



Approved by the Fonte Capital Ltd
Chief Executive Officer Order #21
dated July 26th, 2023

(with amendments approved by the
Resolution of the Management Board
of the Fonte Capital Ltd # 40 dated
November 29, 2024)

**OFFERING MATERIALS
OF THE OPEN-ENDED EXEMPT FUND
“FONTE EMERGING MARKETS UMBRELLA FUND OEIC LIM-
ITED”**

- ! The Astana Financial Services Authority 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. ([AIFC CIS, 5.3, h](#))

Astana International Financial Centre

List of Amendments

Version	Initial version
1	<ul style="list-style-type: none"> – approved by the Chief Executive Officer Order № 1/2 dated January 27, 2023 – comes into force on January 27, 2023
2	<ul style="list-style-type: none"> – approved by the Chief Executive Officer Order № 21 dated July 26, 2023 – comes into force on July 26, 2023
3	<ul style="list-style-type: none"> – approved by the Resolution of the Management Board of the Fonte Capital Ltd dated February 26, 2024 – comes into force on February 26, 2024
4	<ul style="list-style-type: none"> – approved by the Resolution of the Management Board of the Fonte Capital Ltd dated June 10, 2024 – comes into force on June 10, 2024
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Disclaimers

Fonte Emerging Markets Umbrella Fund OEIC Limited (hereinafter – the **Fund**) is an exempt investment fund registered on the territory of the [Astana International Financial Center \(AIFC\)](#), organised as an [Umbrella Fund](#), and reserved only for [Professional Clients](#) that have made their own assessment of the conditions of their participation in the Fund based on its [Constitution](#) and the [Offering Materials](#). Accordingly, it is the responsibility of participating investors to determine whether their rights and obligations are suitable for them. Only those particular representations and warranties, if any, which are made in the Fund’s Constitution and Offering Materials, subject to such limitations and restrictions, shall have any legal effect.

This document constitutes Offering Materials which provide general information about the Fund and Sub-Funds accordingly. The Offering Materials shall be read in conjunction with the Annex of each separate Sub-Fund where further specific information on the characteristics of the Sub-Fund is described (the “**Annex**” or “**Annexes**” as the case may be).

In order for Shares of Sub-Fund to be admitted to the Official List of Astana International Exchange (the “AIX”) and to be admitted to trading on AIX, the Annex on relevant Sub-Fund shall be delivered to AIX for approval based on separate application. Only the Annex on Shares of each separate Sub-Fund, which is approved by AIX for admission to listing and trading, will be published on the website of the AIX at www.aix.kz via the AIX Regulatory Announcement Services (the “**AIX RAS**”).

Any reference to the Fund includes any or all of the Sub-Funds and vice versa as the case may be.

Prospective investors who receive this Offering Materials should conduct their own analysis of the Fund, its business nature and data described herein, and should also read, understand and observe all related regulatory requirements and restrictions with respect to the acquisition and disposition of Fund’s Investors Shares (hereinafter – Shares) under applicable [legislation](#). Subscribers are recommended to consult with their (own) qualified advisers for exhaustive legal, regulatory, tax, accounting, and financial advice prior to signing the subscription agreement for the Shares and to carefully review the applicable Fund’s documents, which are available upon request. The investment in the Fund involves certain degree of risks. Each prospective investor should proceed on the assumption that Shares have no guaranteed profit. Hence, the Fund’s investor must bear the economic risk of loss of investments in the Fund for the whole duration period of investments and be able to withstand a total loss of its investment. A subscription for the Shares should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Funds. The listed Sub-Fund will be identified in the corresponding Annex of the Offering Materials, and liquidity is not guaranteed, as there may not be an active market for the Shares.

No person has been authorised to give any information regarding the Fund other than that contained in the Fund’s Constitution and Offering Materials, or to make any representation in connection with the Shares other than the representations described in the aforementioned official documents of the Fund, and, if given, such other information or representations must not be relied upon as having been authorized by the Fund or its Manager.

The Fund's Constitution, Offering Materials, and other Shareholder-related documents are confidential and furnished solely for the use of prospective purchasers who, by accepting these materials, agree not to transmit, reproduce, or make the information contained herein available without proper authorization. However, in accordance with AIX Business Rules LFR 2.3, once the Offering Materials have been approved by AIX, they must be made available to the public as soon as is reasonably practicable and, in any case, at a reasonable time in advance of (and at the latest at the beginning of) trading on the AIX. It is important to note that nothing in these documents should be relied upon as a promise or representation regarding the future or as a public offer since the Fund is intended for Professional Clients only. Any Annex related to non-listed Sub-Funds does not require AIX approval.

THE CONSTITUTION AND OFFERING MATERIALS OF THE FUND ARE A COMPLETE SUMMARY OF TERMS AND CONDITIONS WHICH RULES THE ACTIVITY OF THE FUND. ALL THE SUPPORTING MATERIALS PROVIDED TO THE CLIENTS SHOULD BE IN COMPLIANCE WITH THE FUND'S CONSTITUTION AND OFFERING MATERIALS. IN CASE OF ANY CONTRADICTION WITH OTHER RELATED TO FUND DOCUMENTS, THE TEXT OF THE FUND'S CONSTITUTION AND OFFERING MATERIALS SHALL PREVAIL.

! Value of an Investor's investment in the Fund may increase or decrease.

Past investment results do not determine future returns.

The Fund, its Manager, AIX or the Astana International Financial Center (AIFC) do not guarantee returns on investments.

! Investor should be aware that the value of investments and the income from them, and therefore the value of and income from the shares can go down as well as up and an investor may not get back the amount invested.

! Investor should read and understand the Constitution and Offering Materials of the Fund, its investment declaration, and certain risks before investing assets in the Fund.

! This Fund is an [Exempt Fund](#), organised as an [Umbrella Fund](#) for the purposes of the [AIFC Collective Investment Scheme Rules](#) (AIFC CIS).

It is intended only for sophisticated investors and is not subject to many of the requirements of the Collective Investment Scheme Rules. ([AIFC CIS, 5.3, 1](#))

! **Astana International Exchange Ltd (AIX) and its related companies and their respective directors, officers and employees do not accept responsibility for the content of this Offering Materials including the accuracy or completeness of any information or statements included in it. Liability for the Offering Materials lies with the issuer of the Offering Materials (as defined below). Nor has AIX, its directors, officers or employees assessed the suitability of the securities to which the Offering Materials relates for any particular investor or type of investor. If you do not understand the contents of this document or are unsure whether the securities are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor. The Disclosed Information, including this document, will be available on the Fund/Fund Manager's website as well as the AIX website.**

! **A separate Sub-Fund listed on AIX will be identified in the Annex to these Offering Materials. Any Annex and changes thereto related to Sub-Funds not listed on AIX, do not require AIX approval.**

! The Fund/ Fund Manager will fulfill its obligations to disclose information on AIX website at <https://www.aix.kz> via AIX RAS in accordance with the requirements of AIX Business Rules. Additionally, the disclosed information will be available on both the Fund Manager's website (www.fonte.kz) and on the AIX website at <https://www.aix.kz>.

! This Offering Materials are not to be reproduced or redistributed without the prior written consent of the Fund Manager.

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1. Information on the Fonte Emerging Markets Umbrella Fund OEIC Limited

Part of the Fund's Offering Materials that contains a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the Fund is established (AIFC CIS, 5.3, b: iii).

1.1. Information on jurisdiction and applicable law

1. Activity of the Fonte Emerging Markets Umbrella Fund OEIC Limited as an [Umbrella Fund](#) (hereinafter referred to as – the "Fund") is regulated by the law of the [Astana International Financial Center](#) (AIFC), including [AIFC Collective Investment Scheme Rules](#) (AIFC CIS).
2. The Constitution of the Fund is the main legal contractual agreement of the Fund that binds the Fund, its Manager, each (potential) shareholder of the Fund and any Person claiming through any of them in accordance with its terms as if they were a party to the Constitution of the Fund¹.
3. The content of Offering Materials², including Annexes thereof, is prepared in accordance with the requirements and provisions of AIFC CIS (clause 5.3) and other related rules and regulations implemented by the AIFC and AFSA, as well as the AIX Business Rules.

Content of this Offering Materials is applicable to the Fund unless stated otherwise in the Annexes to this Offering Materials stipulating specifications of the Sub-Funds. Each Sub-Fund has its own Annex. Each time a new Sub-Fund is created a new Annex is added to this Offering Materials subject to notification to AFSA.

4. The basic terms used in this Offering Materials are defined:
 - 1) by the applicable legislation ([Glossary](#)) of the AIFC;
 - 2) explicitly in its content and in the Constitution of the Fund;
 - 3) due to applicable (international) standards of activity, reporting, quality or provisions of the best corporate and business practices.
5. The following apply in the interpretation of this Offering Materials, including its Annexes, unless the context requires otherwise:
 - 1) a reference to any law, act, regulation, rule, or similar instrument includes any consolidations, amendments or reenactments of it, any replacements of it, and any regulation or other statutory instrument issued under it;
 - 2) all terms with capital letters shall have the meaning ascribed to them in accordance with AIFC Rules and/or AIX Business Rules unless otherwise provided in this Offering Materials;
 - 3) a reference to the singular includes the plural number and vice versa;
 - 4) a reference to a gender includes a reference to each gender;
 - 5) a Person includes any Natural person, Body Corporate, or body unincorporated, including a legal person, company, partnership, unincorporated association, government or state.

1.2. Recognition and enforcement of judgments

1. All disputes, both contractual and non-contractual, arising from the activities of the Fund and the Fund Manager, including issues related to the existence, validity or termination of the Fund's activities, are subject to the exclusive jurisdiction of the AIFC Court.
2. The language of the court proceedings is English.

¹ The Constitution of the Fund contains information specified in the AIFC CIS ([Schedule 1](#)).

² The Offering Materials of the Fund contains information specified in the AIFC CIS ([Clause 5.3](#)).

1.3. Description of the Fund

1. The Fonte Emerging Markets Umbrella Fund OEIC Limited as an investment Fund (hereinafter referred to as – the "Fund") is:
 - 1) established by the private company [Fonte Capital Ltd](#) with a license given by the [Astana Financial Services Authority](#) (AFSA) to conduct the following regulated activity: "Managing collective investment scheme in respect of exempt funds", number AFSA-A-LA-2022-0004 which is active since January 27, 2022;
 - 2) established in a form of a Private Company – Open-Ended Investment Company (hereinafter - OEIC);
 - 3) organised as an [Umbrella Fund](#) and each Sub-Fund created by the Fund comprises or will comprise a separate Sub-Fund. Creation of the Sub-Funds is subject to AFSA being notified by the Fund of such creations accordingly. The Fund is not constituted as a Protected Cell Company in accordance with the provisions of the AIFC CIS, and therefore the Sub-Funds are not statutorily or constitutionally ring-fenced. The Fund is using arrangements to segregate Sub-Funds assets and liabilities set forth herein. Contributions of Shareholders in the Fund and the profits or income out of which payments are to be made to the Shareholders are pooled separately in separate Sub-Funds constituting separate parts of the Fund Property. There is no cross-Sub-Fund liability; each Sub-Fund's liabilities are confined to the assets of that specific Sub-Fund. If a particular Sub-Fund becomes insolvent or exhausts its assets, the Fund Manager will ensure that no other Sub-Fund is affected by meeting any remaining liabilities attributable to the insolvent Sub-Fund. Separate accounts and ISINs are created for each Sub-Fund in the internal accounting system of the Fund Manager's (back office). In addition, segregation of accounts by Sub-Funds is also ensured by the Fund Manager through the opening of separate accounts with servicing banks, brokers (nominee holders), custodians, and other service providers specified in sections 3.2–3.5 of this Offering Materials. Each Sub-Fund will, in turn, be subdivided into one or more separate Shares.
 - 4) established with maximum size of the Fund Investors' Share capital equal to 1 000 000 000 (one billion) USD and minimum Investors' Share capital starting from 500 000 (five hundred thousand) USD;
 - 5) established with base currencies of the Fund in USD, EUR, CHF, KZT, RUB, and other alternative or additional currencies (mentioned in the relevant Annexes) as equivalents to the amounts in USD;
 - 6) established with the duration (or life period) of the Fund and its Sub-Funds being defined in the respective Annex describing each Sub-Fund , and for each Sub-Fund, a subscription form specifying the particular Sub-Fund will be signed with clients ;
 - 7) located at its registered official address: Z05T6A9, Astana, Esil district, 60/4, Syganak, office 506.
2. The principal place of business of the Fund is Astana International Financial Centre (AIFC).
3. The Fund has designated or issues two classes of shares: Management Shares and Investor's Shares.
4. Management Shares of the Fund are:
 - 1) available only to the Fund Manager (fully paid and held only by the Fund Manager);
 - 2) voting, with the right of management;
 - 3) not redeemable, but with a right to participate in income only in a form of a defined Performance fee;
 - 4) in a maximum registered quantity of 100 shares with a par (nominal) value of 1 (one) USD each.
5. Investor Shares of the Fund (hereinafter referred to as – the "Share" and its holder – the "Shareholder") with the following features:
 - 1) available by a way of private placement only to the Professional Clients – investor(s) of the Fund.

Investor's Shares are issued in different Units for example A Units, B Units etc that correspond to specific Sub-Funds. Each Sub-Fund has its own investment objective and is designated by a corresponding alphabetical letter (and, if necessary, a number) to identify its specific Units within that Sub-Fund. Thus, Units represent individual Shares within each Sub-Fund, rather than the Sub-Funds themselves;

- 2) non-voting, without managing rights;
 - 3) available for a minimum subscription amount for each (new) Fund's Shareholder equal to 50 000 (fifty thousand) USD;
 - 4) up to 1 000 000 (one million) Investors' Shares shall be issued to Professional Investors (Shareholders) with a par (nominal) value of 1 000 (one thousand) USD of each Share, or Share price equal to its Net Value of Share³;
 - 5) with right to participate in Fund's income in proportion to the amount of money invested in an individual Sub-Fund;
 - 6) with a right to exchange Investor's Share of one Sub-Fund to Investor's Share of another Sub-Fund within the Fund, such exchange shall be treated as a redemption and further reissue in the relevant Sub-Fund;
 - 7) redemption shall only be available subject to the absolute discretion of the Fund Manager;
 - 8) Shares in each Sub-Fund are assigned a separate International Securities Identification Number (ISIN) and Classification of Financial Instrument (CFI) code by the Central Securities Depository JSC. The specific ISIN and CFI code for Shares in each Sub-Fund will be provided in the respective Annex.
6. The holder of each Share does not have day-to-day control over the management of the property⁴ of the Fund and does not have the right to vote, as well announcing, gathering, attending, and voting at any general meeting of holders of the Shares.
7. Fund's Shareholders are not liable:
- 1) for the debts of the Fund, unless the applicable legislation prescribes otherwise and, if so, those circumstances;
 - 2) to make any further payment after he has paid the total issue (purchase) price of the Shares and that no further liability can be imposed on him in respect of the Shares he holds.
8. The Fund's Manager has the right to impose restrictions and demand guarantees that it deems necessary or acceptable to ensure that there are no cases of holding Shares by a person who:
- 1) violates the law or the requirements of any country or governmental authority;
 - 2) made a false statement when submitting a subscription form, or who gave a statement that subsequently lost its validity; or
 - 3) is in circumstances (directly and indirectly affecting such person, individually or jointly with another person, related or not, or in other circumstances that the Fund's Manager deems significant) in which the Fund's Manager concludes that a permanent ownership of Shares by such a person may lead to an unjustified risk of adverse tax or other consequences for the Fund.

2. Investment policy of the Fund

³ Net Value of Fund's Share is the Net Value of an Investment Fund's Assets less its Liabilities (NAV), divided by the number of Shares outstanding.

⁴ Property means assets and rights of any kind including real, personal, moveable, and immoveable property of any nature, wherever situated, including income, financial products, currency, cash, bank accounts and chooses in action.

Part of the Fund's Offering Materials that contains following information (AIFC CIS, 5.3, b: i, ii, xv):

- 1) a description of the investment objective, policy of the Fund, the types of assets in which the Fund may invest, and a description of the procedures by which the Fund may change its investment policy;
- 2) applicable investment restrictions and techniques the Fund may employ and associated risks;
- 3) the total amount of leverage employed by the Fund; and the circumstances in which the Fund may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements, and the maximum level of leverage which the Fund may utilize.

2.1. Warning

1. Notwithstanding anything to the contrary contained herein, no direct or indirect (whether express or implied) assurance can, is and shall be given that the Fund will or is likely to achieve its investment objectives, and thus, losses may be incurred by the Fund in respect of its Investments and or the Shareholders in respect of their respective invested amounts.

2.2 Objectives

1. The Fund's investment objective is to provide Shareholders with income and long-term capital appreciation through exposure to or seeking of:
 - 1) fixed-income securities, corporate debt securities (commercial papers) of emerging markets, euro-bonds, including issued or guaranteed by Russian Connected Entities⁵ (altogether hereinafter – Bonds). This shall be achieved by providing investors with exposure to Bonds of varying maturities which the Fund Manager believes exhibit the potential for profitability and income generation, taking into consideration the current geopolitical context;
 - 2) arbitrage price disparity on trading venues by investing in selected equities of emerging markets, including equities of Russian Connected Entities that are listed, delisted, or suspended from trading in the international market (altogether hereinafter – Equities). The investment strategy is to acquire any distressed Equities which is seeking to recover the entire value in a short-term period;
 - 3) digital assets and other alternative investments, which may include a diverse range of digital securities and assets with high growth potential. The Fund Manager will focus on digital assets that align with the Fund's risk profile and long-term objectives, taking advantage of market trends in this sector.
2. The goal of the portfolio is to provide investors with exposure to target Bonds and Equities which the Fund Manager believes exhibit the potential for profitability and income generation within the current geopolitical context.

2.3. Strategy

1. The Fund is passively managed and will seek to achieve its objective by investing in target Bonds and Equities, which are primarily denominated in USD, EUR, CHF, KZT or RUB.
2. The strategic allocation of Fund's investment portfolio assets across broadly defined asset classes with varying degrees of risk, return, and return correlation will be the most significant determinant of long-term investment returns.

The target asset allocation as well as the operating ranges for each particular Sub-Fund are established in the Annexes to this Offering Materials.

⁵ "Russian Connected Entity" means a legal entity domiciled in or otherwise conducting activities within the Russian Federation including commercial enterprises and sub-divisions, agencies or instrumentalities of the Russian government, in all cases excluding any legal entity that is a Sanctions Restricted Party.

The Fund Manager keeps the record of all Sub-Funds currently existing and discloses it on its website at www.fonte.kz. In case of the listing of any Sub-Fund on AIX, the Annex to such Sub-Fund will be disclosed on AIX website at www.aix.kz.

3. The Portfolio composition for each of Sub-Funds will vary over time depending on the Fund Manager's assessment of overall market conditions, opportunities, and outlook. Although the Fund is passively managed, adjustments in portfolio composition may occur to maintain alignment with the targeted bonds and equities denominated primarily in USD, EUR, CHF, KZT, or RUB.
4. The portfolio structure/composition to be rebalanced in line with the investment declaration within a period of no more than 30 (thirty) calendar days from the date of deviation from the investment declaration (described in the respective Annex).
5. The underlying assets of the Fund can be diverse and cover both long and short positions and a full range of assets. The Fund may be exposed to market risks and risks associated with trading activities – for example, off-exchange trading, short selling, leveraged trading, frequent portfolio turnover and speculative position limits – which may result in losses for the Fund or periods of Fund underperformance.
6. Periodically, actual allocations will be compared to appropriate and applicable targets, and the portfolio will be re-balanced to adhere to the operating ranges. If the Fund Manager believes that certain conditions justify exceeding the allocation exposure constraints for an extended period, they may be exceeded only with the Fund Manager's Investment Committee's written decision.

2.4. Investment Process, Techniques and Restrictions

1. To achieve the Fund's investment objectives the Fund Manager may employ techniques and instruments relating to the investments subject to the conditions of AIFC rules and regulation and provided such techniques and instruments are used for efficient portfolio management or for providing protection against diverse inherent risks.
2. Bonds or Equities of Russian Connected Entities as the Fund's investment objects shall be issued by an entity, which at the time of investment is not a Sanctions Restricted Party⁶ and will meet at least of the following criteria:
 - 1) the issuer has operations/assets outside the Russian Federation;
 - 2) the Fund Manager has access to the management of the issuer;
 - 3) there is security available;
 - 4) Bonds or Equities legal profile includes inter alia alternative currency provisions;
 - 5) there are no envisaged (to the best of the Fund Manager's knowledge) adverse actions on the part of the corporate service providers;
 - 6) there exists little to no doubt that the issuer is willing and eager to service its obligations in the currency of the Bonds or Equities.
3. Following the initial investment by the Fund in Bonds or Equities of Russian Connected Entities:
 - 1) a issuer may become a Sanctions Restricted Party. The Fund may continue to hold such investments at the discretion of the Fund Manager if it uses commercially reasonable efforts to sell such Bonds

⁶ Sanctions Restricted Party - an entity or individual that is subject to sanctions or restrictions imposed by relevant authorities, including, but not limited to, sanctions by the United Nations, European Union, United States, United Kingdom, or any other jurisdiction applicable to the Fund. This includes entities or individuals listed on sanctions lists that would prohibit or restrict investment or transactions with such parties.

and cause such investments to make 0% (zero percent) impact on the Fund's Net Asset Value within 6 (six) months from the inclusion of the issuer on the sanctions list by a Sanctions Authority⁷;

- 2) any issuer may launch an exchange offer and consequently have a:
 - Bond's maturity extended; and/or
 - Bonds converted into a different market instrument including but not limited to a Russian law governed bond;
 - 3) an issuer may pay to the Russian law-governed "C" type account in RUB instead of using a standard payment routine.
 - 4) an issuer may choose to deal with its target Bonds or Equity in such other manner as is permitted by applicable law (including Sanctions) and is otherwise commercially feasible;
 - 5) the target Bonds may have fixed, variable or floating rates of interest and may vary inversely with respect to a reference rate.
4. The Fund may also invest in instruments (irrelevant of the jurisdiction) including money market instruments such as bank deposits, certificates of deposit, commercial paper, floating rate notes and freely transferable promissory notes for ancillary liquidity purposes. The Fund may also invest in cash or liquid instruments for liquidity purposes and for the purposes of paying any expenses due by it.
 5. Subject to the provisions set forth in this Offering Materials, the Fund may also use derivative instruments such as futures, options, total return swaps, interest rate swaps, currency swaps, credit swaps, index swaps and credit default swaps (which may be listed or over the counter) and may also enter into currency forward contracts. Such derivative instruments may be used for hedging or investment purposes. The reference assets underlying the total return swaps, if any, shall be any security, basket of securities or indices, which are consistent with the investment policies of the Fund described in this Offering Materials. The counterparties to all swap transactions will be institutions subject to prudential supervision and will not have discretion over the assets of the Fund.
 6. The Fund may be leveraged up to 100% of its Net Asset Value through the use of derivative instruments. The expected effect of utilizing financial derivative instruments for hedging purposes is a reduction in the volatility of the Fund's Net Asset Value and the expected effect of utilizing financial derivative instruments for investment purposes is an increase in the volatility of the Fund's Net Asset Value.
 7. Key risks associated with the Fund, its business nature, structure, investment policy, transactions, techniques, and restrictions are presented in this Offering Materials [part regarding risks](#).

2.5. Leverage and Borrowing

1. The investment policy of the Fund allows the Fund Manager to open levered positions in order to reduce the downside risk in periods of higher volatility and increases in equity exposure to the market risk.
2. For investment purposes, finance the acquisition of investments, in order to satisfy redemption cases, pay diverse organizational expenses or other purposes the Fund may borrow or raise money, and lend or borrow securities.
3. The total amount of gross leverage depends on the market risks and varies across different Sub-Funds subject to Net Asset Value (NAV⁸) of each Sub-Fund. Maximum leverage is capped at 100 % of NAV.

⁷ Sanctions Authority - any governmental or international body with the power to impose or enforce sanctions, including but not limited to the United Nations, European Union, United States Department of the Treasury (Office of Foreign Assets Control, OFAC), United Kingdom's HM Treasury, or any other authority whose sanctions apply to the Fund or its operations.

⁸ Net Asset Value (NAV) represents the net value of an Investment Fund in relation to a particular Sub-Fund of the Fund, which is calculated as the total value of the Fund's Assets minus the total value of Fund's Liabilities. NAV is commonly calculated at the end of each trading day based on the closing market prices of the portfolio's securities.

4. Nothing herein contained shall permit the Fund to borrow other than in accordance with the provisions of this Offering Materials.

3. Identities and duties of the Fund Manager and other Service Providers

Part of the Fund's Offering Materials that contains information regarding (AIFC CIS, 5.3, b: iv, v, xiv, xvii):

- 1) the identity of the Fund Manager, custodian or depositary, auditor and any other service providers for the Fund, a description of their duties and Shareholder's rights in respect of those persons;
- 2) the identity of prime broker for the Fund and a description of any material arrangements with that prime broker and the way the conflicts of interest in relation thereto are managed, information about the possibility of transfer and reuse of the Fund's assets by the prime broker, and information about any transfer of liability to the prime broker that may exist; and
- 3) a description of the arrangements in place for the safekeeping of cash held by or on behalf of the Fund pending investment or distribution to Shareholders;
- 4) a description of any functions that have been delegated by the Fund Manager; and any other of the Fund's service providers, the identification of each such delegate and any conflicts of interest that may arise from such delegations.

3.1. Fund Manager

1. The Fund Manager's name and its principal place of business:

[Fonte Capital Ltd](#) – private company with license given by the AFSA to conduct the following regulated activity: "Managing collective investment scheme in respect of exempt funds", number AFSA-A-LA-2022-0004 which is active since January 27, 2022; "Managing Investments, Providing Fund Administration, Advising on Investments, Arranging Deals in Investments, Managing a Collective Investment Scheme in respect of Non-Exempt Funds with a scope of authorization restricted to the specified Investments as Units in a CIS" – active since June 25, 2024;

Z05T6A9, Astana, Esil district, 60/4, Syganak, office 506, info@fonte.kz, www.fonte.kz.

2. The Fund Manager:

- 1) performs the functions conferred on it by the Fund's Constitution and by or under AIFC CIS;
- 2) manages the Fund including the Fund's property in accordance with the Fund's Constitution and Offering Materials;
- 3) complies with any conditions or restrictions imposed by the AFSA including those on its License or in respect of the Fund; and
- 4) complies with any requirements or limitations imposed under AIFC CIS including any limits relating to financial interests it or any of its associates may hold in a Fund, for which it acts as the appointed Fund Manager.

3. In exercising its powers and carrying out its duties, a Fund Manager:

- 1) acts honestly; and
- 2) exercises the degree of care and diligence that a reasonable person would exercise if he were in the Fund Manager's position; and
- 3) acts in the best interests of the Shareholders and, if there is a conflict between the Shareholders' interests and its own interests, give priority to the Shareholders' interests; and
- 4) treats the Shareholders interests of each Sub-Fund equally and fairly; and
- 5) does not improperly make use of information acquired through being the Fund Manager in order to:
gain an advantage for itself or another person; or cause detriment to the Shareholders in the Fund; and

- 6) ensures that the Fund's property is clearly identified as Fund property and held separately from the property of the Fund Manager and the property of any other Fund it manages; and
 - 7) ensures that none of its Sub-Funds invests in another of its Sub-Funds; and
 - 8) complies with any other duty or obligation as may be prescribed by or under AIFC CIS or any other law administered by the AFSA, and any obligations or requirements under AIX Business Rules and regulations; and
 - 9) carries out or comply with any other duty, not inconsistent with any enactment or rule of law in the AIFC, that is conferred on the Fund Manager by the Fund's Constitution.
4. Every officer, employee or agent of the Fund Manager:
- 1) does not make improper use of information acquired through being such an officer, employee or agent of the Fund Manager in order to: gain an advantage for himself or another person; or cause detriment to Shareholders in the Fund;
 - 2) does not make improper use of his position as such an officer, employee or agent to gain, directly or indirectly, an advantage for himself or for any other person or to cause detriment to the Shareholders in the Fund;
 - 3) complies with any other duty or obligation as may be prescribed by or under AIFC CIS or any other law administered by the AFSA; and
 - 4) carries out or comply with any other duty, not inconsistent with any enactment or rule of law in the AIFC that is conferred on him or her by the Fund's Constitution.
5. The Fund Manager takes reasonable steps to ensure that its officers, employees and agents comply with their obligations referred to above.
6. The Fund Manager duties in relation to Fund property are:
- 1) making decisions as to the constituents of the Fund's property that are in accordance with the Fund's Constitution and investment objectives and policy stated in this Offering Materials;
 - 2) taking all steps and execute, or procure the execution of, all documents to ensure that transactions relating to the Fund's property are properly entered into for the account of the relevant Fund;
 - 3) responsibility to the Shareholders for ensuring the safekeeping of the Fund's property in accordance with AIFC CIS.
7. The Fund Manager, as the sole holder of all Fund's Management shares, has an absolute discretion as to the manner, mode, and time of exercise of the powers, authorities, discretions, rights and duties conferred on it under the Fund's Constitution, this Offering Materials or the AIFC rules.
8. Any decision of the Fund Manager regarding the Fund, its assets, any issue, deal, transaction, operation, document or amendments to them could be made with obligatory consideration and resolution of the Management Board of the Fund Manager, some provisions about which are defined in the Annex 2 to this Offering Materials.
9. The Fund Manager is entitled, in the interests of the (potential) investor of the Fund (buyer/owner of the Fund's Shares), to submit the necessary instructions and documents on their behalf for opening a personal (sub-) account of the Investor within the Fund's accounting system or with a designated Registrar. This account will be used solely for the purpose of recording and transferring the Fund's Shares, as well as carrying out information or other permissible operations on such (sub-) accounts in accordance with the rules and conditions established by the relevant Registrar.

3.2. Fund Registrar

1. The Fund Registrar functions may be performed by one of the following entities:

- 1) Fund Manager itself as the sole or unified administrator of the Fund – for Shares that are not listed on AIX;
 - 2) AIX Registrar⁹ – for Shares that are listed on AIX;
 - 3) another authorised firm with special license or powers due to agreement with the Fund Manager, and with preliminary notifications of Shareholders.
2. The Fund Registrar is the firm that maintains Fund's Shareholders register in relation to each Sub-Fund and related books complete and up to date, and which contain at least actual data about the:
- 1) name and address of each Shareholder for each of Sub-Funds; and
 - 2) number of Shares including fractions of a Share held by each Shareholder; and
 - 3) date on which the Shareholder was registered in the Register for the shares standing in his name.
3. The Shareholders' register (in electronic or hard copy form) is available for Shareholders during normal business hours at the Fund Manager's place of business in the AIFC or special service provider place of business in other location that has been notified to Shareholders.

3.3. Fund's Banks

1. The Fund's Bank is a licensed, regulated and not affiliated with the Fund Manager bank where the bank accounts are opened in the name of the Fund for:
 - 1) further receipt of money from investors for the Shares purchased by them;
 - 2) providing the operational activities of the Fund itself; and
 - 3) (compulsory) redemption purposes as well.
2. Banks that maintain special separate accounts for the accounting and storage of the Fund's money as of the date of this Offering Materials:
 - 1) [Altyn Bank JSC](#) (SB of China CITIC Bank Corporation Ltd). Republic of Kazakhstan, A05A1B9, Almaty, Abay Ave, 109V, +7(727)2596900, info@altyn-i.kz; [license № 1.1.114, № 3.3.254/46 dated 23.10.2024]
 - 2) other eligible (authorised, licensed) banks upon to agreements with the Fund Manager and disclosed by the Fund Manager.
3. The Fund Manager is a single responsible entity for the management of the Fund's bank accounts and prompt distribution the cash from Fund's bank accounts to the Fund's accounts opened with the prime Brokers for further trading.
4. In accordance with appropriate agreement with Fund Manager the Fund Bank is responsible for the safe-keeping of cash held by or on behalf of the Fund on a separate custodial account for each respective Sub-Fund pending investment or distribution to Shareholders.
5. The Fund Manager may decide to change the banking institution for any other appropriate institution with relevant notification to Shareholders.

3.4. Fund Brokers

1. In order to implement the Fund investment declaration, to invest effectively the Fund's assets into diverse financial instruments the Fund Manager determines the prime Broker as a regulated licensed organization not affiliated with the Fund Manager.
2. The prime Broker and its principal place of business as of the date of this base Offering Materials:

⁹ AIX Registrar, a company incorporated in AIFC under company identification number 180840900010 with its registered office at Mangilik El Avenue, building 55/19, Astana, Kazakhstan.

- 1) [Freedom Finance Global PLC](#). Republic of Kazakhstan, Z05H9K3, Astana, Dostyk St, 16, No.2, +7(717)2727555, info@ffin.global. [license AFSA-A-LA-2020-0019]

The activities of Freedom Finance Global PLC as the AIFC participant are regulated by AFSA;

- 2) [Elidi Securities Ltd](#) (ex UGM Securities Ltd) Cyprus, 1075, Nicosia , Spyrou Kyprianou 20, Flat/Office 102, Agioi Omologites, +357 22 257 670, info@ugm.com.cy, www.ugm.com.cy; [license № 352/17 dated 28.12.2017]
 - 3) [IVA PARTNERS LLC](#) Russian Federation, 123112, Moscow, Presnenskaya embankment, 8, building 1, room IN Phone: (495) 792 55 50, <https://iva.partners>, info@iva.partners; [license # 045-12601-100000 dated 09.10.2009]
 - 4) other eligible (authorised, licensed) brokers due to agreements with the Fund Manager and disclosed by the Fund Manager.
3. The prime Broker executes buy and sell transaction due to orders received from the Fund Manager and provides a service such as buying on margin¹⁰. In placing orders, it is the Fund Manager's policy to obtain the best price and execution for its transactions.
 4. The prime Broker holds the assets of the Fund as the nominee holder on personal segregated accounts opened in the name of each Sub-Fund.

3.5. Fund Custodian

1. An eligible custodian as a sole unified custody of all Fund's assets is not required or does not exist due to the exempt nature of the Fund, investment and accounting approaches of the Fund Manager.
2. All assets of the Fund cumulatively are kept (held) in the appropriate separate accounts for each Sub-Fund maintained by the following subjects (named altogether hereinafter – the Fund Asset Holders):
 - 1) one or more Fund's Banks and prime Brokers due to agreements with the Fund Manager. Separate accounts for each Sub-Fund are established within these institutions, ensuring that assets attributed to one Sub-Fund are held distinctly from those of other Sub-Funds;
 - 2) institutions permitted under applicable regulation, selected by the Fund Manager on behalf of the Fund (including potentially affiliated companies), each of which maintains separate custody and accounting for assets of each individual Sub-Fund to prevent cross-contamination of assets
 - 3) any other eligible (authorized, licensed) organizations that serve as (nominee) holders or depositories, where the Fund Manager is designated as the management company of the Fund's assets. These organizations establish separate custody accounts for each Sub-Fund, ensuring asset segregation according to regulatory standards, including segregated reporting and asset accounting

To further ensure the integrity and separation of Sub-Fund assets, each Asset Holder is required to maintain comprehensive internal controls, periodic reconciliation, and reporting protocols to verify that assets belonging to one Sub-Fund are not used to cover obligations or liabilities of another Sub-Fund. In the event of insolvency of one Sub-Fund, the Fund Manager will ensure that the assets of other Sub-Funds remain unaffected and are protected by these segregated account structures.
3. The Fund Asset Holders shall ensure that the Fund's assets will only be credited and withdrawn in accordance with the instructions of the Fund Manager. The Fund Asset Holders shall set out the arrangements for recording and registering the Fund, claiming and receiving dividends and other entitlements and interest and the giving and receiving of instructions.

¹⁰ In finance, the margin is the collateral that an investor has to deposit with their broker or exchange to cover the credit risk the holder poses for the broker or the exchange. An investor can create credit risk if they borrow cash from the broker to buy financial instruments, borrow financial instruments to sell them short, or enter into a derivative contract.

4. Extent of liabilities of the Fund Asset Holders in the event of default shall be detailed out in special agreement with them.

3.6. Fund Accountant

1. The Fund Manager, as the Accountant of the Fund, ensures:
 - 1) preparation of the Fund's financial statements for each financial year in compliance with International Financial Reporting Standards (IFRS);
 - 2) preparation of an interim report for each Sub-Fund;
 - 3) maintenance of comprehensive accounting records.
2. The Fund Manager ensures separate accounting for the Fund's assets and provides distinct financial and other statements for the Fund's assets apart from its own or those of other investment funds..

3.7. Fund Auditor

1. The Auditor and its principal place of business:
 - 1) BDO Qazaqstan LLP. Republic of Kazakhstan, A15H4E3, Almaty, Gabdullin St. 6, +7(727)3313134, info@bdoqz.com;
 - 2) other eligible (authorised, licensed) auditors due to agreements with the Fund Manager, and with preliminary notifications of Shareholders.
2. The appointed external, independent Auditor conducts audits of the Fund's and Fund Manager's annual financial statements in accordance with the requirements of the relevant standards published by the International Auditing and Assurance Standards Board (IAASB) and to produce auditor's reports on those audited financial statements.
3. An annual report and audited financial statements will be sent to Shareholders within timelines stipulated herein following end of the Fund's financial year. For Sub-Funds that are listed on AIX, an annual report and audited financial statements will be disclosed on website of AIX via RAS by the Fund Manager.
4. The Auditors may change from time to time at the discretion of the Fund Manager with preliminary notifications of Shareholders.

3.8. Delegation by Fund Service Providers

Part of the Fund's Offering Materials that contains a description of a description of any functions that could be delegated by the Fund Manager and any other of the Fund's service providers, the identification of each such delegate and any conflicts of interest that may arise from such delegations (AIFC CIS 5.3.b.v).

Ability to delegate or outsource

1. The Fund Manager is responsible for all operations concerning the Fund and may from time-to-time delegate activities or outsource functions to any appropriate Person, but not the responsibility for conducting those activities and functions, to another Person in accordance with AIFC rules and regulations.
2. Delegation or outsourcing by a Fund Manager does not relieve the Fund Manager from any of its obligations in respect of a Fund.
3. A Fund Manager may only delegate or outsource a Regulated Activity on prior written notification to the AFSA at least 30 (thirty) days before the outsourcing or delegation is scheduled to take effect (the "specified date"). The outsourcing or delegation may only proceed if the Fund Manager does not receive an objection by the AFSA to the delegation or outsourcing prior to the specified date.
4. When delegating or outsourcing, a Fund Manager carries out due diligence on a proposed service provider prior to effecting a delegation or outsourcing and conclude on reasonable grounds that proposed service provider is suitable to perform the relevant functions.

Requirements for delegation or outsourcing

5. Any delegation or outsourcing by the Fund Manager is made on the basis of a written agreement with the relevant service provider.
6. If the Fund Manager delegates any activity or outsources any function to a service provider, it takes reasonable steps to ensure that it implements and maintains systems and controls to monitor the relevant service provider.
7. The Fund Manager in the cases of delegation or outsourcing any functions, reviews at least every six months the carrying out of the relevant activities or functions by the relevant service provider.
8. If the Fund Manager discovers any non-compliance in respect of a delegation or outsourcing agreement, the Fund Manager takes immediate action to remedy the matter and, where the non-compliance is material, notify the AFSA promptly.

Contents of delegation or outsourcing agreement

9. The Fund Manager ensures that any delegation or outsourcing agreement:
 - 1) sets out the functions or activities and service standards that will be applied to the carrying out of such functions or activities;
 - 2) provides that the service provider cannot in turn delegate any activities delegated to it, or outsource any functions outsourced to it;
 - 3) requires the service provider to maintain records to show and explain transactions in relation to each activity or function performed in relation to the Fund and to enable the Fund to prepare accounts in compliance with AIFC CIS and any other applicable law; and
 - 4) requires the service provider to:
 - retain the records for at least six years from the date to which they relate; and
 - keep the records, at all reasonable times, open to inspection by the Fund Manager, the Fund's auditor and the AFSA; and
 - ensure that the records are, if requested by the AFSA, capable of reproduction within a reasonable period not exceeding 3 (three) days in hard copy and in English.
10. The Fund Manager ensures that a delegation or outsourcing agreement contains an undertaking by the relevant service provider to comply with any rules applicable to the activity and to disclose to the AFSA and to the Fund Manager any material information that it would disclose to its Financial Services Regulator, if relevant, in relation to the conduct of the delegated or outsourced activity.
11. The Fund Manager maintains records of all agreements, and any instructions given to a service provider under the terms of a delegation or outsourcing agreement, for at least six years.

3.9. Conflict of interest

1. The Fund Manager takes reasonable steps to ensure that any dealing in relation to a Fund does not give rise to a [conflict of interest](#).
2. Where a conflict of interest arises, whether in dealings with associates or otherwise, the Fund Manager discloses to Shareholders the nature of the conflict and how the conflict is or will be managed.

3.10. Data protection

1. The Fund Manager's privacy or information security policy requires the Fund, Fund Manager and each Fund's service provider to maintain administrative, technical, and physical safeguards to protect information regarding Shareholders.

2. All Fund service providers act on the Fund's behalf and are obligated to keep the information about Shareholders provided to them confidential, and to use the information only to provide the services that they attracted to perform.

4. Fund's Valuation, Accounting and Pricing methodologies

Part of the Fund's Offering Materials that contains a description of the Fund's valuation procedure and of the pricing methodology for valuing assets (AIFC CIS, 5.3, b: vi).

4.1. Valuation

1. The Fund has comprehensive valuation procedures in place to ensure the production of timely and accurate valuation of the Fund and its Sub-Funds.
2. The Fund constitutes a single legal entity, but the assets of each Sub-Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Sub-Fund and the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.
3. The Fund will establish a separate pool of assets and liabilities in respect of each Sub-Fund and the assets and liabilities shall be allocated in the following manner:
 - a) the net proceeds from the issue of Shares in a Sub-Fund are to be applied in the books of the Fund to that Sub-Fund and the assets and liabilities and income and expenditure attributable thereto are applied to such Sub-Fund subject to the provisions set forth below;
 - b) where any income or asset is derived from another asset, such income or asset is applied in the books of the Fund to the same Sub-Fund as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value is applied to the relevant Sub-Fund;
 - c) where the Fund incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability is allocated to the relevant Sub-Fund;
 - d) if any asset or liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such asset or liability will be allocated to all the Sub-Funds pro rata to their respective Net Asset Values, or in such other manner as the Fund Manager, acting in good faith, may decide; and
 - e) upon the payment of distributions to the Shareholders of any Sub-Fund, the Net Asset Value of such Sub-Fund shall be reduced by the amount of such distributions.
4. The Fund Manager determines the value Fund's and each of its Sub-Fund's investment portfolio or NAV of the Fund and its Sub-Funds:
 - 1) regularly at the end of last trading (working) day of each calendar month;
 - 2) for the purposes of Share issuance or compulsory redemption – at the end of any trading (working) day; and
 - 3) due to any Shareholder or interested Stakeholder¹¹ request any time – at the end of any trading (working) day, except where such valuation is suspended in any circumstances.

Additionally, the NAV per Share for each respective Sub-Fund listed on AIX is calculated at the end of any trading (working) day and published next trading (working) day on the AIX website at <https://market.aix.kz/etf> before 11:00 a.m. Astana time.

5. Each Sub-Fund's NAV is the difference between Sub-Fund's assets and its liabilities.

¹¹ Stakeholder is a party that has an interest in a company (fund) and can either affect or be affected by the business (company or fund). The primary Stakeholders in a typical company (fund) are its investors, employees, customers, suppliers, and communities, authorities, governments, trade or other associations (unions) as well.

- 1) the Sub-Fund's assets include the total market value of the respective Sub-Fund's all investments, cash and cash equivalents, receivables, and accrued income;
 - 2) the Fund's liabilities include all liabilities including the fees specified in this Offering Materials, payables, accrued and other expenses related to this Sub-Fund.
6. All valuations of the Fund's NAV, its assets and liabilities:
- 1) is generally determined on the accrual basis of accounting using the International Financial Reporting Standards (IFRS) as a guideline;
 - 2) based on the last available closing market prices (security markets quotes), other indicators values and applicable currency exchange rates for the Fund's portfolio valuation.
7. All valuations of the Fund's NAV, its assets and liabilities are made in USD (each NAV will be expressed in USD terms), and any items denominated in other currencies are translated at the prevailing foreign exchange rates at discretion of the Fund Manager. If the valuation day is not a business Day, the Fund Manager may at its own discretion use the prevailing market rates for the previous business day. All accrued debts, liabilities, and expenses will be deducted from the NAV, including any Management Fee and Performance Fee and other fees and disbursements, any other fees and expenses of service providers, as well as all accrued taxes or contingencies.
8. The lawful currency of Russian Federation, Ruble (RUB), might not be currently a freely convertible currency and is subject to exchange control imposed by the US and other EU nations and there might be no exchange rate available if RF restricts USD / EUR / CHF / KZT / other currency circulation. Such control of currency conversion and movements in the exchange rates may adversely affect the operations and financial results of Russian Connected Entities. Insofar as the Fund may invest in Russian Connected Entities, it will be subject to the risk of the government's imposition of restrictions on the repatriation of funds or other assets out of the country, limiting the ability of the Fund to satisfy payments to Shareholders. The Shareholders are exposed to foreign exchange risk and there is no guarantee that the value of the RUB against the Shareholders' base currencies (for example USD) will not depreciate. Any depreciation of the RUB could adversely affect the value of the Shareholder's investment in the Fund.
9. The valuation principles to be used in valuing the Fund's property that may be:
- 1) The value of investment quoted, listed, or normally dealt in on a regulated market, shall be based on the last traded price where the investment in question is an equity security;
 - 2) where the investment in question is not an equity security, then it may be valued on the mid-market price (or last quoted price where no mid-market price is available);
 - 3) if an investment is quoted, listed, or normally dealt in on more than one regulated market, the Fund Manager may in its absolute discretion, select any one of such markets for the foregoing purposes;
 - 4) once selected a market shall be used for future calculations of the NAV with respect to that investment unless the Fund Manager otherwise determines;
 - 5) in the case of any investment which is quoted, listed, or normally dealt in on a regulated market but in respect of which for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Fund Manager, may not be representative, the value therefore shall be the probable realization value thereof estimated with care and in good faith by the Fund Manager, service provider(s) or another qualified Person;
 - 6) when an investment is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date;

- 7) for valuation purposes the Fund Manager shall select appropriate stock exchange or regulated market for any investment object;
 - 8) notwithstanding any of the foregoing sub-paragraphs, the Fund Manager together with (or with consent of) appropriate Fund's service provider (depository/custody, nominee holder, prime Broker or Auditor, another competent third-party valuer) may adjust the value of any investment if, having regard to currency, applicable rates of interest, maturity, marketability or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof, and may in order to comply with any applicable accounting standards, present the value of any assets of the Fund in financial statements to Shareholders in a manner different to that set out in this section.
10. In some cases, or due to some investment the NAV of the Fund may not reflect the actual value of the investments.
 11. The Fund Manager has a right to order and receive an annual valuation of Fund's investments, its NAV through appropriately qualified and certified third-party valuers who are experienced in relevant markets.

4.2. Accounting

1. The Fund Manager performs all accounting services for the Fund, including:
 - 1) maintaining books and records for all Fund investment transactions and calculating the Net Asset Value (NAV) of the Fund and each Sub-Fund;
 - 2) reflecting all transactions with the Fund's assets and performing periodic evaluations within the Fund Manager's (off-balance) accounting system, which serves as the underlying records for accounts preparation and NAV calculations;
 - 3) undertaking daily reconciliations of all bank accounts, cash, and investment balances with prime brokers, banks, and depositaries (appropriate nominee holders or custodians);
 - 4) monitoring and calculating applicable contractual fees and expenses for accrual within the NAV calculation of the Fund.
2. The Fund Manager ensures that, as soon as practicable after each valuation point, the Fund can inform interested Shareholders of the per-share value.
3. Where required by AIFC CIS, the Fund Manager appoints an independent third-party valuer experienced in valuing the type of investments held by the Fund to assess the Fund's investments.
4. Neither the Fund, Fund Manager or its Director¹² bears any liability if any price or valuation used in good faith for these procedures proves to be incorrect or an inaccurate estimate of the value of any Fund property.
5. The accounting functions for the Fund may be performed by:
 - 1) the Fund Manager itself, acting as the sole or unified administrator of the Fund;
 - 2) another eligible (authorized, licensed) accountant, appointed by agreement with the Fund Manager and with prior notification to Shareholders.
6. The Fund Manager, as the Accountant of the Fund, ensures:

¹² Director - a Person, by whatever name called, who is:
(a) appointed to the position of a director; or
(b) appointed to the position of an alternate director, and is acting in that capacity; or
(c) not validly appointed as a director but is acting in the position of a director (i.e. a de-facto director).

- 1) preparation of the Fund's financial statements for each financial year in compliance with International Financial Reporting Standards (IFRS);
- 2) preparation of an interim report for each Sub-Fund;
- 3) maintenance of comprehensive accounting records that:
 - Clearly show and explain all transactions undertaken by the Fund;
 - Support ongoing determination of the Fund's financial position;
 - Facilitate calculation of the NAV for the Fund and each Sub-Fund, as well as Share prices;
 - Record the financial position of the Fund at the end of each financial year;
 - Are retained for at least six years from the relevant date;
 - Are open to inspection by the AFSA and the Fund's auditor at all reasonable times;
 - Are reproducible in hard copy within three business days and available in English.
7. The Fund Manager ensures separate accounting for the Fund's assets and provides distinct financial and other statements for the Fund's assets apart from its own or those of other investment funds

4.3. Financials and Reporting

1. The financial year of the Fund will end on 31st December of each year, provided however, the first financial year of the Fund starts on the day it is incorporated and lasts for a period not exceeding 18 (eighteen) months.
2. The Fund Manager shall procure the preparation of an annual report, audited annual accounts for the Fund, and separate interim report for each of its Sub-Funds. For Sub-Funds listed on AIX, the annual report and audited financial statements will also be disclosed on the AIX website via the Regulatory Announcement Service (RAS) by the Fund Manager. These documents will be sent to Shareholders within the timelines stipulated herein following the end of the Fund's financial year.
3. The Fund Manager shall prepare the Fund's financial statements for each financial year in accordance with International Financial Reporting Standards (IFRS). This standard applies to all reporting and ensures consistency in the Fund's annual and interim financial statements.
4. An annual report and audited financial statements will be forwarded to Shareholders within 4 (four) months from the end of the relevant financial year. For Sub-Funds listed on AIX, the Fund Manager will also publish the annual report and audited financial statements on the AIX website via the AIX Regulatory Announcement Services (RAS).

4.4. Pricing of Fund Investor's Shares

1. The Fund has single pricing where the price of a Share is calculated by reference to the Net Asset Value of the property of the Fund to which the Shares relate.
2. The value or price of a Share:
 - 1) is calculated in a manner that is fair and reasonable as between Shareholders;
 - 2) equal to the NAV per Share derived by dividing of Fund's NAV by the quantity of placed (sold) Fund's Shares on the end of the same trading (working) day;
 - 3) defined at the end of business day is actual for issuance (purchase) and redemption purposes during next business day (after first investment of Fund assets).

3. The Fund Manager takes all reasonable steps and exercises due diligence to ensure that the Shares are correctly priced in accordance with the applicable accounting and valuation procedures of the Fund to ascertain an accurate single price for the Share.
4. The Fund Manager periodically at a suitable interval informs the Shareholders about the common composition of the Fund and its NAV, as well as the estimated value (price) of the Share.
5. The Fund Manager takes immediate action to rectify any incorrect pricing of Shares. Unless the incorrect pricing is of minimal significance, the Fund Manager promptly informs the AFSA of such a rectification.

5. Issuance and redemption of Fund Investor's Shares

Part of the Fund's Offering Materials that contains:

- *information about procedures and conditions for the issue of Shares (AIFC CIS, 5.3, b: xi);*
- *a description of the Fund's redemption rights both in normal and in exceptional circumstances, and the existing redemption arrangements with Shareholders (AIFC CIS, 5.3, b: vii).*

5.1. Subscription procedure

1. Procedure for the purchase of Shares:

only Professional Investor may subscribe for Shares of the Fund. Detailed definitions and procedures for identification of eligible Investor for the Fund (conditions, terms and requirements for recognizing a Person as a Professional Client of the Fund) are specified in the Fund's Constitution and AIFC rules.

2. For OTC placements:

- 1) Application to subscribe to Fund's Shares are subject to the terms of this Offering Materials and must be made in the form provided by the Fund Manager, which should be sent to the Fund Manager at the contact addresses provided;
- 2) the original signed form and all additional required documents should be forwarded to the Fund Manager without delay;
- 3) Shares will not be issued until:
 - the original application form and all relevant due diligence documents have been received by the Fund Manager;
 - all applicable client identification, compliance and anti-money laundering (AML) procedures have been successfully completed by the Fund Manager;
 - the investor's subscription amount has been paid in cash or financial instruments.

3. For on-exchange purchases of Shares on the AIX:

- 1) the fact of purchasing the Shares will be deemed as acceptance of, and accession to, the terms of such subscription by the Shareholder. Physical signing of documents is not required for on-exchange trades.
- 2) traded on AIX are issued in integer amounts only, while any smaller fractions of Shares purchased OTC are rounded down to two decimal places, with the excess subscription funds retained for the benefit of the Fund.

All necessary documents for subscription shall be included in the Offering Materials and made available to investors prior to both OTC placements and on-exchange purchases on AIX.

5.2. Subscription and redemption in kind

1. Within the limits of the applicable laws, the Fund Manager, at its sole discretion, reserves the right to accept securities as payment for Shares, or fulfil redemption payments with securities (subscription or redemption in-kind).
2. In cases where Shareholders wish to request a subscription or redemption in kind, they must obtain in advance an approval from the Fund Manager. Shareholders must generally pay all costs associated with the subscription or redemption in-kind (valuation of the securities, broker fees, any required auditors' report, etc.).
3. Subscription amounts (whether in cash or in kind, as applicable) must be received at the latest three business days following the relevant NAV calculation date. No interest will be paid on any payments received prior to this deadline. Transactions in-kind may include cash if it is in the best interest of the Shareholders. The Fund Manager, in its sole discretion, reserves the right to accept, reject, defer or reduce, in whole or in part, any request to purchase Shares at any time, except for on-exchange purchases, which is regulated by the AIX Business Rules and AIX CSD Business Rules and AIX CSD Procedures.
4. Any securities accepted as a payment in kind for a subscription of Shares must be consistent with the Fund's investment declaration (policy), and acceptance of these securities must not affect the Fund's portfolio compliance with the applicable laws. If a Shareholder receives approval for a redemption in-kind, the Fund Manager will seek to provide Shareholder with a selection of securities that closely or fully matches the overall composition of the Fund's portfolio holdings at the time the transaction is processed.
5. Investors should note that incomplete applications / Subscription Agreement and/or applications / Subscription Agreement which are not settled by the relevant funding due date may be cancelled by the Fund Manager and any costs of cancellation passed on to the investor.
6. The Fund Manager may limit net subscriptions to the Fund based on the available investment opportunity set. No notice is required to be provided with respect to any such limit.

5.3. Redemption procedure

1. The Shareholder has the right to submit a request for the redemption of his/her Shares to the Fund Manager by providing a dully completed appropriate form of the Share redemption.
2. The Shareholder may request for redemption (Redemption Request) on any business day (Redemption Request Date) at the Share price of the previous business day (Redemption Date), taking into account Redemption Fee applied during Lock-up period.

The redemption request is fulfilled by the Fund Manager within 10 business days from the Redemption Request Date in which such a request was submitted and is satisfied subject to there being an appropriate amount of cash or assets to carry out the redemption operation.

3. The Fund Manager by taking written consent from Shareholder may make a payment for the share redemption with cash by transferring money on the Shareholder's bank account or in-kind by transferring assets on the Shareholder's brokerage account.
4. Any Shareholder seeking a redemption at some exact calendar month should send to the Fund Manager a Redemption Request stating its intention to redeem:
 - 1) indicating the number of Shares to be redeemed in advance, considering condition in the clause 5 below regarding minimum investments in the Fund;
 - 2) the redemption will be carried out only upon the receipt by the Fund Manager of the dully completed appropriate form of the Share redemption request.
5. It must be considered that after redeeming the Fund's Shares in any amount, the Shareholder must have investments in the Fund for a minimal (subscription) amount of 50 000 USD after conducting a write-off

at the end of redemption day. If not, then all Shares (the entire investment in the Fund) of Shareholder must be fully redeemed.

The Shareholder may remain the Fund Manager's client for a period lasting no more than 3 months following the complete redemption or transfer of his/her Shares, without additional acquisition of Shares.

In case of the absence of any acquisition within the period as outlined in the abovementioned paragraph in this clause, the agreement may be subject to termination at the discretion of the Fund Manager.

6. Considering the unlimited or long-term investment horizon of the Fund a lock-up period is established for each (new) Shareholder, its initial subscription and any additional purchase of Fund Shares, during which the redemption is possible only for Redemption Fee (Lock-up period).

7. The Lock-up period lasts 180 (one hundred eighty) calendar days from the Share purchasing date.

To determine the need for withholding a redemption fee for each redemption procedure, each of the Shareholder's transactions in acquiring Shares is considered separately. Consequently, the Shareholder's assets must be retained in the Fund for up to 180 days.

8. If the Shareholder decides to redeem (partially or fully) his/her Shares before the end of the stipulated Lock-up period, such redemption would be permitted only upon payment of a Redemption Fee on the Redemption Date.

In case of the Share redemption payment be in-kind, the Shareholder gives his written consent by signing the confirmation letter indicating the details of assets to be paid out.

The value of assets to be paid for the redemption in-kind is fixed at the date of the order submission to the broker.

9. The Fund Manager retains the right to suspend redemption process or payment as long as the Fund has not sufficient liquidity for the redemption for a specified period at the discretion of the Fund Manager or subject to the parties' agreement.

The Fund Manager has the right to establish an individual procedure for the redemption subject to the parties' agreement.

10. Specific terms for the redemption procedure in relation to the Sub-Funds is stipulated in the [Annexes](#) to this base Offering Materials.

6. Fair treatment of Investors and Distributions

Part of the Fund's Offering Materials that contains following information (AIFC CIS, 5.3, b: ix):

- 1) *a description of how the Fund ensures a fair treatment of Shareholders;*
- 2) *whenever a Shareholder obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment;*
- 3) *the type of Shareholders who obtain such preferential treatment and, where relevant, their legal or economic links with the Fund or the Fund Manager.*

6.1. Equal interests and rights in the Fund

1. Shareholders of the Fund have a proportionate right in the beneficial ownership of the Fund assets according to the Shares of a Sub-Fund they hold and income arising out of the assets transferred to the Fund for further management.
2. Each Share confers on its holder an equal interest in the Fund as a whole in accordance with the Shares of a Sub-Fund he/she holds and does not confer any interest in any particular part of the Fund or in any particular asset.
3. The Fund Manager ensures and responsible for a fair treatment of each Shareholder of each Sub-Fund.

4. No one of the Fund Shareholder obtains preferential treatment or the right to obtain preferential treatment.
5. The Fund Manager and the Fund state that no one or nothing could enable the Fund, Fund Manager or any other Person to obtain any privilege or power which are not precisely and directly provided for in the Constitution and Offering Materials of the Fund or in the AIFC rules and regulations.

6.2. Communications with Shareholders

1. All promotions to the potential or current Fund Shareholder are done in a way that it is clear that the target audience for such communication is Professional clients only.

Each time a new Sub-Fund is created with an appropriate Annex being subsequently added to this Offering Materials, the Fund notifies the clients of such updates via email or other electronic means, or through the AIX Regulatory Announcement Service (AIX RAS) while the Shares are admitted to listing on AIX. These updates are reflected in the clients agreements for those clients who invest in the Shares of such new Sub-Funds.

2. All breaches of AIFC legislation by the Fund Manager may be resolved by means of communication by sending the relevant complaints to mail: compliance@fonte.kz.
3. In case no action is made to remedy the breach is made by the Fund Manager the Shareholder may report it directly to AFSA or claim to the AIFC court.

6.3. Distributions

1. The Fund Manager may distribute income (make distributions) if this is stipulated in the Annex of the respective Sub-Fund, in the prescribed manner.
2. Distributions prior to the expiry of the Investment Period¹³ will only be made if sufficient proceeds from investments (whether by exit or income) are available for distribution.
3. The Fund Manager intends to make distributions throughout the entire Term of the Fund, which includes both the Investment Period and any subsequent period until the Fund's liquidation or termination. However, there are no guarantees that distributions will be made during this time.
4. Distributions may take the form of cash, cash equivalents, marketable securities, restricted securities or such other form that is deemed suitable by the Fund Manager.
5. All distributions will be subject to appropriate reserves and contingent liabilities.
6. Distributions made prior to the expiry of the Investment Period will be allocated to Shareholders listed in the Fund's register on the Distribution Date¹⁴. No pro-rata calculation based on the holding period will be applied, as the purchase price of Shares on-exchange or OTC generally reflects anticipated distributions. Distributions will be based solely on Shareholder ownership as recorded on the Distribution Date..
7. The Fund Manager may, in its sole discretion, determine to make a distribution in specie of the assets or investments of the Fund to the Shareholders. The value of all assets or investments distributed in specie shall be determined by the Fund Manager or/and (together with) an independent expert chosen and appointed by the Fund Manager. The value of a distribution in specie will be calculated without reference to the actual net cash proceeds of sale of the assets or investments.

7. Risk Management

Part of the Fund's Offering Materials that contains a description of the Fund's liquidity risk management (AIFC CIS, 5.3, b.vii.sub-p.1).

¹³ Investment Period - the designated time frame during which the Fund actively makes investments according to its investment strategy. The Investment Period begins on the Fund's Initial Closing Date and may extend for a specified number of years as outlined in the Fund's Constitution or the relevant Sub-Fund Annex. Distributions are limited during this period, except as specified under the conditions of the Fund.

¹⁴ Distribution Date - the date on which the Fund determines eligible Shareholders for a distribution, based on the Fund's register.

7.1. Fund Risk Management system

1. The Fund Manager ensures that risks inherent to the investments and operations of the Fund are adequately managed, with due regard to the nature of the investment objectives and processes employed by the Fund Manager and other service providers.
2. The Fund Manager, on behalf of the Fund, follows AIFC rules, regulations and guidelines for the risk management policy and procedures that will enable it to accurately measure, monitor and manage the various key risks, associated with the Fund investments and functioning, specified in in the [Clause 11](#) to this base Offering Materials.
3. Potential Shareholder of the Fund should:
 - 1) read and understand the Constitution and Offering Materials of the Fund, its investment declaration, and certain risks before investing assets in the Fund;
 - 2) perform their own due diligence, including, without limitation, as to the market, credit, legal and other consequences of an investment in the Fund.
4. Shareholders of the Fund should be aware that:
 - 1) past investment results do not determine future returns. The Fund, its Manager, any service provider or the AIX and AFSA do not guarantee returns on investments;
5. the value of investments in the Fund and the income from them, and therefore the value of and income from the Shares may increase or decrease;
6. the part or entire value of investments could be lost (or the Shareholder may not get back the amount invested).

7.2. Liquidity risk management

1. The Fund Manager maintains a liquidity management process to monitor the liquidity risk of the Fund.
2. The Fund Manager controls the liquidity risk of the Fund by assessing and monitoring the structure and value of assets and liabilities, the terms of their duration, the subscription and redemption processes and information on future cash flows.
3. The Fund Manager maintains tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions, in particular to manage the subscription and redemption process of the Shares.
4. Managed volatility strategies imply the use of leverage and frequent rebalancing of the portfolio, at the same time there is a risk of reduced marketability due to unfavorable market conditions and an increase in the size of the Fund's assets. To forestall this, the Fund will trade highly liquid instruments.

8. Fees, charges and expenses of the Fund

Part of the Fund's Offering Materials that contains a description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by Shareholders (AIFC CIS, 5.3, b: viii).

1. Permissible fees, charges and other expenses of the Fund or regarding any investment or transaction with its assets will be taken out of Fund assets at the time of occurrence or on monthly basis.

Each Sub-Fund within the Fund may charge different fees described in this section with specific amounts stipulated in the [Annexes](#) to this base Offering Materials.

2. Main groups of permissible fees are following:

- 1) Subscription Fee;
- 2) Transfer Fee;
- 3) Management fee;

3. Operational fees;
4. Performance fee;
5. Redemption fee.
6. AIX Listing and Trading Fees:
 - 1) AIX Listing Fees: Fees associated with the listing of Shares on the AIX. These fees are applied when the Shares are listed and are structured according to AIX's fee schedule and paid by the Fund or Fund Manager;
 - 2) AIX Trading Fees: These are fees incurred during the trading of Shares on the AIX. Trading fees are charged based on the volume or value of transactions and are subject to AIX's standard trading fee policies. These fees are paid by brokers effecting trades on AIX at request of the respective Shareholder and usually reimbursed from such Shareholders;
 - 3) AIX Registrar Fees: These are fees charged by the AIX Registrar for maintaining the register of Shareholders. These fees are paid by the Fund or Fund Manager.
 - 4) AIX CSD fees: These are fees charged by the AIX CSD for different actions performed in AIX CSD by its participants at the request of Shareholders (safekeeping fees, transfer fees, etc.). These fees are paid by AIX CSD participants and usually reimbursed from respective Shareholders.
7. Fees Depending on Distribution Channel:
 - 1) On-Exchange (AIX): For transactions conducted on the AIX, the applicable AIX listing, trading, registrar and AIX CSD fees will apply (as described above);
 - 2) Over-the-Counter (OTC): For transactions conducted OTC, the fees may differ, as these do not involve AIX trading and listing fees. However, other operational or transfer fees may still apply depending on the specific arrangements of the transaction. OTC transactions may still require registration with the AIX Registrar or another authorized firm, which may involve additional registrar fees.
8. The fees' structure and amounts are not subject to change unless the Fund Manager provides the Shareholders with a written notice 90 (ninety) days prior to any proposed increase in remuneration or reimbursement of expenses.
9. Fees, charges, and other expenses are subject to allocation among the Sub-Funds.

8.1. Subscription Fee

1. Each Shareholder shall pay a Subscription Fee to the Fund Manager in accordance with the Subscription Deed for each of the Sub-Funds.
2. Subscription Fee may be used by the Fund Manager to pay initial expenses, referral fees or any other expenses as the Fund Manager deems fit.

8.2. Transfer Fee

1. The Fund Manager may levy a Transfer Fee of up to 10 000 (ten thousand) USD on transfer between Shareholders or otherwise as determined by the Fund Manager from time to time. This Transfer Fee is not applicable to the trades on AIX.
2. Transfer Fee shall be paid by the transferring Shareholder to the Fund Manager.

8.3. Management fee

1. The Fund shall pay an annual Management fee of a certain percentage of the Net Asset Value which is stipulated in Annexes to this Offering Materials and that will be allocated on a quarterly basis to the Fund Manager. Other specific terms applicable to each Sub-Fund, if any, will be outlined in the respective Annex.

2. Management fee for the period from the initial closing to 31st of December will be proportionately calculated on the aggregate of all the assets of the Fund and be payable in advance. Thereafter, the fees will be calculated on the basis of the Net Asset Value of the Fund for the preceding financial year and be payable bi-annually in advance, provided however, in the event that at the end of the financial year it is determined that the Management Fee that was paid in advance for the preceding financial year is in excess or less than the amount actually due in context of the Net Asset Value calculated for the preceding financial year, then the Fund Manager and the Fund shall be liable to reconcile their accounts by paying or refunding the difference in fees paid (as the case may be).

8.4. Operational and Fund Expenses

1. The Fund shall cover certain organizational and operational costs necessary for its activities. These expenses, charged to each Sub-Fund's NAV or to the Fund as a whole, include but are not limited to the following:
 - 1) Fund Management and Administration Expenses: fees for maintaining the Fund's registered office, annual registration fees, and administrative costs associated with Fund management;
 - 2) Banking and Brokerage Fees: Bank money transfer fees, other bank account commissions, brokerage commissions, and any costs associated with executing transactions on brokerage accounts, including trading, clearing, and settlement expenses;
 - 3) Service Provider Fees: Fees for depositories (nominee holders, custodians), registrars, accountants, auditors, and any other necessary service providers engaged by the Fund, as well as expenses for third-party consultants, research, and other investment-related services;
 - 4) Regulatory and Listing Fees: AIX listing and trading fees, including any fees for admission, maintenance, and trading of the Fund's Units on AIX, and fees for compliance with regulatory obligations;
 - 5) Interest and Financing Costs: Interest expenses and fees associated with any lending and borrowing facilities used by the Fund;
 - 6) Professional Services Fees: Legal, auditing, and accounting expenses related to the Fund's operations;
 - 7) Independent Valuation and Insurance Costs: Fees for independent third-party valuers (if any), diverse insurance premiums, and other necessary protective measures;
 - 8) Operational and Transactional Expenses: Costs related to the preparation, duplication, and distribution of reports, financial information, and any referral or introduction fees that may be paid to third parties from time to time;
 - 9) Taxes and Regulatory Charges: Withholding taxes on dividends, mandatory fees and duties established by state authorities, or charges imposed by market infrastructure entities;
 - 10) Unexpected Expenses: Any unforeseen expenses directly related to the Fund's investments, transactions, or activities provided by the Fund's service providers.
2. Operational and other Fund expenses will be paid throughout the calendar year according to special agreements with the Fund's service providers or based on agreements tied to the Fund's investments, assessments, sale, and other transactions involving Fund assets and liabilities. These expenses will be reflected in the Fund's NAV calculation and allocated appropriately across Sub-Funds as determined by the Fund Manager.
3. The maximum limit for operational fees shall not exceed 2% per annum of each Sub-Fund's NAV.

8.5. Performance fee

1. A Performance fee is a payment made to the Fund Manager for generating profit or positive returns (this is as opposed to a management fee, which is charged without regard to profit).

2. The Performance fee is calculated (paid) periodically at the end of the period (monthly, quarterly, yearly, etc) considering the following:
 - the extent that the Fund's net profit at the end of such period exceeds any losses carried forwards from prior periods, subject to loss carry forward;
 - considering a "High-water mark" level of Fund's NAV at which the Performance fee has been already taken by Fund Manager;
 - as a percent of the Fund's net profit (both realized and unrealized), earned during a calendar year and equal to the positive exceed of current Fund's NAV for the end of calendar year over the actual "High-water mark" level.
3. Considering the High-water mark protects the Shareholder from paying the Performance fee for poor results, and from paying a fee repeatedly every time the Share value achieve the same (or under the) level, at which the Performance fee had been already taken in previous period(s). With the High-water mark, the Shareholder pays a fee as a percentage of the profit, earned by the Fund between the point of entry (end of Performance Fee (PF) calculation day) and appropriate actual level of High-water mark (for each separate Share).
4. Usually, the Performance fee is calculated annually at the end of (last day of a) calendar year and only to the extent that the Fund's net profit at the end of such period exceeds any losses carried forwards from prior periods, subject to loss carry forward.
5. Specific conditions for the application of the Performance fee for each Sub-Fund are established by Annexes to the base Offering Materials.

8.6. Redemption fee

1. A Redemption fee is a payment made by the Shareholder (Investor) requesting to redeem their Shares, calculated as a percentage of the Net Asset Value (NAV) per Share on the Redemption Date. This fee applies to all Shareholders, regardless of whether they acquired the Shares directly from the Fund or on the AIX. The holding period for each Share will be tracked to ensure the Redemption Fee is applied consistently for all Shareholders. Redemption Fee terms: paid by the Shareholder (Investor) only within the Lock-up period, defined as 180 days from the date of acquisition of the Fund's Shares by the Shareholder (Investor);
2. calculated as a specified percentage of the NAV per Share on the Redemption Date (the last working day of each calendar month). The percentage rate (Redemption Fee rate) is stipulated in the [Annexes](#) to this Offering Materials.

8.7. Not attributable expenses

Any assets, costs, charges, and expenses that are not attributable to any particular Sub-Fund shall be allocated on a pro-rata basis among all Sub-Funds by the Fund Manager. Each Sub-Fund bears a proportionate share of the total assets and expenses based on its Net Asset Value relative to the total net asset value of all Sub-Funds.

9. Duration of the Fund

Part of the Fund's Offering Materials that contains information about the life of the Fund, the ability to terminate the Fund and the process by which the Fund may be terminated (AIFC CIS, 5.3, b: xvi).

1. The Fund is an open-ended fund with certain conditions, including the duration of the Sub-Funds, being stipulated by the respective Sub-Funds' Annexes to this base Offering Materials.

The decision to extend the duration is made by the Fund Manager upon prior consent from the simple majority of the Fund's Shareholders. Shareholder consent may be collected via written consent, electronic voting, or other suitable non-physical methods as specified by the Fund Manager, ensuring accessible participation for all Shareholders.

2. The Fund Manager may (temporarily) suspend the issuance (sale) and redemption (cancellation) of Shares of the Fund if, due to exceptional circumstances, it is the best interest of the Shareholders to do so.
3. The Fund Manager may continue the suspension of issue (sale) and redemption (cancellation) of Shares of the Fund only for so long as it reasonably believes that the suspension is in the interests of the Shareholders of the Fund.
4. Upon any suspension of issue (sale) and redemption (cancellation) of Shares of the Fund, the Fund Manager must notify the Shareholders and the AFSA as soon as practicable in writing of the suspension and its reasons for doing so.
5. The Fund may be terminated due to special decision in unusual or emergency market conditions taken by the simple majority of Fund's Shareholders upon their request to the Fund Manager, or by Fund Manager upon getting preliminary consent from the simple majority of Fund's Shareholders and after notification of the AFSA.

10. Amendments to the Offering Materials

1. If at any time, there is a material change affecting any matter contained in the Offering Materials for a Fund or a significant new matter arises, the Fund either before or promptly following the effective date of such material change or new matter, issues updated Offering Materials which clearly explain the material change or significant new matter. Notifications of such changes will be sent to Shareholders within 5 business days of the effective date, via email, other electronic means, and so long as the Shares are listed on AIX, via the AIX Regulatory Announcement Service at <https://aix.kz/listings/continuous-disclosure-obligations/company-disclosures-2/>. (AIFC CIS, 5.3, f) This Offering Materials should be periodically reviewed and when it is necessary depending on market conditions and for interests of the Shareholders. It shall be updated in case of significant changes:
 - 1) in activities or performance capabilities of the Fund, its Manager or other service providers to the Fund;
 - 2) in the Fund's investment policy and business approaches;
 - 3) in the requirements of the applicable legislation of the AIFC.
2. Any amendments to this Offering Materials, including Annexes, may be made and approved:
 - 1) upon prior notifications to the AFSA;
 - 2) by resolutions of the Fund Manager as the sole holder of all Management shares of the Fund; and
 - 3) so long as the Units are listed on AIX, upon AIX prior approval pursuant to the AIX Listed Funds Rules.For avoidance of doubt, such amendments to this Offering Materials and/or Annexes can be adopted by the Fund Manager without any consent of Shareholders.
3. Despite anything in this Offering Materials, to the extent that a clause of this Offering Materials is inconsistent with the provisions of the AIFC rules and regulations applicable to the Company, that provision is of no effect to the extent of the inconsistency, but not otherwise.

11. Risks associated with investment fund

A1.1. General Risks

1. Investors should consider and satisfy themselves as to the risks of investing in the Fund. Investment in a collective investment scheme is meant to produce returns over the long-term. Investors may not be able to obtain short-term gains from such investment). An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.
2. Investors should be aware that the price of shares in a collective investment scheme, and the income from them, may fall or rise and investors may not get back their original investment. Generally, some of the risk factors, including but not limited to Market Risks, Credit Risks and Operational Risks should be considered by the investors of the Fund. No guarantee is given, express or implied, that investors will receive back any amount invested.
3. Investment in the Fund involves a high degree of risk and, therefore, should be undertaken only by prospective investors capable of evaluating the risks related to an investment in the Fund and capable of bearing the risks such an investment entails. Prospective Shareholders should carefully consider the factors below, in addition to the matters set forth elsewhere in the Fund's Constitution and Offering Materials, prior to purchasing any Shares. The discussion set forth below is not a complete list of all risks involved in connection with an investment in the Fund. There can be no assurance that the Fund will be able to achieve its investment objectives or that Shareholders will receive a return on their capital. Prospective Shareholders should also note that the information contained in this Offering Materials has not been prepared, reviewed or confirmed by any independent expert or financial advisor.
4. An investment in the Fund should be considered a high-risk investment and Shareholders should understand that they bear the risk of losing all or a portion of their capital invested. There is no assurance that the Fund will be able to invest its capital on attractive terms or generate returns for Shareholders. Accordingly, there is no assurance of any distributions to Shareholders prior to or upon liquidation, termination or dissolution of the Fund.

A1.2. Specific Risks

1. **Conflict of Interests.** The Fund Manager may from time-to-time act as in relation to or be otherwise involved in other funds which have similar investment objectives to those of the Fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Fund. In particular, but without limitation to its obligations to act in the best interests of the Shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavor to ensure that such conflicts are resolved fairly. There is no prohibition on the Fund entering into any transactions with the Fund Manager, other Fund service providers or with any of their affiliates, provided that such transactions are carried out with full disclosure and after due approval process.
2. **Nature of Investments.** A portion of the investments will be in eurobonds which, by their nature, involve business, financial, market and or legal risks. The value of the eurobonds may be affected by the credit-worthiness of the issuer and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the eurobonds are traded. While such investments offer the opportunity for significant capital appreciation, they also involve a high degree of risk that can result in substantial losses. There can be no assurance that the Fund Manager will correctly evaluate the nature and magnitude of the various factors that could affect the value of such Investments. Prices and market movements of the investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund's activities and the

value of the Investments. As a result, the Fund's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

3. **Use of Leverage.** The Fund may utilize leverage under specific circumstances, though it will not maintain ongoing leverage on its balance sheet. In cases where leverage is used, it will be applied to enhance returns in particular investments and will be managed carefully to control associated risks. Additionally, companies in which the Fund invests may themselves have leveraged positions, which by their nature require these companies to have a high fixed charges-to-income ratio. Such investments are inherently more sensitive to declines in revenue and increases in expenses. Utilization of leverage is a speculative technique and involves risks to Shareholders. The leverage provided will result in interest expense and other costs incurred in connection with such borrowings, which may not be covered by available cash flow. While leverage may enhance total returns to Shareholders, if results of an investment fail to cover borrowing costs, returns to the Shareholders will be lower than if there had been no borrowings. In addition, such levels of indebtedness could have significant consequences on the investments in such companies, including: (i) a substantial portion of such company's cash flow from operations may be used to pay principal of and interest on its indebtedness and may not be available for other purposes; (ii) such company's ability to obtain financing in the future for working capital needs, capital expenditures, acquisitions, investments, general corporate purposes or other purposes may be materially limited or impaired; and (iii) such company's level of indebtedness may reduce its flexibility to respond to changing business and economic conditions. Also, increased interest rates generally increase interest expenses. Further, the Fund Manager may enter into loan agreements that generally impose a number of operating and financial restrictions on such companies through which Investments are made or held. Such restrictions could affect, among other things, the ability of such a company to incur additional indebtedness, pay dividends, issue stock, repay indebtedness prior to stated maturity, create liens, sell assets or engage in mergers or acquisitions, make certain capital expenditures and make investments in operating subsidiaries, if any. Such loan agreements may require, among other things, that the Fund Manager pledge its securities in an Investment and that such company pledge its assets and securities in its operating subsidiaries, in each case as security for the lender. In the event of a default under such loan agreements, the lenders could foreclose on those shares and assets so pledged. These restrictions could limit the ability of these companies to affect future financings or may otherwise limit corporate activities. In the event an Investment cannot generate adequate cash flow to meet debt service, the Fund may suffer a partial or total loss of capital invested in such Investment.
4. **Difficulty in Identifying Suitable Investments.** There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Fund to invest all of its capital in opportunities that satisfy the investment objective or that such investment opportunities will lead to completed investments by the Fund. Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. Furthermore, the availability of investment opportunities generally will be subject to market conditions and, in some cases, the prevailing regulatory or political climate (see also below).
5. **Need for significant capital.** Investments in which the Fund Manager will invest may require significant amounts of capital. There can be no assurance that such capital will be available from public capital markets or private sources. In particular, the cyclical nature of public markets may prevent making investments from raising money in this sector, despite attractive products or services. Furthermore, the highly-leveraged nature of some investments may impair their ability to raise additional capital in the future. Failure of an investment to raise the necessary capital to fund its operations, research and development, capital expenditures or other activities may require, among other things, the sale or liquidation of some or all of the assets of the company through which the investment is made or held at a loss or reduced valuation from the price paid by the Fund.
6. **Competition.** The Fund Manager is subject to intense competition for investment opportunities with many other sources of capital, including other financial buyers. There can be no assurance that the Fund Manager will be able to invest Fund's capital on terms favorable to the Fund and, therefore, to the Shareholders.

7. **Funding Risk.** The Fund may also be exposed to funding risk, whereby, the Fund Manager is unable to raise the minimum amounts required for launching the Fund. During the investment period, there may be similar constraint whereby, the Fund Manager is unable to raise additional amount to improve performance of the investments.
8. **Cross-liability Risk.** The Fund is a single legal entity and, as a matter of the laws of the AIFC, all of the assets of the Fund may be available to meet any of its liabilities, regardless of whether these are attributable to a particular Sub-Fund. While measures are implemented to segregate the assets and liabilities of each Sub-Fund, there remains a possibility that certain liabilities incurred by one Sub-Fund could affect the assets of another Sub-Fund.

A1.3. List of risks associated with investment fund

The risks outlined in this section are generic but may have a direct material effect on the value of the Shares and, consequently, on Shareholders' investments. While these risks are identified as potentially applicable, not all of them may directly impact this Fund. The Fund Manager has included these descriptions to provide a comprehensive overview of possible risk factors, which, if realized, could influence the performance of the Fund and, in turn, affect Shareholder returns.

1. **Credit Risk.** The Fund could lose money if the issuer of a fixed or variable income security cannot meet its financial obligations and renegotiates terms that are less favorable to investors, or defaults or goes bankrupt. One or more securities in the Fund portfolio could fail to pay interest or principal when due. Income-related securities of below investment grade quality are predominately speculative with respect to the issuer's capacity to pay interest and repay principal when due and, therefore, involve a greater risk of default.
2. **Currency risk.** Currency risk, commonly referred to as exchange-rate risk, arises from the change in price of one currency in relation to another. Funds that have investments across national borders are exposed to currency risk that may create unpredictable profits and losses. Many institutional investors, such as hedge funds and mutual funds, and multinational corporations use forex, futures, options contracts, or other derivatives to hedge the risk.
3. **Exchange rate risk.** Exchange rate risk refers to the risk that a company's operations and profitability may be affected by changes in the exchange rates between currencies. Companies are exposed to three types of risk caused by currency volatility: transaction exposure, translation exposure, and economic or operating exposure. The risks of operating or economic exposure can be alleviated through operational strategies and currency risk mitigation strategies. In the current globalized market, exchange rate risk affects not only multinationals and businesses that trade in international markets, but also small and medium-sized enterprises. Foreign exchange risk refers to the losses that an international financial transaction may incur due to currency fluctuations. Also known as currency risk, FX risk and exchange-rate risk, it describes the possibility that an investment's value may decrease due to changes in the relative value of the involved currencies.
4. **Foreign investment risk.** Investment in foreign securities (both governmental and corporate) may involve a high degree of risk. Funds invested in foreign securities are subject to additional risks such as, but not limited to, currency risk and exchange-rate risk, political instability, and economic instability of the countries from where the securities originate. Regarding debt securities, such risks may impair the timely payment of principal or interest.
5. **Insolvency risk.** Bankruptcy risk is the likelihood that a person or fund will be unable to meet its (debt) obligations. It is the probability of a firm becoming insolvent due to its inability to service its debt. Many investors consider a firm's bankruptcy risk before making equity or bond investment decisions. Firms with a high risk of bankruptcy may find it difficult to raise capital from investors or creditors.
6. **Liquidity risk.** Liquidity risk stems from the lack of marketability of an investment that can't be sold (or bought) quickly enough to prevent or minimize a loss. It is typically reflected in unusually wide bid-ask

spreads or large price movements. Liquidity is the ability of a person or fund to pay its debts without suffering catastrophic losses. Investors, managers, and creditors use liquidity measurement ratios when deciding the level of risk within an organization or fund. If an investor or fund cannot meet its short-term debt obligations, it is experiencing liquidity risk.

7. **Market Risk.** Securities may decline in value due to factors affecting securities markets generally or industries. The value of a fund may be worth less than the original investment. Market risk is the possibility that a person or fund experience losses due to factors that affect the overall performance of investments in the financial markets. Market risk, or systematic risk, affects the performance of the entire market simultaneously. Market risk cannot be eliminated through diversification and may arise due to changes to interest rates, exchange rates, geopolitical events or recessions.
8. **Operational risk.** Operational risk summarizes the uncertainties and hazards a person or fund faces when it attempts to do its day-to-day business activities within a given field or industry. A type of business risk, it can result from breakdowns in internal procedures, people and systems—as opposed to problems incurred from external forces, such as political or economic events, or inherent to the entire market or market segment, known as systematic risk. Operational risk can also be classified as a variety of unsystematic risk, which is unique to a specific company or industry, for instance risks which may come in form of counterparty platform failure during trading.
9. **Price risk.** Price risk is the risk of a decline in the value of a security or an investment portfolio excluding a downturn in the market, due to multiple factors. Investors can employ a number of tools and techniques to hedge price risk, ranging from relatively conservative decisions (e.g., buying put options) to more aggressive strategies (e.g., short selling).
10. **Reputational risk.** Reputational risk is a threat or danger to the good name or standing of a business or entity. Reputational risk can occur in the following ways: directly, as the result of the actions of the company; indirectly, due to the actions of an employee or employees; tangentially, through other peripheral parties, such as joint venture partners or suppliers. In addition to having good governance practices and transparency, companies need to be socially responsible and environmentally conscious to avoid or minimize reputational risk.
11. **Risks of unforeseen global events.** Risks of globalization may be magnified if certain events or developments adversely affect the safety or health of consumers, managers and employees around the world or interrupt the global supply chain. In these and other circumstances, such risks might affect companies and investments worldwide. As a result, unexpected local, regional, or global events and their aftermath, such as war; acts of terrorism; financial, political or social disruptions; natural, environmental or man-made disasters; the spread of infectious illnesses, pandemics or other public health issues; recessions and depressions; or other tragedies, catastrophes and events could have a significant negative impact on global economic and market conditions and on the Fund and its investments.
12. **Settlement risk.** Settlement risk is the possibility that one or more parties will fail to deliver on the terms of a contract at the agreed-upon time. Settlement risk is a type of counterparty risk associated with default risk, as well as with timing differences between parties. Settlement risk is also called delivery risk.
13. **Valuation Risk.** Valuation risk is the risk that an entity suffers a loss when trading an asset or a liability due to a difference between the accounting value and the price effectively obtained in the trade. In other words, valuation risk is the uncertainty about the difference between the value reported in the balance sheet for an asset or a liability and the price that the entity could obtain if it effectively sold the asset or transferred the liability (the so called “exit price”).

A1.4. Important Considerations

1. **Political, Economic and Social Risk.** Investors should be aware that the recent global events, including military hostilities between Russia and Ukraine and other instances of geopolitical conflict, have affected, and may in the future affect, the global economy, global financial markets and could significantly impact

volatility, liquidity and/or the performance of the Fund Manager. The Fund Manager does not currently intend to obtain political risk insurance, and in the event, that the Fund Manager desires to obtain such insurance in the future, it is possible that such insurance will not be available or fully protective. Future actions of the governments could have a significant effect on the investment economy, which could adversely affect private sector companies, market conditions and prices and the performance of the investments. The occurrence of social unrest or external tensions could adversely affect political and economic stability and consequently, adversely affect the Fund's performance in those jurisdictions.

2. **Target eurobonds may not be a suitable investment for all investors.** Each potential investor in eurobonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the eurobonds, the merits and risks of investing in the eurobonds and the information contained or incorporated by reference in this base Offering Materials and/or Annexes or any applicable supplements; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the eurobonds and the impact the eurobonds will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the eurobonds, including where the currency for principal or interest payments is different from the potential investor's currency; (iv) understand thoroughly the terms of the eurobonds and be familiar with the behavior of any relevant financial markets; and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.
3. **Foreign Exchange and Currency.** The Fund Manager may invest in securities and other contracts in a number of jurisdictions. Trading on such exchanges may not be regulated or may be poorly regulated and may, therefore, be subject to more risks than trading on well-regulated exchange. Other considerations include exchange control regulations, reduced and less reliable information about issuers and markets, different accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees, geo-political events including military hostilities between Russia and Ukraine and local economic or political instability and greater market risk in general. In addition, dividends paid by issuers in some jurisdictions may be subject to withholding and other taxes that may decrease the net return on these investments. Moreover, unless the Fund Manager hedges through a mechanism against fluctuations in the exchange rates between USD and the currencies in which trading is done on such exchanges, and potential profits could be eliminated, and losses could be incurred as a result of adverse changes in exchange rate. Such hedging may or may not be successful.
4. **High Yield Securities.** The Fund Manager may purchase securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuers' capacity to repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those of higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold.

Considering the recent geo-political events, the United States, European Union, and other countries have imposed sanctions on Russia. The scope and level of the sanctions may increase and there is a risk that this may adversely affect the Russian economy and result in a decline in the value and liquidity of securities, a devaluation of the Russian currency, and/or a downgrade in the credit rating of Russian Connected Entities. No assurance can be given that the current or future ratings will not be downgraded or withdrawn entirely if circumstances in the future warrant the judgment of the assigning rating agency (including because of geopolitical events). Currently, most of these securities might be unrated since all the credit ratings of the Russian Connected Entities have been revoked. In addition, adverse publicity and

investor perceptions about unrated or lower rated securities, whether or not based on fundamental analysis, may contribute to a decrease in the value and liquidity of such lower-rated securities.

- 5. Distressed Securities and Special Opportunities Investments.** Due to the escalating conflict between Russia and the Ukraine, normal market conditions have been significantly impaired, which might result into the Fund purchasing securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial or capital needs or negative net worth (including start-up companies), facing special competitive or product obsolescence problems, or that are involved in bankruptcy or reorganization proceedings. For instance, the sanctions, bans and other measures on Russia, Russian banks and other entities and individuals resulting from the recent Russo-Ukrainian conflict may lead to further global supply issues, increased prices and other inflationary pressures that may impact the value and performance of the Fund.

Investments of this type involve substantial financial business risks that can result in substantial or total losses. Among the problems involved in assessing and making investments in troubled issuers is that it frequently may be difficult to obtain information as to the condition of such issuers. Such investments also may be adversely affected by local laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the relevant bankruptcy court's power to disallow, reduce, subordinate, or disenfranchise particular claims. The market prices of the securities of such issuers are also subject to abrupt and erratic market movements and above average price volatility and the spread between the bid and ask prices of such securities may be greater than normally expected. It may take long period for the market prices of such securities to reflect their intrinsic values. It is anticipated that some of such securities in the Fund's portfolio may not be widely traded, and that the Fund's position in such securities may be substantial in relation to the market for such securities. These types of securities require active monitoring and may, at times, require participation in bankruptcy or reorganization proceedings by the Fund Manager. To the extent that the Fund Manager becomes involved in such proceedings, the Fund Manager may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, the Fund Manager's participation in such proceedings may restrict or limit the Fund's ability to trade securities of the subject company.

- 6. Investment in Emerging Countries and Markets.** Investment in securities and markets in emerging countries and markets, may be subject to different and greater risks than investments in more developed countries and markets because of a variety of factors, including currency controls and the fluctuation of currency exchange rates, changes in governmental administration or economic or monetary policy or changed circumstances in dealings between nations. Other factors include high rates of inflation and the potential for substantial depreciation in the value of local currencies. In many cases, the economies of emerging countries are heavily dependent upon international trade and, accordingly, have been, and may continue to be, adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also may have been, and may continue to be, adversely affected by economic conditions in the countries with which they trade. There may be less publicly available information about emerging countries and markets, and issuers in these countries and markets may not be subject to uniform accounting, auditing, and financial reporting standards and requirements comparable to those for issuers in more developed countries and markets. Securities of some issuers in emerging countries and markets are less liquid and more volatile than securities of comparable issuers in more developed countries and markets and brokerage commissions may be higher. Securities markets in emerging countries may also be less liquid and more volatile than those in more developed countries. Moreover, there may be less governmental supervision and regulation of securities markets, brokers, and securities issuers than in more developed countries and markets.
- 7. Illiquidity of Securities and Markets in Emerging Countries.** The Fund will mainly invest in unlisted securities. Securities that are not publicly traded may be resold in privately negotiated transactions, but they may be less liquid than publicly traded securities and the prices realized upon their resale may be less than those that could be realized if the securities were publicly traded. Furthermore, companies whose

securities are not publicly traded may be in early stages of development, which may involve substantial business and financial risks. Such companies may not be subject to the disclosure and other investor protection requirements that may apply in the case of publicly traded securities. If such securities are required to be registered under the securities laws of one or more jurisdictions before being sold, the expenses of such registration may be chargeable against the proceeds of the sale.

8. **Political and Legal Factors.** The Fund assets may be invested in Russian Connected Entities where there is a high potential return on invested capital but also a high degree of either political or economic risk considering the recent geopolitical events, or both, or where existing regulations may impede repatriation of investment capital or earnings. In such cases, the potential return may be offset, or more than offset, as a result of adverse political or other developments. In that regard, it is generally the case that investments in any emerging country could be affected by factors such as nationalization, expropriation without just compensation, exchange control, confiscatory taxation, political changes, governmental regulation, social, political, or diplomatic instability (including military or other internal political coups, insurrections and wars), and potential difficulties in enforcing contractual obligations. In addition, the legal systems in emerging countries are often not as sophisticated as those in developed nations and it may be difficult to predict with any degree of assurance the resolution of legal questions presented in adjudications or other governmental proceedings. In addition, the availability of judicial and other remedies may, as a practical matter as well as a legal matter, be far more restricted than in developed countries. These factors may adversely affect the companies in which the Fund Manager invests as well as the enforceability of the rights of the Fund as a security-holder in such companies.

9. **Potential Military Action, Wars, Terrorist Attacks, Cyberattacks, and Similar Events May Adversely Affect Investment.** The effects of the recent Russia-Ukrainian conflict, terrorist attacks, or cyberattacks may have on the performance of the Fund cannot be predicted as the recent conflict could have a material adverse effect on general economic conditions, consumer confidence, and market liquidity. As a result of political and military actions undertaken by Russia, the US and the EU has instituted sanctions against certain Russian individuals, including politicians, and Russian corporate and banking entities. Other countries could also institute broader sanctions on Russia, including banning Russia from global payment systems that facilitate cross-border payments. These sanctions and any additional sanctions or other inter-governmental actions that may be undertaken against Russia in the future may result in the devaluation of the Russian currency, a downgrade in the credit rating, and a decline in the value and liquidity of the securities of the Russian Connected Entities. Such actions could result in a freeze of Russian securities, impairing the ability of a fund to buy, sell, receive, or deliver those securities. Retaliatory action by the Russian government could involve the seizure of the US and/or European residents' assets, and any such actions are likely to impair the value and liquidity of such assets. All these factors could have a negative effect on the performance of the Fund that has significant exposure to the Russian Connected Entities.

The extent and duration of the military action, resulting sanctions, and resulting future market disruptions, including declines in its stock markets and the value of the ruble against the U.S. dollar, are impossible to predict, but could be significant. Any such disruptions caused by Russian military action or other actions (including cyberattacks and espionage) or resulting actual and threatened responses to such activity, including purchasing and financing restrictions, boycotts or changes in consumer or purchaser preferences, sanctions, tariffs, or cyberattacks on the Russian government, Russian companies or Russian individuals, including politicians, may negatively impact Russia's economy and Russian Connected Entities in which the Fund Manager invests. Actual and threatened responses to such military action may also impact the markets for certain Russian commodities, such as oil and natural gas, as well as other sectors of the Russian economy, and may likely have collateral impacts on such sectors globally. These and any related events could have a significant impact on Fund performance and the value of an investment in the Fund.

10. **Investment and Repatriation Restrictions.** Some emerging countries have laws and regulations that preclude direct foreign investment in the securities of their companies. In addition, in some emerging countries, prior governmental approval for foreign investments may be required under certain circumstances.

Moreover, the extent of foreign investment in domestic companies may be limited. Foreign ownership limitations also may be imposed by the charters of individual companies in emerging countries to prevent, among other concerns, violation of foreign investment limitations. Repatriation of investment income, capital, and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging countries. The Fund could be adversely affected by delays in or a refusal to grant and required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging countries on dividends paid on securities purchased by the Fund or gains from the disposition of such securities. The sanctions imposed on Russia might result in extreme volatility and disruption and may adversely affect the value, volatility, and liquidity of the securities of the Russian Connected Entities in which the Fund invests. Market volatility, dramatic changes to interest rates and/or a return to unfavorable economic and political conditions may lower a Fund's performance or impair a Fund's ability to achieve its investment objective.

11. **Substantial Fees and Expenses.** The operating expenses of the Fund which include, among other items, operational (administration), brokerage commissions and other trading expenses, valuation fees, property management fees, investment expenses, insurance expenses, as well as custodial, legal, accounting, audit, and reporting expenses, are expected to equal a substantial percentage of the Fund's assets each year. These expenses are in addition to the Management fee and Performance Fee payable by the Fund, and the amounts of each expense will be set out in the Fund's annual report available from the Fund Manager.
12. **Trading Strategy of the Fund.** The Fund Manager will manage the Fund's assets through discretionary allocations to its senior personnel. Information on the identities and experience of the Portfolio Managers and senior management is available on the Fund Manager's website at <https://fonte.kz/team>. Because the investment strategies employed by these managers are independent of one another, positions and or gains in one strategy may be offset by positions and/or losses in another, and a hedge against losses in the positions or strategy of one portfolio manager could have no effect or a negative effect with respect to another manager's positions or strategy.
13. **Other Activities of the Fund Manager.** The Fund Manager may manage other investment funds or portfolios in the future within the scope of its existing licenses. Transactions for these funds or portfolios that are similar to those of the Fund may occur contemporaneously. There is no specific limit to the number of funds or portfolios the Fund Manager may manage. In such cases, the performance of the Fund's investments could be affected by the manner in which particular orders are entered across all managed funds or portfolios.
14. **Nature of an Investment Fund.** The investments in this Fund are not deposits or other obligations of any bank or other financial institution and are not guaranteed by any bank or other financial institution. Any investment in this Fund is therefore subject to investment risks, including the possible loss of the amount invested. The Shares may be assigned, sold, transferred, pledged, or otherwise encumbered, but only under the terms and conditions set forth herein. Additionally, while there may be a public market for the Shares upon listing, no assurance is given that a liquid market will develop or be sustained.
15. **Periodic Valuations.** Periodic valuations shall be carried out for the investments by the Fund but may be mostly subjective in nature. As a result, the Net Asset Values, on the date on which they are reported, may not be realizable.
16. **Lack of Operating History.** The Fund is newly formed and does not have an operating history or any track record for investment. There is no guarantee that the Fund will realize its investment objectives, that the Shareholders will receive any return on, or the return of, their invested capital. Investors will not be permitted to evaluate investment opportunities or relevant business, economic, financial or other information that will be used by the Fund Manager in making investment decisions.
17. **Attraction and Retention of Key Personnel.** The failure to attract and retain key personnel could significantly affect the business of the Fund Manager. The success of companies in the private investment and

investment banking industry depends to a considerable extent on the skills and knowledge of the key personnel.

18. **Regulations.** Future developments in relevant government or central bank regulations and supervision may adversely affect securities markets in the region, by imposing restrictions on trading or transferring securities. Restrictions may also be imposed by relevant securities authorities and stock exchanges. Additionally, despite legislation to encourage foreign investment, the legal systems in some emerging markets are undergoing rapid change and in others remains underdeveloped, leading to significant risks for investors, including risks relating to the ownership and transferability of assets and the enforcement of proprietary rights.
19. **Term of Investment.** The Fund's strategy is formulated on a long-term basis. Therefore, a Shareholder should consider its shareholding to be long-term commitments.
20. **Non-Participation in Management.** Shareholders will have no right or power to participate in the management of the Fund or of any of its assets. All aspects of management of investments are entrusted to the Fund Manager. Investors will have no opportunity to control the day-to-day operation of the Fund, including the investment and disposition decisions.
21. **Taxation.** Prospective Shareholders should consult legal and tax advisors in the countries of their citizenship, residence and domicile to determine the possible tax or other consequences of purchasing, holding and redeeming Shares under the laws of their respective jurisdictions. Accordingly, prospective Shareholders should exercise particular care in evaluating this particular risk and must decide for themselves whether, in the light of this risk, their investment in the Fund is appropriate.

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12. Investment Committee

1. The Fund Manager may establish one or more Investment Committee which may include, amongst others, attracted qualified individuals and/or employees of the Fund Manager with significant experience that is relevant to investment objectives of a Sub-Fund.
2. The primary role of the Investment Committee will be to provide advice and counsel, accept decisions regarding diverse issues of the Fund. In addition, the Investment Committee will exercise oversight of the investment function and their role will form an integral part of the investment process.
3. The Investment Committee will be responsible for monitoring, advising and performing functions including:
 - 1) approve the investment strategy;
 - 2) evaluating and approving investments;
 - 3) make investment and exit decisions;
 - 4) monitor deal pipeline;
 - 5) monitor and the performance of the Fund and the market;
 - 6) capital increase decisions;
 - 7) approve any bank financing facilities;
 - 8) ensure no conflict of interest occurs;
 - 9) ensure compliance with the investment objectives and general policies; and
 - 10) account and report accurately for all investments in a timely and appropriate manner.
4. The Fund's Investment Committee take all actions in accordance with the terms of the Fund's Constitution, its Offering Materials and applicable law.
5. The Fund's Investment Committee shall not be liable for any error of judgment, mistake of law, or of any loss suffered and or incurred to the assets of the Fund as a result of the Fund Manager's discharge of its responsibilities hereunder, except for any loss resulting from a breach of the Fund Manager's fiduciary obligations to the Fund, and or from fraud, willful default or gross negligence.

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Annex 1.

**TERMS AND CONDITIONS OF THE SUB-FUND "B"
OF FONTE EMERGING MARKETS UMBRELLA FUND OEIC LIMITED**

The Units of this Sub-Fund have been issued under the Offering Materials of Fonte Emerging Markets Umbrella Fund OEIC Limited (the "Fund") for Professional Clients only (the "Units"). Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Offering Materials dated November 8, 2024 (the "Offering Materials"). This document constitutes the Terms and Conditions of the Units (the "Units T&C") described herein. This document is prepared for the purposes of the AIFC rules and must be read in conjunction with the Offering Materials. Full information on the Fund and the offer of the Units is only available on the basis of the combination of these Units T&C and the Offering Materials. The T&C and the Offering Materials have been published on the website of the Astana International Exchange (hereinafter "AIX") at <https://www.aix.kz> and the website of the Fund at www.fonte.kz.

Astana International Exchange Ltd (AIX) and its related companies and their respective directors, officers and employees do not accept responsibility for the content of these Units T&C including the accuracy or completeness of any information or statements included in it. Liability for the Units T&C lies with the Sub-Fund of the Units T&C and other persons such as Experts whose opinions are included in the Units T&C with their consent. Nor has AIX, its directors, officers or employees assessed the suitability of the securities to which the Units T&C relates for any particular investor or type of investor. If you do not understand the contents of these Units T&C or are unsure whether the securities are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor.

Name of the Fund	Sub-Fund "B"
Registration details of the Sub-Fund	BIN 230240900182; Back-office System Sub-Fund # 003/B
Base currency of the Sub-Fund	USD
Duration of the Sub-Fund	indefinite
Shares of the Sub-Fund	Share B
Investment Declaration of the Sub-Fund	pre-IPO equity of Oravel Stays Limited ¹⁵ up to 100% of the Sub-Fund's NAV
Sub-Fund's Registrar	AIX Registrar
Sub-Fund's Bank	Altyn Bank JSC (SB of China CITIC Bank Corporation Ltd), 109V Abay Ave., Almaty, Republic of Kazakhstan, A05A1B9, +7(727)2596900, info@altyn-i.kz [license № 1.1.114, № 3.3.254/46 dated 23.10.2024]
Sub-Fund's Broker	Altyn Adam Associates, JSC; floor 2, 34 Al-Farabi Ave, block A, Almaty, Republic of Kazakhstan, A25D5F6, +7 (727) 3110954, info@altynadam.finance [license № 3.2.252 dated 01.03.2024]; other eligible (authorised, licensed) brokers due to agreements with the Fund Manager.
Fees of the Sub-Fund	1) Subscription Fee; 2) Transfer Fee; 3) Management fee; 4) Operational fees; 5) Performance fee; 6) Redemption fee.
Subscription fee	5% (five percent) of the Subscription Amount in accordance with the Subscription Deed of the Sub-Fund
Transfer fee	Please see the respective section of the base Offering Materials

¹⁵ Oravel Stays Limited (hereinafter – OYO) is a global platform that empowers entrepreneurs and small businesses with hotels and homes by providing full stack technology that increases earnings and eases operations. Registered Office: Ground Floor-001, Mauryansh Elanza, Shyamal Cross Road, Nr. Parekh Hospital, Satellite, Ahmedabad 380015, Gujarat, India.

Management fee	1% (one percent) per annum of the Sub-Fund's NAV that will be paid on a quarterly basis to the Fund Manager plus 50 000 (fifty thousand) USD per annum that is charged on a quarterly basis payable to the Fund Manager
Operational fees	Please see the respective section of the base Offering Materials. The maximum limit for operational fees shall not exceed 2% per annum of each Sub-Fund's NAV.
Performance fee	In accordance with the section 8.5 of the base Offering Materials (Performance fee); 20% (twenty percent) of Sub-Fund's net profit; Annually
Redemption fee	5% (five percent) of the NAV per redeemable Shares on Redemption Date
Subscription terms of the Sub-Fund	Initial Share Price: USD 1,000; Number of Shares issued: 50,000; Circulation period: Open-ended
Redemption terms of the Sub-Fund	In accordance with the redemption procedure stipulated in clause 5.3. of the base Offering Materials
Other terms and conditions of the Sub-Fund	<p>The Sub-Fund may incur borrowings. Hedging techniques may be utilised by the Sub-Fund. Risks include market risk, regulatory and legal environment risk, industry risks, cyber risks, transparency risk, forecasting risks, illiquidity risks, and deal risks.</p> <p>Additional information:</p> <p>1) Investment objective: the principal investment objective of the Sub-Fund is to deliver risk-adjusted absolute returns with a focus on capital appreciation. To achieve this, the Sub-Fund will implement the investment strategy detailed below;</p> <p>2) Investment strategy: the Sub-Fund will pursue the investment objective by investing, whether directly, indirectly or synthetically, in the pre-IPO equity of Oravel Stays Limited;</p> <p>3) Investment restrictions: the Sub-Fund is not subject to any geographic or sector-based restrictions, save that the Sub-Fund shall not invest in entities established, headquartered or having a substantive part of their operations within the Russian Federation, the Republic of Belarus or any of their respective territories. Whilst the Fund Manager intend for the Sub-Fund to exit its investments via a sale on the secondary market (prior to the initial public offering of the same, if any), there is no guarantee that this will occur nor any obligation in respect of the same. For the avoidance of doubt, the subsequent public offering or listing of any non-public equity securities acquired by the Sub-Fund pursuant to the above investment strategy shall not constitute a breach of the Sub-Fund's investment policy and the Sub-Fund shall not be under any obligation to divest any such equities within any fixed period of time;</p> <p>4) Leverage, Hedging: The Sub-Fund may incur borrowings, with leverage limited to a maximum of 100% of NAV. Hedging techniques may also be utilized by the Sub-Fund;</p> <p>5) Risk Factors Specific to the Sub-Fund: an investment in the Sub-Fund and the Sub-Fund involves a high degree of risk and there is no guarantee against loss of an investor's entire investment. Potential investors should review the risk factors set out below, and consult with their own counsel and advisors before deciding to invest in the Units;</p> <p>5.1) Market Risks: there are special risks related to investing in Indian market, including:</p> <ul style="list-style-type: none"> • Indian companies may not provide investors with sufficient information to ensure a comprehensive view on an investment, and the information may not be available in English. Investors may lack vital information necessary to understand all the political, economic, and social factors that influence local stock markets; • due to local regulations, investing in Indian companies can be more expensive, given the higher transaction costs and necessity to open and maintain local custody and bank accounts;

- fluctuations in the exchange rate between the U.S. dollar and the Indian rupee may seriously alter the investment return. Additionally, India may have in place or may impose in the future foreign currency controls that may restrict or delay investors from moving currency out of a country;
- markets in India may have restrictions concerning the amount or type of stocks that foreign investors may purchase;
- investors may not be able to seek certain legal remedies in international courts as private plaintiffs. Even if they sue successfully in an international court, they may not be able to collect on a judgment against an Indian counterpart. Investors will have to rely on local legal remedies providing eventually a weaker protection;

5.2) Regulatory and legal environment risks: Oravel Stays Limited may face various regulatory and legal challenges in the countries they operate in. OYO's activities may raise risks in relation to data privacy, relationships with partners, legal risks in relation to agreements with local counterparts. These risks are further exacerbated due to different legal and regulatory frameworks. In addition, local regulators may enforce laws that would restrain Oravel Stays Limited's activities and increase costs of doing business;

5.3) Industry risks: Oravel Stays Limited faces intense competition from both traditional hotel chains, like Marriott and Hilton, and tech businesses like AirBnb, Booking, Yatra, Makemytrip, and other companies that provide accommodation services. There is a number of specific risks, barriers and disadvantages that are present in the industry: economic fluctuations and unexpected events such as COVID-19; changes in consumer habits; technological disruptions, and others;

5.4) Cyber risks: as a tech company, Oravel Stays Limited is susceptible to cybersecurity risks, which include data theft and loss due to malware and hacker attacks. As an example, there were reports of vulnerabilities in OYO software which allowed third parties to access booking IDs, phone numbers of people living in the room, and other personal data;

5.5) Transparency risks: as a public (but not publicly traded) company, Oravel Stays Limited reports financial statements, however it is done with a significant lag. Currently, as at May 2024, the latest financial statements published on the company's website are for 2022 FY (in case of Oravel Stays Limited, the financial year ends on 31 March of the current year, i.e. 2022 financial year ends on 31 March 2022). Otherwise, Oravel Stays Limited may only release selected data on an irregular basis. Even though there is a relationship established with the company's management, there are no guarantees the Fund will receive timely and complete information on the Oravel Stays Limited's activities and results;

5.6) Forecasting risks: due to the absence of latest financial statements, and high-level data of company's presentations, there is not sufficient data to run a detailed financial model. The current forecast is based on the company's available data and mostly relates to high-level numbers. Such a limitation hinders the ability to take into account the company's specific risks with qualitative and quantitative tools;

5.7) Illiquidity risks: Oravel Stays Limited has made numerous approaches to an IPO starting from 2021, when it first filed a prospectus with SEBI (Securities and Exchange Board of India). However, due to post-COVID performance, underperformance of the market in general, and other regulatory developments, several rounds of refiling the prospectus followed, and the projected IPO date moved several times. Even though Oravel Stays Limited's founder continues to announce IPO plans, once the market conditions become favourable, it may be postponed again, which will restrict exit possibilities. The shareholders may have an option to sell the shares on the OTC market, however it could become more difficult to do so due to various reasons (restrictions from the company, regulatory reasons, etc.);

5.8) Deal risks: an investor would have to bear counterparty risks and other risks that may occur during the course of the transaction.

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