



## **General Terms and Conditions of Loyal Explorer Fund share transactions**

### **ABOUT LOYAL EXPLORER FUND**

LOYAL EXPLORER FUND refers to the public mutual fund (Fund) of Loyal Investment Funds SCC Ltd. Loyal Explorer Fund is registered in St. Vincent and the Grenadines (SVG), and provide access to professionally managed global investment portfolios at economies of scale. Loyal Bank Ltd (Loyal Bank) acts as Distributor of the investor shares (Shares) of the Fund, and provides information about Loyal Explorer Fund investments.

This General Terms and Conditions document sets the relationship between Loyal Bank and its clients (Clients) when they transact with the shares of Loyal Explorer Fund through Loyal Bank's Customer Service.

### **1.0 RELATIONSHIP AND COMMUNICATIONS**

#### **1.1 Relationship between Clients and Loyal Explorer Fund**

Relationship between Clients and Loyal Explorer Fund is regulated by the Prospectus of the Fund approved by the International Financial Services Authority, regulated by the Mutual Fund Law, and other regulations of St. Vincent and the Grenadines.

#### **1.2. Relationship between Clients and Loyal Bank**

Loyal Bank acts as Distributor of Loyal Explorer Fund. It is the duty of Loyal Bank to take care of relationship with Clients, provide Clients with the Prospectus and other information materials, when requested, perform due diligence checks, collect purchase (Subscription) and sell (Redemption) transaction orders, keep Clients informed on the value of their investments, and perform cash transfers related to the transactions. Relationship between Clients and Loyal Bank is regulated by this specific General Terms and Conditions, other contracts between Clients and Loyal Bank, and relevant laws and regulations in St. Vincent and the Grenadines.

#### **1.3. Due Diligence**

Loyal Explorer Fund is required to perform a due diligence on their Clients by law, just as Loyal Bank is. As due diligence requirements are identical at both parties, Loyal Bank Clients are not required to file additional documents when subscribing (purchasing) Loyal Explorer Fund shares. Nevertheless, in order to enable this simple process Loyal Bank Clients are obliged to keep their data and files updated at Loyal Bank.



#### 1.4 Communications

Loyal Explorer Fund communicates to Clients via its website (<http://loyalfunds.com>), the website of Loyal Bank (<http://loyalbank.com>), newsletters and personal e-mails.

#### 1.5 No Advice

The information provided on the Funds is for informational purposes only and is not intended as any form of advice, whether legal, accounting, investment, financial or tax advice. Therefore, it cannot be relied upon as such. Clients should contact a licensed professional for such advice. The information provided on the Funds is provided on an "as is" basis without any warranty of any kind, whether expressed or implied and the use of this service and the related websites is entirely at the Client's own risk. In no event will Loyal Explorer Fund or Loyal Bank be held liable for any direct, indirect, special, incidental, or consequential damages arising out of the use of information contained on our website or any publication.

#### 1.6 Changes and Verification of content

Information about changes in terms of the Prospectus of the Funds, update on Subscription (purchase) and Redemption (sell) Dates, latest value of shares (NAV/share or Price) is available on the website, <http://loyalfunds.com>. Information about Clients holdings, various additional services, fees or any other issues related to the availability of Loyal Explorer Fund in Loyal Bank might be provided on the website <http://loyalbank.com>. However, Loyal Explorer Fund and Loyal Bank do not warrant the veracity and timely updating of the content visible on the site at any particular time. The client must check and reconfirm the applicability and veracity of content from other sources as also directly with Loyal Bank on a real time basis.

### 2.0 ORDER & TRANSACTION

#### 2.1 Preconditions

##### 2.1.1 Loyal Bank Account

In order to be eligible for transacting with Shares of Loyal Explorer Fund through Loyal Bank, Clients must obtain or already possess a Loyal Bank account, and have at least the minimum subscription amount (defined in the Prospectus) in available funds.

##### 2.1.2 Eligible Investor

Shares of Loyal Explorer Fund may not be sold to or purchased by certain investors. SVG and US Persons are excluded from Eligible Investors typically. Details of limitations and the meaning of US Persons can be found in the Prospectus. See attached 'Schedule of Key Data and Fees' also.



### 2.1.3 Opening Account and access

With signing the first Transaction Order Form the Client accepts this 'General Terms and Conditions of Loyal Explorer Fund share transactions', and a Loyal Explorer Fund account will be opened for the Client. A confirmation email will be sent to the Client when the account is activated, and a monthly statement showing the market value of the Client's investment will be sent in email. The investment account is free from any form of charges and only hosts the client's share stock.

## 2.2 Orders

### 2.2.1 Giving Transaction Order

The first investment transaction (subscribing Shares) can be initiated only manually via a completed and signed Transaction Order Form (Order Form), scanned and e-mailed to Loyal Bank to [fundsales@loyalbank.com](mailto:fundsales@loyalbank.com). At the same time an original copy should be sent to Loyal Bank Ltd, Cedar Hill Crest, P.O. Box 1825, VC0100 Kingstown, St. Vincent and the Grenadines, West Indies.

After the first transaction is settled and account is opened, further transactions (subscribing or redeeming Shares) can be initiated via a completed and signed Transaction Order Form (Order Form), scanned and e-mailed to Loyal Bank to [fundsales@loyalbank.com](mailto:fundsales@loyalbank.com). At transaction orders, the Client's signature will be authenticated in the Bank.

### 2.2.2 Time of Order Execution

After receiving transaction order, they are executed on the consecutive transaction value date (Subscription and Redemption Dates), as defined in the Prospectus of the Fund (and published at <http://loyalfunds.com>). The transactions are settled ex post to the date, when price information becomes available. This is only a technical time delay of settlement information, which does not influence trade price and the performance of Client's investment. Actually this delay assures a fair valuation of investment, as share price is a result of a complex calculation of the market value of Fund assets.

### 2.2.3 Transaction Confirmation

A transaction confirmation is sent to the Client via email after settlement. At the same time Loyal Bank debits or credits the Client's bank account with the appropriate cash amount.

### 2.2.4 Rejection of Orders

Orders will be rejected in case the Client does not have sufficient balance in the designated Loyal Bank account or in case the client is not an Eligible Investor as defined in the Prospectus of the Funds.

In case, the Client's signature on the Order Form does not match with the specimen at authentication, Loyal Bank will attempt to contact the Client for clarifications and corrections. Loyal Bank may reject the order at its discretion in case it is unable to contact the client, or is not entirely satisfied for any reason



whatsoever. Loyal Bank will not be responsible for the consequences of any falsifications or faulty identification that it has not recognized provided it has observed due care.

### 2.3. Subscription (Purchase)

2.3.1 In case of purchase of Fund shares (Subscription), by signing the Order Form, the Client or the duly authorized agent certifies that:

- The Client reached the age of majority by the laws of the country in which he/she usually reside (in case of private individual), and is not a restricted person as defined in the Prospectus.
- The Client wishes to apply to invest the amount specified in the Order Form, and offers to subscribe for the Investor Shares of the Fund specified in the Order Form as may be purchased for such amount. Client wishes to receive a transaction confirmation and further correspondence the way specified in his/her Loyal Bank Ltd. account contract.
- The Client authorizes Loyal Bank to debit the Client's account specified in the Order Form with the subscription payment specified in the Order Form.
- The Client authorizes Loyal Bank to deduct the amount of commission from the amount to be invested.
- The Client authorizes Loyal Bank to use the Clients data and documents available in the Bank for due diligence purposes on behalf of the Fund, if required.
- The Client has read the Prospectus of the Fund, got familiar with and accepted its content especially the fees applicable, as well as the Articles of Incorporation and By-laws.

2.3.2. The Client furthermore takes note of the followings:

- There is a minimum investment amount set. See details in attached 'Schedule of Key Data and Fees'.
- There are fees applied related to transactions. See details in attached 'Schedule of Key Data and Fees'.
- Acceptance of this application is at the discretion of the Directors of the Fund.
- The Funds will issue fractional shares up to 2 decimals. If there are surplus funds from any subscription above USD 10 it will be refunded. Any surplus fund lower than USD 10 will be added to the Fund without being credited to the Client.
- There is a recommended investment period, Early Redemption Fees may apply for early redemptions as specified in the Prospectus. See details in attached 'Schedule of Key Data and Fees'
- The Client can invest in the currency that the selected fund/series of shares is denominated in. In case the Client indicated an account in the Order Form where the base currency of the account is not the same as the currency that the selected fund/series of shares is denominated in, then Loyal Bank will exchange the currency (with the usual conditions) to the currency of the Shares, and then the order will be executed.



- Orders to subscribe must be received by Loyal Bank no later than defined in the Prospectus. (See details in attached 'Schedule of Key Data and Fees'.) If an order to subscribe is received later than this time, the subscription will be made on the Subscription Day subsequent to the relevant Subscription Day; however the Funds may, if conditions allow, accept a shorter notice period for any application.

#### 2.3.3 The Client hereby confirms that

- the type of investment and the investment amount has been chosen taking into consideration his/her total financial circumstances and is considered reasonable by the Client under such circumstances.
- he/she has read and understood the risk statement of the investment product he/she is applying for.
- the information he/she provided to Loyal Bank and inserted in the Order Form is correct. The Client acknowledges that he/she shall be obliged to inform Loyal Bank immediately in case of any changes to this information.

#### 2.3.4. The Client hereby acknowledges that

- the only liable source of information about Loyal Investment Funds SCC Ltd and the Fund is the Prospectus, and the official website <http://loyalfunds.com>.
- this agreement is subject to and shall be governed by the law of St. Vincent and the Grenadines.
- losses resulting from the Client's civil incapacity are exclusively borne by the Client. In any case, the Client will bear the loss resulting from the civil incapacity of the people he/she has mandated or of other third parties having access to the Client's account(s).

#### 2.4 Redemption (Sell)

2.4.2 The Client authorizes Loyal Bank to credit the Client's account specified in the Order Form with the redemption amount specified in the Order Form. The Client authorizes Loyal Bank to deduct the amount of commission from the amount to be paid out from redemption.

#### 2.4.1 The Client takes note of the followings:

- There is a minimum investment amount set. In case remaining balance on the Client's account after redeeming the quantity indicated on the Order Form would be lower than the minimum investment amount, all remaining Fund shares will be redeemed at the same time automatically.
- There are fees applied related to transactions. See details in attached 'Schedule of Key Data and Fees'.
- Orders to sell (redeem) must be received by Loyal Bank no later than defined in the Prospectus. Redemption dates and deadlines might differ from subscription dates and deadlines. (See details in attached 'Schedule of Key Data and Fees'.) If an order to redeem is received later than this time, the redemption will be made on the Redemption Day subsequent to the relevant Redemption Day.



- Redemptions might be restricted in certain circumstances, as defined in the Prospectus.
- There is a recommended investment period; Early Redemption Fees may apply for early redemptions as specified in the Prospectus. See details in attached 'Schedule of Key Data and Fees'

### 3. LIMITATION OF LIABILITY

3.1 All orders placed through the order entry system or through manual Order Form are taken on a best efforts basis. Loyal Bank shall not be responsible for errors, negligence or inability to execute orders. Nor shall Loyal Bank be responsible for any delays in the transmission, delivery or execution of the Client's order due to breakdown or failure of transmission or communication facilities, or to any other cause or causes beyond Loyal Bank's reasonable control or anticipation. Loyal Bank shall not be liable for any damages whatsoever and howsoever caused.

3.2 Besides, Loyal Bank reserves the right to suspend service and deny access to Loyal Bank's NetBank without prior notice during scheduled or unscheduled system maintenance or upgrading. Therefore, for any other causes or motives, the Client acknowledges and agrees that:

- Loyal Bank, its affiliates or any of its service providers will not be liable for: any technical problems; system failures and malfunctions; communication line failures, equipment or software failures or malfunctions, system access issues, system capacity issues, high Internet traffic demand, security breaches and unauthorized access and other similar computer problems and defects; beyond its reasonable control.
- Loyal Bank does not represent, warrant or guarantee that the Client will be able to access or use the NetBank at times or locations of his/her choosing, or that it will have adequate capacity as a whole or in any geographic location. Loyal Bank does not represent, warrant or guarantee that any online system will provide uninterrupted and error free service.
- Neither Loyal Bank nor any of its service providers shall be liable to the Client for any loss, cost, damage or other injury, whether in contract or tort, arising out of or caused in whole or in part by Loyal Bank or by the Client's use of or reliance on the online sources of information of Loyal Bank or its content or the failure of any online information to deliver, display or transmit orders, messages or other data entered into a system by the Client or in otherwise performing its obligations under or in connection with this Agreement. In no event will Loyal Bank or any of its service providers be liable to the Client or any third party for any punitive, consequential, special or similar damages even if advised of the possibility of such damage. If some jurisdictions do not allow the exclusion or limitation of liability for certain damages, in such jurisdictions, Loyal Bank's liability or any of its service providers shall be limited in accordance with this Addendum and the general contractual documentation between Loyal Bank and the Client to the extent permitted by law.

### 4 LOYAL EXPLORER FUND DISCLAIMER



Loyal Explorer Fund is registered in St. Vincent and the Grenadines, regulated by Mutual Funds Act of SVG, and is licensed by the International Financial Services Authority in SVG.

Loyal Explorer Fund has not been registered with, and no information literature has been submitted to, any regulatory authority in the United States of America or any other country, except SVG. In line with Dodd-Frank Wall Street Reform and Consumer Protection Act of the United States of America, the fund shares cannot be publicly offered to US citizens. The distribution of the offering material may be restricted by law in certain other countries as well. Persons to whose attention Loyal Explorer Fund may come are required to inform themselves of and to observe any restrictions.

Information available on Loyal Explorer Fund does not constitute an offer or solicitation to any person in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. The shares of Loyal Explorer Fund may only be offered to a limited number of investors.

Markets in the ultimate scope of Loyal Explorer Fund can be volatile and involve risk to investment principal. Purchasing shares of Loyal Explorer Fund might involve a degree of risk that makes them unsuitable for certain individuals. The Clients should carefully consider the suitability of Loyal Explorer Fund to their personal financial situation before taking any decisions that may affect their situation. The Clients should always conduct their own research and due diligence and obtain professional advice before making any investment decision.

The official source of information on Loyal Explorer Fund is the Prospectus approved by the International Financial Services Authority in SVG. Further information on markets, statistics, comparisons, evaluations distributed by Loyal Explorer Fund and Loyal Bank is published on best effort basis, sourced from various avenues, and as such is only meant for general awareness.