

## Sri Lanka Fractional Bond 2023 (POOLED)

Strategy Manager	Kristal Advisors (SG) Pte. Ltd.
Sub-manager	Not Applicable
Advisor	Not Applicable
Broker(s)	Interactive Brokers / SAXO Capital Markets
Custodian(s)	Interactive Brokers / SAXO Capital Markets
Bank / Trustee	DBS Singapore
Type	Open ended, Fixed Maturity 18. April 2023
Available To	Investor Type: Accredited Investor / Institutional
	Jurisdiction: Singapore
Form	Pooled Account
Denomination	USD
Description	The strategy manager will invest in USD fixed income instruments issued by the Republic of Sri Lanka.
	This strategy is deemed suitable for investors who are looking to invest into international government bonds issued by the Republic of Sri Lanka and who are looking to buy it in smaller amounts than the USD 200,000 minimum notional amount.
Leverage	No Leverage.
Foreign Exchange	Underlying assets to be denominated in USD. Should any non-USD assets be purchased, then the strategy manager may use FX forwards and/or futures to convert future non USD cash flows into USD. The size of such FX forwards and/or futures shall not exceed the size of the cash flows expected from the underlying asset.
Interest Rates	The strategy manager shall not use interest rate futures and / or derivatives to increase or decrease the interest rate risk in the strategy.
Asset Type(s)	<ul style="list-style-type: none"> <li>• Debt instruments issued by the Republic of Sri Lanka</li> <li>• USD ETFs with underlying securities of a better or equivalent credit quality as the Government of Sri Lanka. The purpose of these ETFs is for re-investment of the accrued coupons received over the life of the strategy.</li> </ul>
Asset Holding	<ul style="list-style-type: none"> <li>• The Strategy Manager may hold one or more assets issued by the Issuer but with a maturity on or before the stated maturity date of the strategy.</li> </ul> <p><b><i>The manager can hold cash to address adverse market liquidity, volatility and redemptions.</i></b></p>
Management Fee	0.1% per month of weekly AUM, accrued weekly and reflected in the NAV weekly. Fee shall be processed on every month end by reducing the cash balances and/or by liquidating portfolio holdings.
	<ul style="list-style-type: none"> <li>• Brokerage: Charged to the pool account per transaction. NAV of the day will be adjusted for the charges on the day.</li> <li>• Custody: Accrues to the pool account daily and charged monthly. NAV of the day will be adjusted for the charges of the day.</li> </ul>
Brokerage Fees and Custody Charges	All costs applied to the operating of the pooled account by vendors including but not limited to Bank, Broker, Custodian, Auditor shall be chargeable to the pool and will be adjusted in the NAV.
Unit Calculation	<p>Total USD amount credited to Bank Account after Bank charges will be the Available Investment Amount.</p> <p>Units shall be issued by dividing the Available Investment Amount by the Applicable NAV and rounded down to the 4<sup>th</sup> decimal i.e. Investors may be issued fractional units.</p>

	<p>For example:  Available Investment Amount = USD 29,950/-  Applicable NAV = 10,500.1231</p> <ul style="list-style-type: none"> <li>• Units issued = <math>29,950 / (10,500.1231) = 2.8523</math></li> </ul>
Unit NAV Calculation Frequency	<p>Weekly</p> <ul style="list-style-type: none"> <li>• Unit NAV is published weekly every Monday using the applicable NAV of the last business day of the prior week (Friday EOD data, or if Friday is a public holiday, the day before)</li> </ul>
Unit Value	<p>USD 1 x NAV</p> <p><u>For example:</u></p> <ul style="list-style-type: none"> <li>• 'End of Day' NAV on a day is 10,500.1231; per unit value shall be USD 10,500.1231 for that day.</li> </ul>
Minimum Subscription Amount	<ul style="list-style-type: none"> <li>• Minimum USD 20,000/-</li> </ul>
Subscription Frequency	<p>Subscriptions are made available on a best effort basis through a book building process on a weekly basis.</p> <p>Applicable NAV will be the 'End of Week' NAV of the week when Confirmation of Available Investment Amount is sent, subject to cut off time of 4pm Singapore Time of the last working day of that week (Confirmation Week). Such confirmation may take up to 5 business days from the date funds are received in the Bank Account.</p> <p>Units shall be issued on the working day the strategy broker account is funded following the Confirmation Week (Subscription Date).</p> <p><u>For Example:</u>  Available Investment Amount received on Tuesday of Week 1 and confirmation of receipt of Available Investment Amount is provided on Friday before 4pm Singapore time.</p> <p>Strategy broker account is funded on 2nd working day of next week i.e.  Tuesday of Week 2</p> <p>Applicable NAV is NAV for last working day of week 1 i.e. Friday</p> <p>Applicable NAV is published on 1st working day of next week i.e.  Monday of Week 2</p> <p>Units are issued on 2nd working day of week 2 i.e. Tuesday (Subscription Date)</p>

Subscription Calculation	<p>Applicable NAV will be the 'End of Week' NAV of the week when Confirmation of Available Investment Amount is sent, subject to cut off time of 4pm Singapore Time of the last working day of that week (Confirmation Week). Such confirmation may take up to 5 business days from the date funds are received in the Bank Account.</p> <p>Units shall be issued on the working day the strategy broker account is funded following the Confirmation Week (Subscription Date).</p> <p>For Example:</p> <p>Available Investment Amount received on Tuesday of Week 1 and confirmation of receipt of Available Investment Amount is provided on Friday before 4pm Singapore time.</p> <p>Strategy broker account is funded on 2nd working day of next week i.e. Tuesday of Week 2</p> <p>Applicable NAV is NAV for last working day of week 1 i.e. Friday</p> <p>Applicable NAV is published on 1st working day of next week i.e. Monday of Week 2</p> <p>Units are issued on 2nd working day of week 2 i.e. Tuesday (Subscription Date)</p>
Redemption of Units	Redemptions before the Maturity date are not allowed.
Redemption at Maturity	<p>The scheduled maturity date of the strategy is the 18. April 2023.</p> <p>Funds shall be paid into client account no later than 5 US and Singapore business days from the Redemption Date.</p>
Extension of Maturity	<p>In the event of the Republic of Sri Lanka entering into a default or restructuring event prior to maturity on 18. April 2023 or the scheduled maturity settlement date thereafter, the maturity of the strategy automatically extends.</p> <p>In a default or restructuring event lenders enter into negotiations with the borrow to negotiate debt extension or recoveries, or in a default event, the proceedings are to be distributed by the administrators.</p> <p>In such event, the strategy manager has the option to sell the held securities at the prevailing market rate, which may trade at a substantial discount to the par value of the underlying bond securities.</p>
Suspension of NAV and/or Redemptions	<p>Under any of the circumstances listed out below but not limited to, the strategy manager may at his discretion suspend declare a temporary suspension of NAV calculation and/or redemption of units:</p> <ul style="list-style-type: none"> <li>A) When any stock exchange on which investments held suspends or restricts dealings</li> <li>B) During the existence of any state of affairs under which a disposal of Investments would not be reasonably practicable or might materially impact the non-redeeming unit holders</li> </ul>

	<p>C) During which the strategy manager determines in good faith that there exist any circumstances that render the calculation not the Net Asset Value, acceptance of subscriptions and/or redemptions, repurchases or payment of redemption price, impracticable or undesirable</p> <p>Any suspension takes effect at the earlier of:</p> <p>(a) the time the strategy manager specify in its declaration; and</p> <p>(b) the close of business on the business day immediately following the day the strategy manager declares the suspension.</p> <p>The suspension continues until the strategy manager declares that it is ended. As soon as practicable after declaring a suspension, the strategy manager will cause notice to be given of the terms of that declaration. Similarly, when the period of suspension ends, they will cause further notice of that fact to be given.</p> <p>The strategy manager may use an alternative method of valuation if they consider that any method does not give a fair value of that asset or liability.</p>
Latest Date of Strategy Review Document	30. October 2020
Document Created by:	Thomas Meichl
Reviewed & Approved:	
Approval Date:	
Expected Launch date:	2. November 2020

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2. Please note that Interactive Brokers, one of the Custodians and Brokers for this strategy, is an overseas broker not regulated by MAS.

**Risk Disclosure:**

Investment is subject to specific risks. Some of the risks are set forth in the section headed "Risk Factors" of the prospectus of the Underlying. You should read that section carefully before you decide to invest in the IPO Offering of the underlying. Some of these are summarized below:

1. Overall investment risk: All investments in securities risk the loss of capital. There may be increased risk due to the nature of the securities to be purchased and traded and the investment techniques and strategies used to increase profits. While the Investment Manager will devote its best efforts, it cannot give an assurance that the Client/Investor will not incur losses. Many unforeseeable events, including actions by various government agencies & domestic/international political events, may cause sharp market fluctuations.
2. Transaction Risk: This transaction is dependent on various factors, including but not limited to macro/micro, company specific & deal specific factors. In case the transaction falls through, there might be FX translation and transfer costs which will have to be borne by the clients.
3. Subscription/Allotment Risk: IPO allotment is subject to the supply and demand. There is no assurance that the Client/Investor will be able to get full allotment of the underlying with regards to the investment amount.
4. Investment/Valuation Risks: The success of the Investment Strategies will depend on the Investment Manager's ability to identify and exploit price discrepancies in valuation, corporate events or macro-economic events. Identification and exploitation of such opportunities involves uncertainty. No assurance can be given that the Investment Manager will be able to locate investment opportunities or to correctly exploit price discrepancies in corporate or macro-economic events. A reduction in the pricing inefficiency of such events will reduce the scope for the Investment Strategies. If the perceived mispricing underlying the positions were to fail to converge toward, or were to diverge further from, relationships expected by the Investment Manager, the Client/Investor may incur a loss. Client/Investor may be adversely affected by unforeseen events involving such matters as political crises, changes in currency exchange rates, interest rates, and forced redemptions of securities or acquisition proposals.
5. Market risks and liquidity: In large measure the profitability of a significant portion of the investment program depends on correctly assessing the future course of the price movements of securities and other investments. There is no assurance that the Investment Manager will be able to accurately predict those price movements. Although the Investment Manager may attempt to mitigate market risk, there is always some and occasionally a significant degree of market risk. Furthermore, the Client/Investor may be adversely affected by a decrease in market liquidity for instruments, which may impair the ability to adjust its position. Changes in overall market leverage, de-leveraging as a consequence of a decision by a prime broker to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Client/Investor portfolio.

6. **Legal and Compliance:** The Investment Manager must comply with various legal requirements, including requirements imposed by the securities laws, tax laws and pension laws in various jurisdictions. Should any of those laws change, the legal requirements to which the Client/Investor may be subject could differ materially from current requirements.
7. **Counterparty and settlement risk:** Due to the nature of some of the investments that the Investment Manager may make, the Investment Manager may rely on the ability of the counterparty to a transaction to perform its obligations. If that party fails to complete its obligations for any reason, the Client/Investor may suffer losses and therefore be exposed to a credit risk on the counterparties with which it trades. The Client/Investor will also bear the risk of settlement default by clearing houses and exchanges. A default by a counterparty or a default on settlement could have a material adverse effect on the Client/Investor.
8. **Notice Required:** A Client/Investor must give prior written notice to the Investment Manager to make a partial or total redemption of its Units/Shares. During such notice period, the Client/Investor's investment remains at risk and may decrease in value from the date that notice of redemption is made to the Investment Manager until the effective date of redemption.
9. **Litigation and Claims:** The Investment Manager may be subject to lawsuits or proceedings by government entities or private parties. Except in the event of a lawsuit or proceeding arising from the Investment Manager's gross negligence, willful default, fraud or bad faith in the performance of its duties, expenses or liabilities of the Investment in the underlying arising from any suit might have to be borne Client/Investor.
10. **Risks of Taxation:** The section on Taxation is a summary of taxation law and practice in force in the relevant countries at the date of this Memorandum and is subject to changes therein and is not exhaustive. Levels and bases of taxation in the relevant countries may change.
11. **Difficult market for investment opportunities:** The activity of identifying, completing and realising on attractive investments is highly uncertain. There is no assurance that the Investment Manager will be able to locate and complete investments that satisfy the Client/Investor's rate-of-return objective or to realise on the value of those investments.
12. **Potential conflicts of interest:** The Investment Manager, and any broker or custodian appointed by the Investment Manager, may act for, or be involved with, other collective investment vehicles that have similar investment objectives to those of the Client/Investor's investments. Capacities in which one or more of them may act for, or be involved with, other collective investment vehicles of that type include: as distributor, promoter, manager, investment manager, investment adviser, registrar, transfer agent, administrator, trustee, custodian, broker, director and placing agent. Similarly, one or more of them may provide discretionary fund management or ancillary administration, custodian or brokerage services to investors with similar investment objectives to those of the Client/Investor. Consequently, any of them may in the course of their business, have potential conflicts of interests with the Client/Investor. If a potential conflict arises, so far

as practicable, each will have regard to its obligation to act in the best interests of its Unit holders/ Client/Investor, having regard to its obligations to other clients, when undertaking investments. Further, each will endeavour to resolve any conflicts fairly.