



The Shares in ALE Fund should be registered in the following name(s):

**1. INVESTOR DETAILS**

**Individual Investor 1:**

Full Name: \_\_\_\_\_

Date and place of Birth:   /   /     \_\_\_\_\_

Nationality: \_\_\_\_\_

Address & Postcode: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_ @ \_\_\_\_\_

Occupation: \_\_\_\_\_

Source of funds:  
 Accrued Savings or earnings  Sale of Property or business  Other \_\_\_\_\_

**Individual Investor 2:**

Full Name: \_\_\_\_\_

Date and place of Birth:   /   /     / \_\_\_\_\_

Nationality: \_\_\_\_\_

Address & Postcode: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_ @ \_\_\_\_\_

Occupation: \_\_\_\_\_

Source of funds:  
 Accrued Savings or earnings  Sale of Property or business  Other \_\_\_\_\_

**Corporate Investors:**

Company  Trust  Institutional Investor

Full Name: \_\_\_\_\_

Authorised Signatories: \_\_\_\_\_  
 \_\_\_\_\_

Date of incorporation:   /   /

Jurisdiction of incorporation: \_\_\_\_\_

Address & Postcode: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_ @ \_\_\_\_\_

Source of funds:  
 Accrued Savings or earnings  Sale of Property or business  Other \_\_\_\_\_

**Address for correspondence if different from above:**

Address & Postcode: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_ @ \_\_\_\_\_



# OFFERING MEMORANDUM/TERMS & CONDITIONS - ASIA LION EQUITY FUND

## 1 Definition

"Application" means an application for Shares in ALE Fund by completion of the Application Form;

"Investment Restrictions" means restrictions to the investment policy placed upon the discretion of the Manager.

## 2 Fund Characteristics

ALE Fund has the following characteristics:

### (a) Risk profile

ALE Fund is a low risk fund that employs low leveraging to increase the exposure to the Investment Assets of ALE Fund.

### (b) Investment objective

The investment objective of ALE Fund is to achieve above average capital appreciation over short to medium term through the use of low Leverage while seeking to achieve these investment returns with controlled volatility and risk.

The subscription for Shares in ALE Fund should be part of a short to medium term investment strategy implying an investment period of at least 1 to 3 years.

### (c) Investment policy

The investment policy of ALE Fund will be to invest 90% of the net proceeds raised from subscriptions together with twice the equivalent amount in borrowed funds and 10% of the net proceeds into Cash instruments.

This initial investment policy may be varied at the discretion of the Manager if in its opinion (subject to the investment restrictions) a different allocation of assets might better achieve the investment objectives of ALE Funds.

ALE Fund will borrow from an appropriate lending institution the amount required to Leverage at such rates and on such a basis that is consistent with the investment objectives and the risk profile of ALE Fund.

The Manager may where appropriate for the reduction or control of risk arising in the management of ALE Fund apply hedging strategies provided such strategies are consistent with the investment objectives, policies and restrictions of ALE Fund as set out herein.

The Manager may from time to time use interest rate derivative instruments in the management of borrowing. In addition, various types of Hedging Instruments may be utilised in the management of investment risk within the investment restrictions set out herein.

The Investment Assets, borrowing and Cash Instruments will all be denominated in USDollar.

### (c) Investment restrictions

The following investment restrictions will apply to ALE Fund:

- (1) It may invest up to 100% of its assets in Cash Instruments;
- (2) It may invest up to 95% of the net proceeds raised from subscriptions in ALE Fund;
- (3) For the purposes of efficient portfolio management ALE Fund may borrow up to 20% of the Net Asset Value of ALE Fund;
- (4) It may enter into hedging transactions provided that the total value of all cash and other property paid, transferred or deposited by way of a premium or initial payment would in respect of all other hedging transactions not closed out, not exceed 5% of the Net Asset Value of ALE Fund.

If any of the above investment restrictions are breached, the Manager shall take as a priority objective all steps as are necessary within a reasonable time to remedy the situation taking due account of the interests of the investors.

## 3 Fund Valuations

### (a) Initial offer price

During the Initial Offer Period the initial offer price for the Shares will be determined by the Manager.

### (b) Subscription Price

The Subscription Price for a Share in the ALE Fund will be determined in accordance with the prevailing rate at application.

### (c) Redemption Value

The Redemption Value for a Share in the ALE Fund will be determined, after 1 year, at the prevailing rate at time of redemption.

An indicative Redemption Value is available upon request from the Manager and investors are encouraged to request an indicative Redemption Value prior to the submission of a redemption request form.

Redemption of Shares is subject to Redemption Charges as detailed herein.

## 4 Fees and Expenses

In addition to a share of the general fees and expenses which will be apportioned to ALE Fund as set out in the Offering Memorandum the fees and expenses of ALE Fund are as follows:

### (a) Manager's fee

The Manager fee of 1.5% is waived.

### (b) Administrator's fee

The Administrator is entitled to charge a fee of 3% of the total investment and fee is payable upon application.

## 5 Issue and Redemption of Shares

### (a) Application procedure

Subscription Days for ALE Fund is on the 25th day of each month, if such day is not a Business Day the next Business Day. However, Directors may select other and/or additional day or days either generally or in relation to the Shares of ALE Fund and different days for different purposes.

Subscriptions are made in USDollar. The minimum subscription of Shares in ALE Fund is USD 50,000, if investment are made in a combination of Funds provided that the total investment in the Company is at least USD 50,000.

Application for Shares in ALE Fund must be made on an Application Form. Application Forms must be received by the Manager before 5.00 p.m. GMT time. All payments for Shares in ALE Fund must be made in USDollar and be received in cleared funds by the Manager. Investors must pay all telegraphic transfer charges, which include intermediary and beneficiary bank charges.

If the Application Form or associated cleared funds are not received as required, then the Application may, be rejected or held over until the next Subscription Day, at the discretion of the Directors. In the event that an Application is rejected application monies will be returned without interest by cheque through the post or telegraphic transfer at the discretion of the Directors at the risk and expense of the person(s) entitled thereto.

# OFFERING MEMORANDUM/TERMS & CONDITIONS - ASIA LION EQUITY FUND

No Applications may be withdrawn once received by the Manager and any interest accruing upon monies received by ALE Fund and/or the Manager prior thereto will be for the account of the ALE Fund.

The Shares in ALE Fund will be issued at the Subscription Price.

## (b) Redemptions

Redemption Days for ALE Fund are the last Subscription Day of each month, however, the Directors may select other and/or additional day or days either generally or in relation to Shares of ALE Fund and different days for different purposes.

Requests to redeem Shares in ALE Fund should be received by the Manager before 5.00 p.m. GMT time, on the 25th Business Day prior to the relevant Redemption Day. Such a request should clearly identify the holding to be redeemed by including the details as inscribed on the register or the purchase contract reference number or the investor's account number. Requests received after this time will, unless the Directors otherwise agree, be held over and dealt with on the following Redemption Day.

The redemption proceeds net of any charges will normally be paid to investors in US Dollar within 14 Business Days after the Redemption Day or as soon as the proceeds are received by ALE Fund from the sale of any underlying investments made to meet the redemption. Investors may make partial redemption of their shareholding subject to the minimum indicated herein.

Payment will be rounded down to the nearest unit and ALE Fund will retain the benefit of any such rounding.

## (c) Publication of prices

The Subscription Price per Share will be published on the website [www.nationalfed.com](http://www.nationalfed.com).

## 6 Risk Warning

### (a) Investment risk

It should be remembered that the price of the Shares and the income from them (if any) can go down as well as up and that the effect of both gains and losses are multiplied by the use of Leverage. On the redemption of their Shares, investors may not receive the amount that they originally invested but not exceeding 94% of invested amount.

### (b) Availability risk

The performance of ALE Fund may be dependent on ALE Fund's ongoing ability to purchase Investment Assets and the availability to Leverage where required, meeting the investment objectives of ALE Fund. A change in the availability of Investment Assets or Leverage could adversely affect the Manager's ability to execute its investment policy leading to the potential failure of ALE Fund, meeting its investment objective.

### (c) Leverage risk

ALE Fund uses Leverage to increase potential investment returns a significant risk exists where the cost of borrowing exceeds the rate of return of the Investment Assets. ALE Fund's exposure to capital risks may be increased by the multiple of Leverage employed.

Funds which use Leverage have entered into agreements with lenders that contain covenants. If ALE Fund was to breach any of the said covenants the Company may be forced to change its investment policy to rectify the said breach which may ultimately result in the forced sale of Investment Assets.

### (d) Custody risk

As ALE Fund borrows for the purpose of Leverage it may be required to provide security. Where security is required, assets will be deposited with the lender and will cease to be within the Custodian's exclusive control. Accordingly, ALE Fund may be exposed to acts, omissions or insolvency risk of the lender.

### (e) Interest rate risk

Interest rates are subject to market fluctuations. Under adverse market conditions interest rates may be in excess of the investment returns of Investment Assets, thereby reducing ALE Fund's performance or the Net Asset Value.

## 7 Exclusion

I agree that HCB Trust Ek. för. shall not be liable in any way for any loss of profits, business, goodwill or opportunity or direct, special or consequential loss or damages which I or any person may suffer or incur in connection with you giving effect to and to carrying out the instructions in anyway whatsoever and (without prejudice to the generality of the foregoing) whether arising from fraud, negligence, breach of contract, strict liability or otherwise by you or your officers, employees and agents. I agree that you will not be liable for any failure, delay, mistake, refusal, neglect or omission in the transmission of any instructions or the making of any payment under the same.

## 8 Indemnity

I hereby irrevocably and unconditionally undertake to fully indemnify HCB Trust Ek. för. and all its employees, nominees, directors and agents and hold you harmless against all losses, damages, liabilities, costs and expenses which you may suffer or incur (including legal costs on a full indemnity basis) as a result of you acting or carrying out, delaying in acting or carrying out or failing to act or carry out any instructions pursuant to these Terms and Conditions.

## 9 Penalties on Early Redemption

I agree and understand that in the event of early redemption of ALE Fund before the end of the 12 month period, from the Subscription date, Company/Director may, in its sole and absolute discretion and on such terms as it thinks fit, allow or permit such redemption subject to the full forfeiture of 10% penalty from the Net Asset Value.

## 10 Use of Agents

I agree that HCB Trust Ek. för. may use any agent, contractor or correspondent if it may deem fit to carry out or procure any of the matters or transactions under this application and HCB Trust Ek. för. shall not be liable for any act, omission, neglect or wilful default of such agent, contractor and/or correspondent.

## 11 Jurisdiction/Governing Law/Third Party Rights

These terms and conditions shall be governed by the laws of Sweden. I hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Sweden. Notwithstanding any term herein the consent of any third party is not required for any subsequent amendments or changes to these Terms and Conditions.