

## FUND STANDARD OPERATING PROCEDURE (SOP)

### 1. Investor Onboarding and Account Opening

- **Objective:** To ensure proper identification, verification, and documentation for new investors.
- **Process:**
  - **Investor Application:** The investor submits an Account Opening Form (AOF) along with Know Your Customer (KYC) documents.
  - **Account Creation:** A unique Account Number is assigned to each investor.
  - **Data Security:** Investor details are maintained confidentially and securely.

### 2. Investment Procedure

- **Objective:** To ensure proper management of funds based on investor preferences, fund objectives, and risk tolerance.
- **Process:**
  - **Investment Strategy:** Funds are invested according to the approved investment strategy.
  - **Risk Management:** Investments are made with a focus on risk mitigation and diversification.
  - **Performance Tracking:** Fund performance is monitored regularly by the fund manager to ensure alignment with investment objectives.

### 3. Transaction Confirmation and Reporting

- **Objective:** To ensure transparent and accurate reporting of transactions and fund performance.
- **Process:**
  - **Transaction Confirmation:** Investors receive immediate confirmation of all investment transactions.
  - **Performance Monitoring:** The fund manager conducts regular performance reviews.
  - **Reporting:**
    - Monthly/Quarterly reports are generated, summarizing fund performance, returns, and holdings.
    - Investors receive fund statements and reports detailing their portfolio's performance and balance.

### 4. Withdrawal Request

- **Objective:** To ensure the efficient handling of investor withdrawals while maintaining fund liquidity.
- **Process:**
  - **Submission:** Investors submit a withdrawal request specifying the amount or units to redeem.
  - **Processing Time:**
    - Standard withdrawal requests require 30 days' prior notice.
    - Emergency withdrawal requests may be considered on a case-by-case basis.

- **Redemption:** Redemptions are processed based on the fund's net asset value (NAV) on the applicable valuation date or latest report.
- **Disbursement:** Funds are transferred to the investor's designated bank account upon successful processing.
- **Confirmation:** A confirmation of redemption, including details of the amount withdrawn and remaining units, is sent to the investor.

## 5. Risk Management

- **Objective:** To minimize risk and manage the fund's assets effectively.
- **Process:**
  - **Risk Assessment:** The fund manager identifies and assesses potential risks (market, credit, liquidity, operational).
  - **Risk Mitigation:** Strategies are implemented to mitigate identified risks.
  - **Portfolio Monitoring:** The fund's portfolio is regularly monitored and rebalanced to maintain an appropriate risk-return profile.
  - **Stress Testing:** Stress tests and scenario analysis are conducted to evaluate the fund's performance under various market conditions.

## 6. Profit Distribution

- **Objective:** To distribute profits to investors fairly and transparently.
- **Process:**
  - **Commission Allocation:** 10% of the total fund profits are allocated as a management fee/commission.
  - **Dividend Equalization:** Remaining profits are distributed to investors through dividend equalization.

## 7. Fund Reporting and Performance Evaluation

- **Objective:** To provide transparent and regular reports to investors on the fund's performance.
- **Process:**
  - **Quarterly/Annual Reports:** Detailed reports are generated, including share value, returns, sector-wise allocation, and portfolio changes.
  - **Benchmark Comparison:** Fund performance is compared against relevant benchmarks.
  - **Investor Communication:** Reports are sent to investors along with any changes to the fund's strategy, risks, or fees.

## 8. Communication with Investors

- **Objective:** To maintain clear and consistent communication with investors regarding their investments.
- **Process:**
  - **Communication Channels:** Investors are informed about important updates via email, SMS, or postal mail.
  - **Communication Content:**
    - Changes in fund policies, strategies, or fees
    - Fund performance and share value updates
    - Regulatory changes that may affect the fund

- Investor meetings or conferences if required.

## 9. Termination of Fund or Account

- **Objective:** To properly close a fund or investor account, ensuring all outstanding obligations are settled.
- **Process:**
  - **Fund Termination:** Upon fund termination or investor account closure:
    - Remaining assets are liquidated or transferred as per the fund's terms.
    - All redemption requests are processed, and proceeds are distributed to investors.
    - A final report is provided to investors confirming the closure.

## 10. Review and Updates to SOP

- **Objective:** To maintain up-to-date and efficient procedures.
- **Process:**
  - **Annual Review:** This SOP is reviewed annually to ensure compliance with regulatory standards and evolving business needs.
  - **Updates:** Any required changes or updates are communicated to relevant departments and investors.

### Transaction Processing:

- All transactions will be made from Nepali bank to the designated bank account of the investor.
- Each transaction record will include the unique "Investor ID" as a remark for clear identification and reconciliation.

**Disclaimer:** This SOP provides a general framework and may need to be adapted to specific fund requirements and applicable regulations.

AOP and KYC forms will be sent to your email with bank details. After verification of open opening you can start transferring funds on monthly or weekly basis.