

Version 1.1. Approved by the Board of Directors of Harry Qelm Baabsman Ltd. on 22d of December 2025

“The Steppe Eagle” Fund Constitution

*This Fund is a **Domestic Open-Ended Exempt Fund** the Constitution of which is governed by the laws of the AIFC.*

Risk Disclaimer: *Investing in the Fund is intended for Investors who are Professional clients that have adequate knowledge of the principles of financial markets, as well as adequate livelihoods without considering the distribution of possible hedge fund profits, as well as those who can afford to lose all, or part of the capital invested into the Fund. The Fund is not subject to many of the requirements of the Collective Investment Scheme Rules. There are no guarantees that the Fund will be able to realize its objectives.*

The Astana Financial Services Authority (AFSA) has no responsibility for reviewing or verifying any offering materials, particulars or other documents in connection with this Fund. Accordingly, AFSA has not reviewed, nor taken any steps to verify, this document, the information it contains, or any other documents relating to the Fund and has no responsibility for it. The securities to which this document relates may be illiquid or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence. If you do not understand the contents of this document you should consult an authorised financial adviser.

The Constitution of the Fund (the Constitution) is a set of rules and restrictions of the activity of “The Steppe Eagle” (the Fund) and its Investors. This Constitution can be held as Investment Memorandum or Offering materials of the Fund where essential terms concerning the goals, mechanics, processes, and interaction with parties are presented. **The details of procedures and mechanics of fund management are fully described in the Investment Policy, Valuation Policy, Risk Management Policy, and other Internal Regulations of Harry Qelm Baabsman Ltd. (the Fund Manager).**

The list of abbreviations used in the document:

Harry Qelm Baabsman Ltd. as Fund Manager – FM/Managing Company

Internal Regulations of the Company – IRC

Investment Policy/Strategy – the Policy

Financial Instruments - FI

Investment Management/Portfolio Management - IM

Subscription/Investment Management Agreement - Agreement

Collective Investment Scheme Rules – Rules

Collective Investment Scheme - CIS

Astana Financial Service Authority - AFSA

Astana International Financial Centre – AIFC

Net Assets Value - NAV

1. GENERAL INFORMATION OF THE FUND and MANAGING COMPANY

The Fund aims to provide Professional Clients with the opportunity to capture capital appreciation through portfolio investment *in stocks at developed markets (DM) to a greater extent and emerging markets (EM) to a lesser extent, including the USA, Canada, Australia, EU, UK, and other DM/EM.*

*The Fund intends to utilize a long-only capital appreciation strategy based on the **Value Investing** combined with **Growth Investing** using **stocks of DM/EM, ETFs, commodities, and FX.** The Fund will adhere to environmental and ethical principles. It prioritizes the stocks of companies that develop/implement/use clean energy sources (solar and wind), reduce CO2 emission, improve air quality, and reduce/reuse/recycle waste. The Fund supports companies that put effort into mitigating human and wildlife suffering through viable business and ethical practices.*

The name of the Fund is: “The Steppe Eagle”

Currency: United States Dollars (USD or \$)

Legal form: Open-ended Private Investment Company (OEIC)

Registration address of the Fund: 55/21, Mangilik El ave, office 332, Astana, Kazakhstan

Prime Broker: Phillip Securities Pte Ltd, 250 north bridge road #06-00 raffles city tower 179101, Singapore

Registrar: AIX Registrar, 55/19 Mangilik El ave, Astana, Kazakhstan

Auditor: TGS Saryarka Limited, office 317, Saryarka 6, Astana.

Bank: “Bank Centercredit” JSC, 38 Al Farabi ave., Almaty, Kazakhstan A25D5G0

Fund Launch Date: 25th of July 2022

The Fund is managed by Harry Qelm Baabsman Ltd. (The Fund Manager/Managing Company).

Registration Address of Managing Company: 55/21 Mangilik El ave office 332, Astana, Kazakhstan

Managing Company License: Managing Collective Investment Scheme # AFSA-A-LA-2022-0006, which is issued by the Astana Financial Services Authority (AFSA), an independent Financial Regulator in AIFC. Issued 03 February 2022

Managing Company’s details, Roles, Controllers, Approved individuals and Management are available in the [Public Register of AIFC \(https://publicreg.myafsa.com\)](https://publicreg.myafsa.com)

Managing Company is authorized, registered and remains responsible for compliance with AIFC Regulations and Rules. AFSA may exercise control, [Supervision](#), and [Enforcement](#) over the activities of AIFC Participants and take appropriate measures in relation to them.

TERMS AND DEFINITIONS

A Fund Manager is a Managing company that makes investment decisions, has the right to sign all required documents, and manages the Fund. FM is responsible for all operations concerning the Fund and may from time to time delegate activities or outsource functions, but not the responsibility for conducting those activities and functions. The Fund Property is entrusted to FM and FM always remains responsible for the property except for situations of force majeure in accordance with AIFC Laws. FM is a sole incorporating shareholder of the Fund.

Fund Unit is a Preferred Share of the Fund. Fund Unit and Preferred Share are interchangeable terms. **A Unit Holder** is an individual or legal entity who owns Fund Units. Unitholder is considered as holder of preferred shares of the fund.

Voting rights belong to FM as to sole incorporating shareholder. FM has the right to vote when making decisions on the activities of the Fund. In the possible event of liquidation of the Fund, it stands last in the queue of beneficiaries to whom the Fund's assets must be dispersed. Unitholder can be anyone who purchases Fund's Unit. Unitholders do not have the right to vote.

Investment Capital is the amount of funds invested by the Investor by purchasing Units of the Fund.

Price of a Unit of the Fund - the minimum amount of Investment to the Fund for Investors is \$50,000 (fifty thousand) US dollars. The number of ascribed Units is calculated as the investment amount (minimum \$50,000) divided by the price of 1 Unit. The price of one unit of the Fund equals 1 (one) US-cent at the launch of the Fund.

Penalty – FM employs a 2.5% discount rate to the estimated Unit price on the Redemption date if the Investor redeems its capital from the Fund during the first six (6) months after the initial purchase of Units. The discount rate is 1.5% after the first six (6) months have passed. The discount rate is not applicable after twelve (12) months since the initial purchase date. A penalty is not to be employed if the Fund is to be closed.

Notice Period - In the event of partial or full redemption, the investors must give the FM notice if they intend to redeem investments from the Fund prior to Redemption Notice Deadline.

Valuation Day is the day on which the Net Assets Value is determined and the value of one Unit is quoted. NAV and Unit's price are calculated by the FM, that acts as the Fund's Administrator.

2. OFFER

Price of one Unit:	The NAV divided per number of Units outstanding. The calculation of the Unit's price shall be performed by the Fund Manager at each Valuation Day.
Payment:	The purchase price for Units of Fund is paid according to the fulfillment of the terms of the purchase of the Investment Agreement. Payment is in US dollars.
Offer:	The Fund offers Investor the purchase of at least \$50 000 USD worth of Units of the Fund. New and additional replenishment of the Fund's capital is made in any business day at the estimated price of the Fund Unit at the close of the previous session.
Valuation Day:	Last business day of the week.
Redemption:	The Redemption is available three times a year, each first fifteen (15) calendar days of January, May, and September.
Redemption Price:	Redemption Price: The latest available price after Valuation Day. The Redemption price is subject to an applicable Penalty if the Redemption occurs before twelve (12) months have passed since the purchase of Units.
Subscription Day:	Any Business Day.
Subscription Price:	At the latest available price after Valuation Day.
Settlement Date:	Three (3) Business Days in case of Subscription; Ten (10) Business Days after the relevant Redemption Day in case of Redemption respectively.
Redemption Notice Deadline:	At least twenty-five (25) calendar days prior to the relevant Redemption Deadline

3. RISKS

- 3.1. Relevant risks and risk management procedures are discussed in the **Fund Manager's Investment Policy and Risk Management Policy**.
- 3.2. Failure or improper execution of orders can occur for the following reasons: technical problems with trading systems of brokers; technical problems of communication and computer systems that are used by managers; high volatility in financial markets; and other factors.
- 3.3. The following items represent the major known risks:
- a) **Liquidity risk** arises as a result of the execution of liabilities. To mitigate this risk, FM uses a cash-flows report that contains information about the financial position of the FM and Clients' assets under management in terms of expected inflows and outflows. The FM and Clients sign an Agreement where a notice period is stated, which obliges Clients to notify FM about any withdraw in advance; terms and conditions of investing and withdrawal of funds must be stated in a Fund's Constitution.
 - b) **Credit risk** arises when an issuer of FI cannot meet its own obligations or goes bankrupt. FM addresses this risk by avoiding investments into financially dependent and burdened issuers.
 - c) **Market risks**, more specifically **the interest rate risk, foreign exchange risk, and the market risk**. These well studied risks are mitigated by means of diversification, macroeconomic research, and complex of risk management procedures and reports.

4. USE OF CAPITAL

- 4.1. The flows received from the sale of the Fund Units will be used to purchase FI.
- 4.2. The Fund's operational expenses, charges, taxes, and fees are taken out of Fund Assets. FM's compensation is described in Chapter 6 "Fund Manager's Fees".
- 4.3. The sum of costs of external service providers: stock exchanges, banks, broker(s), custodian, registrar(s), auditor, legal advisor, legal help may not exceed 3% of the average annual sum of the Fund's Total assets. Otherwise, FM must cover all external service providers' costs that exceed the beforementioned 3%. Service providers' fees must be based on legal agreements between involved parties.
- 4.4. Charges, duties, and taxes may be applied to the Fund's assets by financial regulators, stock exchanges, tax authorities, governments, or other regulatory bodies.

5. FUND MANAGER'S OBLIGATIONS

- 5.1. FM must carry out its obligations under the AIFC Legislation, Fund Constitution, Investment Agreement, Policy, and other internal regulations of FM in the best interests of Unitholders.
- 5.2. Fair treatment of clients, a priority of Unitholders' interest over FM's interest, and Conflict of Interest mitigation are extensively described in the Policy. The essential principles are highlighted below.
- 5.3. FM must take all steps and execute, or procure the execution of, all documents to ensure that transactions relating to the Fund's property are properly entered into for the account of the relevant Fund.
- 5.4. The Fund Manager is responsible to the Unitholders for ensuring the safekeeping of the Fund's property in accordance with Rules.
- 5.5. FM is required to calculate NAV and the price of one Unit.
- 5.6. FM must inform Unitholders about the price of one Unit and NAV at least once a month.
- 5.7. FM manages the Fund assets indefinitely, or until termination of the Fund or change of FM.
- 5.8. In exercising its powers and carrying out its obligations, FM must: a) act honestly; b) exercise the degree of care and diligence that a reasonable person would exercise if he/she were in the FM's position; c) if there is a conflict between the Unitholders' interests and its FM's interests, priority belongs to the Unitholders' interests; d) not improperly make use of information acquired through being FM in order to: gain an advantage for itself or another person; or cause detriment to the Unitholders; e) ensure that the Fund's property is clearly identified as Fund property and held separately from the property of FM.
- 5.9. FM must ensure that all external service providers recognize that the Fund's assets consist of Client Money and belong to Clients/Unit Holders. That is to be stated in agreements with the external service provider.

6. FUND MANAGER'S FEES

FM's compensation consists of the following:

6.1. **Management fee that is 0.5% of NAV**, accrued daily, paid monthly within 10 business days.

Management fee formula: $MFee = \sum_{i=1}^n \left(NAV_i \times \frac{0.005}{365} \right)$, where

MFee – Management fee;

NAV_i – Net Assets Value on the day *i*.

6.2. **Success fee that is 25%** if the Fund's return exceeds the hurdle rate of 7%, accrued daily, paid once a year within 30 business days after the conclusion of the year.

Success fee formulas:

$II/r * (r - 7\%) * 0.25 * n/365$, where

II – Investment income;

r – Fund's return, %.

n – days between current day and the last calendar day of the past year.

Investment income (II) formula:

$II = (NAV_i - NAV_{i0}) - \sum cf$, where

NAV_i – Net Assets Value on the day *i*;

NAV_{i0} – Net Assets Value on the last calendar day of the past year;

cf – net cash flows from purchase and redemption of Fund Units between **day *i* and the last calendar day of the past year**.

Fund's return formula:

$\left(\left(\frac{U_i}{U_{i0}} - 1 \right) / n \right) * 365$, where

U_i – Fund Unit's price on the **day *i***;

U_{i0} – Fund Unit's price on the last calendar day of the past year.

If the Fund's return does not reach 7% the Success fee is not accrued.

6.3. If the sum of paid fee exceeds the sum of accrued fee by the end of the year, the FM must compensate the difference to the Fund.

7. INVESTMENT GOALS AND FINANCIAL INSTRUMENTS

7.1. Provide for the Fund's sufficient liquidity to meet its obligations.

7.2. Put the best effort through a thorough choice of FI to deliver high single to mid-double digit investment return in the long run.

7.3. Adhere to time-proven and thoughtful investment risk management according to the FM's Risk Management and Investment Policies and best practices in the industry to support the Fund's robustness.

7.4. To reinvest the proceeds from the FI to enhance return and to compound the Fund's assets.

7.5. FM cannot guarantee the fulfillment of these goals due to the complexity of financial markets and the risks this complexity relates to.

7.6. **Financial Instruments (FI) and Approach:** The Fund intends to utilize long-only capital appreciation strategy based on the [Value Investing](#) combined with [Growth Investing](#) using **stocks of DM, ETFs, commodities, and FX**. The Fund **seeks to avoid interest-bearing securities, such as bonds or bonds-ETF, except for Sukuk, and investment in a business with >50% Total debt (not including lease obligations) to Total assets ratio**. The Fund will adhere to **environmental and ethical principles**, for instance, prioritizing the stocks of the companies that

develop/implement/use clean energy sources (solar and wind), reduce CO2 emission, improve air quality, **reduce/reuse/recycle waste**. The FM supports the effort some businesses put into **mitigating human and wildlife suffering** through viable business and ethical practices.

7.7. The **Fund will not use any form of leverage, borrowing, or stock lending**.

7.8. The Fund will not invest in non-listed equities.

Financial Instruments intended to be used by the Fund	Proportion of Total Assets
Foreign Exchange	0% to 100%
Government Securities	0% to 25%
Stocks and Depository Receipts	0% to 100%
Fixed income securities, including Sharia law-compliant securities	0% to 40%
ETFs	0% to 90%
Derivatives	0% to 30%
Other FI allowed by AIFC laws	0% to 50%

8. FUND MANAGER'S RIGHTS

8.1. As defined in the Agreement, FM has broad authority to buy, hold, sell FI, act on behalf of Unitholders in case of corporate events of companies which securities the Fund holds.

8.2. FM will use appropriate investment strategies and tactics based on its macroeconomic analysis, the current conditions of the financial market, and procedures stated in the Investment Policy.

8.3. FM, at its discretion, may trade in any FI traded on local and any international exchange allowed by AIFC laws.

8.4. FM has the right to change external service provider(s), such as banks, brokers, auditors, registrars, custodians, etc. when economical or operational necessity arises. Framework regulating relations with the external service providers is covered by the Compliance Manual and Monitoring Programme of FM.

8.5. FM has the right to direct debiting fees/costs/charges amounts from the Fund's Assets, provided that the Client has no objections to the Client Reporting.

9. ACTIVITY

9.1. Unitholder's status can be assigned by purchasing Fund 's Unit by updating the Unitholder Registry;

9.2. Investors are not liable for any Fund debts exceeding capital investments. Investors are not liable to make any further payment after he has paid the price of his Units.

9.3. No further liability can be imposed on Investors in respect of the Units they hold.

9.4. FM is not liable for damage to the Fund or Unitholders for any action/inaction within the rights and powers of the Agreement, including the results of any investments.

9.5. Records of Units of the Fund are kept by the FM and the Fund's Registrar. The Registry of Unitholders will be maintained by the FM and the Fund's Registrar.

9.6. The proper accounting of the Fund's assets and NAV calculation is determined by the **Valuation Policy** of FM.

9.7. The Fund does not distribute income to shareholders. Instead, capital appreciation through the growth of the value of Fund's Units is the only way Unitholders benefit.

9.8. **The Fund can be closed** by the decision of the Board of the FM due to one of several of the following reasons:

- The Board of FM decides that long-term conditions for investment activity in financial markets are not any longer favorable;
- The FM decided to stop its operations voluntarily;
- Political upheavals and other force majeure situations (natural disasters, war, etc.);
- Other.

In case of liquidation, FM will recommend Unitholders several options of alternative Managing companies to transfer their assets for further investment management. In case of liquidation, the Fund's assets are distributed in the following order:

- a. the Fund's liabilities to external service providers and all trading operations are settled;
- b. obligations to Unitholders;
- c. all other liabilities.

9.9. **The Fund Term:** The fund is active until a decision is made to close it by the Board of FM.

9.10. **Unitholders agree to the terms of the Fund's Constitution and the Agreement by signing the Agreement and purchase of Fund Units. Investors withdraw from the agreement by selling Fund Units.**

9.11. Nothing in the Constitution has the effect of exempting FM from any liability to Unitholders imposed under AIFC laws.

10. PURCHASE AND SALE OF FUND UNIT

10.1. After completing KYC/Compliance procedures, a Client may buy from or sell to Fund Units to FM. FM processes orders and makes a transaction on the Subscription/Redemption Date.

10.2. If the Agreement is not filled in correctly, then the Subscription may be rejected. If the Agreement is rejected, the funds of the Client will be returned to the Client.

10.3. Clients can redeem their Units by submission a Redemption Notice before the Deadline. The Redemption Notice and other files are provided upon request by FM to any current or potential Client.

11. CLIENT REPORTING

11.1. FM prepares and sends reports on changes in the NAV and Unit price for the month within first 7 business days of each month by means of email or private channels on social media platforms (whichever is preferred by the investor).

11.2. FM will report the Half-Year statement to Unitholders every six months of the following content:

- the number, description, and the current value of Units of the Fund;
- the amount and proportion of cash held;
- the total value of the portfolio and its composition;
- FM's discussion, opinion, and review of the period's results.

12. CHANGES AND ADDITIONS TO THE FUND CONSTITUTION

12.1. FM reserves the right to change this document at their discretion by the resolution of the Board of Directors, provided that all relevant rules and regulations of AIFC are observed. **However, not less than 30 calendar days' written notice on any material change in the Fund's Constitution must be sent to Unitholders to enable them to withdraw their capital before such changes take effect. The consent of AFSA must be obtained by FM before any material change in this document to be introduced.** Unitholders will have the right to withdraw in a such event before the regular Redemption occurs at the most recent Unit price.

12.2. The following changes in this document are not considered as material: a) change of external service provider: bank, broker, auditor; or b) change of address or name of Fund's bank, broker, auditor. FM reserves the right to change the Fund's external service providers having in mind the best interest of Unitholders based on the requirements in the Policy.

12.3. FM must notify Unitholders about any changes of this document through individual notification of each Unitholder by suitable means of communications or FM's publicly available website.

13. CORPORATE PROCEDURES

13.1. Internal decision making and corporate procedures of Annual General Meeting shall be done in accordance with the relevant provisions of Articles of Associations of the Company.

13.2. The process and procedures relating to extra emission of shares is described in Articles of Association of the Fund (see Alteration of Share Capital).