



P11 Management
Carbon Capital Fund

THE SHARES DESCRIBED IN THIS INVESTMENT MEMORANDUM HAVE NOT BEEN REGISTERED UNDER THE SECURITIES LAWS OF ANY COUNTRY OR JURISDICTION AND DO NOT QUALIFY FOR OFFERING OR SALE TO THE PUBLIC.

THIS INVESTMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SHARES IN THE FUND IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SALE.

CARBON CAPITAL FUND USALDUSFOND

(the "Fund")

Incorporated as a limited partnership under the Laws of Estonia with registry code: 16383718 and registered with and supervised by the Financial Supervision Authority of Estonia (the "**FSA**") under Subchapter 2 of Chapter 29 of the Investment Funds Act (the "**IFA**")

INVESTMENT MEMORANDUM

An internally managed Alternative Investment Fund (an "AIF") under the Law of the Republic of Estonia

addressed to Professionals

Internal Manager: P11 Management OÜ

Dated: 30 January 2024



IMPORTANT INFORMATION

CARBON CAPITAL FUND USALDUSFOND (the “Fund”) is a limited partnership fund incorporated as a limited partnership according to the Investment Funds Act (the “**IFA**”) and the relevant parts of the Commercial Code with registry code 16383718 and is permitted to operate as an internally managed Alternative Investment Fund (an “**AIF**”) in accordance with Subchapter 2 of Chapter 29 of the Investment Funds Act or any other law which replaces or amends it.

The Fund is recognized to operate as an open-ended AIF and is addressed to **Professional Investors** as defined under Subsection 8 of § 46 of the Securities Market Act (the “**SMA**”).

The internal manager of the Fund is its General Partner, P11 Management OÜ (the “**Manager**”), a private limited company incorporated in Estonia and registered with the FSA as an Alternative Investment Fund Manager (an “**AIFM**”).

The AIF operates in the form of an investment fund with the legal form of a limited partnership, with variable capital, whose sole purpose is the collective management of its portfolio, carrying out the relevant transactions to the benefit of its unitholders, as decided by its internal manager.

This Investment Memorandum (this “Memorandum”) outlines the investment policy of the Fund and is addressed to **Professional Investors**. The purpose of this Memorandum is to provide information to investors, both existing and prospective, regarding the allocation of the Fund’s assets. By signing a copy of the Memorandum, an Investor confirms that they have received, read, and well understood the investment policy of the Fund and gives their express permission to handle their assets accordingly. Any Investor who disagrees with the investment policy contained herein was given an opportunity to redeem their Shares and exit the Fund.

No person receiving a copy of this Memorandum in any territory may treat it as constituting an offer to him, unless in the relevant territory such an offer could lawfully be made to him in compliance with any registration or other legal requirements.

The contents of this Memorandum are not to be construed as a recommendation or advice to any prospective investor in relation to the subscription, purchase, holding or disposition of Shares. **Prospective investors should consult their professional advisors accordingly.**



The information contained in this Memorandum does not constitute a public fund offer under Subsection 4 of § 10 of the IFA and therefore this Memorandum is not a prospectus as defined in § 14¹ of the SMA and is not bound by the requirements of said law as to the content of conditions or related regulatory matters connected with the issuance of a prospectus. **This Investment Memorandum replaces all previous investment memoranda issued by the Fund.**

The Fund does not require FSA approval prior to sharing this Memorandum. If the FSA has reviewed the contents of this Memorandum, that review will only ever be regarding investors information needs as those are described in the IFA and the relevant directives. The FSA will never evaluate nor endorse the Fund's investment policy or the feasibility of its goals. No review by the FSA can be construed as a guarantee of returns of the Fund.

The value of the assets in the Fund's portfolio are subject to increase and decrease and therefore the initial investment is not guaranteed. Investments in this Fund do not have a guaranteed return and any past performance is not indicative or secure future returns to Investors. Investors can obtain further information about the Fund by contacting the Manager or at p11management.eu.

THIS INVESTMENT MEMORANDUM DOES NOT PURPORT TO BE ALL INCLUSIVE OR TO CONTAIN ALL THE INFORMATION THAT A PROSPECTIVE INVESTOR MAY DESIRE IN EVALUATING THE FUND. PROSPECTIVE INVESTORS SHOULD CONDUCT THEIR OWN INVESTIGATION AND ANALYSIS OF THE BUSINESS, DATA, AND PROPERTY DESCRIBED HEREIN, AND SHOULD ALSO INFORM THEMSELVES ABOUT AND OBSERVE ANY LEGAL AND/OR REGULATORY REQUIREMENTS WHICH MAY BE APPLICABLE TO THEIR PROPOSED INVESTMENT IN, INVESTIGATION OR EVALUATION OF THE FUND.

THE MANAGER OF THE FUND IS REGISTERED WITH THE FINANCIAL SUPERVISION AUTHORITY OF ESTONIA AS AN ALTERNATIVE INVESTMENT FUND MANAGER AND IS PERMITTED TO OPERATE AN ALTERNATIVE INVESTMENT FUND. THE FUND DOES NOT ACCEPT RETAIL INVESTORS AND ACCORDINGLY THE PROTECTION MEASURES PROVIDED FOR IN THE RELEVANT LEGISLATION RELATING TO RETAIL INVESTORS DO NOT APPLY TO THIS FUND.

NO PERSON SHALL BE ACCEPTED AS AN INVESTOR IN THE FUND UNLESS THAT PERSON HAS PROVIDED A WRITTEN CONFIRMATION THAT HE ACCEPTS THE MEMORANDUM AND THAT HE RECEIVED, UNDERSTOOD AND ACCEPTED THIS INVESTMENT WARNING.



THE FUND MAY BE SUBJECT TO POSSIBLE FLUCTUATIONS OF THE PRICES AND MAY NOT ACHIEVE A POSITIVE PERFORMANCE AS TARGETED. PROSPECTIVE INVESTORS ARE URGED TO SEEK EXPERT ADVICE FROM FINANCIAL ADVISORS BEFORE INVESTING IN THE COMPANY.

WHILE EVERY EFFORT IS MADE TO ENSURE THE ACCURACY, CORRECTNESS, RELEVANCE, RELIABILITY AND UP TO DATE NATURE OF THE INFORMATION CONTAINED IN THIS INVESTMENT MEMORANDUM, CARBON CAPITAL FUND USALDUSFOND, ITS OFFICERS, CONSULTANTS, AND EMPLOYEES ASSUME NO RESPONSIBILITY FOR ITS ACCURACY, CONTENT, COMPLETENESS, USE, OR INTERPRETATION.

RESTRICTIONS ON DISTRIBUTIONS

No persons have been authorized by the Fund, its Director, or the Manager to make any representations or issue any advertisement or to give any information in connection with the offering or sale of Shares other than those contained in this Memorandum.

The distribution of this Memorandum and any Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Memorandum and any Supplement or the Subscription Agreement in any such jurisdiction may treat this Memorandum, Subscription Agreement as an invitation for them to subscribe for Shares, nor should they in any event use the Subscription Agreement unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Subscription Agreement could be lawfully used without compliance with any registration or other legal requirements in respect of the Fund.

ACCORDINGLY, THIS INVESTMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT LAWFUL OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

Shares are being offered to **Eligible Investors** on an unsolicited private placement basis whom it is reasonable to believe will acquire Shares for investment purposes and not with a view to their imminent resale.

Management Shares are **not** offered for subscription pursuant to this Memorandum.



Each person who has received a copy of this Memorandum (whether or not such person subscribes for Shares) is deemed to have agreed:

- a) not to reproduce and distribute this Memorandum, in whole or in part,**
- b) if such person has not subscribed for Shares, to return this Memorandum to the Fund upon request,**
- c) not to disclose any information contained in this Memorandum except to the extent such information was:**
 - 1) previously known by such person through a source (other than the Fund or its affiliates) not bound by any obligation to keep such information confidential,**
 - 2) in the public domain through no fault of such person,**
 - 3) later lawfully obtained by such person from sources (other than the Fund or its affiliates) not bound by any obligation to keep such information confidential, and**
 - 4) to be responsible for any disclosure of this Memorandum, or the information contained herein, by such person or any of its employees, agents, or representatives**

INVESTOR RESPONSIBILITY

It is the responsibility of any Person in possession of this Memorandum and any Person wishing to apply for Shares pursuant to this Memorandum to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and as to any applicable exchange control regulations and tax laws in the jurisdictions of their respective citizenship, residence, or domicile.

This Memorandum is intended solely for the person to whom it has been delivered by the Fund for the purpose of evaluating a possible investment by the recipient in the Fund, and it is not to be reproduced or distributed to any other persons (other than professional advisers of the prospective investor receiving this document from the Fund).

Prospective investors should not treat the contents of this Memorandum as advice relating to legal, taxation, investment, or any other matters. In making an investment



decision prospective investor must rely on their own examination of the Fund and the terms of the offering, including the merits and risks involved. Before making a decision for investing, prospective investors are encouraged to seek advice from their financial adviser and/or any other professional adviser they may wish.

It is the responsibility of the prospective investor to check with the Fund, prior to making an application for subscription that he is in possession of the most recently published Memorandum, Supplement(s), as well as any other accompanying reports or documents.

RISK FACTORS

Investment in any Fund carries substantial risks normally attributable to investment in collective investment schemes. There can be no assurance that the Fund's Investment Objective will be achieved, and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment programme for any Investor and should be considered by persons viewing this investment as medium to long-term. Prospective investors should carefully consider whether an investment in Shares is suitable for them in light of their circumstances and financial resources. The attention of Investors is drawn to the Section "Risk Factors" in this Memorandum as well as in the relevant Supplement(s).

DATA PROTECTION

Certain personal data of Investors (including, but not limited to, the name, address, and subscription amount of each Investor) may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Fund, the services providers such as the Portfolio Manager, Administrator, Depositary, or distributors as appropriate. In particular, such data may be processed for the purposes of administration, anti-money-laundering and terrorism financing identification, maintaining registers of members, processing subscription, redemption and transfer orders and payments of dividends to Investors and to provide client-related services. Such information shall not be used or disclosed to any person other than as outlined in the preceding paragraph without the Investor's consent. Each Investor has a right of access to his/her/its personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete. The personal data shall not be held for longer than necessary with regard to the purpose of the data processing. By



subscribing to Shares, each Investor expressly consents to such processing of its personal data. This consent is formalized in writing in the Subscription Agreement.

COMMON REPORTING STANDARD

In the instance where the Fund is considered to be a financial institution, it should be required to be registered with the Estonia Tax Department for the purposes of the Common Reporting Standard (“CRS”). In this regard, the Fund will be required to disclose the name, address, taxpayer identification number and investment information relating to investors who fall within the definition of Reportable Persons (as such is defined under CRS) that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to such interest to the Estonia Tax Department, who will in turn exchange this information with the competent authorities of the country in which the Investor is considered to be a tax resident (on the assumption that the relevant country has signed the relevant Multilateral Agreement for the adoption of CRS). Prospective applicants are encouraged to consult with their own tax advisors regarding the possible implications of CRS regarding an investment made in the Fund.

RISK WARNING

Nothing contained in this Memorandum is, or should be relied upon, as a promise or representation as to the future performance of the Fund. The value of investments and of Shares in the Fund can go down as well as up and past performance is not necessarily indicative of future performance. There is no assurance that the investment objectives of the Fund will be achieved, and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment programme for any investor. Investment in the Fund carries risks normally attributable to investment in collective investment schemes of this type. **The attention of investors is drawn to the section titled ‘Risk Factors’ of this Memorandum.**

Prospective investors should carefully consider whether an investment in Shares is suitable for them and are invited to obtain professional advice where appropriate.



LEGAL INFORMATION

CARBON CAPITAL FUND USALDUSFOND

Registered Office

Viru väljak 2
10111 Tallinn, Estonia

Registered on 7th December 2021 with the registry code 16383718

Representatives

Andra Locika
Edgars Koskins

Director
Non-Executive

Internal Manager

P11 Management OÜ
Väike-Paala tn 2
11415 Tallinn, Estonia

Principal place of Business

Viru väljak 2
10111 Tallinn, Estonia

Administrator

P11 Management OÜ
Väike-Paala tn 2
11415 Tallinn, Estonia

Legal Advisor

Supremia ZAB SIA

Advisory Committee

Andra Locika
Edgars Koskins
Lembit Lindau
Maxwell James Mayhew

Director
Non-Executive
Non-Executive
Portfolio Manager



INVESTMENT MEMORANDUM

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DEFINITIONS

In this Memorandum, which should be read together with any Supplement(s), the following words and expressions shall have the following meanings:

"Accounting Date"	means the last day of December in each year, or if such day is not a Business Day the immediately preceding Business Day or such other date as the Director may from time to time decide and notify to members.
"Accounting Period"	means a period ending on an Accounting Date and commencing (in the case of the first such period) from the date of the first issue of Shares or (in any other case) from the end of the last accounting period.
"Administrator"	means P11 Management OÜ or any legal person as may be appointed by the Fund to act as the Administrator from time to time responsible for, inter alia, due diligence performance with respect to subscription requests, keeping the Fund's books, records, processing applications of subscription or redemption, and calculating NAV.
"Alternative Investment Fund" or "AIF"	means investment undertakings as defined under the IFA.
"AIFM"	means the AIF Manager as defined under the IFA.
"Base Currency"	Means the currency in which the Fund's Shares are denominated, i.e., the Euro.
"Business Day"	means any day (other than a Saturday, Sunday or public bank holiday) on which banks in Estonia are open for normal banking business or such day or days as may be determined by the Director.
"Dealing Day"	means (i) the first Business Day of each month. Provided that, if the relevant date is not a Business Day then the Dealing Day shall be rolled forward to the immediately succeeding Business Day in the same month; or (ii) where a redemption is going to be made, then the Dealing Day shall be the relevant Redemption Date.



"Director"	means the Director of the Fund.
"Distribution"	means the payment by the Fund to its Investor, with the exception of the any payment made for the subscription or redemption of shares.
"Distributor"	means one or more persons, firms or corporations appointed by the Fund and for the time being acting as distributor of Shares in the Fund.
"Distribution Agreement"	means any agreement made between the Fund and the Distributor relating to the appointment and duties of the Distributor as amended from time to time subject to the requirement of the FSA.
"Duties and Charges"	means all stamp and other duties, taxes, governmental charges, valuation fees, agents fees, brokerage fees, bank charges, transfer fees, registration fees, and other charges whether in respect of the constitution or increase of the assets of the AIF or the creation, exchange, sale, purchase, or transfer of Shares or repurchase or proposed purchase of investments or in respect of the share certificates or share warrants or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation.
"Early Redemption Fee"	means a fee on the redemption proceeds that may be charged by the Company to Investors who redeem their Shares prior to the expiration of the Lock-up Period as may be specified in the relevant Supplement.
"Eligible Investor"	is any investor who is: <ul style="list-style-type: none"> 1) a Professional Investor <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> 2) a resident in a jurisdiction where the offering of Shares is not restricted and thus is considered as qualifying as an Investor.
"Estonia"	means the Republic of Estonia



"Euro", "EUR", or "€"	means the monetary unit of the European Economic and Monetary Union.
"FATF"	the Financial Action Task Force for the Combat against Money Laundering and Terrorist Financing, established by the 15th G-7 Summit that was held in Paris on the 14th to 16th of July 1989.
"Financial Year"	means the year starting 1st of January and ending 31st of December.
"Financial Instrument"	means those instruments specified in Section C of Annex I to the Directive 2014/65/EU.
"FSA" or "Regulator"	means the Financial Supervision Authority of the Republic of Estonia.
"FSA Directives"	means the regulatory directives issued by the FSA.
"Fund"	means Carbon Capital Fund Usaldusfond.
"Investment Capital"	means the nominal value for which an Investor has purchased Shares.
"Key Investor Information Document" or "KIID"	means a document that provides key information about investment funds, in order to help a potential investor, compare different investment funds and assess which fund meets their specific needs.
"Lock-up Period"	means the period (if any) as specified in the relevant Supplement starting from the relevant Subscription Day during which an Investor is precluded from requesting the redemption of any or all of his Shares (unless the Director agrees otherwise).
"Management Share"	means shares carrying voting rights that are issued by the legal entity that is the Manager of the Fund.
"Management Shareholders"	means the holders of Management Shares.
"Management Fee and Performance Fee"	means a fee payable to the Manager as further detailed in the Memorandum.
"Memorandum"	means the present confidential Investment Memorandum, or any Supplement to the Memorandum
"Member"	means the holder of Management Shares and/or Shares of the Fund.



"Minimum Holding"	means a holding of Shares of the Fund the value of which by reference to the NAV per Share of the Fund is not less than such amount as may be determined by the Director from time to time or such minimum number of Shares of the Fund as the Director may determine.
"Net Asset Value (NAV) per Share"	means the net asset value of the Fund remaining after paying and otherwise discharging in full, all its debts and liabilities, which shall be expressed in Euro or in the currency determined by the Director, and which shall be determined on each Valuation Day by dividing the net assets of the Fund by the number of outstanding shares and rounding the resulting total to (4) four decimal places.
"Offering" or "Offering of Units/Shares"	means either a direct or indirect offering or placement of shares of the Fund to investors that are residents in the EU or a non-EU country, in case of physical entities or in the case of legal entities have their registered office in the EU or a non-EU country
"Person"	means an individual (natural) person or a firm or corporation (legal person).
"Portfolio"	means the
"Professional Investor"	means an investor who is considered to be a professional client or that may, on request, be treated as a professional client within the meaning of the SMA.
"Prohibited Person"	means any person, firm or corporation applying for subscription of Shares or an existing Investor <ul style="list-style-type: none"> a) that does not meet, or has ceased to meet the requirements of an Eligible Investor, and/or b) that for legal, tax, regulatory or any other reason which from time to time is determined by the Directors, in their sole discretion, is prohibited from being an Investor.



"Redemption Day"	means such day or days in each month as the Director of the Fund may from time to time determine and on which the holders of Shares redeem their Shares pursuant to the Memorandum provided that: a) Unless otherwise determined by the Directors Redemption Day shall be the last Business Day of each month. b) In the event of any changes in the Redemption Day reasonable notice thereof shall be given by the Director of the Fund to each holder of Shares.
"Redemption Price"	has the meaning assigned to it in paragraph Redemption Price in the section Redemption Fund Shares
"Register"	the register in which the names of members of the Fund are listed.
"Registered Office"	means Viru väljak 2, Tallinn, 10111, Estonia.
"Regulator"	means the Estonia Financial Supervision Authority.
"Reporting Currency"	means the Euro.
"Request Day"	means the final day for the submission of redemption applications so that the redeemed shares can get the redemption price of the next scheduled redemption day, after the submission of the application.
"Resident"	means a person who remains in a place in which he/she establishes his/her domicile or permanent residence.
"Shareholder"	means a person who is the holder of a share of the Fund. This can be a member of the Fund and registered as the holder of Management Shares in the Register for the time being kept by or on behalf of the Fund.
"Shares"	means the units of the Fund.
"Small-Cap"	means a security with a market capitalization of less than 2 billion (USD or EUR).
"Subscription(s)"	means the subscription(s) of redeemable Shares.



"Subscription Agreement"	means the agreement between the unit holders and the Fund, which forms an integral part of this offering Memorandum. A copy of the Subscription Agreement is included in the Application Package and may also be obtained from the Fund or the Manager.
"Subscription Day"	means the first Business Day of each month or such other day as the Director may determine.
"Subscription Price"	means the amount to be paid either in cash or in kind upon Subscription by a shareholder, and is equal to the NAV of the relevant redeemable Shares plus any subscription fees except for initial offering period during which subscription will take place at a fixed price per redeemable share plus any Subscription Fee.
"Supplement"	means a document headed as such that contains information about the Fund and approved by the Director.
"Unit"	means the unit of a common fund or the share of an investment company or the share or interest of a limited partnership, according to the legal type of the AIF.
"Valuation Day"	means such day or days in each year as the Director of the Fund or their delegate may from time to time determine provided that, unless otherwise determined by the Director, these shall be at least the number of valuation days every calendar year on which subscriptions, redemptions are effected plus the number of valuation days set out in the or biannual reports of the Fund.
"VAT"	means the Value Added Tax or a tax having a similar effect.



THE FUND AND SUMMARY OF THE INVESTMENT POLICY

CARBON CAPITAL FUND USALDUSFOND is a limited partnership incorporated under the IFA with registry code 16383718, operating as an internally managed AIF as an open ended investment fund of variable capital in accordance with the IFA or any other law which replaces or amends it.

The Fund is internally managed by the Manager pursuant to the provisions set in Chapter 29 of the IFA. In accordance with the IFA, Subscription to the Fund is permitted only to Professional Investors by private placement.

The main objective of the Fund is to increase the value of its Portfolio through active trading of a broad spectrum of Financial Instruments, commodities, and virtual assets, particularly, focusing on publicly listed US equities with a small market capitalization.

Additionally, up to 30% of the Fund's Portfolio may be allocated to equity investments in unlisted Small-Medium Enterprises (SMEs) or issued as short-term loans. Investment objectives, terms, and expected returns for such deals are outlined in the Investment Objectives section.

The Fund aims to perform any activities and services subject to the rules and dictation of the FSA, irrespective of any other conflicting provisions in this Memorandum or elsewhere.

The Fund intends to offer its shares to Eligible Investors by private placement.

The liability of the Investors is limited.

The share capital of the Fund is variable and shall at all times be equal to the issued share capital of the Fund.

The Shares of the Fund shall be redeemed upon its Investors' request, directly or indirectly by its assets.

The Director and the Manager at their discretion may allow new Subscriptions at the prevailing Subscription Price on any Subscription Day (or such other time as may be agreed to by the Director and Manager at their sole discretion).

Requests for the current edition of this Memorandum should be directed to the Manager or its agents.



Shares will not be publicly listed on an exchange for secondary market trading.

The nature of Investment in Equities and Alternative markets, is such that the Fund is not a suitable investment for investors other than those who are experienced and knowledgeable in investment matters, are able to bear the economic risk of the investment, understand the risk involved, believe that the investment is suitable for their particular investment objectives and risk appetite and have no need for liquidity of investment.

INVESTMENT OBJECTIVES, APPROACH & RESTRICTIONS

The investment objectives, policies, strategy, and restrictions of the Fund are formulated by the Manager. While the day-to-day execution of these frameworks is performed by the Portfolio Manager.

The investment objective of the Fund is through the collective management of its portfolio to maximize capital appreciation through the application of a targeted investment strategy, which will aim to deliver positive returns through active trading and investments in shares, securities, derivatives, and other financial instruments, as well as virtual assets and debt obligations.

Most of the Portfolio will be allocated to trading of Small-Cap US equities and other liquid assets. The relevant trading strategy is developed and executed by the Portfolio Manager.

Additionally, the Fund will allocate up to 30% of the Portfolio to act as a venture capitalist, investing in Small-Medium Enterprises (SMEs), either on their start-up or prior to their expansion, or to issue short-term loans.

Selection of these investments will be based on the following but are not limited to:

- growth prospects, quality of management, and favorable terms; or
- differentiated offering that will provide a capital appreciation to the Fund.

More specifically the Investments Strategies the Fund may follow (but is not obliged to cover all) are:

- **Equities Trading:** This strategy refers to directional bets for individual Small-Cap US equities.
- **Venture Capital:** This strategy refers to investments in start-ups or companies that have no track record of sales and profitability are considered though of



high risk and exceptionally high returns. The goal of the Fund will be to identify promising companies that will generate outsized returns that will be achieved by a successful exit by the sale to another investment vehicle.

- **Mezzanine Financing:** This strategy involves both debt and equity financing with the purpose of financing a particular project or expansion needs of a company. Companies that take on mezzanine financing must have a viable expansion plan or some guarantee to put forward. This kind of investment will allow the fund to finance a company with debt which could be converted to equity if the company does not repay the debt in a timely manner and in full.
- **Special Situations and Alternative Assets:** These are investments in various structured products, financial instruments, virtual assets, or other negotiated deals that the Manager believes to have a high probability of profit and a reasonable level of risk.

The Fund does not have a particular target in relation to any industrial, geographic, or other market sectors or specific classes of assets. Discretionary choices regarding particular investments are allowed, and the Fund does not refer to any specific benchmark. Any income arising from the fund may be distributed or reinvested at the discretion of the Director of the Fund.

ALLOWED INVESTMENTS:

The Fund may invest in the following underlying assets:

- transferable securities,
- share capital of unlisted companies,
- debt obligations,
- deposits with credit institutions,
- virtual assets, and
- other financial instruments.

Investments in the Fund do not have a guaranteed return and any past performance are not indicative or secure future returns. Additionally, the value of investments in the Fund's units are subject to increase or decrease and therefore the initial investment is not guaranteed.



Risk category from a scale of 1-7 (low-high risk) we position the Fund at 6 which is above average risky investment, and this categorization is not guaranteed and may shift over time.

The investment strategy is approved by the Director and the Manager of the Fund. Any change should be immediately communicated to its members by email or any other means the Director see fit.

GENERAL RESTRICTIONS

- The Fund is not allowed to issue bonds to the public in order to raise capital.
- Assets that are held in cash should not exceed 40% of its total assets in a single authorized banking institution.
- The Fund should have at least 50% of the Portfolio allocated to the Fund's Small-Cap US equities strategy.
- The Fund may allocate up to 30% of the Portfolio to:
 - Share capital of businesses that are privately held and which have a high potential for growth.
 - In secured or non-secured loans that are provided to businesses under the following conditions:
 - Loan duration is less than two years.
 - The interest on the loan must be at least 10% per annum.
 - The borrower must cover any fees associated with the loan.
 - By deduction on the loan amount or by reimbursement.
 - The Return on Investment (ROI) for the loan must be at least 10%.
 - ROI is calculated by $\left[\frac{\text{Total Loan Income}}{\text{Loan Amount}} \right]^{\left[\frac{1}{\text{Loan Term Years}} \right]} - 1$

SPECIFIC LIMITATIONS

The Fund shall at all times comply with the directions, instructions, and decisions of the Regulator as regards the information contained in its memorandum. Any amendments to the memorandum are communicated immediately to its members by email or any other means the Director deem appropriate.

Valuation and calculations are carried out on the dates:

- a. At which subscription, redemption, and/or repurchase of the Fund's units takes place.



- b. That are indicated in the annual and half yearly report of the Fund.

RISK FACTORS

An investment in the Fund involves a number of significant risks. The risk factors set forth below are those that at the date of this Memorandum, the Fund deems to be the most significant. The following is not intended to be a complete description or an exhaustive list of risks. Other factors ultimately may affect an investment in the Fund in a manner and to a degree not now foreseen.

Prospective investors should carefully consider the following risk factors.

Prospective investors should also consult with their financial, tax and legal advisors regarding the suitability of this investment.

GENERAL RISKS

GENERAL INVESTMENT RISKS.

The Fund's success depends on the Fund's ability to implement its investment strategy. Any factor that would make it more difficult to execute timely investments, such as a significant lessening of liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the investment strategies to be used by the Fund will be successful under all or any market conditions.

DIVERSIFICATION RISK

The Fund expects to invest in a highly focused manner and may not seek to create diversifications in the Fund. Investors are advised to read the Memorandum and any supplements in this regard.

EXCHANGE RATE RISK.

The Fund may hold cash in currencies and investments other than Euro or in order to meet expenses and settlement requirements. The Fund may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the Euro. Changes in foreign currency exchange rates influence values of assets within the Fund. Changes in foreign currency exchange rates may also affect the value of realized on the sale of investments and net investment income and gains, if any, of the Fund.



GENERAL ECONOMIC RISK

The Fund will mostly invest in countries with developed financial markets. Nevertheless, general economic risks can affect the return of the Fund as economies around the world are more interrelated than ever. High tech international and settlement systems allow fast transfer of cash and investment from around the world but also allow for the fast spread and contagion in case some economies face any adverse issues.

LEGAL RISKS

The Fund, by reason of making Investments in different countries or jurisdictions, may be exposed to a number of legal risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breach of regulations on the part of other parties involved, regulatory or contractual implications, lack of established or effective avenues for legal redress and lack of enforcement of existing regulations. For the reasons set out above, it may further be difficult to obtain and enforce a judgment in connection to the Fund and its activities and Investments in certain countries and jurisdictions.

OPERATIONAL RISK

Operational risk refers to the risk of errors from inadequate systems, human error, or a lack of proper oversight policies and procedures and management control. It covers situations when a Fund may invest successfully but may not be as successful in managing the Fund's employees and other day-to-day routine activities of the Fund. Operational risk may encompass erroneous internal control mechanisms, accounting systems, errors in legal documents, inadequate conduct or employee embezzlement.

DEPENDENCE ON KEY INDIVIDUALS

The Fund will make all decisions with respect to the allocation of the Fund's assets and the Director of the Fund will make all decisions with respect to the investing activities of the Fund and thus the success of the Fund depends upon the ability of the Director or partners or other key individuals of the Fund's investment committee to develop and implement investment strategies that achieve their respective investment objective. In the event of the death, incapacity, departure, insolvency, or withdrawal of any of these key individuals, the performance of the Fund may be adversely affected. Investors will be dependent on the Fund's judgment and abilities and there is no assurance that the Fund will be successful.



CHANGE IN INVESTMENT STRATEGIES

The investment strategies, approaches and techniques discussed herein may evolve over time because of, among other things, market developments and trends, changes in the level of over or undervaluation of business sectors, etc. As a result, the investment process, and the evolution of such a process will be of an ongoing nature. However, the Investments made by the Fund will be in line with the Fund's Investment Objectives.

SPECIFIC RISKS

START-UP PERIOD

The Fund will encounter a start-up period during which it will incur certain risks, costs and expenses relating to the initial investment of its capital. It is uncertain as to the length of the period during which the Fund will have invested a substantial portion of its capital, which may adversely affect the investment return to Investors during this period.

LIQUIDITY AND SETTLEMENT RISKS

The Fund's assets may at times of major market disturbances (credit crunch or market crash), prove more difficult to liquidate in a timely or efficient manner and could thus impair to some extent the Fund's ability to realize gains or to limit losses. The Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. Market practices in relation to the settlement of certain securities transactions and the custody of assets could provide increased risks.

LACK OF OPERATING HISTORY

The Fund is a newly incorporated entity, with no operating history. The Fund's investment strategies/approaches should be evaluated on the basis that there can be no assurance that the Director's and/or Manager's assessment of the short-term or long-term prospects of Investments will prove accurate or that the Fund will achieve its Investment Objective.

VALUATION RISK

A certain proportion of the Fund's assets may be invested in unquoted securities. Such investment may be valued at the probable realization value as determined in accordance with the Section "Valuation of assets". Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty.



INVESTMENT IN SPECIFIC SECTORS RISK

The Fund will concentrate its Investments in companies or securities of certain sectors of the economy or geographical regions and therefore will be subject to the risks associated with concentrating Investment in such sector or region. More specifically, Investments in specific sectors and specific regions involve greater risks which may lead to adverse consequences when such sectors become less valued, or such regions are subject to political, social or economic instability.

INVESTORS MAY EXPERIENCE A PARTIAL OR TOTAL LOSS OF CAPITAL

The Fund is intended for medium to long-term investors who can accept the risks associated with investing in the Fund's investments. The possibility of partial or total loss of his/her investment in the Fund, and prospective Shareholders should not subscribe unless they can readily bear the consequences of the loss.

EFFECT OF SUBSTANTIAL REDEMPTIONS

Substantial redemptions of Shares could require the Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the Fund's performance and possibly reduce the value of the Fund's assets and/or disrupt the Fund's investment strategy. Reduction in the size of the Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses. In these and other exceptional circumstances the Director may defer redemptions.

RESTRICTION, SUSPENSION OR DEFERRAL OF REDEMPTIONS AND MANDATORY REDEMPTIONS

Shares in the Fund may only be redeemed at such times and subject to such prior notice being given and pursuant to all the relevant terms and conditions as set out in this Memorandum and the respective terms of issue, including possible restrictions or suspensions or deferral of redemptions contemplated therein. Furthermore, Shares in the Fund may be subject to mandatory redemptions by the Fund in certain circumstances.

REDEEMING SHAREHOLDERS WILL BE CREDITORS OF THE FUND

Between the relevant Redemption Day as of which a redemption of Shares in the Fund is processed and accepted and the date on which any redemption proceeds are paid to the redeeming Shareholder, such redeeming Shareholder will be a creditor of the Fund and will be subject to the same risks as any other creditor of the Fund, including the possibility that if the Fund experiences losses after the relevant Redemption Day,



the Fund may have insufficient assets to pay all or a portion of the redemption proceeds due to the redeeming Shareholder. Furthermore, in terms of this Memorandum, the Director or the relevant service provider of the Fund delegated with this function will have the right to delay payment of redemption proceeds to Shareholders whose Shares have been redeemed prior to a suspension of the calculation of the NAV until after the suspension is lifted (in circumstances when the Director or such service provider believe that to make such payment during the suspension period would materially and adversely affect or prejudice the interest of continuing Investors) as well as in other circumstances detailed in this Memorandum. The aforesaid risks of a redeeming Shareholder will in such circumstances extend over the period of such payment deferral.

CONCENTRATION RISK

There are no limits on the Fund's investment discretion, subject to the investment restrictions applicable to the Fund. The investments of a Fund may initially and may continue to be, concentrated in a single country or region. A geographically and asset concentrated investment strategy may be subject to a greater degree of volatility and of risk than one that is geographically diversified. To the extent a Fund concentrates its investments in a single country or region, its investments will become more susceptible to fluctuations in value resulting from economic or business conditions in that country or region. As a consequence, the aggregate return of a Fund may be adversely affected by unfavorable developments in that country or region.

NET ASSET VALUE CONSIDERATIONS

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the value of his investment at the time of such redemption is less than the amount he paid on subscription or if there remain any unamortized costs and expenses of establishing the Fund.

AMORTIZATION OF ORGANIZATIONAL COSTS

The financial statements of the Fund will be prepared in accordance with the International Financial Reporting Standards ("IFRS"). IFRS does not permit the amortization of organizational costs. Notwithstanding this, costs may be amortized on a straight-line basis in the accounts of the Fund over the first three (3) years of the



Fund's operations, or such shorter period as the Director may decide. This may result in the audit opinion on the annual report of the Fund being qualified in this regard.

BUSINESS AND REGULATORY RISKS OF PRIVATE FUNDS

Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. The regulatory environment for private funds is evolving, and changes in the regulation of private funds may adversely affect the value of investments held by the Fund and the ability of the Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, the securities and futures markets are subject to comprehensive statutes, regulations, and margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Fund could be substantial and adverse.

NON-VOTING SHARES

The Shares of the Fund that are issued to Investors do not carry full voting rights. Consequently, Investors will not have any control over the management of the Fund or the appointment and removal of the Fund's Director and service providers. The holder(s) of all of the Management Shares of the Fund control all of the voting interests in the Fund. Only the holder(s) of Management Shares may appoint and remove the Director of the Fund and only the Director and/or Manager may terminate the services of any service providers of the Fund. Investors should be aware that an investment in the Fund is to be regarded as a passive investment.

SUSPENSION OF DEALING IN SHARES

It is advised that in certain circumstances the right of Investors to redeem their Shares in the Fund, may be temporarily suspended, in accordance with the provisions of this Memorandum.

CLAIMS OF CREDITORS

In the event of dissolution or termination of the Fund, the proceeds, if any, realized from the liquidation of assets will be distributed to the Investors only after satisfaction of the claims of creditors. Accordingly, the ability of Investors to recover all or any portion of their investment upon dissolution or termination will depend upon the amount of funds realized by the Fund and the claims of creditors to be satisfied there from.



MANAGEMENT RISKS

The Fund relies on the abilities of the Director and the Manager to actively manage or advise on the assets and implement the Investment Policies and decisions of the Fund. The Fund has an obligation to indemnify the Director for any liabilities incurred under certain conditions and there is no insurance for such losses for which the Fund has agreed to indemnify the Director. Any indemnification paid by the Fund would reduce the Fund's asset value and therefore the value of the Shares in the Fund.

THE INVESTMENT METHODOLOGY

Investment decisions are made on a discretionary basis using fundamental analysis and no assurance can be given that such investment strategies used by the Fund will be successful, or that losses could not occur.

NO RETURN FOR A PERIOD OF YEARS

Even if the Fund's investments prove successful, they may not produce a realized return for the investor for a period of years.

CREDIT RISK

The Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. Market practices in relation to the settlement of certain securities transactions and the custody of assets could provide increased risks.

MARKET RISK

The Fund intends to engage in investment strategies that involve a high degree of asset-specific and general market risk.

GENERAL ECONOMIC RISK

The Fund will mostly invest in countries with developed financial markets. Nevertheless, general economic risks can affect the return of the Fund as economies around the world are more interrelated than ever. High tech international and settlement systems allow fast transfer of cash and investment from around the world but also allow for the fast spread and contagion in case some economies face any adverse issues.

CONFLICTS OF INTEREST

The Director is accountable to the Fund as a fiduciary and, consequently, must exercise good faith and integrity in handling the business of the Fund. Nonetheless, the potential for various conflicts of interest in the operations of the Fund and the sale of Shares exists. Although the Director is required to disclose conflicts of interest that it may have with the Fund or Eligible Investors in the Fund, there is no assurance that any



conflict of interest will not result in adverse consequences to the Fund. The following conflicts of interest should be considered carefully prior to making an investment in the Fund:

- i. **Services of the Director and its Affiliates.** The agreement with the Director does not require the Director, or its affiliates and personnel to devote their entire time and attention to the Fund. They are only required to devote such time and attention to the Fund as they deem appropriate and they may engage in other activities and ventures, including competing ventures and/or unrelated employment, which result in various conflicts of interest between such persons and the Fund.
- ii. **Trading by the Affiliates of the Director.** Personnel and affiliates of the Director may, in certain circumstances, invest for their own account in the same areas of investment as the Fund. In those circumstances, it is possible that positions taken by personnel and affiliates of the Director for their own accounts may be the same as or may be taken ahead of positions taken on behalf of the Fund. The investment records of such persons will not be available for inspection by the Eligible Investors and may reflect a greater rate of return than that experienced by the Fund. If the Fund and other investment portfolios of the Director seek to buy or sell the same security at the same time, the Director may combine purchase and sale orders on behalf of the Fund with orders for those other portfolios, including its own personal account or the personal accounts of its personnel and affiliates, and to allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants in the transactions. While the Director believes combining transaction orders in this way is, over time, advantageous to all participants, in particular cases the average price could be less advantageous to the Fund than if the Fund had been the only account effecting the transaction or had completed its transaction before the other participants.
- iii. **Other Funds.** The Director, and the Manager, and their respective personnel and affiliates may organize additional funds operating in parallel with the Fund in certain circumstances. Competition between any such funds and the Fund may reduce the profitability of the Fund over time. The agreements in place do not place restrictions on the establishment of other funds and



should be read for more information on this and the other potential areas of conflict of interest discussed above.

- iv. **Multiple Activities of the Director and Manager.** The incentive fee charged to the Fund does not differ from the fee that the Director were to charge any other client or from what is generally viewed as a standard rate in the industry. The Director may manage several other entities whose investment activities may or may not be similar to the investment activities of the Fund's activities and may manage the investment activities of other entities in the future. As a result, the Director is positioned with the responsibility of making investment decisions of several competing entities which may seek to invest in the same opportunities. As such, the Director, while not intending to discriminate against the Fund, will make its decision to invest in a particular opportunity on behalf of the Fund based upon a number of factors, including, without limitation, the entity's trading strategy, funds available of each entity to make such investments, and such other factors as may be relevant in the Director's sole discretion. Investors are cautioned that as a result of this situation, the Director may decide to make an investment of fund of funds in a particular opportunity to an extent different from the level and type of investment the investor would otherwise desire if the Director was not managing such other entities.
- v. **Personal Trading.** Similarly, the fact that the Director may serve as Director for at least several other entities and may serve as Director for additional entities in the future, does not mean that it will take positions on behalf of the Fund which are opposite of those other entities. As noted above, while these entities could be considered as competitors for investment opportunities, the Director believes that any adverse effect to the Fund from its multiple management obligations will be minimal or non-existent.
- vi. **Manager Ownership.** The Manager may invest in the Fund and has, or may have, investments in the other competing entities.
- vii. **Unfair treatment of Investors.** The Director and the processes of redemption and subscription of shares ensure a fair treatment of all investors. In the case whenever an investor obtains preferential treatment or the right to obtain a preferential treatment, a description of the preferential treatment is documented by the Fund, the type of investors who obtain such a preferential treatment and where relevant their legal and economic links



with the Fund. This information will be communicated to all investors of the Fund either in electronic or other format.

The above list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Memorandum and consult with their own advisers before deciding whether to invest in the Fund.

INFORMATION ON THE DIRECTOR, MANAGER & SERVICE PROVIDERS

STRUCTURE

The Fund is established as a limited partnership with registry code 16383718 and operates as an internally managed AIF with the Manager being registered with the FSA as an unlicensed small AIFM in accordance with Subchapter 2 of Chapter 29 of the IFA.

The Fund has a Director which is responsible for monitoring the activities of the various parties involved in the management and administration of the Fund.

DIRECTOR OF THE FUND

The Director is responsible for the overall management and control of the Fund. The Director has delegated the day-to-day operation of the Fund with respect to managing the portfolio and risk of the Fund to the Portfolio Manager. In performing their duties, the Director is entitled to rely upon the work performed by and information received from the Portfolio Manager.

Andra Locika – Director

MANAGER

P11 Management OÜ (the “**AIFM**” or the “**Manager**”) is incorporated in the Republic of Estonia under registry code 14576146 with is registered address at Väike-Paala tn 2, Tallinn, 11415, Estonia.

The Manager is registered with the FSA as an unlicensed small AIF manager in accordance with Subchapter 2 of Chapter 29 of the IFA. The Manager is therefore permitted to operate the Fund as an internally managed AIF in accordance with to the Memorandum as well as Estonia applicable laws, in the exclusive interests of the Investors.



The AIFM is managed by its board of directors, which is comprised of three members.

The assets of the Fund are segregated from those of the AIFM.

In its capacity as the Manager, the AIFM shall be responsible for carrying out the investment management functions of the Fund (comprising of the portfolio management and risk management functions) as these are described in the IFA and shall assume the obligations and powers attributed to it, in each case as set out in further detail under the relevant agreement.

In particular, the AIFM will be:

- a) Responsible for reviewing and monitoring on-going basis, the performance of the investments and report thereon.
- b) Generally, provide the Investors with any such other information and reports as they may reasonably require.
- c) Performing all the tax accounting and reporting as required by the Regulator and applicable Laws.
- d) Ensuring the Fund's compliance with its offering documents and relevant Laws and Regulations.

PORTFOLIO MANAGER

The Portfolio Manager is responsible for the development and implementation of the investment strategy. All investments and allocations of the Portfolio must be signed off by the Portfolio Manager.

Maxwell James Mayhew – Portfolio Manager

REGULATORY COMPLIANCE AND AML: OUTSOURCED TO THE MANAGER

The Fund is to establish, implement and maintain adequate policies and procedures designed to detect any risk of failure by the Fund to comply with its obligations. Mrs. Andra Locika is the AML and Compliance Officer of the Manager and she is looking after the fund.

The purpose of such function includes among other:

- a) Monitoring and, on a regular basis, assessing the adequacy and effectiveness of its compliance procedures and policies and actions to address deficiencies.



Such monitoring shall include the following reviews; by performing among other the below reviews:

- ▶ Procedural review: To review adherence to written procedures followed;
 - ▶ System review: To review electronic record and, systems;
 - ▶ File review: To ensure that documentation is maintained.
 - ▶ Employee Assessment: To ensure employee knowledge of internal policies.
- b) Designing and applying the necessary measures and procedures to minimize the risk of noncompliance of the Fund with its obligations under the IFA in accordance with the compliance monitoring program.
- c) Advising and assisting relevant persons responsible for carrying out regulated activities to comply with the Fund's obligations.

KEY SERVICE PROVIDERS

BROKERS

The Fund will use the services of several brokerage firms that will help the Fund function. Therefore, the Fund will pay for the services provided by the brokers at the expense of the Fund's assets.

EXT LTD (OR "EXANTE")

EXT LTD is authorized to provide investment services by the Cyprus Securities and Exchange Commission and operates under the trading name Exante. The main function of the partnership with Exante is to facilitate Subscriptions to the Fund via Exante trading systems. Investors may purchase Shares if they have personal brokerage accounts at Exante.

The Fund may also have an account and counterparty relationships with other brokers.

FUND SHARES & SHARES ON OFFER

Carbon Capital Fund Usaldusfond is an investment fund incorporated as a limited partnership with registry code 16383718. Its General Partner is P11 Management OÜ and each Investor being a Limited Partner.

The main objective of the Fund, as set out in this Memorandum, is to produce capital appreciation by investment activity.



The liability of the Limited Partners is limited.

The share capital of the Fund is variable and shall at all times be equal to the issued share capital of the Fund.

The issued share capital of the Fund shall at all times be equal to the Net Asset Value of the Fund.

The Shares of the Fund shall be redeemed upon its Investors' request, directly or indirectly by the assets of the Fund.

RIGHTS OF THE SHARES

The Shares shall bear the rights set forth hereunder:

- a) **Voting rights:** The holders of Shares shall not be entitled to receive notice of and to attend to and vote at any annual and special meetings of the Members of the Fund.
- b) **Appointment/removal of Directors:** The holders of Shares shall have no right to appoint and/or remove Directors.
- c) **Rights to Dividends and redemption:** The holders of Shares may be entitled to receive dividends at the discretion of the Board of Directors and the Shares are redeemable.
- d) **Participation upon Liquidation:** In the event of the liquidation, dissolution or winding up of the Fund or distribution of its assets in anticipation thereof, the holders of Shares, subject to third parties preferential rights of payment, shall be entitled to (a) return of their capital and (b) (pro rata) the Fund's Net Asset Value.

For the offering of Shares and their Subscription by an Investor the following are needed:

- a) A Subscription Agreement duly completed and submitted to the Manager.
- b) The signed Subscription Agreement will constitute automatic acceptance of the Memorandum of the Fund.
- c) Full payment of the amount requested for the acquisition of the respective Shares, as this has been determined in the offering price in cash to an account on the name of the Fund, or if the Fund accepts other form of assets in which the Fund is allowed to invest according to its Memorandum, within 15 (fifteen) working days after the signing of the Subscription Agreement.



- d) Before the signing of the Subscription Agreement, the Fund delivers free of charge to the applicant the Memorandum.
- e) The Fund may offer its shares via regulated investment firms. Subscription payments are paid net of all charges to the account specified by the Manager at the time of application. Other methods of payment are subject to the prior approval of the Manager.
- f) The Shares shall be at the disposal of the Manager and/or the Director (or to any such person the Director may delegate such power) which may allot or otherwise dispose them of to such persons at such times and generally on such terms and conditions as they may think proper, and provided that no shares shall be issued at a discount.

Subscriptions shall be allowed only for Shares on the Subscription Days. Unless otherwise determined by the Manager, the minimum subscription shall be Euro 50,000. Applications for subscription may be refused by the Fund in case of not sufficient liquidity and/or for any other reason the Director may deem appropriate considering always the best interests of the Investors.

The Fund may exercise the powers of paying commissions to persons that act as its agents provided that the percentage rate or the amount of the commission paid or agreed to be paid shall be disclosed and the rate of the commission shall not exceed the rate of 3 percent of the price at which the shares are subscribed-to. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Fund may also on any issue of shares pay such brokerage as may be lawful.

The Director and/or the Manager has the authority to effect the issue of Shares and has absolute discretion to accept or reject in whole or in part any application for Shares. If an application is rejected, any moneys received will be returned to the applicant as soon as possible by electronic transfer without any interest or compensation for charges.

Except as otherwise referred to in the Memorandum, the Fund may, but shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future, or partial interest in any share or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.



Every person whose name is entered as an Member in the register of Members shall be entitled without payment to receive within two months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares upon payment of 1 Euro for every certificate after the first or such lesser sum as the Director shall from time to time determine. Every certificate shall be under the signature of the Director and shall specify the number of Shares to which it relates and the amount paid up thereon. Provided that in respect of a Share or Shares held jointly by several persons the Fund shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all such holders.

If a Share certificate is defaced, lost, or destroyed, it may be substituted on payment of a fee of 1 Euro, or such sum and on such terms as determined by the Director.

Applications for subscription may be submitted by eligible persons within the time fixed by the Director prior to the Subscription Day. The minimum subscription amount shall be EURO 50,000. Applicants shall be notified of the Fund's acceptance of any application within 1 week following the Subscription Day, subject to the applicant meeting KYC and anti-money laundering eligibility criteria.

The time and the terms upon which the Subscription of Shares shall be made shall be determined by the Director. The Subscription Price shall be ascertained by determining the NAV per Share as at the relevant Valuation Day minus Duties and Charges as the Director may determine.

Shares must be fully paid-up upon Subscription.

The Director and/or the Manager shall treat the registered owner of a Share as the absolute beneficial owner of thereof in accordance with the Memorandum.

The Director and/or the Manager may in their absolute discretion refuse to accept any application for Shares or to accept any application in whole or in part.

FUND DURATION

The Fund is of unlimited duration.



REGISTER AND REGISTRATION OF SHARES

Shares are issued only in registered form, and the Director or the Manager maintains the Register. The title of an Investor to the Shares subscribed by it shall be evidenced by having its name, address, identity/passport number, email address and the number of Shares held by him entered in the Register.

The Register shall be kept in such manner as to show at all times the Investors of the Fund for the time being and the Shares respectively held by each. The Register may be kept in the form of electronic records or by other similar means, provided that legible evidence can be produced therefrom to satisfy the requirements of applicable law and the provisions of the Memorandum.

The Director shall not be bound to register more than four (4) persons as the joint holders of any Shares. In the case of an Investor Share held jointly by several persons, the Director shall not be bound to issue therefore, subject to the provisions of Section "Confirmation of Subscription" below, more than one written confirmation of ownership or share certificate and the issue of a written confirmation of ownership or share certificate for an Investor Share or Shares to the first named of several joint holders shall be sufficient delivery to all.

CONFIRMATION OF SUBSCRIPTION

Following the issue of Shares, a confirmation statement will be sent by the Manager and/or the Director to the relevant Investor (or its nominated agent if so requested by the Investor) by ordinary post, electronic mail, or facsimile as soon as reasonably practicable after the relevant Subscription Day, and in any event within 15 (Fifteen) Business Days, detailing the number of Shares held by it.

FEES AND EXPENSES

SUBSCRIPTION PRICE AND DATE

A Shareholder shall be entitled to submit a request for subscription in the Fund Shares on an annual basis. A request must be in writing and can only be made by submitting a completed subscription request to the Manager in the form from time to time prescribed by the Manager.



Unless otherwise agreed by the Director, the request must be received by the Manager by no later than 5:00pm Estonia time at least three (3) business days prior to the subscription Date on which the Shareholder wishes to subscribe in Carbon Capital Fund Shares.

Unless otherwise agreed by the Director, a subscription request received after the deadline will be held over until the next following Subscription Day and the Carbon Capital Fund Shares will be subscribed at the subscription Price applicable on that subscription Date.

The Subscription Price per Carbon Capital Fund Share will be equal to the Net Asset Value calculated the day before the application for subscription has been made.

An entry fee of 2% may be applied to the subscription NAV. The Director reserves the right to waive or increase the entry fee applied for subscription.

SUBSCRIPTION FEE

Unless otherwise set out in the Supplement with respect to the Fund, the Fund shall be entitled to charge a subscription fee calculated as a percentage on the subscription monies for the purpose of paying any service providers managing the administration and contracts with the intermediaries and advisers as determined by the Director and further detailed in the relevant Supplement.

REDEMPTION FEE

Unless otherwise determined in the relevant Supplement, there will be no Redemption Fee for the redemption of Shares.

EARLY REDEMPTION FEE

Redemption requests made prior to the expiration of any applicable Lock-up Period will be subject to the approval of the Director and an Early Redemption Fee which shall be calculated as a percentage of the Redemption Proceeds and set out in the relevant Supplement. The Director may in their sole and absolute discretion renounce any such Early Redemption Fee.



MANAGEMENT FEE

The Manager is entitled to an annual management fee of four percent (4%) of the Fund's assets for the management, administration, and maintenance of the Fund (the "**Management Fee**"). The Management Fee is calculated and paid on a monthly basis from the assets of the Fund. The Manager will receive the Management Fee in an amount equal to 0.3333% of the Net Asset Value of the Fund as of the last day of each calendar month (which will include subscriptions for Shares accepted as of such day). A pro-rated Management Fee shall be due upon the withdrawal or distribution of any Shares before the last day of any calendar month based upon the number of days elapsed in such month. The Management Fee payable to the Manager may be waived or reduced by the Director with respect to any Shareholder.

PERFORMANCE FEE

The Manager is entitled to a performance fee of fifty percent (50%) of the profits generated by its investment strategy (the "**Performance Fee**"). The Performance Fee is calculated and payable at the end of each valuation period (1 month) from the Fund's Assets. The Performance Fee is equal to 50% of the increment in the NAV (including unrealized profits/losses) during the valuation period relative to the current high water mark and is charged only if the Share price is higher than it has ever been before at any of the previous periods.

Other Fees and Expenses

The Fund shall also bear the following expenses:

- i. All expenses incurred in connection with the establishment of the Fund.
- ii. All taxes which may be payable on the assets, income and expenses chargeable to the Fund.
- iii. Standard brokerage and bank charges incurred by the Fund's business transactions.
- iv. All fees and expenses due to the legal, tax, and accounting advisers to the Fund and the Fund secretary.
- v. All expenses connected with publication and supply of information to Shareholders, in particular, the cost of translating, printing, distributing the prospectus, the annual audited report, the half-yearly reports and any other periodic reports and the calculation and publication of the NAV per Share and of any notices given to Shareholders in whatever manner.



- vi. All expenses involved in registering and maintaining a fund registered with all competent authorities and recognized exchanges in various countries and jurisdictions including, but not limited to, all translation expenses.
- vii. All expenses incurred in connection with the Fund's operation and management including all Fund secretarial expenses and all Companies Registration Office filings and statutory fees, printing costs.
- viii. All expenses incurred by the Director, if appointed, on behalf of the Fund.
- ix. All fees and expenses due to the Service Providers which shall be determined and disclosed in the Memorandum issued by the Fund.

All recurring expenses will be charged against current income or against realized capital gains, and if need be, against assets as Director may from time to time decide. Such expense may be carried forward and amortized in such manner over such period as the Director may determine and the Director may at any time lengthen or shorten any such period.

SET UP COSTS

The Fund is expected to incur cost in the first financial year in connection with its establishment and will be amortized over a period of 3 years. The Director believes that such treatment is more equitable than expensing the entire amount during the first year of operation, as is required by IFRS. Accordingly, the auditor's opinion of the Fund's financial statements may contain a qualification to this treatment if the auditors determine that such costs are material to the financial statements. A redeeming investor may be charged his pro rata share of any organizational expenses that remain unamortized at the time of redemption.

VALUE ADDED TAX

Some fees and charges may be subject to value added tax ("**VAT**") in Estonia or abroad at the applicable VAT rate. Such VAT will be paid by the Fund (as may be appropriate) and recovered to the extent possible.

CONFLICTS OF INTEREST

The Manager and/or the Director may from time to time act as investment manager, Depositary, registrar, broker, administrator, or dealer in relation to, or be otherwise involved in, other funds established by parties other than the Fund which have similar



objectives to those of the Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund and will endeavor to ensure that such conflicts are resolved fairly and in accordance with the IFA. In addition, any of the foregoing may deal, as principal or agent, with the Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis.

DETERMINATION OF NET ASSET VALUE

The Net Asset Value of the Fund and the Net Asset Value per Share shall be calculated as at close of business on the relevant Valuation Day or at such other times as the Director and/or Manager may determine.

The Director and/or Manager shall approve the Net Asset Value ("**NAV**") of the Fund which will be determined in accordance with the following provision.

The Director and/or Manager may at any time and from time to time temporarily suspend the determination of the Net Asset Value of the Fund during which no application for subscription or redemption is allowed. However, applications for redemption are accepted that have been already received and are in process before the decision of the Director and/or Manager of the Fund for suspension.

Suspension of the determination of the Net Asset Value may take place in the following instances:

- a) during any period when any market or recognized exchange on which a substantial portion of the investments of the Fund from time to time are quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended.
- b) during the existence of any state of affairs which constitutes an emergency or otherwise at which disposal or valuation of investments owned by the Fund cannot, in the opinion of the Director and/or the Manager, be effected normally or without prejudicing the interests of Investors.
- c) during any period when the disposal by the Fund of investments which constitute a substantial portion of the assets of the Fund is impracticable or the Fund does not have adequate levels of liquidity or it is not possible to transfer monies involved in the acquisition or disposition of investments at normal rates



of exchange; or it is not practically feasible for the Fund fairly to determine the value of any assets of the Fund.

- d) during any breakdown in the means of communication normally employed in determining the price of any of the Fund's investments or of current prices on any recognized exchange, or during any period when, for any other reason, the prices of any investments owned by the Fund cannot be reasonably promptly or accurately ascertained.
- e) during any period when the Fund is unable to repatriate funds for the purposes of making payments on the redemption of Shares or during which the realization of investments, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Director and/or Manager, be effected at normal prices or at normal rates of exchange.
- f) during the existence of any state of affairs which, in the opinion of the Director and/or Manager, makes the disposition of the Fund's investments attributable to the holders of Shares impractical or prejudicial to the holders of Shares, or where such state of affairs, in the opinion of the Director and/or Manager, makes the determination of the price or value of the Fund's investments impractical or prejudicial to the holders of Shares.
- g) where any redemptions or distributions attributable to the holders of Shares, in the opinion of the Director and/or Manager, would result in the violation of any applicable law or regulation.
- h) when for any reason the prices of any investments owned by the Fund cannot be reasonably, promptly or accurately ascertained.
- i) for such other reasons or for such other periods as the Director and/or Manager may in good faith determine.
- j) when such suspension is required by the FSA in the interest of Investors.

Suspension, as provided in the IFA, is allowed only in extraordinary occasions and when this is imposed by special circumstances or in the cases as determined in accordance with the provisions of the Regulation which are justified as to be of best interest of investors. Such a suspension should come into force when a relevant decision is taken by the Manager and the relevant notification of the Regulator. The decision as previously described shall indicate the duration of suspension and any extension is allowed only if the previous steps have been followed. In any case the Regulator may decide for an extension if this is in the best interest of shareholders of the Fund.



Notification of the NAV, the subscription, redemption or repurchase price of the shares and the period for which the suspension will be in effect shall be communicated to the Members by email.

In case that the conditions according to which the suspension was based cease to exist before the lapse of the period of suspension that has been announced, the Fund recalls the suspension and informs the FSA or any other relevant authorities of other states that the shares are offered.

VALUATION OF ASSETS

The value of the assets of the Fund shall be determined and made public at least once per year after the end of the accounting period and submitted to the investors no later than the first quarter of the following year as per the relevant provisions of the IFA and more specifically as follows:

- a) Investments or other assets shall be valued as of the close of business on the relevant market on the relevant Valuation Day.
- b) Subject to paragraph (a) above, securities admitted to official listing on a recognized exchange or traded on another regulated market which operates regularly and is recognized and open to the public shall be valued on the basis of the latest traded price or, if that is not available, the latest bid price quoted for those securities provided always that if for a specific security that latest traded price or the latest bid price quoted is not available or does not in the opinion of the Director and/or Manager or their delegate reflect their fair value, the value shall be calculated with care and in good faith by the Director and/or Manager or their delegate with a view to establishing the probable realization price for such securities.
- c) Non-listed securities shall be valued by the Director and/or Manager or their delegate with care and in good faith on the basis of their probate realization value.
- d) Liquid assets shall be valued at their nominal value plus accrued interest;
- e) Derivative instruments shall be calculated by applying the methods of valuation set out above and futures and options contracts traded on a market shall be valued at the settlement price as determined by the market. If such market price is not available, such contracts shall be valued by the Director and/or Manager or their delegate with care and in good faith.



- f) Deposits will be valued at their cost-plus accrued interest.
- g) Any value (whether of an investment or cash) otherwise than in the reference currency of the Fund will be converted into the Reporting Currency at the rate (whether official or otherwise) which the Director in their absolute discretion deem applicable as at close of business on the relevant Valuation Day, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange.

INVESTMENTS IN PRIVATE EQUITY AND START UPS

Depending on the type of the asset the Fund will be investing in, a different approach will be followed. However, the general methodology which will be followed will be:

- Valuation of the investment will be performed using well known and proven valuation techniques (i.e. discounted cash flow approach (DCF) / free cash flow (FCFF/FCFE) approach, asset based valuation, usage of comparable, or other).
- Additionally, supplementing to the derivation of the current value of the investment/asset, a valuation of the investment/asset's growth opportunities will also be performed (i.e. present value of growth opportunities), so as to determine whether the investment is viable and therefore worth investing.
- Upon calculating both the current value and value of future potentials of the investment, the payback period of investing in the investment/asset will be derived, which will use the cost of the investment and future inflows of the investment.

A final decision will then be taken, taking into consideration the viability and profitability in conjunction with the riskiness entailed in the investment.

The Director and/or Manager may permit the recalculation of the value of the assets of the Fund, without notice, in time event of extreme volatility in the market, if the Director and/or Manager consider that such recalculation better reflects the value of any specific investment/asset.

In the absence of bad faith, negligence or manifest error, every decision taken by the Director and/or Manager or by a delegate of the Director and/or the Manager in calculating the Net Asset Value or the value of the assets of the Fund, shall be final and binding on the Fund, and present, past or future investors. The result of each calculation of the Net Asset Value of the Fund shall be certified by the Director and/or



Manager or a duly authorized representative or a delegate of the Director and/or Manager.

Valuation and calculations such as the ones described above are carried out during:

- i. The dates that redemption and subscriptions of the Fund are programmed.
- ii. The dates that are indicated in the annual and semi-annual reports of the Fund.

REDEMPTION OF SHARES

LOCK-UP PERIOD

Investors are not entitled to redeem their Shares during any applicable Lock-Up Period, as such is determined in the Supplement for the Fund, unless otherwise determined by the Director and subject to any Early Redemption Fee as may be imposed by the Director.

REDEMPTIONS AND REDEMPTION DATE

- 1) As is more specifically described herein below, the Fund, as an open-ended AIF, has the power to redeem its own outstanding fully paid Shares at times when the Fund may deem that such action is in the best interest of the remaining holders of Shares. Each holder of Shares of the Fund may on each Request Day request the Fund to redeem all or any part of his Shares in the Fund by delivering a request for the redemption of Shares on the Redemption Day.
- 2) In the event of such request, the Fund shall redeem such Shares subject to any suspension of this redemption obligation pursuant to the Article herein on the determination of the NAV. Shares in the capital of the Fund, which are redeemed by the Fund, shall be cancelled and the Fund's share capital and reserves shall be reduced by the same amount paid by the Fund for the redemption of Shares. The Director and/or Manager of the Fund may determine the last day of redemption applications so that the redeemed shares take the price of the next scheduled NAV, after the application has been submitted.
- 3) The holders of Shares will be paid on the next scheduled redemption date and at a price per Share equal to the NAV per Share as determined in accordance with the provisions of the Memorandum on the determination of the NAV, which, may be higher or lower than the subscription price. From the NAV per Share



Duties and Charges may be subtracted as the Director and/or Manager may determine.

- 4) Unless otherwise determined by the Director and/or Manager, the relevant NAV per Share shall be the NAV per Share determined in respect of the relevant Redemption Day following receipt of the redemption request. The Fund may determine the last day of redemption applications so that the redeemed shares take the price of the next scheduled NAV, after the application has been submitted.
- 5) Any amount payable to holders of Shares under this Regulation shall be made in EURO or such currency or currencies as the Director and/or Manager may determine as appropriate and shall be dispatched within such time after the relevant Redemption Day and receipt of such documentation as the Director may consider to be reasonable.
- 6) The proceeds of any redemption of Shares shall not be released unless, the certificate or certificates for such has been returned together with the original redemption request from the holders of Shares unless otherwise determined by the Director and/or Manager.
- 7) On redemption of part only of the Shares comprised in any certificate the Director and/or Manager shall procure that a balance certificate be issued for the balance of such Shares free of charge.
- 8) In the event that redemption of part only of the holding of a holder of Shares leaves the holder of Shares holding less than the Minimum Holding the Director may if they think fit redeem the whole of the holding of that holder of Shares. The conditions of exercise of this discretion shall be determined by the Director and/or Manager.
- 9) Where a certificate has been issued, the Director and/or Manager may at their option dispense with the production of any certificate which shall have become lost or destroyed upon compliance by the holder of Shares to be redeemed with the like requirements to those applying in the case of an application by him to replacement of a lost or destroyed certificate.
- 10) Subject as is hereinafter provided a holder of Shares shall not be entitled to withdraw a request for redemption duly given in accordance with the Memorandum.
- 11) Redemption will be possible under the following terms: the final day for the submission of redemption applications by holders of Shares so that the redeemed shares get the redemption price of the next scheduled redemption



day is 90 days prior to the Redemption Day. The Fund will be able to repay the redeeming Shareholder within 3 month(s) following the Redemption Day.

- 12) If the number of Shares falling to be redeemed on any Redemption Day is equal to one tenth or more of the total number of Shares in issue the Fund may, at the discretion of the Director and with the consent of the relevant holders of Shares, satisfy any application for redemption of Shares by the transfer to these holders of Shares of assets of the Fund in specie to which the following provisions shall apply. Subject as hereinafter provided, the Fund shall transfer to each holder of Shares that proportion of the assets of the Fund which is then equivalent in value to the shareholding of the holders of Shares (valued at the NAV per Share) then requesting the redemption of their Shares **PROVIDED ALWAYS THAT** the nature of the assets and the type of assets to be transferred to each holder of Shares shall be determined by the Director and/or Manager on such basis as the Director and/or Manager in their sole discretion shall deem equitable and not prejudicial to the interests of the remaining holders of Shares and for the foregoing purposes the value of assets shall be determined on the same basis as used in calculation the NAV of the Shares being so redeemed.
- 13) If the determination of the sum referred to in the Regulation on the determination of the NAV is suspended beyond the day on which it would normally occur by reason of a notice communicated by the Director and/or Manager to that effect the right of the holder of Shares to have his Shares redeemed pursuant to this Regulation shall be similarly suspended and during the period of suspension he may withdraw the request for redemption of his Shares (if any). Any withdrawal of a request for redemption under the provisions of this Regulation shall be made in writing and shall only be effective if actually received by the Fund or its duly authorized agent before termination of suspension. If the request is not withdrawn the redemption of the Shares shall be made on the Redemption Day next following the end of the suspension.
- 14) The Fund may deduct from the proceeds due to be paid to the person exercising the right of redemption any amount the Fund is required to deduct, withhold or account for tax including any penalties and interest thereon.
- 15) With the sanction of a special resolution of the Shares the Director may, by not less than four nor more than six weeks' notice (expiring on a Redemption Day) to all holders of Shares redeem for a sum equal to the NAV per Share on such Redemption Day, all of the Shares of the Fund. In such case the Director may, with the sanction of a special resolution divide amongst the holders of Shares



all or part of the assets of the Fund according to the value of the Shares then held by each holder of Shares.

- 16) It is noted that the Regulator may independently decide the suspension of the redemption of shares.
- 17) The shareholders have the right to apply for redemption of their shares according to the Memorandum as existed before their official amendment by applying within thirty days from their notification of the valid amendment of the Memorandum.
- 18) The issue or redemption or repurchase of units of the AIF is not allowed where the internal manager of the AIF or the depositary of the AIF, is dissolved or put into liquidation, or administration or under a similar procedure, and a replacement has not been appointed.

REDEMPTION PRICE

The Redemption Price per Carbon Capital Fund Share will be equal to the NAV per Share of the Shares as of the Valuation Date immediately preceding the relevant Redemption Date less the Management Fee, Performance Fee (if/when it applies) and any such sum as the Director may consider represents the appropriate allowance for Duties and Charges in relation to realization or cancellation of the Shares to be redeemed.

The Director and/or the Manager at their sole discretion may commission a new NAV calculation to be used in determining the Redemption Price if they feel that the previous NAV is out of date.

SETTLEMENT

Redemption will ordinarily be effected in cash if and to the extent that the Director and/or the Manager acting in good faith determine that there are sufficient liquid assets with which to effect a cash redemption. If and to the extent that the Director and/or the Manager determine that there are insufficient liquid assets for the purposes of effecting a cash redemption, they shall be entitled to extend the period for settlement. Where a cash payment is to be made in respect of all or part of the redemption proceeds it will be made within 5 (five) Business Days of the relevant Redemption Date in EURO (or such other currency as may be specified in the relevant Supplement) by direct transfer and (subject to anti-money laundering rules) in



accordance with instructions given by the redeeming Shareholder to the Manager and at the shareholder's risk and cost.

GATE

The Fund and/or the Manager may apply a maximum limit on the value of redemption requests that may be satisfied on any Redemption Day (the "**Gate**") and it shall not be bound to redeem more than a maximum percentage of the net assets of the Fund in respect of the Shares then in issue. Such Gate, if applicable, shall be further detailed in the relevant Supplement.

If the Fund and/or the Manager receives redemption requests as at any Redemption Day in respect of Shares in aggregate exceeding the Gate of the Fund, the Director and/or Manager reserve the right, in their sole and absolute discretion and without liability and provided in the reasonable opinion of the Director and/or Manager to do so is in the best interests of the remaining Investors, to scale down the number of Shares to be redeemed in response to each redemption request on a pro rata basis to such extent as may be necessary to ensure that the foregoing limit is not exceeded. The balance of each Redemption Request shall be carried forward for redemption as at the next following Redemption Day, and so on to each succeeding Redemption Day until each redemption request has been complied with in full, provided that redemption requests which have been carried forward from an earlier Redemption Day shall, subject always to the foregoing limits, be complied with in priority to later redemption requests.

KNOW YOUR CUSTOMER

Measures aimed at the prevention of money laundering may require an applicant for Shares to verify his/her identity to the Manager. By way of example:

INDIVIDUALS AND BENEFICIAL OWNERS

S/N	DOCUMENT NAME	DETAILS
1.	Certified True Copy of Valid Passport / ID	
2.	Certified True Copy of Utility Bill	Up to 3 months old
3.	Profession details including name of employer	Recent Certificate
4.	Bank Reference or Professional Reference Letter	Recent Certificate
5.	Personal general information	



LEGAL ENTITIES

S/N	DOCUMENT NAME	DETAILS
1.	Certified True Copy of the Certificate of Incorporation	
2.	Certified True Copy of the Memorandum & Articles of Association	
3.	Certified True Copy of the Certificate of Directors	
4.	Certified True Copy of the Certificate of Registered Office	
5.	Certified True Copy of valid passports or Beneficial Owners, Directors, and signatories	
6.	Certificate of Incumbency / Good Standing	
7.	Last Audited Financial Statements	
8.	Signature List	
9.	Documentation evidencing authority or decision to invest (e.g., Board Resolution)	

The details given above are by way of example only and the Manager will request such information and documentation as it considers is necessary to verify the identity of an applicant.

In the event of delay or failure by the applicant to produce any information required for verification purposes, the Manager may refuse to accept the application and the subscription monies relating thereto or may refuse to process a redemption request until proper information has been provided.

Investors should note specifically that where redemption proceeds are requested to be remitted to an account which is not in the name of the investor, the Manager reserves the right to request such information as may be reasonably necessary in order to verify the identity of the investor and the owner of the account to which the redemption proceeds will be paid.

The redemption proceeds will not be paid to a third-party account if the investor and/or owner of the account fails to provide such information.



If a subscription is not accepted, any funds received by or on behalf of the Fund in connection with that subscription will be returned without interest to the account from which such funds were originally debited.

The Fund, or any person acting on its behalf, also reserves the right to refuse to make any redemption payment or other distribution to a Shareholder if the Director of the Fund, or any person acting on its behalf, suspects or is advised that the payment of any redemption moneys or other distribution to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund, its Director or any person acting on its behalf with any such laws or regulations in any relevant jurisdiction.

If any person resident in the Republic of Estonia, including the Fund's attorneys, or the Fund, and, if applicable, its Director or any person acting on its behalf, knows or suspects that a payment to the Fund (by way of subscription or otherwise) is the proceeds of criminal conduct, such person is required to report such information under the applicable laws of the Republic of Estonia.

INDEMNITY

The Director and other officers of the Fund shall be entitled to be indemnified by the Fund against all expenses (including legal fees) losses or liabilities which they sustain or incur in or about the execution of their duties, provided that such Director or other officer acted honestly and in good faith with a view to the best interests of the Fund and had no reasonable cause to believe that his conduct was unlawful. The determination as to indemnification of the Director is, in the absence of fraud, conclusive unless a question of law is involved.

REPORTS AND FINANCIAL STATEMENTS

The annual report of the Fund shall be published in accordance with Chapter 29 of the IFA, and shall include at least the information provided for in Subchapter 3 of the same Chapter 29.

The financial year of the Fund ends on 31 December of each year. The Manager will produce annual accounts as of 31 December each year.



Additional monthly performance reports shall be available within five (5) Business Days after the end of the reporting period.

The Fund's accounts shall be in EURO while the performance reports may be in either euros or US dollars.

Annual accounts and performance reports will be available to each Shareholder free of charge.

The financial statements will be prepared in accordance with International Accounting Standards. However, international accounting standards do not permit the amortization of organizational costs. Notwithstanding this, the Fund may amortize its organizational costs over a period of time and its financial statements may be qualified in this regard.

Accounts along with performance reports, the Memorandum as well as any KIID along with the Fund's Investment Memorandum are all available and given to each investor prior placing his/her investment.

Additionally, any substantial change in the content of the Investment Memorandum is reported to the Regulator.



SUMMARY INFORMATION

Fund Type	Variable Strategy AIF
Class Offering	Non-voting Shares
Life Duration	Unlimited
Use of Leverage	Permitted
Target Market	Professional Investors
Subscription Price	Prevailing NAV
Minimum subscription amount	EUR 50,000
Frequency of Investor Subscriptions	Monthly
Dealing Day for Subscriptions	The first Business Day of each month
Valuation Frequency	Monthly
Base Currency	Euro
Targeted Return	20% per annum
Targeted Capital Raising	None
Minimum Capital Raising	None
Management Fee	4%
Performance Fee	50% of profits
Lock-up Period	1 month
Frequency of Investor Redemptions	Monthly
Dealing Day for Redemptions	Unless otherwise determined by the Director and/or the Manager, Redemption Days shall be the last Business Day of the month.
Redemption Day	Means such day or days in each month as the Director and/or Manger of the Fund may from time to time determine and one in which holders of Shares may request to redeem their Shares pursuant to this Memorandum.
Redemption Fee	None
Distribution Policy	Unless otherwise determined by the Director and/or the Manager, profits shall be capitalized into NAV.



DISCLAIMER

THE CONTENTS OF THIS MEMORANDUM SHOULD NOT BE CONSIDERED AS INVESTMENT, LEGAL, OR TAX ADVICE. INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND, THE TERMS OUTLINED HEREIN, AND THE RISKS INVOLVED WHEN DECIDING TO INVEST.

THE ESTONIA FINANCIAL SUPERVISION AUTHORITY (THE “**FSA**”) WILL ONLY EVER REVIEW THE CONTENT OF THIS MEMORANDUM AS REGARDS TO MEETING THE INFORMATION REQUIREMENTS TOWARDS INVESTORS AS DEFINED IN THE INVESTMENT FUNDS ACT (THE “**IFA**”). THE FSA WILL NEVER RECOMMEND INVESTING IN THIS FUND.

BEFORE MAKING A DECISION TO INVEST IN THE FUND, INVESTORS ARE ENCOURAGED TO SEEK ADVICE FROM THEIR FINANCIAL ADVISORS AND/OR OTHER PROFESSIONAL ADVISORS.

ONLY PROFESSIONAL INVESTORS ARE ELIGIBLE TO INVEST IN THE FUND.

THE DIRECTOR HAS TAKEN CARE TO ENSURE THAT THE INFORMATION CONTAINED IN THIS MEMORANDUM IS, TO BEST OF THEIR KNOWLEDGE AND BELIEF, IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING MATERIAL TO SUCH.

THE FUND IS ESTABLISHED AS AN “ALTERNATIVE INVESTMENT FUND” (AN “**AIF**”) UNDER THE IFA AND IS PERMITTED TO OPERATE AS AN INTERNALLY MANAGED AIF BY THE FSA.

THIS MEMORANDUM AND ITS DISTRIBUTION DO NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SHARES IN ANY JURISDICTION WHERE OR TO ANY PERSON TO WHOM IT’S UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. NO PERSON RECEIVING A COPY OF THIS MEMORANDUM IN ANY JURISDICTION MAY TREAT THE SAME AS CONSTITUTING AN INVITATION TO THEM, UNLESS IN THE RELEVANT JURISDICTION SUCH AN INVITATION OR SALE OR SOLICITATION OF AN OFFER TO BUY SHARES IN THE FUND COULD LAWFULLY BE MADE FOR THEM WITHOUT COMPLIANCE WITH ANY REGISTRATION.

THIS MEMORANDUM DOES NOT CONSTITUTE A PROSPECTUS IN ACCORDANCE WITH THE PROVISIONS OF THE SECURITIES MARKETS ACT. INVESTMENT IN THE FUND INVOLVES SPECIAL RISKS, AND PURCHASE OF SHARES IN THE FUND SHOULD BE CONSIDERED ONLY BY PERSONS WHO CAN BEAR THE ECONOMIC RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD AND WHO CAN AFFORD A TOTAL LOSS OF THEIR INVESTMENT.



EXPRESS APPROVAL OF THE INVESTOR

BY SIGNING HEREUNDER, AN EXISTING INVESTOR OF THE FUND CONFIRMS THAT THEY HAVE READ AND UNDERSTOOD ALL PROVISIONS CONTAINED IN THIS MEMORANDUM. THE INVESTOR CONFIRMS THAT THEY WERE ENCOURAGED TO SEEK INDEPENDENT FINANCIAL ADVISORY REGARDING THEIR ACKNOWLEDGEMENT OF THIS MEMORANDUM AND THAT THEY RECEIVED SUCH ADVISORY TO THE EXTENT THAT THEY DEEMED NECESSARY.

THE INVESTOR ALSO ACKNOWLEDGES THAT THEY WERE GIVEN THE OPTION TO DISAGREE TO ANY CHANGES MADE BY REDEEMING THEIR SHARES AND EXITING THE FUND.

HAVING READ AND UNDERSTOOD THIS MEMORANDUM AND HAVING HAD SUFFICIENT TIME TO CONSIDER WHETHER TO APPROVE THIS MEMORANDUM, THE UNDERSIGNED HEREBY PROVIDES THEIR EXPRESS APPROVAL OF THIS MEMORANDUM AND ALL THE PROVISIONS CONTAINED THEREIN ON THE DATE BELOW, PARTICULARLY AS IT REGARDS TO THE ASSET PORTFOLIO OF WHICH AT LEAST 50% IS ALLOCATED TO AN EQUITIES STRATEGY AND UP TO 30% MAY BE ALLOCATED TO VENTURE CAPITAL AND MEZZANINE FINANCING. THE FUND MAY PERFORM TRANSFERS TO 3RD PARTIES DIRECTLY FROM ITS EXANTE ACCOUNT.

DATE: 3rd March 2025

INDIVIDUAL INVESTOR

/s/ 

Sign Name

Amanda Marjorie Parker-Gamon

Full Name

ENTITY INVESTOR

Name of Investor

BY:
Sign Name of Representative

Print Name of Representative

Title

MEMORANDUM AUTHORIZED BY:


Andra Locika

Director


Maxwell James Mayhew

Portfolio Manager