BCS Broker Credit Service

SCHEDULE K: "1.15 U.S. STOCKS" STRATEGY

Risk-level:	Moderate-aggressive
Base Currency:	USD
Minimum Initial Investment:	USD 15 000
Minimum Additional Investment:	USD 5 000
Minimum NAV:	USD 15 000
Management Fee Rate:	2% per annum (VAT not included)
Success Fee Rate:	15% (VAT not included)
Income Hurdle Rate:	0%

1. Investment Objective

The Strategy's investment objective is to receive returns on investment by investments into US shares, Depositary Receipts (**DR**s) and Exchange-Traded Funds (**ETF**s) specified in clause 3 "*Portfolio Structure*". The Strategy does not provide for capital protection and/or guaranteed yield.

2. Recommended Term of Investment

2.1. The Strategy may be terminated at any time, but it is advisable to remain in the Strategy for a period not less than 36 months from the date of placement of your assets under the Strategy (**Start Date**) in order to reasonably expect to achieve Investment Objectives (**Holding Period**). You may choose to continue the Strategy after the Holding Period End Date for an indefinite time. We shall be entitled to terminate the Strategy at our discretion after the Holding Period End Date by prior notice in writing (including by e-mail or E-Facility).

2.2. You are entitled to partially withdraw your assets at any time by submitting the relevant instruction. If you decide to partially withdraw your assets before the **Holding Period** lapses, the Increased Management Fee calculated pursuant to the formula specified in clause *6 "Early Termination"* below (**Increased Management Fee**) shall apply.

2.3. You are entitled to terminate the Strategy at any time by submitting the relevant instruction. If you decide to terminate the Strategy before the Holding Period lapses, you shall pay us an Increased Management Fee. It is further noted that the amount to be received by you upon the early termination of the Strategy may vary substantially from the amount of the Client's initial investment.

2.4. Withdrawal of assets from the Strategy will be effected by us in 10 business days after the Management Period Termination Date.

3. Portfolio Structure

3.1. The Strategy involves taking long positions in the following classes of Financial Instruments:

(a) US shares;

(b) DRs;

(c) ETFs.

3.2. In forming the Portfolio we aim to decrease risks by diversification between issuers and by monitoring of portfolio risk specified in clause 4"*Risk Management*" below.

3.3. We aim to select the most promising assets given the Strategy risk level. For the purposes of selecting investments BCS uses investment research and proprietary financial models.

3.4. BCS generally uses the principles of value investing to analyze and select Financial Instruments for your investment Portfolio. As part of this process, we review such measures as the issuer's capitalization and free cash flow, debt-to-equity ratio, earnings before interest, taxes, depreciation and amortization ("EBITDA")-to-interest ratio, debt-to-EBITDA ratio, or any other measures of credit worthiness in evaluating the securities of a particular issuer. We include consideration of general economic scenarios.

3.5. We use fundamental analysis to develop an estimate of intrinsic value, and we look at, among other factors, a company's earnings, book value, cash flow, capital structure, and management record, as well as its industry and position within that industry. This analysis includes a review of company reports, filings with regulators, computer databases, industry publications, general and business publications, research reports and other information sources.

3.6. We invest in Financial Instruments that can be purchased at prices or yield premiums which we believe to be attractive based on our assessment of each security's intrinsic value. The assessment of intrinsic value is based upon the security's liquidity, an analysis of present day pricing information, quantitative cash flow valuation techniques, financial statement, actual and projected ratings in determining if a given security is attractively priced.

3.7. The value principles used focus on Financial Instruments which in our opinion offer the potential for price gains as the market price adjusts to a level more consistent with our expectations. In a number of cases, the issuers of such instruments may be experiencing financial distress varying from mild to quite severe, the extent of which we expect will lessen.

3.8. Such Financial Instruments may exhibit higher price volatility until the issues related to the issuer's financial distress are resolved.

3.9. We shall sell a Financial Instrument when we determined that the security has reached its fair value or our research process identifies a significantly better investment opportunity. We may also dispose of certain Financial Instruments from time to time in order to adjust the average yield of the Portfolio.

3.10. You understand and agree that in spite of our use of particular indices to compare with, Investment Performance Benchmark for the Strategy, sector, industry, and issuer/borrower weightings in Portfolio can vary materially from them from time to time.

3.11. The Strategy shall invest in a diversified portfolio of Financial Instruments. These include shares, DRs and ETFs admitted to trading on main American and European exchanges ("Financial Instruments").

3.12. The Strategy shall only invest in Financial Instruments of issuers with market capitalization exceeding USD 200 000 000.

3.13. We may liquidate any or all securities in your portfolio and hold in the Client's Accounts Monetary Funds as part of our overall investment Strategy or for temporary defensive purposes in response to adverse market, economic, political or other conditions even if such liquidation is inconsistent with the terms of a particular Strategy and notwithstanding the fact that the portfolio may, as a result, not be sufficiently diversified. As a result of such measures, the Strategy may not achieve its investment objectives.

3.14. Part of or all Monetary Funds referenced in paragraph 3.13 above may be invested into fixed income instruments of our choice, for the purpose of earning a yield until worthwhile opportunities to invest in the financial instruments of paragraph 3.1 here above appear. The fixed income instruments referenced in this paragraph may be admitted to trading on any exchange and shall satisfy the condition that they do not constitute subordinated debt and/or cannot be converted, at the initiative of the issuer or the relevant authorities, to equity in case the issuer does not meet the minimum capital adequacy requirements or is in financial distress.

4. Risk Management

4.1. For the purpose of management of risks the following limits shall be set forth on the Portfolio structure in respect of the Asset Value:

- the percentage of Financial Instruments shall not exceed 100%;
- the number of open positions in Financial Instruments shall not exceed 25;
- the maximal exposure to one Financial Instrument shall not exceed 10%;
- the portion of Financial Instruments issued by the same issuer shall not exceed 15%;
- the portion of Financial Instruments related to one industry sector shall not exceed 30%;
- the percentage of Debt Instruments of a single issuer/borrower rated B+(B1) or B(B2) shall not exceed 10%;

4.2. The Financial Instruments of issuers with market capitalization of less than USD 200 000 000 shall not be included or maintained in the Portfolio;

4.3. In case an open position in a Financial Instrument loses in one trading day 15% or more of its value compared to the close price for the previous day, the position in such Financial Instrument shall be immediately closed.

4.4. Any discrepancy between the Portfolio structure set out herein and the actual Portfolio structure that has occurred as a result of our actions shall be eliminated within one month after such discrepancy has been or should have been identified.

4.5. Any discrepancy between the Portfolio structure set out herein and the actual Portfolio structure that has occurred as a result of any circumstances other than our actions shall be eliminated as soon as reasonably possible.

4.6. Any discrepancy between the Portfolio structure set out herein and the actual Client's Portfolio structure shall be eliminated in a manner, in a way and by means that take into account the best interests of the Client.

5. Investment Performance Benchmark

The Investment Performance Benchmark for the assessment of the Strategy's level of risk and efficiency shall be the

S&P 500 Index

The S&P 500 Index (Standard and Poor's 500 Index) is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the American economy through changes in the aggregate market value of 500 stocks representing all major industries.

6. Early termination

If you decide to terminate (the Net Asset Value reaches the value less than the Minimum NAV) or partially withdraw from the Strategy before the **Holding Period End Date,** you shall pay to us the Increased Management Fee calculated as follows:

$$R1 = R0 + Si * Mf/100*(1095(1096) - ri)/365*,$$

where:

R_1 is the Increased Management Fee chargeable hereunder;

R_0 is the Management Fee for the applicable MF Calculation Period;

Si is the Market Value of Assets subject to withdrawal from the Portfolio or withdrawn during the applicable Recommended Term of Investment as determined on the day preceding the date of such withdrawal;

MF is the applicable Management Fee Rate;

ri is the actual number of days from (and including) the effective date of the Strategy till (and excluding) the date of withdrawal;

* If any of the three calendar years for which the Strategy is in force is a leap year (i.e. there are 366 calendar days in that year) then the value of 1096 should be used. Otherwise, the value of 1095 applies.

The provisions of this clause 6 will not apply in cases where after partial withdrawal of Assets from the Strategy NAV remains exceeding USD 500 000.

For the avoidance of doubt, this clause 6 shall not be applicable to the cases when you reallocate Assets between Portfolios as provided in clause 8.3 of the Rules.

7. Specific Risk Considerations

7.1. The specific risk description provided below may not be treated as a complete and exhaustive description of risks associated with or related to the Strategy. You should carefully read the Risk Disclosures placed on our website.

7.2. The value of an issuer's securities held in the Portfolio may decline in response to adverse developments with respect to the issuer.

7.3. Although it is our overall policy to diversify the Portfolio, at certain times your portfolio might consist of instruments issued by few issuers. The Portfolio could suffer significant losses if we hold a large position in a particular security that declines in value.

7.4. 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 their original currency of investment, if such original currency is other than US Dollars.

7.5. We will invest in "undervalued securities" which are characterized by a high level of anticipated returns, but at the same time by higher risks. In a number of cases, the issuers of such "undervalued securities" may be experiencing financial distress varying from mild to quite severe, the extent of which as we expect will lessen. Such "undervalued securities" may exhibit higher price volatility until the issues related to the issuer's financial distress are ultimately resolved.

7.6. Undervalued securities are considered speculative investments and have significantly higher risk than investment-grade securities and may be less marketable (i.e., less liquid) than higher rated securities. The prices of undervalued securities, which may be more volatile than higher rated securities, may be more vulnerable to adverse market, economic, social or political conditions.

7.7. The prices of equity securities may fluctuate from time to time based on changes in a company's financial condition or overall market and economic conditions, which could be enhanced especially when the Strategy invests in undervalued securities. As a result, the value of those equity securities may fluctuate drastically from day to day.

7.8. We will continuously evaluate your Portfolio, purchase and sale Financial Instruments with a view to achieving the Strategy's investment objectives. However, the achievement of the stated investment objective cannot be guaranteed over short- or long-term market cycles. Our judgments about the markets, the economy, or companies may not reflect actual market movements, economic conditions or company performance and may affect the return on your investment. The risks associated with an investment in the Strategy can increase/enhance during times of significant market volatility.

The success of the Strategy depends, among other factors, upon its future correspondence to the market conditions. The past performance of the Strategies is not necessarily indicative of its future profitability. No assurance can be given that the Strategy will be successful under all market conditions.

8. No Guarantee

There is no guarantee that the Strategy will be able to achieve its investment objective. There is no guarantee that the Strategy will earn any return. No guarantee can be given as to the performance of the Strategy in future years. No guarantee can be given that the NAV will appreciate. There is the possibility that the NAV of the Strategy will decline considerably.