulated by Collective Investment Scheme Rules of AFSA and treated as an Exempt Fund.

5. LEGAL FORM OF THE FUND

5.1. The Fund is created in a form of open-ended investment company.

5.2. Type of Investment Company: Private Company.

5.3. The Company is established, and is to operate for the sole purpose of conducting the



business of the Fund.

5.4. The sole object for which the Fund is established is the collective investment of capital raised from the Professional investors/clients in transferable securities and/or other investments authorised by these Articles and which are permitted by the AIFC Legislation and Rules.

Subject to the Companies Regulations, the Fund has variable capital, the maximum amount of which shall be 20,000,000 (twenty million) Participation Shares (Units).

6. RIGHTS AND OBLIGATIONS OF FUND MANAGER

6.1. Management of the Fund shall be transferred to the Fund Manager, therefore, following the AIFC Legislation and Rules, and the rights and duties of the Board and the head of the Fund, as set in the AIFC Legislation and Rules, shall be transferred to the Fund Manager and its representative.

6.2. No management bodies shall be formed in the Company. However, in accordance with the requirements of AFSA the Fund Manager may appoint a Director to drive daily activities of the Fund.

6.3. The Manager shall be responsible for convocation and organisation of the general meeting of Shareholders, giving notices about publicly not disclosed information under the procedure set by legal acts, organisation of activities of the Fund, proper management of information about activities of the Fund and performance of other functions assigned to the Fund Manager.

6.4. The Fund Manager has a broad authority to buy, hold, sell various financial instruments, act on behalf of Unitholders in case of corporate events of companies which securities the Fund holds. In this regard, the Manager, at its discretion, may trade on local and any international exchange allowed by AIFC Legislation and Rules.

6.5. The Manager shall have the right:

- (i) to perform all actions of management bodies of the Fund and other actions assigned to the competence of the Manager according to effective legal acts and/or these Articles;
- (ii) to receive the Management Fee and the Success Fee, as they are defined in the Articles and to direct debiting fees/costs/charges amounts from the Fund's Assets, provided that the Client has no objections to the Client Reporting;
- (iii) to conduct and perform transactions in connection with management of the assets of the Fund at the expense and in the interests of the Fund;
- (v) if a transaction is necessary, in performing its obligations, to acquire assets from the persons, acting under the most favourable conditions in the best interests of the Fund and Unitholders;
- (vi) to make deductions from assets of the Fund provided for in these Articles;
- (vii) to decide on dividend distribution;
- (viii) to issue Participation Shares (Units) in accordance with these Articles;
- (ix) to manage ordinary redemption procedures;
- (x) to organise and conduct routine operational activities of the Fund;
- (xi) to organize and keep adequate administration and accounting procedures of the Fund;
- (xii) to change external service provider(s), such as banks, brokers, auditors, registrars,



custodians, etc. when economical or operational necessity arises;

(xiii) other rights established in AIFC Legislation and Rules.

6.6. The Manager is not liable for damage to the Fund or Unitholders for any action/inaction within the rights and powers of the AIFC Legislation and Rules, including the results of any Investments.

6.7. The Fund Manager must carry out its obligations under the AIFC Legislation and rules, Fund Constitution, Investment Agreement and other internal regulations of the Fund Manager in the best interests of Unitholders.

6.8. The Fund Manager is responsible for all operations concerning the Fund and may from time-to-time delegate activities or outsource functions, but not the responsibility for conducting those activities and functions, to another Person in accordance with the Company Rules.

6.9. The Fund's property is entrusted to the Fund Manager and the Fund Manager remains responsible for the property except for the situations of force majeure in accordance with AIFC Legislation and Rules.

6.10. The Fund Manager is required to calculate NAV and the price of one Unit and inform Unitholders about the price of one Unit and NAV at least once in a quarter.

6.11. The Fund Manager manages the Fund assets indefinitely, or until termination of the Fund.

6.12. Charges, fees and other expenses of the Fund may be taken out of Fund's property in accordance with the provisions of these Articles.

6.13. In exercising its powers and carrying out its obligations, Fund Manager must:

(i) act honestly and act in a fair, correct and professional manner on the terms best for the Fund and its Unitholders and in their interests and ensure integrity of the market;

(ii) act carefully, professionally and prudently;

(iii) exercise the degree of care and diligence that a reasonable person would exercise if he/she were in the Manager's position;

(iv) if there is a conflict between the Unitholders' interests and Manager's interests, priority belongs to the Unitholders' interests;

(v) not improperly make use of information acquired through being Fund Manager in order to gain an advantage for itself or another person, or cause any damage or harm to the Unitholders;

(vi) ensure that the Fund's property is clearly identified as Fund property and held separately from the Manager's property.

(vii) have reliable administration and accounting procedures, electronic data processing control and security measures and a proper mechanism of internal control, including the rules on personal transactions in financial instruments conducted by employees of the Fund Manager and transactions in financial instruments conducted at the expense of the Fund Manager;

(viii) ensure that documents of and information about taken investment decisions, conducted transactions would be kept for at least 5 (five) years after the date of taking an investment decision, conduction of a transaction or performance of an operation, unless legal acts set a longer term of keeping documents;

(ix) have such an organisational structure that would help to avoid conflicts of interest. When



it is impossible to avoid conflicts of interest, the Fund Manager must ensure that Unitholders are treated fairly;

(x) ensure that assets of the Fund would be invested according to the investment strategy set in these Constitution and requirements set in AIFC Legislation and Rules;

(xi) perform other duties set in AIFC Legislation and Rules.

6.14. Nothing in the Constitution has the effect of exempting the Fund Manager from any liability to Unitholders imposed under AIFC Legislation and Rules.

6.15. Any breach of the investment objectives or policy of a Fund, a Fund Manager must immediately inform the Unitholders.

7. DURATION OF THE FUND

7.1. The duration of the Fund is unlimited.

7.2. The Fund is active until a decision is made to close it by the Fund Manager due to one of the following reasons:

(i) Fund Manager decides that long-term conditions for investment activity in financial markets are not any longer favourable;

(ii) Fund Manager decides to cease its operations voluntarily;

(iii) Political upheavals and other force majeure situations (natural disasters, war, etc.);

(iv) Other.

7.3. If the Fund Manager voluntarily decides to liquidate the Fund, the Manager should send a written notification to Unitholders no later than 5 (five) business days after such decision is taken. The Fund Manager can recommend Unitholders several options of alternative Managing companies to transfer their assets for further investment management.

7.4. Voluntary liquidation notice should contain the following information:

(i) reasons behind the liquidation decision and the recommendations to Unitholders on the possible options to reinvest their assets (optional);

(ii) procedures of liquidation, including the order of Fund's asset distribution, details on contacting and receiving claims from creditors, service providers and Unitholders;

(iii) effective date of Fund's liquidation.

7.5. In case of voluntary liquidation, the Fund's assets are distributed in the following order:

(i) the Fund's liabilities to external service providers and all trading operations are settled;

(ii) obligations to Unitholders;

(iii) all other liabilities

8. FEES OF THE FUND

8.1. The fees, charges and other expenses of the Fund may be taken out of Fund's property and the basis for determination of the amount of such fees, charges and other expenses.

8.2. Management Fee is the fee fixed and calculated on Net Asset Value and payable at the quarterly basis within 15 (fifteen) Business days following the end of each quarter. The Management Fee is payable to the Fund Manager whether or not the Fund is profitable.



8.3. Management Fee for the initial year of the Fund is fixed at 2% per annum and subject to annual review by the Fund Manager with a written notice to the Unitholders of Fund within 10 (ten) Business days following end of each calendar year.

8.4. The Fund will pay, from its assets, such costs and expenses as the Fund Manager reasonably determine to be necessary, appropriate, advisable or convenient for the conduct of the business of the Fund including:

- (i) commissions and other costs of executing transactions, whether or not consummated;
- (ii) bank cash transfer fees;
- (iii) fees in connection with the custody of Fund assets (if any);
- (iv) expenses of preparation and translation of information about the Fund (including documents and agreements of the Fund) and its presentation to Shareholders;
- (v) all costs and expenses arising out of the Fund's indemnification obligations;
- (vi) taxes (if any);
- (vii) costs related to the Fund's investment and operating activities: fees of Central Depository of the Republic of Kazakhstan, AIFC and AFSA fees;
- (viii) fees connected with the winding-up of the Fund.

8.5. Success fee

In addition to the Management Fee, the Fund Manager is entitled to a Success Fee accrued and paid semi-annually within 15 (fifteen) Business days after the end of the period in accordance with fee schedule below.

Fund's net profit	Threshold	Success fee
up to 5% (inclusively)	0%	0%
5%-10% (inclusively)	5%	20%
10%-15% (inclusively)	10%	25%
Above 15%	15%	30%

For the avoidance of doubt, the Success Fee will be charged against the entire net profit of the Fund.

If the sum of paid fee exceeds the sum of accrued fee by the end of the year, the Fund Manager must compensate the difference to the Fund.

8.6. Subscription fee – 0,1% payable in advance.

8.7. No promotional payment, Success Fee or benefit may be made out of or given at the expense of a Fund to its Fund Manager unless it is permitted by the Fund's Constitution and specified in the Fund's Offering Materials.

9. SHARE CAPITAL. UNITS. PROCEDURE OF ISSUE OF NEW UNITS OF THE FUND. RIGHTS GRANTED TO UNITHOLDERS

9.1. The share capital of the Fund is variable and comprised of:

- (i) 1,000 US Dollars split into 10 Management Shares, each Management Share par value



100 US Dollars, and

(ii) 20,000,000 Participation Shares (Units) with a nominal value of 1 US Dollar each having the equal rights and obligations described in these Articles.

9.2. The Management Shares shall only be issued at their par value of 100 US Dollars each with the sole purpose of incorporation of the Fund. The holders of the Management Shares have voting rights and shall not be entitled to any dividends whatsoever in respect of their holding of Management Shares.

9.3. Participation Shares (Units) of the Fund shall have ISINs assigned by the Central Depository of the Republic of Kazakhstan.

9.4. The liability of Shareholders is limited to the extent of their contribution.

9.5. Records of Units of the Fund are kept by the Manager and the Fund's Registrar. The Registry of Unitholders will be maintained by the Manager and the Fund's Registrar.

9.6. The nominal value of one Unit shall be USD 1.00. The Units may only be issued fully paid. The nominal values of all the Units shall be equal.

9.7. The Units of the Fund may be bought from or sold to Fund only after completion of KYC/Compliance procedures. The Manager has right to issue corresponding number of Participating Shares / Units and may in its absolute discretion refuse to accept any application for Participating Shares / Units in the Fund or accept any application in whole or in part without assigning any reason therefor.

9.8. Units of the Fund are available only to the qualified investors and the minimum subscription amount is set as 50 000 US dollars.

9.9. The Fund Manager cannot directly possess ownership of Units.

9.10. Unitholder's status can be assigned by purchasing Fund Unit by updating the Unitholder Registry and no further liability can be imposed on Unitholders in respect of the Units they hold. Unitholders are not liable to make any further payments after they have paid the price of their Units.

9.11. Unitholders are not liable for the debts of the Fund, unless the applicable legislation prescribes otherwise and, if so, those circumstances.

9.12. The actual value of the Units will change depending on the Net Asset Value calculated on a quarterly basis.

9.13. The Unitholders shall have the following rights:

(i) to receive a share of profit (dividend) of the Fund if the Fund Manager decides to distribute it;

(ii) to sell or otherwise transfer all or some of their Units to the ownership of other Persons on the secondary market or of the Fund during Unit redemption as described in Chapter 11;

(iii) under the procedure set in AIFC Legislation and Rules and in these Articles, to receive a part of funds of the Fund, disbursable in case of winding up of the Fund (i.e. liquidation of the Fund);

(iv) to take part in annual general meetings of Shareholders;

(v) to obtain information about the Fund under the procedure set by AIFC Legislation and Rules;

(vi) other property and non-property rights provided for in AIFC Legislation and Rules and these Articles.



9.14. Newly issued Units can be offered to Persons other than the Unitholders only in case the current Unitholders did not subscribe for all the Units planned to be issued within a period set by a decision of the Fund Manager, which cannot be shorter than 5 (five) Calendar days and longer than 10 (ten) Calendar days.

9.15. Units of a new Unit issue must be paid within the term set in the Subscription agreement, which cannot be longer than 10 (ten) Business Days.

9.16. Units of the Fund may be paid in cash or in-kind contributions in forms of marketable securities or identifiable liquid assets acceptable in accordance with the Fund's investment strategy.

9.17. Any in-kind contribution shall be agreed upon between the Manager and Investor and is subject to independent valuation by the Fund's Auditor.

9.18. New Units shall be issued only after the money is credited to the bank account of the Fund or once an in-kind contribution is owned by the Fund.

9.19. Unitholders agree to the terms of the Fund's Constitution and by signing the Subscription Agreement and purchase of Fund Units. Investors withdraw from the Subscription agreement by selling Fund Units.

10. PROCEDURE OF DISTRIBUTION AND PAYMENT OF DIVIDEND TO UNITHOLDERS

10.1. Dividend is a share of Fund's profit assigned to a Unitholder, proportionate to the nominal value of Units owned by him.

10.2. Decision on payment of dividend shall be taken by the Fund Manager. The Manager may at his sole discretion decide to re-invest the Fund's profits instead of dividend distribution.

10.3. In case of payment of interim dividend, a set of financial statements of the Fund must be drawn up and audited/reviewed no earlier than 15 (fifteen) Business days before making decision to distribute dividend.

10.4. The Fund shall pay the distributed dividend within one month after the date of the decision of the Fund Manager to pay dividend.

10.5. Dividend payable to Unitholders shall be transferred to the bank accounts indicated by the Unitholders or (if a Unitholder's data is unknown or unavailable) to a deposit account under the procedure set by legal acts. The Fund shall pay dividend in US Dollars or Kazakhstani Tenge at exchange rate established by National Bank of Republic of Kazakhstan on a date of payment.

10.6. The right to receive dividend shall be vested in Persons who were Unitholders or had the right to dividend on any other lawful grounds at the end of the record date of Manager's corresponding decision to pay dividends.

11. OFFERING AND REDEMPTION OF UNITS OF THE FUND

11.1. Units shall be offered by the Fund Manager on behalf of the Fund. Units in the primary market shall be acquired by entering into Subscription agreements with the Fund Manager acting on behalf of the Fund.

11.2. The procedure of issue of new Units is described in Chapter 9 of the Constitution. Newly issued Units shall be acquired by signing a Subscription agreement and paying for the Units in US Dollars no later than within a term indicated in the Subscription agreement or by transferring the ownership of an in-kind contribution to the Fund.



11.3. Subscription to new Units could be made on a quarterly basis at a subscription price calculated in accordance with Chapter 14 of these Articles. While the subscription request should be given to Fund manager at least 15 (fifteen) Calendar days before to the subscription dates.

11.4. In the Subscription agreement signed by a Person/Investor and the Fund Manager, the Manager shall undertake to deliver the Units, whereas the Person shall undertake to pay for the whole number of the subscribed Units under the procedure set in effective AIFC Legislation and Rules, the Articles and in Subscription agreement.

11.5. The Subscription agreements must indicate that if a Person who subscribed for Units does not pay for the subscribed Units in full within the term set in the Subscription agreement, it shall be deemed that the Subscription agreement was terminated and expired and a relevant number of Units subscribed for by such Subscription agreement was not subscribed.

11.6. A Person shall get the title to the Units from the moment of updating the Unitholder Registry by the Fund's Registrar.

11.7. Units shall not be traded on the any stock exchange.

11.8. Unitholder may also transfer Units or part thereof to third parties, by conducting various over-the- counter transactions (sale and purchase, donation, etc.). These transfers are subject to the Manager's KYC/Compliance procedures if the Units are transferred to the new Investors, who previously did not hold any Units of Fund. Unitholder, who conducted such transactions, must no later than within 5 (five) Calendar days after the moment of the transaction, provide the transaction documents to the Fund Manager in order that the conducted transactions would be properly recorded, noting the change in the ownership of the Units in securities accounts.

Redemption of Units by the Fund

11.9. The Fund shall acquire Units in accordance with the requirements of the AIFC Legislation and Rules.

11.10. Restriction on redemption of Units

Redemption of Units is limited. Full or partial redemptions are restricted for the first year of Unitholder's Investment (Lock-Up period) and subject to early redemption penalty calculated as 5% of the Unitholder's Investment.

11.11. The price of the redeemed Units shall be calculated according to latest calculated Net Asset Value if there were no material changes that might make establishment of the Net Asset Value inevitable.

11.12. All references in this Chapter and thereafter to a "Valuation Date" will be taken to mean an "End of Quarter". Valuation Date is the day on which the NAV is determined and the value of "Unit" is quoted.

11.13. Redemption requests may be submitted on a quarterly basis. Redemption requests that are received by the Dealing Deadline for a Valuation Date will be processed at the NAV per Unit on such Valuation Date, except to the extent not yet permitted due to the Lock-Up period.

11.14. Redemption request should be given to Fund manager at least 20 (twenty) Calendar days before to the redemption dates.

11.15. Redemption amounts shall be paid in cash, at the latest 30 (thirty) Calendar Days after the NAV Calculation Date. Payments are made by wire transfer, and any costs incurred therewith will be borne by the redeeming Unitholder. Redemption proceeds may not be paid in-kind.

11.16. The Fund Manager retains the right to suspend redemption payment as long as the Fund has not sufficient liquidity for the redemption. However, this will not waive the Fund



Manager's obligation to establish the sound liquidity management procedures including the liquidity buffer in order to meet Fund's short-term cash outflows and redemption payment needs.

11.17. The Manager has the authority to permit or require any Unitholder to redeem from the Fund (in whole or in part) at any time if a Unitholder significantly violates an AIFC, Kazakhstan and international law, including Anti-money laundering and Counter-terrorism Financing acts, Crime acts and other applicable law and regulations, and, in turns, such violations are accompanied by the decision of the Court of any applicable jurisdiction and could lead to a material adverse effect on the Fund. In such case, Manager may require the immediate redemption of such Unitholder (in whole or in part). Except to the extent the Manager determines necessary or advisable pursuant to applicable law, any such redemption required by the Manager shall occur on the terms specified herein with respect to redemptions under the general dealing procedures (except that no Redemption Fee shall be charged).

11.18. A redemption order will not be treated as valid unless it is in respect of Units which are registered and for which the issue/subscription price has been fully paid.

12. INVESTMENT OBJECTIVES OF THE FUND

12.1. Investment Goal

Investment Goal of the Fund Manager in managing Fund's assets is to achieve an average absolute annual return of not less than 10% in USD terms net to investors after all fees and expenses.

In order to achieve this goal, Fund Manager will have a flexibility to invest across the tradable securities universe, including but not limited to money market instruments, shares, ETFs, ETNs, government bonds, inflation linked bonds, investment grade corporate bonds, emerging market debt and high yield bonds in addition to currency markets, derivatives and other OEICs duly established and licensed by the AFSA.

The Fund will be actively managed with aim to provide a positive absolute return without tracking of any particular benchmark or index. In the same time, Fund Manager will aim to compromise to deliver capital preservation and liquidity, while striving a competitive yield, through a multi-strategy approach. The income earned by the Fund will be accumulated and this be reflected in NAV of Fund and in value of its Units. At the sole discretion of the Fund Manager the Fund may distribute part or whole of its profits in a form of dividend.

12.2. Statement on Risk

The Fund is not a guaranteed investment income vehicle. Investor in the Fund may even lose all its investments and may get back less than the amount invested. Information on past performance, where given, is not necessarily a guide to future performance. The capital value of Units in the Fund can fluctuate and the price of Units can go down as well as up and is not guaranteed, thus the risk of loss of Investments will be borne by the Unitholders.

The relevant risks associated with Investments in Fund are disclosed in the Offering Materials of the Fund.

12.3. Investment Strategy

The Fund Manager will seek to build well-diversified portfolio, where no single decision or investment has a dominant impact on the Fund.

In line with the Fund's main investment goal the Fund Manager will have a significant degree of freedom to invest outside its principal geographies, market sectors, industries or asset classes. Furthermore, the Fund may use financial derivative instruments, including complex financial derivative instruments or strategies, to meet its investment goal.



The Fund will also seek opportunities to invest in peer OEICs duly established and licenced by AFSA to diversify away the risks of Fund's portfolio and to gain indirect access to alternative markets, instruments and to benefit from professional knowledge and competence of peers in order to maximize the returns.

All these will be assured through:

- (i) ensuring portfolios are well diversified across a number of different sectors, instruments, issuers and geographical regions;
- (ii) the use of fundamental research of potential issuers in order to identify the highest quality issuers;
- (iii) following bottom-up instrument selection approach, looking out the instruments which are significantly mispriced due to structural and/or cyclical concerns;
- (iv) maintaining balanced liquidity buffers.

12.4. Description of Asset Allocation of the Fund and Investment Limits

At any given time, the Fund's assets can be invested in the following asset classes:

Asset class	Maximum investment limits out of Fund's total assets	Comment
Cash	up to 100% before the active investment stage	The Fund may hold up 100% of its assets in Cash in order to maintain an adequate and balanced liquidity buffer and retain an ability to utilize favourable investment opportunities
Money market instruments (cash equivalents)	up to 100 %	Various money market instruments (short-term treasury bills, commercial papers, term deposits, repurchase agreements) to meet high liquidity, high security and fixed return need of Fund in short-term perspectives
Fixed income instruments	up to 50%	Up to 50% of Fund's assets may be invested in fixed income instruments, including but not limited to government bonds, inflation linked bonds, investment grade corporate bonds, emerging market debt and high yield bonds as an anchor absolute return source
Listed shares (equity) with high quality of liquidity, including ETFs and ETNs	up to 80%	High quality instruments listed in prime US stock exchanges (NYSE, NASDAQ) to deliver positive returns primarily through liquid growth stock selection and to balance performance between risk and return
Hedging instruments	up to 30%	The Fund may limitedly use various derivatives including futures, forwards, swaps, options etc to achieve indirect exposure to the main assets listed above, or to generate additional capital in line with the Fund's risk profile or with the aim of risk or cost reduction
Shares/Units of the other OEICs duly	up to 30%	The Fund may invest in other peer OEICs in



established and licenced by AFSA		order to portfolio diversification
----------------------------------	--	------------------------------------

The Fund will cautiously and limitedly use borrowings and stock lending as well as may have net short exposure to the market in line with permits/limits of AFSA regulations. The main purpose in use of borrowings and leveraged instruments is to amplify the returns of tracked instruments. It is not intended; however, the Fund may be leveraged up to 150% of its NAV as a result of its investments. Manager will ensure that the Fund is not leveraged beyond this limit. Consequently, the Fund’s assets could be used as a collateral for the borrowings and leveraged derivative instruments.

In order to exploit apparent market imbalances and mitigate market risks short-selling or margin trading may be employed The Fund could take short positions directly or synthetically through the use derivatives. The maximum absolute value of the Fund's short positions should not exceed 50% of Fund’s NAV.

Any short positions (borrowings) in excess of 50% of Fund’s NAV must be closed immediately.

13. GENERAL MEETINGS

13.1. The Fund shall in each year hold a general meeting as its Annual General Meeting in order to present annual results of the Fund and its audited financial statements to Shareholders. Annual General Meetings shall be held once in each year within 3 (three) months after the end of each financial year.

13.2. The Fund Manager may call (convene) the General meetings by at least 15 (fifteen) Business days’ notice. Any notice convening a General Meeting shall specify the time and place of the meeting, the general nature of that business, any proposed Resolutions.

13.3. Only the holders of the Management Shares may vote at any General Meeting of the Fund.

13.4. No General Meeting of the Fund may take place unless there is a quorum. Unless the Fund has only a single Unitholder, at any General Meeting of the Fund, 2 Unitholders personally present or represented by proxy are a quorum.

13.5. If a quorum is not present at a General Meeting within half an hour after the time specified in the notice calling the meeting (the meeting start time), the meeting must be adjourned to a place and time decided by the Fund Manager. If during the meeting a quorum ceases to be present, the meeting must be adjourned to a place and time decided by the Manager.

13.6. The duly authorised representative of Manager chairs the meeting.

13.7. The Fund must ensure that the books containing the minutes of the General Meetings of the Fund are kept at the Fund’s registered office, and are open to inspection during business hours by the Unitholder without charge. The books can be stored using a system of mechanical or electronic data processing or any other medium that is capable of reproducing any required information in intelligible written form within a reasonable time.

14. VALUATION OF ASSETS OF THE FUND AND CALCULATION OF THE NET ASSET VALUE

14.1. A detailed Fund’s valuation policy and procedure are developed and implemented in cooperation with a Fund Manager to avoid any discrepancy that could occur between the



managerial reports used for the internal decision-making process of the Fund manager and calculating the value of Units.

14.2. Clause 14.9 of this Chapter covers a short description of procedure and methodology that could be used in the valuation process for the following purposes:

- (i) a NAV calculation;
- (ii) evaluation of Units value;
- (iii) managerial decision-making processes.

14.3. On a quarterly basis or frequently Fund Manager, that acts as the Fund's Administrator, calculates the Net Asset Value of the Fund by using current market value of assets and liabilities for both listed and unlisted instruments on the periodicity given in Clause 14.9 of this Chapter;

14.4. The price of one Unit is calculated by the fund Manager at each Valuation Date. Correspondingly, price of one Unit is the Fund's NAV divided by the number of Units outstanding at the Valuation Date.

14.5. Accounts of the Fund shall be kept and financial statements of the Fund shall be prepared following the IFRS, AIFC Legislation and Rules, which define keeping of financial accounts and drawing up of financial statements, as well as other legal acts regulating financial accounting and financial statements.

14.6. All valuations of assets and liabilities of the Fund are made applying the local and international valuation standards. Valuations are nominated in US dollars.

14.7. The Net Asset Value shall be calculated by deducting liabilities, including the Management Fee commitments and the Success Fee commitments, from the assets of the Fund.

14.8. The assets and liabilities of the Fund shall be measured at fair value, except as defined in IFRS. The fair value is the value, for which it is possible to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date.

14.9. Fund manager may exploit the following techniques recommended by the International valuation standards:

	APPROACH	TECHNIQUES	INSTRUMENTS	PERIODICITY
1	Market approach	<ul style="list-style-type: none"> • Comparable transactions; • Market quotes of liquid instruments • Comparable multiples 	Cash and cash equivalents (in case of high impairment risk)	Daily
			Listed stock	Monthly
			Listed debt instruments	
			Listed hedging instruments	
			Non-listed instruments (debts, hedges and so on)	Semiannual
2	Income approach	<ul style="list-style-type: none"> • Discounted cash flow to the firm or equity; • Dividend discounting model; 	Non-listed instruments (debts and others)	Semiannual



		<ul style="list-style-type: none"> • Constant growth DDM; • Capitalization model. 		
3	Cost approach	Adjusted net asset method	Cash and cash equivalents	Daily

15. ACCOUNTING AND AUDIT OF THE FUND

15.1. The base currency of the Fund is US dollars.

15.2. The Fund Manager shall keep accounts of the Fund and Fund according to requirements set by the effective IFRS.

15.3. The Fund Manager performs the accounting services with respect to the Fund:

- (i) maintain such books and records with respect to the Fund's investments transactions;
- (ii) all transactions of the Fund will be reflected on the Fund Manager's accounting system which will provide the underlying records for the preparation of the accounts and the Net Assets Value calculation;
- (iii) undertake corresponding periodical reconciliations of all bank accounts, cash and investments balances with the banks;
- (iv) monitor and calculate applicable contractual expenses to be accrued within the calculation of the Net Assets Value of the Fund;
- (v) on quarterly basis calculate the Net Asset Value of the Fund by using current market value of assets and liabilities.

15.4. The financial statements of the Fund for each financial year shall be audited by an authorised Auditor (audit firm).

15.5. A decision on selection of an auditor shall be taken by the Fund Manager. The conditions of remuneration for the Auditor's work shall be set by the Fund Manager.

15.6. Audit shall be performed according to legal acts regulating audit and auditors' work, the terms and conditions of the agreement between the Manager and the Auditor.

16. CLIENT COMMUNICATION AND REPORTING

16.1. All the communications between the Manager and Unitholders, including periodic reports, will be organised by means of emails or private channels on available social media platforms, whichever is preferred by each Unitholder.

16.2. The Fund Manager prepares and sends reports on changes in the NAV and Unit price for the quarter within first 15 (fifteen) Business days of the month following the end of each quarter.

16.3. Quarterly reports shall contain the following content:

- (i) client identification;
- (ii) the number, description, and the current value of Units of the Fund;
- (iii) the total value of the portfolio and its composition including the amount and proportion of cash held in the Fund.

