

## Prime Asia Rosetta One Fund

### Term Sheet

Oct 2021

#### Fund Details

Fund Name	Prime Asia Rosetta One Fund
MAS Restricted Scheme	To be advised
ISIN Code	Class A: To be advised Class P: N.A.
Bloomberg Ticker	Class A: To be advised Class P: N.A.
Structure	Variable Capital Company
Umbrella VCC / Country of Domicile	Prime Asia Asset Management Funds VCC / Singapore
Strategy	Option Spreads / Long Equity
Instruments	Equity, Fixed Income, Foreign Exchange and Derivatives
Initial Share Price	US\$100
Dealing Frequency	Monthly
First Dealing Date	Class A: To be advised Class P: 1 November 2021
Minimum Investment	Class A: US\$200,000 Class P: US\$100,000
Subsequent Investment	Min US\$10,000
Initial Sales Charge	Max 3.0%
Management Fee	Class A: 1.0% p.a. Class P: Nil
Performance Fee	20%; High Watermark Applies
Realization Charge	3.0% If Exit Within 12 Months

#### Management & Operations

Role	Company Information
Fund Manager	<b>Prime Asia Asset Management Pte Ltd</b> (Co. Reg. No.: 201615775K) (MAS Licence No.: CMS100661-1) Website: <a href="https://www.pa-am.com/">https://www.pa-am.com/</a>
Fund Administrator	<b>Crowe Horwath First Trust Outsourcing Pte Ltd</b> (Co. Reg. No.: 200503389H) Website: <a href="http://www.crowe.com/sg">http://www.crowe.com/sg</a>
Legal Counsel	<b>ArrowGates LLC</b> (Co. Reg. No.: 201706582D) Website: <a href="https://arrowgatesllc.com/">https://arrowgatesllc.com/</a>
Auditor	<b>Tan Wee Tin &amp; Co</b> (Co. Reg. No.: S90PF0432D)

Please refer to the Fund's Offering Memorandum and Sub-Fund Supplement for more details.

#### Investment Objective and Strategy

##### Objective of Fund:

PAAM Rosetta One Fund seeks to achieve consistent double digit returns on a yearly basis. It will do this by trading in both cash and derivatives market for equities and foreign exchange.

##### Fund Strategy:

The Fund employs three distinct strategies that will trade into both options and cash positions, primarily in the US equity markets. From time to time, when opportunities arise, it will employ the same strategies into non-US equity markets provided the instruments are available as exchange traded instruments with sufficient liquidity.

The strategies are algorithm based and are proprietary to Prime Asia Asset Management. Trade signals are system generated using these algorithms with clear rules for position sizing and trade entry and exit. The manager has limited flexibility to over-ride the rules for position sizing and trade entry, particularly during periods of extreme volatility. The manager will have greater input for trade exits to maximize the value of the position under the prevailing market conditions.

#### The Added Value Of Hedge Funds

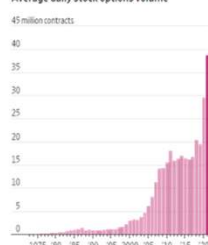
Hedge funds originated as a vehicle to help diversify investment portfolios, manage risk and produce reliable returns over time.

One of the biggest misconceptions about hedge funds is that they must take excessive risks in order to gain higher returns. The best hedge funds are specialists at minimizing risk and make it an integral part of their investment plan. Conscientious risk management serves to limit losses and promote more consistent, generally higher risk-adjusted returns.

Hedge funds can serve an important and valuable role in a well-diversified portfolio, especially since hedge funds tend to reduce market risk by providing downside protection in bear markets and upside participation in bull markets.

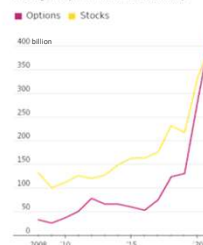
	Traditional Instruments	Hedge Funds
<b>Financial Instruments</b>	Limited access to sophisticated instruments and hedging strategies such as short selling or derivatives trading	A wide range of financial instruments and strategies to choose from, allowing one to reduce risks and take advantage of pricing inefficiencies
<b>Performance Drivers</b>	Performance is largely dictated by the direction of traditional markets	Performance is driven by investment style and one's ability to employ it within any market environment
<b>Performance Objectives</b>	Managers have a relative return objective and aim to outperform a benchmark, hence providing little protection in times of market downturns	Managers aim to achieve risk-adjusted absolute returns regardless of market environment, rather than tracking or attempting to outperform a benchmark
<b>Exposure</b>	In most cases the portfolio is fully invested	The manager is free to choose the investments and weightings with full discretion
<b>Alignment of Interests</b>	Regulations may prohibit managers from investing in the same securities or funds as their clients	Managers invest part or all of their own assets in their funds and hence, bear the same risks as their clients

Average daily stock options volume



Note: Figures for 2021 through Sept. 23  
Source: Options Clearing Corp.

Average daily notional traded, annually



Note: Figures for 2021 are through Sept. 22. Includes single stocks only.  
Source: Cboe Global Markets

The episode shows how surging options trading has transformed the markets.

"In 2021, the daily average notional value of traded single-stock options has exceeded \$432 billion, compared with \$404 billion of stocks, according to calculations by Cboe's Henry Schwarts."

"But traders aren't the only ones taking part in the options boom. Selling options-related investments has become a big business."

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