

## FIXED INCOME STRATEGY

**IMPORTANT: Please note that the description of main investment objectives and the past performance of the Strategy will not be a guarantee of profitability for portfolio management. No assurance can be given that the Strategy will be successful under all market conditions. There is no assurance that the Strategy will earn any return. There is the possibility that the Portfolio value will considerably decline below the acceptable level up to loss of all invested amount. By choosing the Strategy you acknowledge the risks described below and confirm that you have read our «Risk Disclosure Booklet», concerning transactions in financial instruments placed on the Company’s official website.**

### 1. Objectives

The Strategy’s main investment objective is to maximize current income consistent with preservation of capital.

### 2. Portfolio Structure

N	Type of Financial Instrument	Maximum weight in Portfolio, %
1	Cash Instruments, including but not limited to cash in banks, bank deposits and etc.	100
2	Fixed Income Instruments, including but not limited to Eurobonds, Global bonds, US Treasuries and etc.	100

### 3. Risk profile and main risks associated with the Strategy

General Risk profile: Low.

Sustainability Risk profile: Low.

Specific risks list described below is not exhaustive. Please refer to our «Risk Disclosure Booklet» and «Sustainability Risk Policy» at [www.bosonalfa.com](http://www.bosonalfa.com) for more information.

The Portfolio valuation will be calculated in its base currency for all purposes. Consequently, the Portfolio is subject to the risk of exchange rate fluctuations between the value of the US dollar and the original currency of investment, if such original currency is other than USD.

Market value of Portfolio can decline significantly due to economic, political and other events.

For defensive purposes in response to volatile market the Company may liquidate all positions in financial instruments and hold the Portfolio in cash instruments. As the result the Strategy may not achieve its Investment Objectives.



Although it is the overall policy of the Company to diversify the Portfolio, at certain time BOSON ALFA LTD may hold relatively few positions. The Portfolio could suffer significant losses if the Company holds a large position in a particular investment that declines in value.

The income generated by Debt Instruments held in the Portfolio will be affected by changing interest rates. In addition, as interest rates rise, the values of fixed income securities held in the portfolio are likely to decrease. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Falling interest rates may cause an issuer to redeem or call a security before its stated maturity, which may result in having to reinvest the proceeds in lower yielding securities.

Debt Instruments are subject to credit risk, which are often reflected in credit ratings. The value of an issuer's securities held in the Portfolio may decline if the rating of the issuer/borrower changes. «High yield» financial instruments in lower rating categories may be subject to greater risk.

In addition, the Portfolio value may decline if the issuer/borrower or guarantor of a Debt Instrument is unable or unwilling to make timely principal and interest payments or to otherwise perform its obligations. In addition The Portfolio is exposed to loss where the issuer of/ borrower under a Debt Instrument defaults on its obligations in respect of that financial instrument.

OTC transactions may be subject to another regulatory regime and therefore may involve greater risks than transactions executed on the trading venue.

#### **4. Base currency**

The currency of the Strategy and the currency for NAV calculation is USD.

#### **5. Investment horizon and recommended investment amount**

The Strategy may be terminated at any time, but it is recommended to remain within the Strategy for a period of at least 12 (twelve) months in order to achieve Investment Objectives.

Recommended investment amount for initial investment is 1 000 000 (one million) USD. Estimated value of financial instruments for initial investment should be agreed with us. The minimum additional amount of Assets for deposit is 200 000 (two hundred thousand) USD.

BOSON ALFA LTD reserves the right to return the Assets transferred with the violation of the above terms.

#### **6. Management and Performance Fee rates**

Management fee is 2% of NAV and is calculated quarterly. Performance fee is charged for the increase of NAV above 6% per annum at 20% rate and is calculated on annual basis. VAT (if applicable) is included in the calculated fees. Please refer to Appendix 4 for detailed information.



## **7. Costs and charges**

All transaction costs, such as commissions with regards to transactions, safekeeping fees and etc. will be borne by the Client. A higher portfolio turnover may indicate higher transaction costs. These costs will affect the Portfolio's performance. Please refer to Appendix 1 for detailed information.

## **8. Leverage and restrictions**

There are no prohibited categories of investments within those permitted above. Leverage, REPO transactions and short sales are not acceptable. There is no restriction on the maturity date of the instruments in the Portfolio, terms of coupons and etc. There is no restriction on the NAV which may be invested in Financial Instruments of a single issuer. There is no restriction on the currency of Financial Instruments in the Portfolio. There is no restriction on industry and jurisdiction of the issuer, liquidity of the instruments and listing exchange. OTC transactions are allowed.