

Key Information Document

Purpose

This document provides you with key information about this investment product (the “**Product**”). It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this Product and to help you compare it with other products.

Product

Name: Gemsstock Fund – Class E Dollar Share (ISIN KYG5234F1063)

Manufacturer: Gemsstock Limited (the “**Manufacturer**”)

Competent Authority: Financial Conduct Authority

Contact Details: Website: <https://gemsstock.fund/> **Tel:** +44 (0) 20 3740 5130

This key information document is up to date as at 31 January 2024.

You are about to purchase a product that is not simple and may be difficult to understand

What is this product?

Type: The Product is an exempted company with limited liability incorporated in the Cayman Islands.

Objectives: To deliver significant medium-term returns through investing all of its assets in Gemsstock Master Fund, which aims to achieve the capital appreciation of underlying investments and income yield, through macro investing in global securities. The Product may invest in any type of financial instrument or other asset including, without limitation, equities, bonds, futures, options, CDS, other traded derivatives, cash, money market instruments and units of other funds. The investment philosophy is largely driven by top-down macro views, with a bias towards value investing.

Intended retail investor: Investment in the Product is primarily intended for institutions or professionally-advised, sophisticated investors who can take on a high level of risk in order to get a higher potential return.

Insurance benefits and costs: The Product is not designed to create particular insurance benefits and has no particular insurance costs.

What are the risks and what could I get in return?

We have classified the Product as 5 out of 7, which is a medium-high risk class.



The risk indicator assumes you keep the Product for 5 years. The actual risk can vary significantly if you redeem at an early stage and you may get back less. Be aware of currency risk. You will receive payments in United States Dollars, so the final return you will get depends on the exchange rate between the United States Dollar and your national currency. This risk is not considered in the indicator shown above.

The summary risk indicator is a guide to the level of risk of the Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the market or because we are not able to pay you. We have classified this Product as 5 out 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions will likely impact our capacity to pay you.

Key Information Document

The risk indicator assumes you keep the Product for 5 years.

The following are some of the other risks materially relevant to the Product which are not taken into account in the summary risk indicator:

- Substantial risks are involved in investing in the various securities and financial instruments the Product intends to purchase and sell.
- The regulatory environment for hedge funds is evolving and changes therein may adversely affect the ability of the Product to obtain the leverage it might otherwise obtain or to pursue its investment strategies.
- There is no guarantee that the Product will be protected from future market performance, exchange rate movements or interest rate movements so you could lose all or some of your investment.

You should refer to the private offering memorandum for the Product for further information on relevant risk factors.

Performance Information

The main factors that will affect the performance of the Product are the ability of the Investment Manager to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets; general performance of global securities markets, including equities, bonds, futures, and options; shifts in macroeconomic conditions, such as interest rates, inflation rates, and geopolitical events.

Our forward-looking moderate performance scenario is an annualised return of 10.8% over the recommended holding period of five years. We have used this return to calculate the reduction in yield calculations in the “What are the costs?” section below.

To examine objective evidence for the longer-term performance characteristics of the Fund, we backfilled the Fund’s returns with monthly NAV figures from previous Gemsstock asset classes, providing a proxy dating back to November 2010. The average five-year rolling risk of this performance proxy was 12.2% per annum, however during periods of stress in the equity markets, one-year risk in the proxy rose to 22.5%.

What could affect my return positively?

Specific factors that affect returns positively may be the ability of the Investment Manager to successfully identify overvalued and undervalued investment opportunities, favourable global securities market performance, stable macroeconomic conditions such as interest rates and inflation rates, geopolitical stability, successful mergers and acquisitions, positive shifts in relative value, and beneficial alterations in tax treatment. The proxy’s favourable performance over a rolling one-year period was 67.1%; and over longer periods the proxy’s favourable five-year rolling return was 21.1% per annum.

What could affect my return negatively?

Specific factors that affects returns negatively may be unforeseen events involving changes in interest rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to short stock, and changes in tax treatment. The proxy’s least favourable performance over a rolling one-year period was -17.8%; and over longer periods the proxy’s least favourable five-year rolling return was 5.7% per annum.

What could happen in severely adverse market conditions?

Under severely adverse market conditions, the investor could expect to lose some or all of their investment. An example of adverse market conditions when the proxy loss of 20.7% between April 2011 to September 2011, before the proxy recovered in October 2012. Looking further back, during the financial crisis, the MSCI All World index lost 58.1% between November 2007 and March 2009 before recovering by May 2019.

What happens if Manufacturer is unable to pay out?

The Product has no fixed term however you can buy or sell your shares on the first business day of every calendar month and such other business day as the directors of the Product may determine by contacting the Product’s administrator. If the Product is wound up then the assets of the Product shall be distributed in accordance with the constitutional documents of the Product and applicable law.

Key Information Document

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you may receive. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include costs associated with early exit. The figures assume you invest \$10,000. The figures are estimates and may change in the future.

Cost over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

We have assumed that the product performs in line with a moderate scenario shareholder return of 10.8% per annum, which was calculated as the average five-year return of the proxy.

Investment scenarios £10,000	If you cash in after 1 year	If you cash in after 3 year	If you exit after 5 years <i>Recommended holding period</i>
Total costs	426 USD	1,645 USD	3,466 GBP
Reduction in Yield (RIY) per year	4.26 %	4.27 %	4.27 %

Composition of costs

The table below shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period; and the meaning of the different costs categories.

The table below shows the impact on return per year			
One off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment. (This is the most you could pay and could pay less). The impact of costs already included in the price.
	Exit costs	0.00%	The impact of costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.66%	The impact of the costs of us buying and selling underlying investments for the Product.
	Other ongoing costs	1.40%	The impact of the costs that we take each year for managing your investment.
Incidental costs	Performance fees	2.22%	The impact of the performance fee. We take these from your investment if the Product outperforms its benchmark.
	Carried interests	0.00%	The impact of carried interests.

How long should I hold it and can I take money out early?

Recommended holding period: At least 5 years

The Product is suitable for long term investors. There are no penalties or redemption fees if an investor redeems before the end of the recommended holding period.

How can I complain?

If you have any complaints, you should contact the Manufacturer either by telephone at +44 (0) 203 740 5130 or by email IR@gemsstock.fund.

Other relevant information

The main documents relating to the Product are available from the Manufacturer using the contact details set out above.