

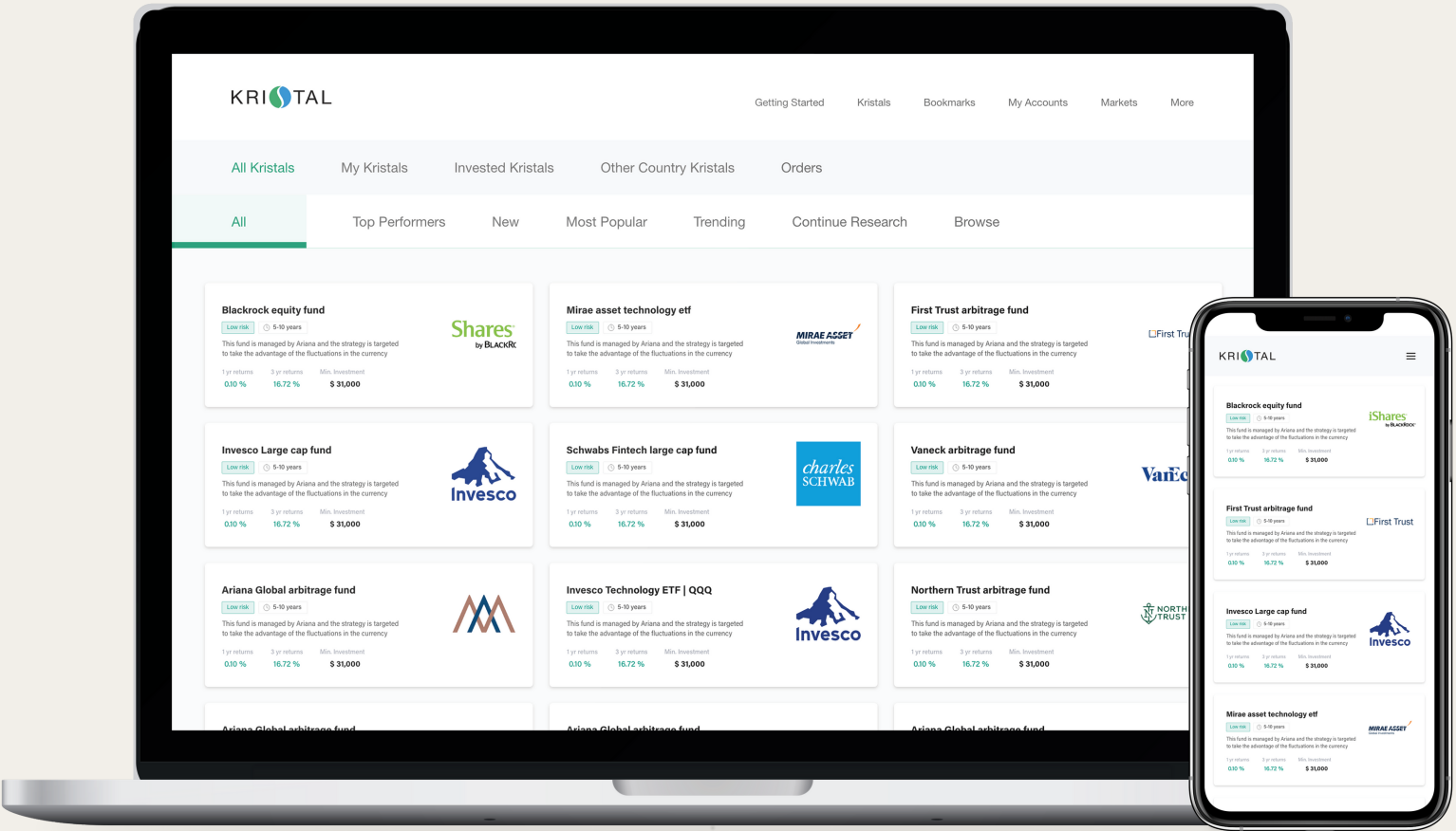
Delivering Your Right to Invest
with the Right Investments



Kristal.AI

Security of Holdings

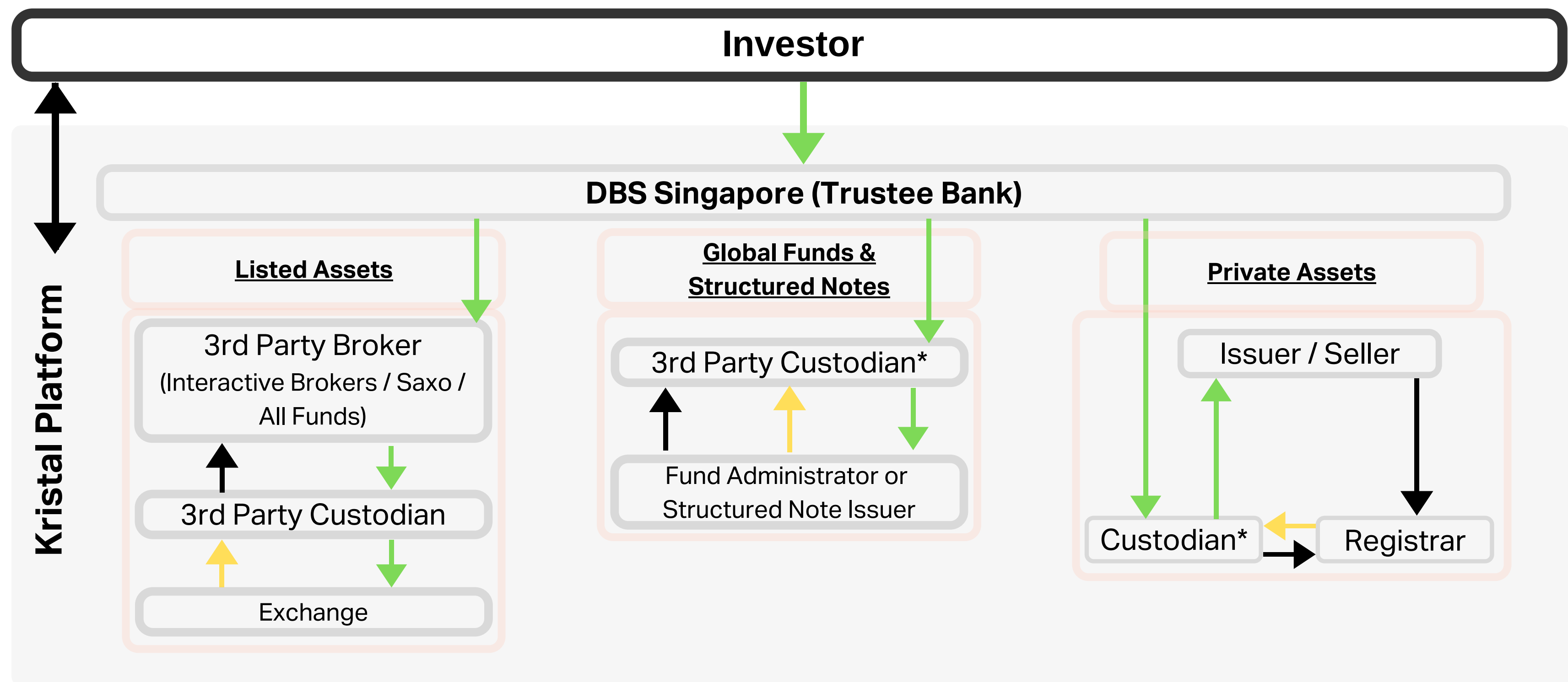
Ensuring safety of assets through
multiple levels of security



SEPTEMBER 2022 - CONFIDENTIAL

Company Registration Number: 201711235E

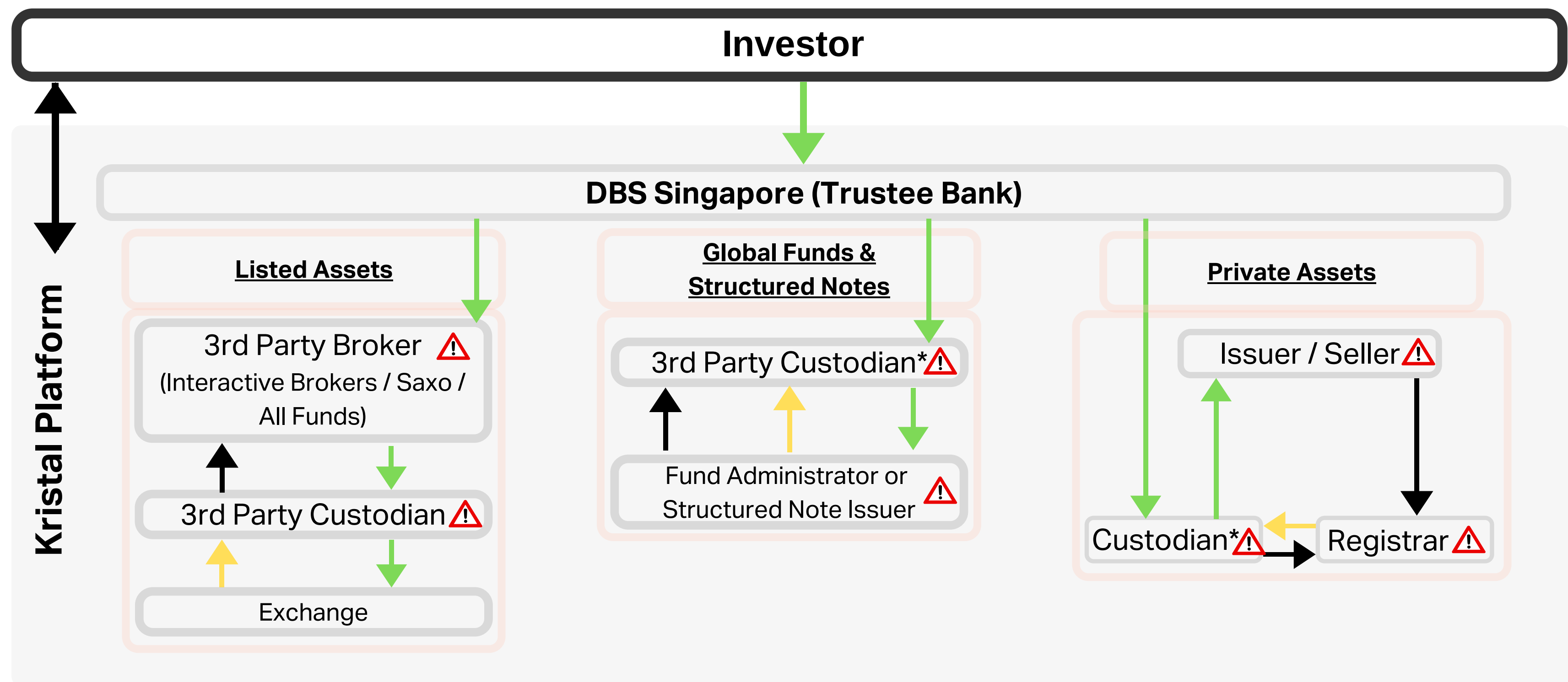
Global Investing - EcoSystem



NOTE:-

- In some markets, additional stakeholders such as Depository Participants may be involved.
- Brokers/Funds/Issuer/Sellers all use banks to handle monies.
- *Custodians may be involved depending on asset & issuer jurisdiction. Share Certificate / Cap Table on Registry confirms ownership.

Global Investing - EcoSystem



- ➡ Instructions / Reports
➡ Monies / Cash
➡ Asset / Security

NOTE:-

- In some markets, additional stakeholders such as Depository Participants may be involved.
- Brokers/Funds/Issuer/Sellers all use banks to handle monies.
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Asset Holding Structure For Clients



Kristal.AI effectively structures various asset holdings to ensure all products are held by globally recognized custodians; thereby having no Kristal credit risk.

KRISTAL OMNIBUS ACCOUNT

LISTED ASSETS

Product	Custodian
Exchange Traded	Interactive Brokers *
Cash	DBS Bank/ Interactive Brokers *

*IB does KYC and knows the client;
Ability to move assets from IB to others

Segregated Client Accounts

UNLISTED ASSETS

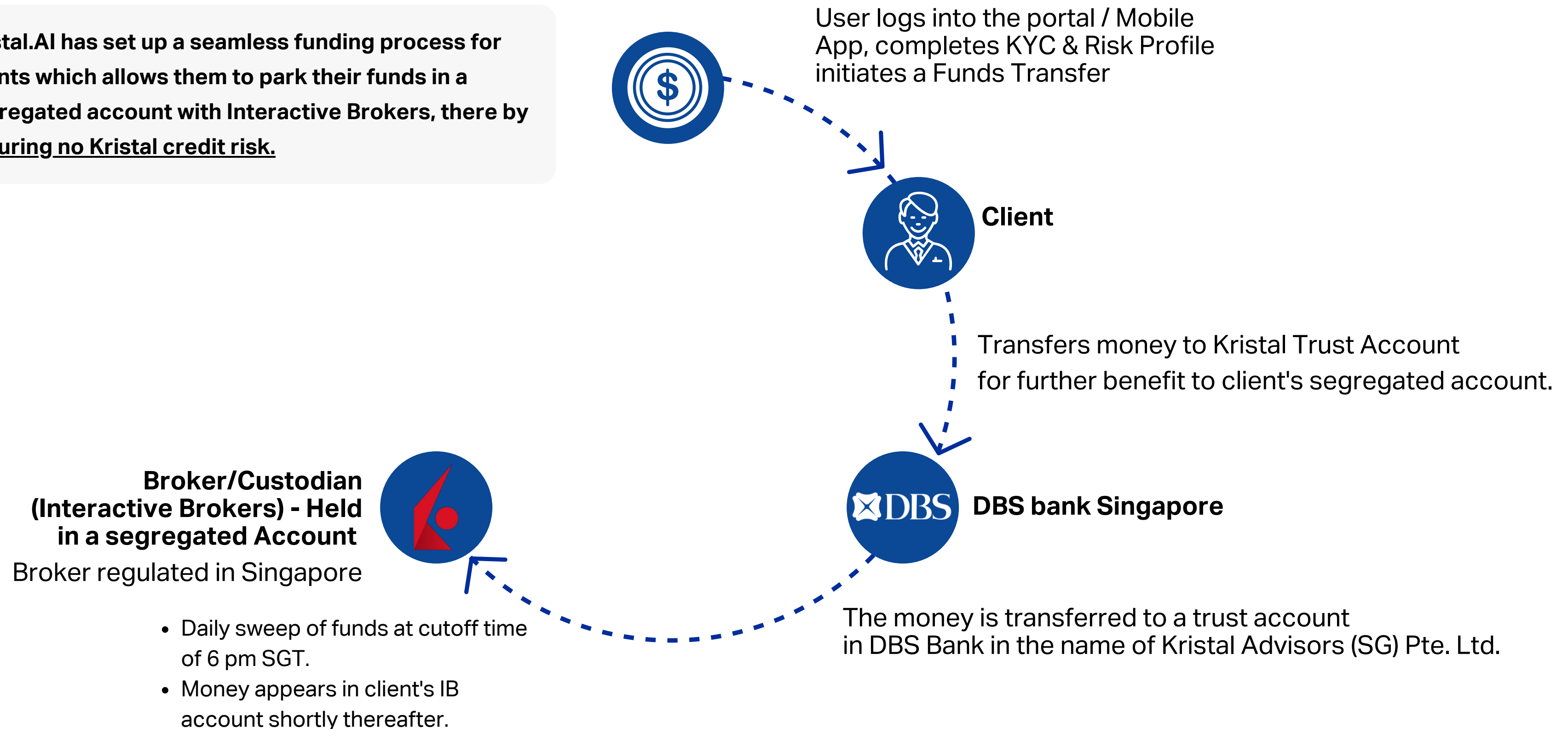
Product	Custodian
Mutual Funds	AllFunds
Hedge Funds	Individual Fund Managers
Private Markets	Kristal as Nominee Shareholder
Structured Products	DBS Bank
Cash in transit	DBS Bank

Strength of our Service Partners

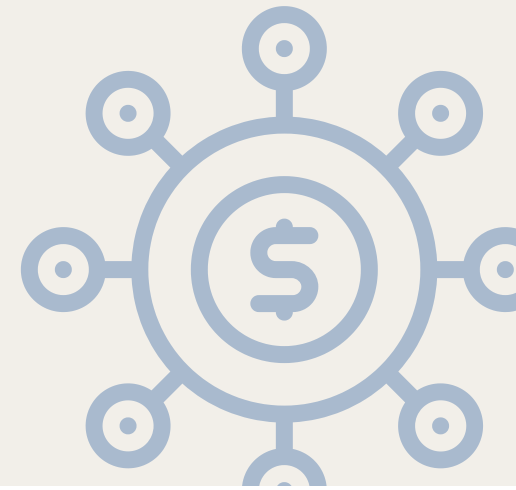
	DBS Bank	Interactive Brokers	All Funds	Saxo Bank
Financial Information & Security	<ul style="list-style-type: none"> DBS Bank - DBS Group, on a consolidated basis, exceeds US\$57.5bn in equity capital. with reserves well above of the minimum prescribed amount by the MAS; Rated AA- and Aa1 with a stable outlook by Standard & Poor's; Maintains liquidity coverage ratio at 136%, above minimum 100% regulatory requirement. 	<ul style="list-style-type: none"> IBG LLC, on a consolidated basis, exceeds US\$10.60 bn in equity capital, over US\$7.4 bn in excess of regulatory requirements; - Rated A- with a positive outlook by Standard & Poor's; - Calculated client reserves obligations (under rule 15.-3) on a daily basis vs weekly/monthly regulatory requirement 	<ul style="list-style-type: none"> Allfunds Group has over E1.3 tn. assets under advisory on all Allfunds platforms; - Group's Pro forma adjusted EBITDA for the year 2020 was E262.7 mn; - Allfunds platform offers a secure transactional process and reduces complexity due to a centralised, integrated and automated platform 	<ul style="list-style-type: none"> Saxo Bank has over \$85 bn of assets under management with \$12bn+ daily trade volume Trusted by 850,000+ clients averaging 200,000+ trades daily Fully regulated and licensed industry player; adheres to strict regulatory requirements in 15 jurisdictions and holds banking licences in Denmark and Switzerland.
Listing Information	<ul style="list-style-type: none"> Listed on SGX 	<ul style="list-style-type: none"> Listed on Nasdaq 	<ul style="list-style-type: none"> Listed on Euronext Amsterdam 	<ul style="list-style-type: none"> Privately owned company
Auditor	<ul style="list-style-type: none"> PricewaterhouseCooper LLP 	<ul style="list-style-type: none"> Deloitte & Touche LLP 	<ul style="list-style-type: none"> Deloitte LLP 	<ul style="list-style-type: none"> Deloitte LLP
Key Shareholders	<ul style="list-style-type: none"> Temasek Holdings (Pte) Ltd 	<ul style="list-style-type: none"> Greenwich Wealth Managment Kayne Anderson Capital Advisors Peterffy Thomas 	<ul style="list-style-type: none"> Hellman & Friedman GIC 	<ul style="list-style-type: none"> Geely Financials Denmark CEO Kim Fournais Sampo PLC

Funding Process

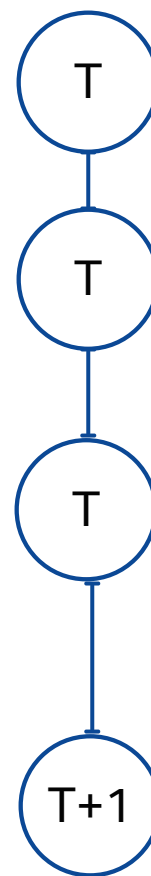
Kristal.AI has set up a seamless funding process for clients which allows them to park their funds in a segregated account with Interactive Brokers, there by ensuring no Kristal credit risk.



Investment Process - Exchange Traded assets



A smooth investment experience where the order is placed in a segregated Interactive Broker's account and cash movement & asset issuance happens on a simultaneous basis; all within the segregated account.



- The client sends an order form from their registered email address.
- Once the market opens, the Kristal Trade Ops team places the order in IB which is allocated to the client's segregated account.
- Cash is taken from the client's IB account & the assets are credited in that account (Follows the standard process as per Interactive Brokers).
- The platform is refreshed to reflect the updated positions in the client's segregated account.

Investment Process - Global Mutual Funds

Mutual Funds with high subscription/redemption frequency (Daily) are available on our platform which allows clients an extremely quick subscription/redemption cycle of just T+1 days in both cases.

Indicative Subscription Timeline

<u>Day</u>	<u>Action</u>
T	The client sends an order form for investment from their registered email address.
T	Order is sent to the fund administrator; Applicable NAV Date
T+1	Cash is sent to the fund administrator; Funds are moved from IB to DBS and then sent to Allfunds immediately
T+1	Order confirmation received from the Fund Administrator. (Contract Note, Applicable NAV and Units)
T+1	The platform is refreshed to reflect the updated positions in the client's segregated account.

Indicative Redemption Timeline

<u>Day</u>	<u>Action</u>
T	The client sends an order form for redemption from their registered email address.
T	Redemption request is forwarded to the fund administrator.
T+1	Applicable NAV Date; Order confirmation received from the Fund administrator. (Contract Note, Applicable NAV and Units)
T+1	Cash received from the Fund Administrator; Funds received in DBS and moved to IB.
T+1	The platform is refreshed to reflect the updated positions in the client's segregated account.

Note: Please note that the timelines mentioned above are indicative and would vary based on the specific fund's subscription/redemption cycle.

Investment Process - Structured Notes / DBS as Custodian

Indicative Subscription Timeline

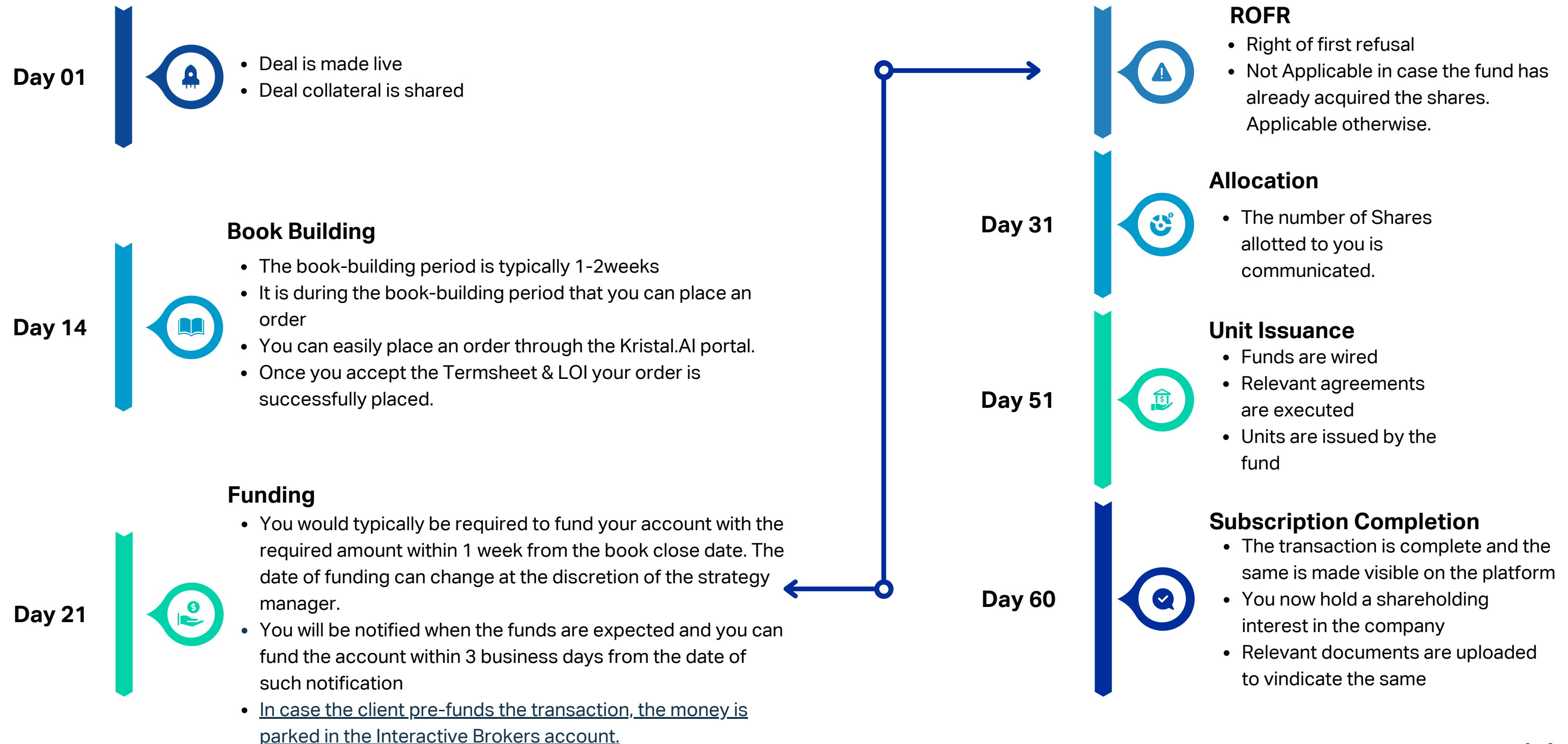
<u>Day</u>	<u>Action</u>
T	The client sends an order form for investment from their registered email address.
T	Order is sent to issuer and custodian for risk hedging and settlement respectively.
T	Cash is sent to the custodian; DBS Trust account to DBS Custody account.
T+1	Settlement done via Euroclear/Clearstream.
T+2	The platform is refreshed to reflect the updated positions in the client's segregated account.

Coupon and Redemption Timeline

<u>Day</u>	<u>Action</u>
T	Coupon/Redemption notification received from Custodian.
T	Coupon/Redemption proceeds received by Custodian.
T	Coupon/Redemption proceeds transferred from DBS Custody account to DBS Trust account.
T+1	Coupon/Redemption proceeds transferred from DBS trust account to IB.
T+2	The platform is refreshed to reflect the updated positions in the client's segregated account.

Note: Please note that the timelines mentioned above are indicative and are subject to the issue date and settlement of the security.

Investment Process - Kristal Private Market



Kristal.AI - Trust Accounts for Client Monies (1/2)

Trust Account

The moneys (cash or cash-like instruments) and the financial assets that KASG deposits in the trust account or the custody account respectively on behalf of KASG’s customers are safeguarded from the creditors of KASG in the event of KASG’s insolvency, as the moneys and assets are held by KASG on trust for its customers and not regarded as the property of KASG available to KASG’s creditors.

Please refer to the screenshot on the right highlighting the Trust Account Audit by PwC.

Kristal Singapore Balance Sheet

21. Trust accounts – held in trust in respect of clients

Trust accounts – held in trust in respect of clients consist of segregated client funds held by Kristal Advisors (SG) Pte Ltd., as part of its operations.

	2020	2019
	\$	\$
<u>Trust accounts</u>		
Amounts held on behalf of clients	<u>96,541,611</u>	<u>17,938,307</u>

As part of our work, we are required to check that client funds are held in segregated accounts. We have not noted any exceptions or issues to date with regards to that.
Thanks and regards,
Nick

Nick Liew
PwC | Financial Services Assurance

Asset Level Security

All client investments are held with regulated custodians in either unique client accounts or in Kristal’s name held on behalf of the clients.
The custodians that Kristal works with are the custodians for Interactive brokers, Saxo and All funds.

Kristal.AI - Trust Accounts for Client Monies (2/2)



YUEN LAW LLC
ADVOCATES & SOLICITORS

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50 South Bridge Road #03-00, S058682

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Our Ref : KC RC202104593 KRS
Your Ref : *please advise if applicable

Pages : 3
Writer's Email : kevin@yuenlaw.com.sg / sumyat@yuenlaw.com.sg

4 June 2021

KRISTAL ADVISORS (SG) PTE. LTD.
8 Shenton Way
#50-03 AXA Tower
Singapore 068811

BY EMAIL
(shruthi@kristal.ai)

Attention: Ms Jaya Shruthi Reddy

Dear Sirs

EXECUTIVE SUMMARY:
SAFEGUARDING OF CUSTOMER MONEYS AND ASSETS
IN THE EVENT OF INSOLVENCY OF FUND MANAGER

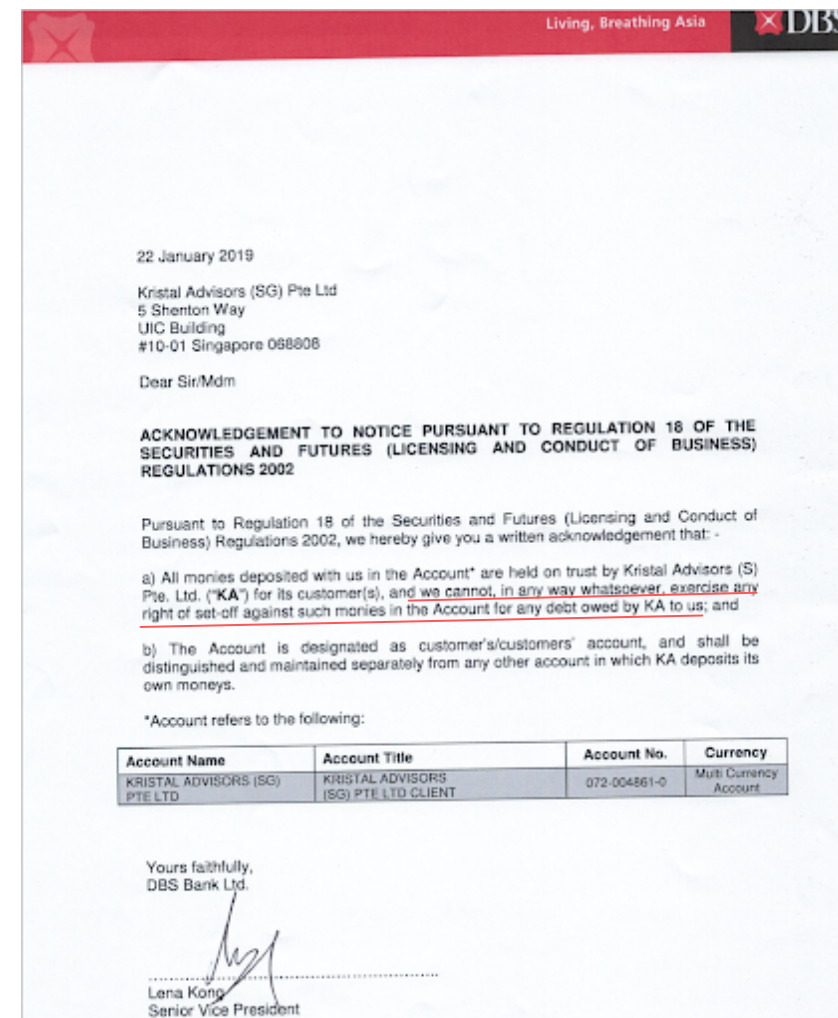
We have prepared a complete legal memorandum to Kristal Advisors (SG) Pte. Ltd. ("**KASG**"), but KASG has requested for a summary that may be shared with KASG's clients. This document is the executive summary of that legal memorandum and is subject to the same assumptions and qualifications, and provisions relating to the addressee (KASG) of that legal memorandum. In particular, we highlight the qualification set out below:

Segregation of Client Assets (1/2)

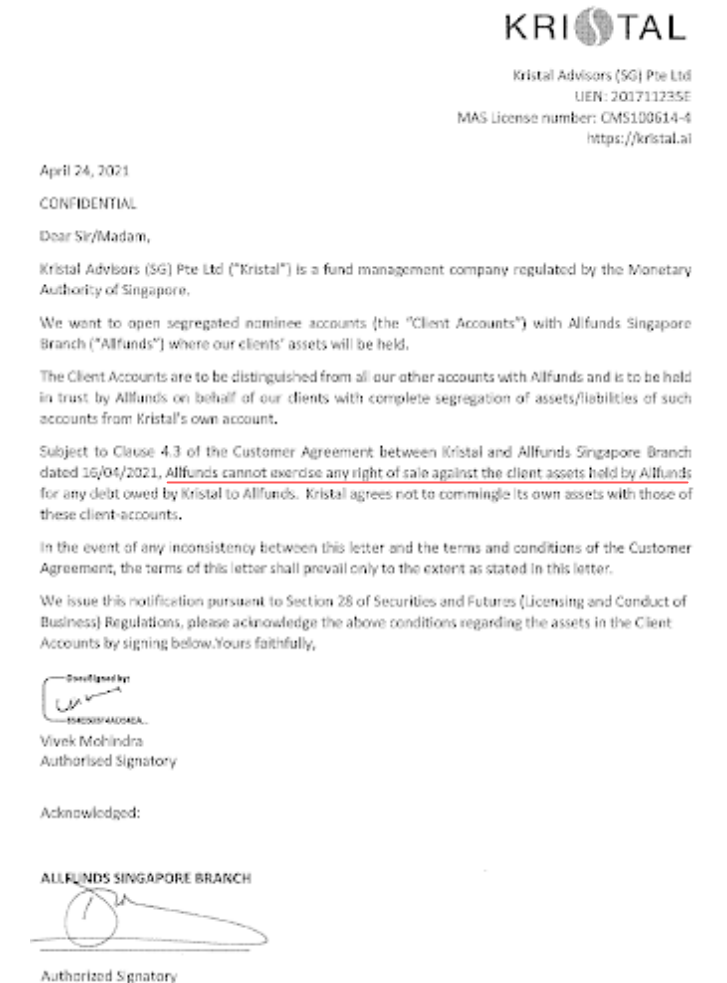
All our Service providers have provided us with a declaration that they are aware that assets belong to our clients and it is separate from our Corporate assets and they do not have a claim on these assets. Please refer to the highlighted portions below for details.



IB



DBS



ALL FUNDS

Segregation of Client Assets (2/2)

IB:

IBKR cannot exercise right of set-off against money for any debt owed by Kristal to IBKR. Kristal agrees not to commingle its proprietary trades and its own assets with those of these client-accounts.

DBS:

a) All monies deposited with us in the Account* are held on trust by Kristal Advisors (S) Pte. Ltd. ("KA") for its customer(s), and we cannot, in any way whatsoever, exercise any right of set-off against such monies in the Account for any debt owed by KA to us; and

AllFunds:

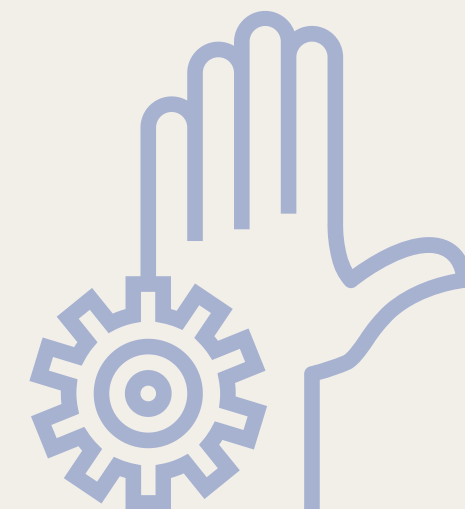
dated 16/04/2021, Allfunds cannot exercise any right of sale against the client assets held by Allfunds for any debt owed by Kristal to Allfunds. Kristal agrees not to commingle its own assets with those of these client-accounts.

3rd Party Controls

- Custodians do not allow Asset transfers to 3rd Party (subject to regulatory approvals).
- Proceeds from Asset Sales are sent to the Custodian
- Custodian does not allow Cash transfers to 3rd Party (subject to regulatory approvals)
- Custodians do not allow linking a Bank A/c that does not belong to the License Holder and such account needs to be designated for Customer monies.
- Trustee Bank needs to confirm that an account is designated for Customer monies

- Trustee Account*
 - Cheque issuance needs 2 signatories
 - Online Transfers needs Maker / Checker
 - Limits on Online Transfers
 - Transaction creation Alerts to multiple recipients
 - Transaction completed Alerts to multiple recipients
 - Call Back verification for higher risk activities/transactions
- Change of limits/settings (Online) - up to 5 Approvers supported
- Change of limits/settings (Form) - up to 2 Signatories supported

Kristal's Strong Oversight and Controls



The platform is used by 11,000+ retail and private wealth users globally.

Subject to regulatory visits and audits on licensed activity, KYC/AML, Technology and Security.

Board comprising a leading institutional investor has oversight on business operations and strategy.

External legal opinion sought on validity and strength of the operating model.

Regularly audited by MAS (Regulatory Audit, AML Policy Audit etc.)

Have completed 4 audits by external auditors (Financial and Operational)

Used by 50+ 3rd party advisors, distributors and family offices managing a cumulative AUM of \$5bn; 250+ External RMs.

Insurance Cover



Professional Liability

Kristal is mandated to take Insurance cover against Professional Liabilities against;

1. Internal Failures
2. Fraud & Dishonesty

Cover : SGD 3,000,000/-

Excess: SGD 100,000/-

Insurer: Liberty

Cyber Security Risk

To protect Clients against adverse impact owing to Cyber Security breaches, we have opted to take Insurance cover for;

1. Business Interruption Costs
2. Crisis Management
3. First & Third Party Coverage

Cover : SGD 250,000/-

Excess : NIL

Insurer : Delta

Underwriter : Lloyd's

*New & comprehensive cover under consideration

In case of, Cessation of Business



MAS' Securities and Futures Act FAQs - Dated 06th April 2020, Point 25

"The FMC should ensure an orderly winding down of its business prior to cessation. This includes but is not limited to: (i) putting in place communication plans to ensure sufficient notice period has been given to its customers, business partners and other relevant stakeholders regarding its cessation; and (ii) discharging all customer obligations and ensuring that customer assets and/or moneys have been accounted for and returned to customers before it ceases.

The FMC should also ensure that all funds and managed accounts managed or advised by the FMC have been (i) transferred to another fund management company; and/or (ii) liquidated and all underlying assets and moneys returned to their beneficial owners or customers."

How To Transfer Exchange Traded Assets From Omnibus.


Transfer out of fund units can be facilitated in as less as 2 days*

Segregated
Client Account
Number.



Type: Kristal Private Wealth
Sub-Account Number: U3825230

Current Value: USD 170,100.08
Value (as of Dec 31, 2020): 287,182.95

Cash Transferred (YTD): USD -129,980.04
Available Cash: USD 39,856.33 

Earnings (YTD): USD 12,897.18
XIRR (YTD): 5.66%

Positions

STOCK/ETFS

CASH

 Export

Asset	Symbol	Allocation %	Qty	Currency	Current Value	Total Investment	Returns
Blackrock Cybersecurity and Tech ETF	IHAK	5.59	215.0000	USD	9,507.30	6,594.00	44.18%
Blackrock PHLX Semiconductor ETF	SOXX	4.09	15.0000	USD	6,949.50	4,820.60	44.16%
Defiance Next Gen Connectivity ETF	FIVG	8.65	380.0000	USD	14,713.60	10,166.45	44.73%
Global X Copper Miners ETF	COPX	3.07	138.0000	USD	5,221.92	4,968.00	5.11%
Invesco Solar ETF	TAN	3.23	62.0000	USD	5,487.00	5,670.14	-3.23%
SPDR S&P Biotech ETF	XBI	7.34	100.0000	USD	12,482.00	10,198.00	22.40%
SPDR S&P500 ETF Trust	SPY	8.30	32.0000	USD	14,116.80	9,896.40	42.65%

* Subject to asset type and receiving broker.

How To Transfer Global Mutual Funds From Omnibus.

Transfer out of fund units can be facilitated in as less as 5 days*

March 22, 2021
Kristal Advisors (SG) Pte Ltd

5 Shenton Way
#10-01 UIC building
Singapore 068808
Singapore

Example of Transfer confirmation

Ariana Cayman SPC on behalf of Global Arbitrage Fund SP

TRANSFER CONFIRMATION	
On Dealing Day March 1, 2021, we confirm we have redeemed the following shares :	
Description of Shares	
Ordinary Shares of par value USD 0.01 per share	
Class [or Series] of Share	Global Arbitrage Fund SP-Class B Participating Shares (Non Voting)
Number of Shares	330.698
Offering Price	USD 1,604.343
Share Value	USD 530,552.09
Dealing Date	March 1, 2021
Reference	

Transfer to Client Name as of Mar 1 2021.

* Subject to fund timelines.

How To Transfer Pre-IPO Stocks From Omnibus.

Transfer out can be done to another omnibus structure*



<https://app.carta.com/certificates/8443516/print/>

1/11

Coupon and Redemption Timeline

Day	Action
T	Transfer notice sent to issuer and registrar.
T+x	Transfer acknowledged by issuer and registrar.
T+y	Transfer facilitated by registrar.
T+z	Share certificate issued by registrar in name of new holder.

* Subject to issuer and acquisition mode.

Appendix

Investment Process - Hedge Funds


Indicative Subscription Timeline

<u>Day</u>	<u>Action</u>
T	The client sends an order form for investment from their registered email address.
T+1	Cash is moved from Interactive Brokers to DBS Trust account and then sent to the DBS Custody account.
T+2	Pending subscription is booked. DBS Custody sends money to fund administrator.
T+3	Applicable NAV Date.
T+5	Order confirmation received from the Fund Administrator. (Contract Note, Applicable NAV and Units)
T+5	The platform is refreshed to reflect the updated positions in the client's segregated account.

Indicative Redemption Timeline

<u>Day</u>	<u>Action</u>
T	The client sends an order form for redemption from their registered email address.
T+1	Consolidated redemption requests are forwarded to the fund administrator.
T+2	Applicable NAV Date.
T+5	Order confirmation received from the Fund Administrator. (Contract Note, Applicable NAV and Units)
T+5	Redemption proceeds are received in DBS Custody and transferred to DBS Trust account. The platform is refreshed to reflect the updated positions in the client's segregated account.

Note: Please note that the timelines mentioned above are indicative and would vary based on the specific fund's subscription/redemption cycle.



**Join the movement to make wealth management
global, personalised, and hassle-free.**

 **KRISTAL**

Commercial Terms & Asset Specific Risk

INSTRUMENT TYPE/CLASS	RISK LEVEL
For Retail Investors:	
Treasury bonds / Money market bonds / High grade Government Bond ETF	Low
Corporate bonds (Investment grade) ETFs	
High yield bonds ETFs / Gold ETF / REITS ETF / Developed Market Equity broad Index ETF	Medium
Developed Mkt Mld & Small Cap Equities ETF / Subordinated Bond ETFs / Silver & Broad Commodity ETF / Single Name IG Corporate Bonds	
Direct Equities Large cap (More than USD 5B market cap) / Emerging market ETFs (Bond & Equity) / Single commodity ETF	High
For Accredited Investors:	
Inverse & Leveraged ETFs / Small-Mid Cap equities (Less than USD 5B market cap) / Single name Sub-IG bonds / Unleveraged ELON with underlying of SL 3 and below	Very High
(long only via options) (Bull Call Spreads / Bear Put Spreads / Long Butterfly Call or Put Strategies)/ Covered Call Strategies / Long-Short Hedgefund arbitrage strategies (e.g. Ariana, Aurigin)/ AT1 Bonds/ CoCo Bonds	
Long Short Equities BG Long Short / Private Equity and VC like Investments	
Strategies that include Index Options (includes selling) Index Technical Trader	
Strategies that include Single Stock Options (includes selling) / Leveraged Pooled Strategies (Kristal Founders Fund (Carry++) / ELONs on Underlying SL 3 and above and with embedded leverage	

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The Sophistication Level represents the complexity of the related security or investment strategy as per the regulatory definition. Risk Level represents broader descriptive classification of the incremental complexity for easier understanding by all potential investors.

**Delivering Your Right to Invest
with the Right Investments**



**Get in touch with your Kristal
Advisors for more insights.**

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