

Dragon Dynamic Funds Platform Ltd.

(an open-ended exempted company incorporated on 12 December 2017 for an unlimited duration, as a mutual fund with limited liability under the Companies Act 1981, as amended and registered as a segregated accounts company under the Segregated Accounts Companies Act 2000, as amended)

DRAGON DYNAMIC DECENTRALIZED FINANCE SAC FUND

(a Segregated Account constituted as a segregated fund and Linked to the class of shares known as the Dragon Dynamic Decentralized Finance SAC Shares)

FUND SUPPLEMENT

This Supplement is supplemental to, forms part of, and should be read in conjunction with, the Prospectus dated August 2021

August 2021

Investment Manager: Dragon Dynamic Advisors SA

Administrator: Trident Fund Services (Malta) Limited

MINIMUM INVESTMENT: USD \$100,000

Dragon Dynamic Funds Platform Ltd.
c/o
Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HMFx
Bermuda

GENERAL NOTICES AND SECURITIES WARNINGS

This supplement dated August 2021 (“**Supplement**”) is supplemental to, forms part of, and should be read in conjunction with, the Prospectus dated August 2021 (“**Memorandum**”) for Dragon Dynamic Funds Platform Ltd. (“**Company**”).

All defined terms used herein and not otherwise defined shall have the same respective meanings as set forth in the Memorandum.

Dragon Dynamic Decentralized Finance SAC Fund (“**Fund**”) is a segregated account which is Linked to the Dragon Dynamic Decentralized Finance SAC Shares (“**Shares**”), which is the designated name of a distinct and segregated class of Investor Shares in the Company, a company incorporated under the laws of Bermuda as a segregated accounts company. The Shares are offered pursuant to the terms of the Memorandum and this Supplement and are issued by the Fund. Copies of the Memorandum are available during usual business hours on any weekday (Saturdays, Sundays and holidays excepted), on behalf of the Company, free of charge, from the offices of the Investment Manager and the Administrator.

The Company’s board of directors has overall responsibility for the management and control of the Company and the Fund. The Directors, whose names appear in the Memorandum, accept full responsibility for the information contained in this Supplement and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading. The information contained in this Supplement should be read in the context of, and together with, the information contained in the Memorandum and distribution of this Supplement is not authorized unless accompanied by, or supplied in conjunction with, a copy of the Memorandum. This Supplement and the Memorandum should be accompanied by, and read in conjunction with, the Company’s Memorandum of Association and Bye-laws (collectively the “**Constitutional Documents**”), its latest annual report and audited accounts (if any). Neither this Supplement nor the Memorandum set out all the provisions of the Company’s Constitutional Documents that may be significant to a particular prospective investor. Each prospective investor should examine this Supplement and the Memorandum and the applicable subscription agreement in order to assure itself that the terms of the investment offered and the Fund’s investment objective and methods of operation are satisfactory to it.

THIS SUPPLEMENT TOGETHER WITH THE MEMORANDUM CONSTITUTE THE OFFERING OF THE FUND. THEY DO NOT CONSTITUTE AN OFFER TO SUBSCRIBE OR A SOLICITATION OF AN OFFER TO SUBSCRIBE TO ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

In making an investment decision, investors must rely on their own examination of the Company and the terms of the offering, including the merits and risks involved. No assurance can be given that the Company’s or the Fund’s investment objective will be achieved.

When considering what action you should take you are recommended to seek your own financial advice immediately from your stockbroker, solicitor, accountant or another appropriate authorised independent adviser.

Purchase of the Shares involves a high degree of risk. The performance of the Shares is subject to fluctuations and no assurance can be given that appreciation will occur or that losses will not be realised. Investment in the Shares is intended for professional or sophisticated investors who can afford the risks inherent in this type of investment. Prospective investors’ attention is drawn to the “**RISK FACTORS**” section of the Memorandum. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their residence or domicile for the acquisition, holding or disposal of Shares and any foreign exchange restrictions which may be relevant to them. Shares which are acquired by persons not entitled under the Company’s policies to hold them may be compulsorily redeemed.

DIRECTORY

The following are the service providers to the Company with respect to the Fund.

<p>Directors James A. Michie jam@dragondynamicfp.com</p> <p>Gary John Carr gary@dragondynamicfp.com</p>	<p>Company Secretary and Registered Office c/o Conyers Corporate Services (Bermuda) Limited Clarendon House 2 Church Street Hamilton HMFx, Bermuda Tel: + 1 441 295 1422 www.conyers.com</p>
<p>Investment Manager Dragon Dynamic Advisors S.A Via España, Plaza Comercial San Fernando 1st floor, suite 41 Panama City, Panama</p>	<p>Auditors Richey May & Co 9605 S Kingston Ct # 200 Englewood, CO 80112 USA www.richeymay.com</p>
<p>Fund Administrator Trident Fund Services (Malta) Limited Orange Point Building, Second Floor Dun Karm street, Birkirkara By-Pass Birkirkara BKR 9037 Malta Tel: +356 21 434525 www.tridenttrust.com</p>	<p>Legal Counsel Conyers Dill & Pearman Limited Clarendon House 2 Church Street Hamilton HM FX, Bermuda Tel: + 1 441 295 1422 www.conyers.com</p>
<p>Banker Silvergate Bank 4250 Executive Square, Suite 100 La Jolla, CA 92037 USA Tel +1 858 362 6302 www.silvergate.com</p>	<p>Segregated Accounts Company Representative Gary Carr Paget, Bermuda</p>
<p>Swiss Legal Representative OpenFunds Investment Services AG Zurich Office Seefeldstrasse 35, 8008 Zurich Tel: +41445003108 www.open-funds.ch</p>	<p>Custodian and Prime Broker Copper Technologies UK Limited 17 A Curzon Street, Mayfair, London United Kingdom W1J 5HS Tel +44 207 101 9455 www.copper.co</p>

TABLE OF CONTENTS

<u>Title of Section</u>	<u>Page Number</u>
GENERAL NOTICES AND SECURITIES WARNINGS	2
DEFINITIONS	5
THE COMPANY AND DRAGON DYNAMIC DECENTRALIZED FINANCE SAC FUND	6
INVESTMENT CRITERIA AND STRATEGY	7
RISK FACTORS	8
INDUSTRY EXPERT PARTNER	10
SHARE DEALINGS	10
FEES AND EXPENSES OF THE FUND	12

DEFINITIONS

Automated Market Maker	Automated Market Makers (AMM) are Decentralized Exchange (DEX) platforms that allow digital assets to be traded by using mathematical formulas and liquidity pools rather than a traditional market of buyers and sellers.
Benchmark Series	has the meaning ascribed thereto on page 13.
Blockchain	A blockchain is an immutable database that is recorded on a distributed digital ledger. Blocks of data are created and cryptographically signed to guarantee authenticity.
Business Day	a day on which commercial banks in Bermuda and Malta settle payments and are open for general business, being Monday to Friday inclusive (save for public holidays).
Company	Dragon Dynamic Funds Platform Ltd.
Decentralized Exchange	Decentralized Exchanges (DEX) are a type of cryptocurrency exchange that allow direct cryptocurrency transactions to take place without the need of an intermediary.
Decentralized Finance	Decentralized Finance (DeFi) is a blockchain based form of finance that does not rely on traditional financial intermediaries such as brokerages, exchanges, or banks. DeFi utilizes smart contracts on blockchains, the most common being Ethereum.
Dragon Dynamic Decentralized Finance SAC Fund or Fund	a separate segregated account of the Company.
Initial Subscription Period	the period commencing at 9.00 a.m. 1 August 2021 and expiring at 5.00 p.m. CET on 31 August 2021 or such earlier or later date as the Directors may determine.
Liquidity Pool	A liquidity pool is a smart contract where participants deposit their assets to facilitate trading on a Decentralized Exchange (DEX). Liquidity providers earn trading fees and other incentives proportionate to their share of the pool. Liquidity pools are used by Automated Market Makers (AMM) to create a market on Decentralized Exchanges (DEX).
Liquidity Pool Shares	Liquidity Pool Shares represent an amount of liquidity provided to a liquidity pool. Liquidity Pool Shares are entitled to a proportion of trading fees.
Oracle	Oracles for blockchains are third-party services that provide smart contracts with external information such as current asset prices or the results of an external event (eg: Presidential Election). They serve as bridges between blockchains and the physical world.
Platform Tokens	Platform Tokens are cryptocurrencies created by AMM platforms to incentivize liquidity providers and enable decentralized governance of the platform.
Redemption Fee	A fee, if any, charged upon redemption of Shares of the Fund by an investor.

Redemption Day	the last Business Day of each calendar quarter or such other day as the Directors may in their discretion determine.
Shares	the class of Investor Shares known as Dragon Dynamic Decentralized Finance SAC Shares which are linked to the Fund.
Smart Contract	A self-executing contract with the terms of the agreement between buyer and seller written directly into lines of code and distributed on a blockchain network.
Staking Liquidity Pool Shares	The act of depositing Liquidity Pool Shares into Automated Market Making (AMM) Platforms to receive additional platform rewards.
Stablecoin	A stablecoin is a digital currency that is designed to have the same value as a “stable” reserve asset like the U.S. Dollar and/or other major fiat currencies. They may be collateralized by fiat deposits, cryptocurrency deposits or derivative based.
Subscription Day	The final day of Initial Subscription Period and thereafter the first Business Day of each calendar quarter or such other day as the Directors may determine.
Subscription Price	has the following meaning: (i) in respect of the Initial Subscription Period or where a new series of Shares are issued on any Subscription Day, USD\$1,000 per Share; and thereafter, the Net Asset Value of the Shares as at the applicable Subscription Day.
Supplement or Fund Supplement	this supplement to the Company’s Memorandum constituting the offering of Shares of the Fund.
USD	The lawful currency of the United States of America
Valuation Day	the last Business Day of each calendar month or such other day as the Directors may in their discretion determine.

More detailed information concerning the Company and the Dragon Dynamic Decentralized Finance SAC Fund is set forth in the Memorandum, which should be read in conjunction with this Supplement, the Constitutional Documents and the documents and agreements referred to herein and therein which are available from the Manager or the Administrator on request.

THE COMPANY AND DRAGON DYNAMIC DECENTRALIZED FINANCE SAC FUND

Details regarding the incorporation and nature of the Company and its designation as a segregated accounts company under the laws of Bermuda are set forth in the Company’s Memorandum.

The Offering

The Company has an authorised capital of US\$12,000 comprised of (i) 1,000 Management Shares of par value US\$1.00 each issued to, and held by, the Investment Manager and (ii) 110,000,000 Investor Shares of par value US\$0.0001. The Investor Shares are issuable by the Directors in such classes as the Directors may determine from time to time and the Directors will establish and maintain a separate and distinct Segregated Account in connection with each class or classes of Investor Shares created for issue and within which all assets and liabilities attributable to each relevant class or classes of Investor Shares are held and are segregated from the assets and

liabilities attributable to each other segregated account of the Company and from the general assets and liabilities of the Company.

By this Supplement the Company is offering the “*Dragon Dynamic Decentralized Finance SAC Shares*” (the “Shares”) and the Segregated Account to be linked to the Shares will be known as the “*Dragon Dynamic Decentralized Finance SAC Fund*” (ie the Fund).

There is no minimum amount which, in the opinion of the Directors, must be raised with respect to the offer of the Shares for purposes of Section 28 of the Companies Act.

INVESTMENT CRITERIA AND STRATEGY

The overriding objective of the Company and the Funds is to provide unique investment opportunities for investors. The specific investment objective of the Decentralized Finance Fund is to provide stablecoin liquidity in Automated Market Maker platforms on different blockchains.

The Fund will invest substantially or all its assets in three types of investments described below following discussion with the Industry Expert Partner and approval from the Investment Manager:

- Purchasing Stablecoins and providing liquidity to different pools on Automated Market Maker (AMM) platforms
- Depositing or Staking Liquidity Pool Shares into DeFi platforms to earn additional returns
- Depositing and/or Staking earned Platform Tokens to earn additional returns
- Purchasing up to 25% of the AUM in Platform Tokens and Stake them to earn additional returns.
- Hedging price volatility in platform tokens that are scheduled to be received

The following guidelines will be followed in respect to the Fund’s investments. No revisions will be made without notifying the Shareholders and giving them the opportunity to redeem:

- The fund will purchase stablecoins to deposit them into Automated Market Making (AMM) pools
- The fund will deposit and stake liquidity pool shares to further boost yield
- The fund will only invest into Automated Market Making (AMM) platforms where stablecoins are the assets provided
- If reliable Smart Contract and/or Stablecoin Insurance becomes available and on the advice of the industry expert the Investment Manager deems it suitable, the Fund may purchase such insurance to reduce some of the risks detailed in the “Risk Factors” section below
- The fund will sell, deposit, or stake platform token rewards and exchange said tokens for Stablecoins or other cryptocurrencies for future liquidation, at discretion of the Investment Manager or director(s)
- The fund may hedge price volatility in platform tokens that are scheduled to be received, and the fund will sell platform token rewards in exchange for stablecoins
- The fund may purchase up to 25% of the AUM in Platform Tokens to Stake them and earn additional returns.

THERE CAN BE NO ASSURANCE THAT THE FUND’S INVESTMENT STRATEGY WILL ACHIEVE PROFITABLE RESULTS. AS A RESULT OF INVESTMENT RISKS, A SHAREHOLDER MAY LOSE ANY CAPITAL SUBSCRIBED.

Dividend Policy

The Company with respect to the Fund does not intend to distribute any income or gains from the Fund’s investments by way of dividend. This does not preclude the Directors from declaring a

dividend with respect to any class of Investor Shares in the Fund at any time in the future if, in their discretion, the Directors consider it appropriate to do so. In the event that a dividend is declared and remains unclaimed after a period of six (6) years from the date of payment of such dividend, such dividend will be forfeited and will revert to the applicable Fund.

RISK FACTORS

Applicants should give careful consideration to the factors set out in the Memorandum and as set out below in evaluating the merits and suitability of an investment in the Company or the Fund. Neither the risks described in the Memorandum nor this Supplement purport to be a comprehensive summary of all of the risks associated with an investment in the Company or the Fund.

Risks Particular to the Dragon Dynamic Decentralized Finance SAC Fund

Leverage, Finance and Indebtedness Risk

The Fund will not leverage its capital and therefore there is no risk to the Fund regarding leverage.

Industry Concentration Risk

The Fund invests in Decentralized Finance and as such investment performance can be skewed without the moderating effects a more diversified portfolio may supply.

Geopolitical Risks

The investments of the Fund may be affected negatively by developments in the countries where the companies in which the Fund invests are established or where they perform their activities. These developments may lead to a partial or complete loss or a substantial loss in value of one or more of the investments of the Fund. The aforementioned developments may include, without limitation:

- (a) war;
- (b) civil unrest, ranging from protests to civil war;
- (c) changes in national policy and/or nationalization of companies;
- (d) changes in the political situation and/or government of a country;
- (e) natural disasters; and/or
- (f) acts of terrorism.

The Fund accepts geopolitical risks as inherent to its investment strategy and in general does not aim to protect against it.

Reliance on the Manager and Key Individuals

The Fund's success depends solely on the Investment Manager's ability to identify investments that will positively contribute to the Fund's performance. There can be no assurance that the investing and/or trading methods employed by the Investment Manager will produce profits. Moreover, the Investment Manager is dependent on the services of a limited number of key persons. If the services of such persons were to become unavailable, this might have a serious impact on the Fund's performance and continuity.

Software Risks

Like in traditional software, bugs, errors, and risks inherent to software development may be found in blockchain or blockchain applications.

- **Smart Contract Risks**

Even when Smart Contracts are audited, the risk for Smart Contract errors and bugs remains. Smart contracts may have vulnerabilities that can be exploited by hackers. Exploits may occur due to a faulty value in a smart contract.

- **Liquidity Pool Risks**

Liquidity Pools may be manipulated by arbitrageurs using liquidity attacks.

- **Price Manipulation Risks**

Price Sources and Oracles may be manipulated leading to the potential draining of liquidity from a pool.

- **Bad Faith by Developer**

Most decentralized finance smart contracts and blockchains are developed in an open-sourced manner. They are available to be monitored and audited publicly. Open-sourced development reduces but does not eliminate the risk of a developer adding malicious code that could potentially drain liquidity or harm the blockchain.

Stablecoin Risks

Stablecoins are designed to track the value of a fiat currency such as the U.S. Dollar, the Euro, et al. At the time of writing, there are over \$100 Billion U.S. Dollars' worth of stablecoins that have been issued in the cryptocurrency market. Although many investors have adopted stablecoins, some risks remain.

- **Reserve Backed Stablecoins**

Reserve backed stablecoins are designed to be collateralized by cash, cash equivalents or other liquid assets. If a stablecoin provider fails to maintain at least a 1:1 reserve asset ratio, the stablecoin may lose value. Lack of transparency and financial auditing may also lead to a loss of confidence and result in a stablecoin losing value.

- **Crypto-Collateralized Stablecoins**

Crypto-Collateralized Stablecoins are derivative stablecoins backed by other cryptocurrencies. Cryptocurrencies are deposited into smart contract vaults as collateral to create an asset backed stablecoin. If the value of the collateral drops below a set percentage, the assets are liquidated using an auction protocol. If the asset liquidation does not fully cover the value of the created stablecoin, the stablecoin may lose value.

Regulatory Risks

- **Freezing of Stablecoins due to Government Regulations**

Stablecoins could be frozen due to a court order, an adverse regulation, or a new law passed by a government until the stablecoin provider or stablecoin holder complies with the new regulation.

- **Business Model Disruptions**

New government regulations may affect existing stablecoin providers' business models and force them to implement new compliance requirements that increase costs to the point of making their business models infeasible.

Governments could freeze the reserve assets in a stablecoin providers' bank accounts if they are found not to be in compliance with new or existing regulations. Government regulations could also force bank account closures for stablecoin providers.

- **Legality of Stablecoins**

Regulatory changes could make the use of stablecoins illegal in certain jurisdictions.

Counterparty Risks

- **Stablecoin Provider Risk**

Stablecoin providers may have the power to unilaterally freeze stablecoins based on internal policies and their interpretation of new or existing regulations. Stablecoin providers could freeze stablecoins for the following reasons, amongst others:

- To prevent the transfer of stablecoins from illegal activities
- Due to red flags found in blockchain analysis reporting
- Due to compliance department requests
- To comply with cryptocurrency regulations
- Due to international sanctions
- In response to a government investigation request

INDUSTRY EXPERT PARTNER

Following the recommendation from the Investment Manager, the Board has appointed an Industry Expert Partner to assist the Fund with achieving its investment objective. The Industry Expert Partner is further described below along with the principal of the company.

Evolvent Research Inc. is a BVI Corporation, wholly owned and controlled by David De Franco who specializes in blockchain technology research and technically supporting individuals, institutions, and businesses on the execution of blockchain transactions.

Mr. David De Franco has been working in the gold bullion industry since 2010 and shifted his focus to cryptocurrencies in 2016. Since then, he has been hired by businesses, investment managers, and individuals to assist in the definition and implementation of cryptocurrency investment strategies. He personally invests a significant portion of his net worth in the strategies that are outlined in this PPM and has personally achieved up to 41% APY with less than 1.15% volatility since June 2020 using the strategies that the fund employs.

The Industry Expert Partner will provide its research and recommendations to the Investment Manager who will make the final investment decisions for the Fund. Given the highly technical nature of the underlying assets and the velocity of the market activity, it is envisaged that there will be delegated authority from the Investment Manager to the Industry Expert to execute technical aspects of investments, controlled within a suitable risk framework.

SHARE DEALINGS

The provisions dealing with subscriptions and redemptions generally are set forth in the Memorandum. Those Particulars relating to subscription in and redemption from the Fund are set

forth below. Prospective investors and existing Shareholders must read those provisions in conjunction with the provisions set forth below.

Subscription for Shares

Admission

The Shares of Fund shall only be available for subscription by persons who are Eligible Investors. The general admission provisions are set forth in the Memorandum.

Shares are available for subscription at the Subscription Price of USD\$ 1,000 during the Initial Subscription Period. Thereafter, Shares will be available for subscription on each Subscription Day at the Subscription Price equal to the then prevailing Net Asset Value per Share on the applicable Valuation Day in accordance with the Memorandum.

The minimum initial subscription for each Shareholder is USD\$100,000 which may be waived or reduced by the Directors in their discretion on a case-by-case basis. Subsequent subscriptions may be made in multiples of USD\$10,000.

Application Procedure

The application and acceptance procedure set forth in the Memorandum applies to this Fund and the Subscription Agreement for this Fund is available from the Administrator and/or the Investment Manager.

The Directors have absolute discretion to accept or reject subscriptions and to accept subscriptions greater or smaller than the minimum subscription, in either instance without ascribing any reasons therefor.

Money Laundering

As part of the Company, the Directors have responsibility for the prevention of money laundering and terrorist financing. The Company and its Directors will require a detailed verification of an investor's identity, investor's source of wealth and the source of payment. The Directors have engaged the Administrator, its affiliates, subsidiaries or associates to assist with the verification process but the ultimate responsibility for prevention of money laundering and terrorist financing rests with the Directors of the Company. The subscription documents of the Fund contain more detailed information as to the specific documentation requirements.

A description of the money laundering provisions is set forth in the Memorandum.

The Fund reserves the right, to the extent permitted under Applicable Law, to use any information that is gathered as part of its anti-money laundering procedures also for compliance with tax related information reporting requirements.

Valuations

Net Asset Value shall be determined in accordance with the provisions set forth in the Memorandum. The Net Asset Value of the Fund will be calculated in United States Dollars.

Redemptions

Redemption by Shareholders

Shareholders may request redemption of their Shares on each Redemption Day provided that Redemption Requests are submitted to the Administrator at least fifteen (15) Business Days (or such shorter period as the Directors may determine either generally or in any particular case) prior to the applicable Redemption Day in accordance with the redemption procedure set forth in the

Memorandum. If the Redemption Request is received by the Administrator after 5.00 pm CET on the Redemption Day, then the Redemption Request will be withheld and processed at the next available Redemption Day.

Redemption Requests will be charged a 0.5% fee to help the fund defray the cost of redemption. The Fund's Directors may waive this fee or part of this fee at its sole discretion.

The form of Redemption Request is available from the Administrator.

The redemption price per Share is equal to the Net Asset Value per Share on the Valuation Day. Payment of the Redemption Proceeds will be made (at the applicable Shareholders risk and expense) by wire transfer, to the Designated Bank Account of the applicable Shareholder in USD\$. The timing of payment of the Redemption Proceeds (less any Redemption Fee payable) will generally be made within thirty (30) Business Days after the applicable Redemption Day.

However, in certain unusual or unforeseen circumstances where the Fund is unable to liquidate its assets in a timely and orderly manner in order to fund redemptions, or where the value of the assets and liabilities of the Fund cannot reasonably be determined, the Fund may, in the sole discretion of the Directors, take longer than the time period mentioned above to effect settlements of redemptions or may effectuate only a portion of a requested redemption. Under certain circumstances, the Fund may settle redemptions, in whole or in part, in-kind and may extend the duration of the redemption notice period if the Directors deem such an extension as being in the best interest of the Fund and the non-redeeming Shareholders. Shareholders will be provided advance notice of any proposed extension of the redemption notice period. Furthermore, under certain circumstances, the Fund may suspend redemptions.

The Fund may withhold a portion of any Redemption Proceeds if necessary, to comply with applicable legal or regulatory requirements. Additionally, complete or substantially complete redemptions (i.e., redemptions of ninety percent (90%) or more of the Shareholder's aggregate balance) generally will be paid within sixty (60) days of the applicable Redemption Day; provided, however, that:

- up to twenty-five per cent (25%) of the Redemption Proceeds may be retained at the discretion of the Board, pending final reconciliation of valuations for any illiquid portions of the Fund; and
- the Board may elect to further retain such payments pending completion of the Fund's audit for the fiscal year in which the redemption occurs.

Reporting by the Fund

An NAV will be calculated monthly based on valuations estimated by the Investment Manager, with the annual NAV at the end of each calendar year being audited. The first audited accounts will be prepared for the period from launch to December 31, 2022.

FEES AND EXPENSES OF THE FUND

The Fund will pay its pro-rata share of all fees and expenses as set out in the Memorandum. Additionally, the Fund shall pay the following fees:

Management Fee

The Fund will pay the Investment Manager a Management Fee at the annual rate of two per cent (2%) on the Net Asset Value of the Fund. The Management Fee will be calculated monthly and paid from the Fund Account quarterly, in arrears, as of the last Business Day of each calendar quarter.

The Asset values of the fund will be calculated using close of business valuations as of 5 PM C.E.T. on each Valuation Day. The valuation policy is IFRS based and agreed with the Administrator.

Performance Fee

The Investment Manager will also be paid by the Fund a Performance Fee in an amount equal to twenty percent (20%) of the net profits in respect of each Class and Series of Shares of the Fund, namely the increase in the Net Asset Value per Share outstanding in respect of each Performance Period (as defined below). In the event that net profits in respect of each Class and Series of Shares of the Fund, the net profits exceed 35% per annum in a Performance Period, an amount equal to twenty-five (25%) of the net profits will be paid to the Investment Manager. Performance Fees will be calculated with reference to a HWM (high water mark) for each Series of shares of the Fund. The HWM of each Series of Shares will be the greater of the Net Asset Value at the date of issue of the Shares in such Series and the highest Net Asset Value achieved at the end of any previous Performance Period. The Investment Manager may pay a portion of the Performance Fee to Distributors and to such consultants as it may select from time to time. The Investment Manager may rebate all or any part of the Performance Fee to any investor in its sole discretion.

The Performance Fee is calculated monthly and payable annually on 31 December in respect of each calendar year or part thereof (each a "**Performance Period**"). In the event that a Shareholder redeems Shares during a Performance Period, any accrued but unpaid Performance Fee on those Shares will crystallise on the date of such redemption and will be payable to the Investment Manager or as the Investment Manager may direct in writing. Performance fees are only payable with reference to the HWM noted above.

Series of Shares will be issued within each Class on each Subscription Day during a Performance Period, with the Shares of the first series ("**Benchmark Series**") issued following the closing of the Initial Subscription Period. Each new series is issued at the initial price of USD\$1,000.00 per Share. On the last day of a Performance Period, any Performance Fee accruing and payable for each series crystallises. Subsequently, each issued series as at that date is consolidated with the Benchmark Series, provided that the Benchmark Series and each of the series concerned has been charged a Performance Fee in respect of such Performance Period. Series are designated by reference to their month of issue.

The above system has been designed to treat all holders of Shares in the relevant Class with respect to the Performance Fee payable fairly. Thus, depending on when a Shareholder acquires Shares, such Shareholder may be charged a Performance Fee for gains in a particular Performance Period while other Shareholders in another series, whose Shares are recovering any previous losses, will not be charged a Performance Fee.

The Performance Fee will generally be payable to the Investment Manager after the end of each Performance Period or in the case of a redemption during a Performance Period, at the applicable Redemption Day. If the Management Agreement is terminated as of a date other than the last day of a Performance Period, the Performance Fee will be calculated on the basis of the Fund's performance over the period from the commencement of such year through the termination date and will be payable within thirty (30) days after such date.

Other Expenses

Other Expenses: Other expenses are payable by the Dragon Dynamic Decentralized Finance SAC Fund. Such expenses include reasonable administration, banking, specific Fund start-up expenses custody, trading and similar customary costs.

Availability of Documents

Copies of the following documents will be available for inspection at any time during normal business hours on any Business Day free of charge at the registered office of the Company:

- (a) The Companies Act 1981.
- (b) The Segregated Account Companies Act 2000 (Bermuda).
- (c) The Memorandum of Association and the Bye-laws.
- (d) The material contracts referred to in the Memorandum "Material Contracts".
- (e) Any report of audited accounts prepared by the auditor of the Company.