

Specialist Funds

Key Investor Information

This document provides you with the key investor information relevant to this fund. It is not marketing material, nor is it a recommendation or solicitation to invest. The information will help you understand the nature and the risks of investing in this fund.

TXG Digital Assets Strategic Capital Fund – Class A units

The fund is managed by **TXG Limited**, in association with **Denning Legal Ltd**. Regulated by Solicitors Regulatory Authority in UK, Denning will provide fund administration and legal services. TXG operates a range of related digital asset businesses including an options brokerage, **CryptOptions.ie**, an algorithmic data distributor, **DataX**, and an **OTC dealing function**.

Objectives

The fund aims to provide positive returns over the medium to long term by investing in a range of digital assets. Strictly on an indicative basis, the fund is targeting an annualized return in the low double-digits percentage range over the medium to long term. Capital invested in the fund is at risk and there is no guarantee that a positive return will be delivered.

Investment Policy

The fund invests in an actively managed portfolio of crypto currencies. It may use derivatives to hedge its positions and enhance returns within the fund. It employs systematic methods provided by **Sherpa Funds Technology** to control risk, enabling the fund manager to vary the portfolio's construction within defined performance envelopes, consistent with overall risk appetite. Sherpa's Optimal Risk Sizing (ORS) technology has been proven over an extended period and is successfully used by asset managers and sovereign wealth funds globally, some of which are over 1 billion USD AUM in size. Further details of the Sherpa ORS methodology are available upon request.

Essential Features of the Fund

- The fund has the discretion to invest in the investments as described above with no need to adhere to a particular benchmark.
- The fund has no specific target geographic bias.
- You can buy and sell units in the fund on the last Wednesday of every calendar month if it is a business day, or the next business day thereafter in the event that the last Wednesday in that month is not a business day.
- Any income received by the fund will be added to the value of the fund, and hence your investment.
- Derivatives may be used for investment purposes and to manage the risk profile of the fund.
- **Recommendation:** This fund may not be appropriate for investors who plan to withdraw their money within a short period a time.

Charges and Fees

- | Initial Charge | | Annual Management Fee |
|----------------|------------|---|
| → 50K – 100K | GBP – 3% | → 2% pa (pro-rata monthly deduction) of NAV |
| → 100K-250K | GBP – 2.5% | |
| → 250K+ | GBP – 2% | |

Risk and Reward Profile

- **High Risk:** This fund is high risk and the value of the units is likely to be volatile. It is possible that investors in this fund may make losses as well as gains.
- **Currency Risk:** Most crypto currency prices are quoted in US dollar (USD) terms, whereas the fund's units will be quoted in UK pound (GBP) terms, meaning that unhedged movements in the GBP/USD foreign exchange rate may cause the value of your investment to increase or decrease.
- **Counterparty Risk:** Since the fund may enter into derivative agreements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the fund, receiving less than is due or receiving nothing.
- **Financial Techniques Impact:** The fund invests in derivatives. A relatively small movement in the value of the derivative's underlying investment may have a much larger impact, positive or negative, on the value of the fund than if the fund were to hold the underlying investment itself. Derivatives are also used to reduce risk by hedging against movements in the value of investments held by the fund.
- **Regulatory Change Risk:** There is a risk that regulations may change in ways which may impact the value of the assets held by the fund.
- **Liquidity Risk:** There is a risk that some or all of the assets held by the fund may be difficult or impossible to liquidate in the event that the manager needs to raise cash to meet the fund's liabilities as they fall due, and that these matters may impact the value of the fund.

Funds and Digital Assets Administration and Custody

Denning Legal (DL) will be responsible for the administration of the fund, including investor due diligence, Anti Money Laundering (AML), and Know Your Client (KYC) processes. All client monies will be held by DL in segregated client accounts which will be separated from the operational accounts of DL.

TXG will be responsible for the administration of the digital assets. TXG has a custodial agreement in place with a third-party trust company, which provides comprehensive safekeeping processes including cold storage and insurance of the fund's assets at full market value. Further details of these facilities are available upon request.

The Managers

TXG

TXG's Chief Executive is **David Rundell**, who has 28 years of experience in finance, technology and mathematics. He has run equity and foreign exchange technology for several large banks in London, Singapore, and Hong Kong, and possesses a deep understanding of market dynamics, operations, pricing, risk management, and currency research. He has more recently acted as a consultant in trading and financial services; his most recent engagement has been in an advisory capacity at Debt Management Office, HM Treasury.

David received his bachelor's degree in Mathematics from University of Birmingham in the UK.

Denning Legal

DL's Managing Partner is **Aris Nicolson**, Barrister, and Member of the Stamp Tax Practitioners Group and CIOT. Aris spent 20 years in practice at the Bar, subsequently consulting to Middle Eastern companies as an intermediary, and as an adviser to private family offices.

After a spell with Macquarie and RBS Banks, and then as legal director to a Tax firm specialising in Property tax, he set up Denning Legal as a multi-disciplinary practice.

Denning Legal is regulated by the Solicitors Regulatory Authority in the UK.