



PROSPECTUS

CAYMAN NATIONAL MORTGAGE FUND LTD.

JUNE 2024

DIRECTORY

Registered Office & Principal Office

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Mr. Ian Whan Tong
Mr. Ravi Mykoo

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CONTENTS

PROSPECTUS.....	1
SELLING RESTRICTIONS	4
HIGHLIGHTS	6
DESIGN OF THE FUND	13
INVESTMENT OBJECTIVES AND POLICIES.....	13
RISK FACTORS AND SPECIAL CONSIDERATIONS	14
MANAGEMENT OF THE FUND.....	18
FEES AND EXPENSES	22
REAL ESTATE IN THE CAYMAN ISLANDS	23
MORTGAGE LENDING AND SECURITY.....	25
SHARES OF THE FUND	26
PURCHASE OF SHARES	26
REDEMPTION OF SHARES.....	27
DETERMINATION OF NET ASSET VALUE.....	28
YIELD INFORMATION	29
GENERAL INFORMATION	29
SUBSCRIPTION DOCUMENTS	31
REDEMPTION REQUEST.....	31



SELLING RESTRICTIONS

Shares are being offered to the public in the Cayman Islands.

No person is authorized to give any information or make any representation not contained in this Prospectus; and any information or representation not contained herein must not be relied upon as having been authorized by or on behalf the Fund. The delivery of this Prospectus at any time does not imply that information contained herein is correct at any time subsequent to the date thereof.

The distribution of this Prospectus and the offering of the shares in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with an offer of solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

None of the shares has been or will be registered under the US Securities Act of 1933, as amended (the "1933 Act"). Consequently, none of the shares may be offered or sold, directly or indirectly, in the US or to US persons except in transactions exempt from the registration requirements of the 1933 Act. The Fund may determine to offer a portion of the shares to a limited number of US persons that are accredited investors in transactions exempt from the registration requirements of the 1933 Act. Further, the Fund has not been and will not be registered under the US Investment Company Act of 1940 as amended (the "1940 Act"). Except as aforesaid, investors will be required to sign representation letters that they are not US persons, and will not be permitted to transfer their shares or any interest in their shares to US persons; shares transferred in violation of these restrictions may be mandatorily redeemed. Moreover, investors who are US persons will be required to acknowledge that the Fund may mandatorily redeem their shares if the Fund determines in its absolute discretion that such redemption is necessary or advisable to ensure that the Fund continues to be exempt from registration under the 1940 Act.

Investors should read this Prospectus in its entirety and rely only upon statements made herein. The shares described herein are offered solely on the basis of the information contained in this Prospectus, and any further information given or representations made by any person may not be considered as having been authorized by the Fund.



Prospective purchasers must consult their own legal advisors in determining all tax consequences with respect to their own particular circumstances under the laws of the jurisdictions of which they are citizens, residents or domiciliaries or in which they conduct business.

Prospective investors should carefully read this Prospectus. However, the contents should not be considered to be legal or tax advice, and each prospective investor should consult with his own counsel and advisors as to all matters concerning investment in the Fund.

No US counsel has been appointed to the Fund nor has any US counsel reviewed the terms of this Prospectus.

THE FUND IS A REGULATED MUTUAL FUND FOR THE PURPOSES OF THE CAYMAN ISLANDS MUTUAL FUNDS ACT (AS REVISED) AND IS REGISTERED WITH THE CAYMAN ISLANDS MONETARY AUTHORITY PURSUANT TO SECTION 4(1)(B) OF THAT ACT. THIS PROSPECTUS HAS BEEN FILED WITH THE CAYMAN ISLANDS MONETARY AUTHORITY. SUCH REGISTRATION DOES NOT IMPLY THAT THE CAYMAN ISLANDS MONETARY AUTHORITY OR ANY OTHER REGULATORY AUTHORITY IN THE CAYMAN ISLANDS HAS APPROVED THIS PROSPECTUS OR THE OFFERING OF THE SHARES.

A MUTUAL FUND LICENCE ISSUED OR A FUND REGISTERED BY THE CAYMAN ISLANDS MONETARY AUTHORITY DOES NOT CONSTITUTE AN OBLIGATION OF THE CAYMAN ISLANDS MONETARY AUTHORITY TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE FUND.

FURTHERMORE, IN ISSUING SUCH A LICENCE OR IN REGISTERING A FUND, THE CAYMAN ISLANDS MONETARY AUTHORITY SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE FUND OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN ANY PROSPECTUS OR OFFERING DOCUMENT.

HIGHLIGHTS

THE FUND:

The Fund is a Cayman Islands resident company operating as a professionally managed open-ended investment company with its principal objective of engaging in mortgage lending in respect of and secured by property located in the Cayman Islands. The Fund was incorporated on the 12th March 1993 for an unlimited duration.

THE OFFERING:

The offering of redeemable participating shares of US\$0.01 par value will be sold at the net asset value per share as determined on the last business day of the month preceding the subscription date. The minimum initial subscription is US\$10,000.00. However, the Fund reserves the right to vary this minimum requirement.

ADVANTAGES OF INVESTING IN THE FUND:

The Fund offers investors the opportunity to participate in the higher interest rates currently applicable to long term mortgages with a smaller capital commitment. Mortgage interest rates for the past five years have been between 4% and 6% higher than the three-month term deposit rate. It is anticipated that the yield from an investment in the Fund will, after expenses, be approximately 2% to 3% above the three-month term deposit rate, however, this cannot be guaranteed. Nor can it be guaranteed that the differential between mortgages and short-term deposit rates indicated above will be maintained in the future.

The professional management provided by the Cayman National organisation will handle the credit decisions and an array of administrative functions that are typically beyond the means of most private investors.

Investors are also relieved of the administrative and record-keeping burdens normally associated with direct ownership of a portfolio of mortgages. It is anticipated that the operation of the Fund will allow Investors access to their funds through the Fund's convenient purchase and redemption procedures. However, Investors should be aware that because of the nature of the Fund's investments it might not be possible to immediately redeem an investment.

In this event, and pending completion of redemptions, the Administrator will endeavour, on a best-efforts basis, to arrange an advance to Investors of up to 80% of the value of their investment from Cayman National Bank Ltd. upon terms to be negotiated.

PURCHASE OF SHARES:

The minimum initial investment is US\$10,000.00 but subsequent investments may be for any amount of US\$1,000.00 or more. The Fund is continuously offered on the first business day of each month at net asset value as at the last business day of the previous month. The Directors have the right to suspend the issue of new shares on a temporary basis if they consider this to be in the best interest of the Fund.

REDEMPTION OF SHARES:

Shares in the Fund may be redeemed as of the last business day of each month at the monthly valuation dates subject to notice having been received at least two weeks before. Redemptions will be made at net asset value. The Fund reserves the right to temporarily suspend redemptions in special circumstances. (See Risk Factors and Special Considerations at page 8).

MANAGEMENT:

Cayman National Bank Ltd. will act as banker and mortgage advisor to the Fund (the "Advisor"). The Advisor will give such advice on investments of the Fund to the Directors as they may require from time to time in connection with the investment of the Fund's assets. The Directors will be responsible for the day-to-day investment decisions of the Fund.

TAXATION:

The Cayman Islands at present impose no taxes on profit, income, capital gains or appreciations in value of the Fund. There are also currently no taxes imposed in the Cayman Islands by withholding or otherwise on the Investors on profit, income, capital gains or appreciations in respect of their shares nor any taxes on the Investors in the nature of estate duty, inheritance or capital transfer tax. **The question of the impact of taxation in your country of origin or residence is a matter for you to take up in the jurisdiction(s) concerned.**

CAYMAN ISLANDS TAX REPORTING:

The Cayman Islands has signed an inter-governmental agreement to improve international tax compliance and the exchange of information with the United States (the "US IGA"). The Cayman Islands has also signed a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "CRS" and together with the US IGA, "AEOI").

Cayman Islands regulations have been issued to give effect to the US IGA and CRS (collectively, the "AEOI Regulations"). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the "TIA") has published guidance notes on the application of the US IGA and the CRS.

All Cayman Islands "Financial Institutions" are required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, except to the extent that they can rely on an exemption that allows them to become a "Non-Reporting Financial Institution" (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes, in which case only the registration requirement would apply under the CRS. The Fund does not propose to rely on any reporting exemption and therefore intends to comply with the requirements of the AEOI Regulations.

The AEOI Regulations require the Fund to, amongst other things (i) register with the Internal Revenue Service to obtain a Global Intermediary Identification Number (in the context of the US IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a "Reporting Financial Institution"; (iii) adopt and implement written policies and procedures setting out how it will address its obligations under the CRS; (iv) conduct due diligence on its accounts to identify whether any such accounts are considered "Reportable Accounts", and (v) report information on such Reportable Accounts to the TIA. The TIA will transmit the information reported to it to the overseas fiscal authority relevant to a reportable account (i.e., the IRS in the case of a US Reportable Account) annually on an automatic basis.

By investing in the Fund and/or continuing to invest in the Fund, Investors shall be deemed to acknowledge that further information may need to be provided to the Fund, the Fund's compliance with the AEOI Regulations may result in the disclosure of Investor information, and Investor information may be exchanged with overseas fiscal authorities. Where an Investor fails to provide any requested information (regardless of the consequences), the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption of the Investor concerned.

Investors are encouraged to consult with their own tax advisers regarding their tax status and the applicability of this legislation on their investment in the Fund.

BENEFICIAL OWNERSHIP REGIME:

The Fund is regulated as a mutual fund under the Mutual Funds Act (as revised) and, accordingly, does not fall within the scope of the primary obligations under Part XVIIIA of the Companies Act (as revised)(the "Beneficial Ownership Regime"). The Fund is therefore not required to maintain a beneficial ownership register. The Fund may, however, be required from time to time to provide, on request, certain particulars to other Cayman Islands entities in which the Fund has an interest and which are within the scope of the Beneficial Ownership Regime and which are therefore required to maintain beneficial ownership registers under the Beneficial Ownership Regime. It is anticipated that such particulars will generally be limited to the identity and certain related

particulars of (i) any person holding (or controlling through a joint arrangement) a majority of the voting rights in respect of the Fund; (ii) any person who is a member of the Fund and who has the right to appoint and remove a majority of the Directors; and (iii) any person who has the right to exercise, or actually exercises, dominant direct influence or control over the Fund.

EXCHANGE CONTROL:

There are no exchange control regulations in the Cayman Islands and funds may be converted and moved in and out of the Cayman Islands freely.

DIVIDENDS:

It is not the intention of the Fund to distribute income on a regular basis. The net income of the Fund, which is the gross income of the Fund less expenses, is automatically invested in additional shares at month ends but Investors may have the value of these new shares paid to them at their option. This will require an appropriate redemption request to be submitted to the Administrator at least two weeks before the month end.

MONTH ENDS:

The Fund's month ends will be the close of business on the last day of each month which is a business day in the Cayman Islands.

AUDIT AND ACCOUNTS:

This Fund's financial year end is 30th September and audited accounts will normally be available within three months of that date. Copies are circulated to Investors and will also be available on request to the registered office of the Fund.

CONFIRMATIONS AND STATEMENTS:

Quarterly statements are sent to investors showing the details of each transaction and confirmation advices will be issued within seven days of each transaction date.

ANTI-MONEY LAUNDERING MEASURES:

To ensure compliance with applicable statutory requirements relating to anti-money laundering, anti-terrorism and anti-proliferation financing initiatives, the Fund is required to adopt and maintain policies and procedures and, accordingly, the Fund or the Administrator, on the Fund's behalf, may require prospective investors to verify their identity, the identity of their beneficial owners/controllers (where applicable), their address and source of funds. Where permitted, and subject to certain conditions, the Fund may rely on a suitable person for the maintenance of its anti-money laundering, anti-terrorism and anti-proliferation financing policies and procedures (including the acquisition of due diligence information) or otherwise delegate such



functions to a suitable person. The Fund relies on the Administrator for the maintenance of such policies and procedures.

The Fund (and/or the Administrator) reserves the right to request such evidence as is necessary to verify the identity, beneficial owners/controllers, address and source of funds of a prospective investor. Depending on the circumstances of each application, a detailed verification might not always be required at subscription where an exemption applies under applicable law. However, detailed verification information may be required prior to the payment of any proceeds in respect of any shares.

The Fund (and/or the Administrator) also reserves the right to request such verification evidence in respect of a transferee of shares. In the event of delay or failure by the prospective investor or transferee to produce any evidence required for verification purposes, the Fund (and/or the Administrator) may refuse to accept the application or (as the case may be) to register the relevant transfer, and (in the case of a subscription of shares) any funds received will be returned without interest to the account from which such funds were originally received.

The Cayman Islands Monetary Authority has discretionary power to impose substantial administrative fines upon the Fund in connection with any breaches by the Fund of prescribed provisions of the Anti-Money Laundering Regulations (as revised) of the Cayman Islands, and upon any Director or officer of the Fund who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Fund, the Fund will bear the costs of such fine and any associated proceedings.

The Fund (and/or the Administrator) reserves the right to request such verification evidence with respect to a redemption request. The Fund (and/or the Administrator) also reserves the right to refuse to make any redemption payment or distribution to an Investor if any of the Directors of the Fund (and/or the Administrator) suspect or are advised that the payment of any redemption or distribution moneys to such Investor might result in a breach or violation of any applicable anti-money laundering, anti-terrorist financing, anti-proliferation financing or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund, its Directors, the Administrator or any other delegate with any such laws or regulations in any relevant jurisdiction.

None of the Fund or its delegates, agents and affiliates will be liable for any loss suffered by a subscriber arising as a result of any refusal to accept an application for shares or for any loss suffered by an Investor arising as a result of any refusal to make a redemption payment or distribution.

If any person resident in the Cayman Islands (including the Fund) knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to: (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Act (as revised) if the disclosure relates to criminal conduct or money laundering; or (ii) a police constable not below the rank of inspector, or the Financial Reporting Authority, pursuant to the Terrorism Act (as revised), if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

By subscribing, Investors consent to the disclosure by the Fund (and/or the Administrator) of any information about them to regulators and others upon request in connection with money laundering, terrorist financing, proliferation financing and similar matters both in the Cayman Islands and in other jurisdictions.

Each subscriber and Investor will be required to make such representations to the Fund as the Fund (and/or the Administrator) requires in connection with such anti-money laundering, anti-terrorist financing and anti-proliferation financing programs, including without limitation, representations to the Fund that such subscriber or Investor (or any person controlling or controlled by the subscriber or Investor; or any person having a beneficial interest in the subscriber or Investor; or any person for whom the subscriber or Investor is acting as agent or nominee in connection with the investment) is not a prohibited country, territory, individual or entity listed on the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programs or under any European Union and United Kingdom regulations and the government(s) of any jurisdiction(s) in which the Fund is doing business. Each subscriber and Investor will also be required to represent to the Fund that amounts contributed by it to the Fund were not directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including anti-money laundering, anti-terrorist financing and anti-proliferation financing laws and regulations.

Pursuant to Anti-Money Laundering Regulations (as revised), the Fund is required to appoint a Money Laundering Reporting Officer, a Deputy Money Laundering Reporting Officer and an Anti-Money Laundering Compliance Officer. Such officers have been appointed to the Fund and further details regarding such officers can be obtained from the Directors.

The Fund (and/or the Administrator) may develop additional procedures to comply with applicable anti-money laundering, anti-terrorist financing and anti-proliferation financing laws and regulations.

REGULATION:

The Fund is registered as a mutual fund under section 4(1)(b) of the Mutual Funds Act (as revised) and is therefore regulated under that law. The Fund's principal office in the Cayman Islands is provided by a licensed mutual fund administrator and therefore the Fund qualifies for registration under that section without the need to be licensed.

In connection with its initial registration under the Mutual Funds Act (as revised), the Fund has filed with the Cayman Islands Monetary Authority ("CIMA") a copy of the Fund's Prospectus and certain details of the Fund's Prospectus, as required by the Mutual Funds Act (as revised). The Fund has also paid the prescribed initial registration fee.

The Fund's continuing obligations under the Mutual Funds Act (as revised) are: (i) to file with CIMA prescribed details of any changes to this Prospectus; (ii) to file annually with CIMA accounts audited by an approved auditor and a fund annual return; and (iii) to pay the relevant prescribed annual fee.

CIMA has supervisory and enforcement powers to ensure compliance with the Mutual Funds Act (as revised). The Fund is not, however, subject to supervision in respect of its investment activities by CIMA or any other governmental authority in the Cayman Islands, although CIMA does have power to investigate the activities of the Fund in certain circumstances. Neither CIMA nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this Prospectus. There is no investment compensation scheme available to investors in the Cayman Islands.

At any time, CIMA may instruct the Fund to have its accounts audited and to submit them to CIMA within a specified time. In addition, CIMA may ask the Directors to give CIMA such information or such explanation in respect of the Fund as CIMA may reasonably require to enable it to carry out its duty under the Mutual Funds Act. CIMA shall, whenever it considers it necessary, examine, including by way of on-site inspections or in such other manner as it may determine, the affairs or business of the Fund for the purpose of satisfying itself that the provisions of the Mutual Funds Act and applicable anti-money laundering regulations are being complied with. The Directors must give CIMA access to or provide at any reasonable time all records relating to the Fund and CIMA may copy or take an extract of a record it is given access to.

Failure to comply with any supervisory request by CIMA may result in substantial fines. CIMA has wide powers to take certain actions if certain events occur. For instance, it has wide powers to take action if it is satisfied that a regulated mutual fund: (i) is or is likely to become unable to meet its obligations as they fall due; or (ii) is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors; or (iii) is not being managed in a fit and proper manner; or (iv) has a person appointed as Director, manager or officer that is not a fit and proper person to hold the respective position.

The powers of CIMA include, amongst others: (i) the power to require a Director to be replaced; (ii) the power to appoint a person, at the expense of the Fund to advise the Fund on the proper conduct of its affairs; and (iii) the power to appoint a person, at the expense of the Fund, to assume control of the affairs of the Fund, including for the purpose of terminating the business of the Fund. CIMA also has other remedies available to it including the ability to cancel the registration of the Fund and to apply to the courts of the Cayman Islands for approval of other actions.

DESIGN OF THE FUND

The Fund is designed for investors seeking the opportunity to take advantage of the higher rates of interest that generally prevail in the Cayman Islands mortgage market as compared to bank deposits. At the same time the Fund offers investors a means of participating in the market without the difficulties associated with direct investments. By investing in the Fund the investor spreads his/her/its mortgage investment over a number of separate mortgages and so reduces the effect of default or delay in payment by any particular mortgagee.

Investors undertaking direct mortgage lending often encounter complications in determining credit worthiness, ensuring proper security is taken, collecting mortgage payments, etc.

The Fund attempts to solve these problems for an investor by providing management under the **Cayman National Group**.

INVESTMENT OBJECTIVES AND POLICIES

The Fund's investment objectives are to provide investors with a high rate of current income, while preserving capital, by investing principally in first mortgages secured by property in the Cayman Islands with Cayman National

Bank Ltd. Funds may be placed in short-term investments pending investment in suitable mortgages. No assurance can be given that the Fund will achieve its investment objectives, which can only be changed with the approval of the Fund's outstanding Investors.

The Fund will under normal conditions, invest approximately 90% of its assets in primary mortgages. The amount to be lent in respect of any individual property will be based on the appraised value of the property involved and will depend on the type of property involved and the general policy will be in accordance with the loan to value ratios established by Cayman National Bank Ltd. The present ratios are set out in Table 2. In selecting mortgages the Fund will also carefully assess the ability of the borrower/s to meet mortgage payments.

Mortgages will only be granted where the mortgagor has, or can obtain, clear title to the property involved.

The Fund may from time to time enter into short-term borrowings in order to facilitate the funding of new mortgages. It is intended that these borrowings will only be entered into when there are fixed deposits outstanding sufficient to repay the borrowings on the maturity of the fixed deposits. In addition, the Fund may borrow money for emergency purposes, which might include borrowing funds to enable the Fund to meet fees or expenses, including legal fees, incurred by management for the benefit or protection of the Fund. The Fund will make no further investments until any borrowings are repaid. Specifically, the Fund will not borrow to meet redemption requests. At the direction of the Advisor the Fund may sell mortgages from its portfolio to meet redemption requests but the ability to do so will depend on conditions in the Cayman Islands mortgage market. Mortgages sold for this purpose will not be discounted.

RISK FACTORS AND SPECIAL CONSIDERATIONS

Investing in the Fund involves risk and special considerations, such as those described below:

INVESTMENT IN MORTGAGES:

Investment in mortgages secured by real estate carries the risk that in the event of default by the mortgagee foreclosure procedures may be protracted and a sale of the secured property may not realize sufficient funds to recover the amount lent and there may be no practical way to recover the shortfall. There may also be delays in the receipt of mortgage payments that will affect the yield.



REDEMPTION DELAYS:

Because of the nature of mortgage investments, Investors may find that redemption requests are delayed until sufficient new investments, mortgage repayments or proceeds from the sale of mortgages are received to meet the requests. In these circumstances the Directors reserve the right to suspend redemptions. The Fund will make no new investments until all outstanding redemption requests are met.

INTEREST RATES:

The yield, which investors receive, will be affected by general changes in interest rates. These changes will result in increases and decreases in the Fund's yield.

RELIANCE ON THE ADVISOR:

The success of the Fund is dependent on the judgement and abilities of the Directors in selecting Cayman National Bank Ltd. as Advisor of the Fund and the judgement and abilities of the Advisor in selecting and monitoring the performance of investments of Cayman National Bank Ltd. Investors will not have the opportunity to evaluate fully for themselves the relevant economic, financial, and other information regarding the investments and will be dependent on the Advisor's judgement and abilities. There is no assurance that the Advisor will be successful. Accordingly, an investor should not purchase shares unless it is willing to entrust all aspects of the investment activities of the Fund to the Advisor. Furthermore, the death, incapacity or retirement of any key personnel of the Advisor may adversely affect the investment results of the Fund.

SUBSTANTIAL REDEMPTIONS:

Substantial redemptions of shares could cause the indirect liquidation of investments at a time which could adversely affect the value of the remaining shares or the risk profile of the remaining investments.

SYSTEMS RISK:

The Fund is dependent upon various computer and telecommunications technologies. The successful deployment of the Fund's investment strategy, the implementation and operation of such investment strategy, and various other critical activities of the Advisor on behalf of the Fund could be severely compromised by telecommunications failures, power loss, software-related "system crashes," cyber-attacks (including, but not limited to, viruses, worms, Trojan horses, denial-of-service attacks, and hacking), fire or water damage, or various other events or circumstances. The Advisor does not provide comprehensive and foolproof protection against all such events (whether because it believes such to be impractical or prohibitively expensive in terms of financial expenditures and/or scheduling delays, or for other reasons), and does not expect to secure such comprehensive or foolproof protection. Any event that interrupts the Advisor's computer and/or telecommunications



operations, however, could have a material adverse effect on the Fund. No assurance can be made that the Advisor would be able to resume operations following a business disruption.

INVESTORS DO NOT PARTICIPATE IN MANAGEMENT:

Investors do not participate in the management of the Fund or the conduct of its business.

CHANGES IN APPLICABLE LAW:

The Fund must comply with various legal requirements, including requirements imposed by securities laws and tax laws in the jurisdictions in which the Fund or its service providers operate and/or offer shares. Should any of those laws change over the term of the Fund, the legal requirements to which the Fund and the Investors may be subject could differ materially from current requirements.

CYBERSECURITY RISKS:

With the increased use of technologies such as the Internet to conduct business, the Fund is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Advisor’s and other service providers (including, but not limited to, Fund accountants, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the Fund’s ability to value its investments, impediments to trading, the inability of Investors to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting counterparties with which the Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for Investors) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While the Fund’s service providers are expected to have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Fund cannot control the cyber security plans and



systems put in place by its service providers or any other third parties whose operations may affect the Fund or its Investors. The Fund and its Investors could be negatively impacted as a result.

CONFLICTS OF INTEREST:

The Directors, the Advisor, the Administrator and their respective directors, officers and employees appointed by or in respect of the Fund may, from time to time, act as director, promoter, manager, investment manager, investment adviser, registrar, administrator, transfer agent, trustee, custodian, broker, distributor or placing agent to, or be otherwise involved in, other collective investment schemes which have similar investment objectives to those of the Fund. Similarly, one or more of them may provide discretionary fund management or ancillary administration, custodian or brokerage services to investors with similar investment objectives to those of the Fund. Currently, the Directors are all employed as senior officers with Cayman National Group. Consequently, any of them may, in the course of their business, have potential conflicts of interests with respect to the Fund. Each will at all times have regard to its obligations to the Fund and will endeavour to resolve such conflicts fairly.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE (THE "AIFMD"):

The AIFMD has been implemented into the national law of the majority of member states of the European Economic Area (the "EEA") and is likely to be implemented in the remaining EEA member states in the near term. The AIFMD sets out minimum conditions related to the marketing of interests in alternative investment funds (such as the shares) in member states of the EEA. These conditions include requirements to register the Fund as being marketed in the relevant EEA member state, requirements to file periodic reports with the competent authority in the relevant EEA member state and requirements to comply with disclosure and reporting requirements in respect of investors in the relevant EEA member state. The AIFMD does not, however, prohibit an investor in a relevant EEA member state subscribing for shares at their own initiative in circumstances where such shares have not been marketed in such member state and the Fund may issue shares to such investors. Investors should note that the Fund has not been registered as being marketed in any EEA member state, and that the sale of shares of the Fund will only be made to an investor based on such investor's own initiative. Accordingly, no reports will be filed with the competent authority in any EEA member state by, or in respect of, the Fund and no investor shall be entitled to receive any disclosure or report that is mandated in respect of an alternative investment fund being marketed in any EEA member state. If the Fund and/or the Advisor elect to engage in marketing in the EEA at any time in the future, the Advisor will be required to comply with numerous obligations in relation to its own operations and in relation to the Fund. Compliance with the requirements of the AIFMD and marketing rules in the EEA may be costly or could require significant amendments to be made to the structure of the Fund. It should be noted that

such costs may be prohibitive and, accordingly, may impair the ability of the Advisor to market shares in the EEA in the future which may have a material adverse effect on the Fund's ability to achieve its investment objective.

NO SEPARATE COUNSEL:

The Fund and the Advisor are represented by the law firm listed herein. No separate counsel has been retained by the Fund to represent the Investors.

ABSENCE OF REGULATORY OVERSIGHT:

Although the Fund is a regulated mutual fund under the Mutual Funds Act (as revised), it is not required to, nor does it intend to, register under the laws of any other jurisdiction. As a consequence, the securities laws of other jurisdictions (which may provide certain regulatory safeguards to investors) generally will not apply. Accordingly Investors may not have the benefit of all the protections afforded to them by the securities laws of their home jurisdiction or other relevant jurisdictions

The above list of risk factors is not exhaustive. Prospective investors should read this entire Prospectus and the Fund's Memorandum and Articles of Association and consult with their own professional advisers before deciding whether to subscribe for shares in the Fund.

MANAGEMENT OF THE FUND

THE CAYMAN NATIONAL GROUP:

Established in 1974, Cayman National Corporation Ltd. is one of the largest financial services company based in the Cayman Islands, providing banking, trust and company management, fund administration, and wealth management services to clients locally and around the world, from the Cayman Islands and the Isle of Man, with a representative office in Dubai. Cayman National is publicly traded on the Cayman Islands Stock Exchange. Since 2019, Cayman National is part of the Republic Group. Established in the Caribbean in 1837 as the Colonial Bank and becoming Barclays Bank of Trinidad and Tobago, the Republic Group is today one of the region's largest and most successful financial institutions.

DIRECTORS & OFFICERS:

The business affairs of the Fund are managed under the direction of its Board of Directors who are current senior Officers of the Cayman National organization. For the purposes of this Prospectus, the address of all the Directors is the registered office of the Fund.

The present Directors are:

Ms. Janet Hislop, CEO, Cayman National Corporation, Ltd. & President, Cayman National Bank, Ltd.

Ms. Hislop was appointed President of Cayman National Bank in April, 2019. Prior to her appointment, she spent 19 years working with Deutsche Bank (Cayman) Limited, where she held the positions of Chief Country Officer and Head of Financial Intermediaries. The earlier years in Ms. Hislop's banking career were spent with Barclays Bank and CIBC in the Cayman Islands. She holds a BsC (Hons) in Molecular Biology and Genetics from the University of Guelph, Ontario, Canada and a Bsc (Hons) in Financial Services from the University of Manchester. Her professional designations include: Associate of the Institute of Financial Services UK; Trust and Estate Practitioner (TEP; and Certified Anti Money Laundering Specialist (CAMS). She is a past Chairperson of the Board of the Cayman Islands Development Bank.

Mr. Ian Whan Tong, Executive Vice President, Group Legal Counsel, Cayman National Corporation, Ltd.

Ian C. Whan Tong is Executive Vice President, Group Legal Counsel and Corporate Secretary for Cayman National Corporation Ltd., and is responsible for, oversees, or advises on legal and corporate secretarial affairs of CNC and its subsidiaries, data governance and privacy, and real property.

Ian was first called to the bar in 1996, and practised commercial and regulatory litigation in Toronto at Fasken Martineau. He practiced corporate law in the Cayman Islands from 2002, and was Chief Policy Officer at the Cayman Islands Monetary Authority in 2004. He joined Cayman National as its first and only counsel in 2007.

Ian obtained his AB from Princeton University, and his MPA and JD from Dalhousie University. He was awarded the CAMS designation, and holds both CIPP/E and CIPM certifications in privacy and data protection. He expects to earn the GPC.D certification in governance in 2024. He was a top 8 finalist among 3000+ nominees for the Global Counsel Awards. As a volunteer, he founded and is the tournament director of the only high school debating competition in the Cayman Islands.

Mr. Ravi Mykoo, Executive Vice President, Cayman National Corporation Ltd.

Ravi Mykoo, Executive Vice-President, has served in various leadership roles within the Republic Financial Holdings Limited (RFHL) Group. Prior to his appointment at Cayman National Corporation Ltd., he was the Country Manager of Republic Bank (Cayman) Limited. He also served as Manager,

Money Market at the Group Treasury Department of Republic Bank in Trinidad as well as the Treasurer of Republic Bank (Suriname) NV. He is a Chartered Financial Analyst (CFA) and a graduate of the University of the West Indies with a BSc. (First Class Hons.) in Economics and Management. Mr Mykoo holds several professional certificates in Treasury Risk Management, Basel: Understand and Transit, and Corporate Tax Training.

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Fund. The Director will not be liable to account to the Fund for any profit he derives from such a transaction or arrangement provided that the nature and extent of any material interest has been disclosed to the other Directors. A Director who has an interest in any particular business to be considered at a meeting of the Directors may be counted for the purpose of determining whether the meeting is duly constituted and may vote at such meeting provided that the interest has been disclosed.

The Fund's Memorandum and Articles of Association provide that no Director will be liable to the Fund for any loss or damage in carrying out his functions unless that loss or damage arises through the willful act or default of such Director. Each Director is entitled to be indemnified out of the assets of the Fund to pay all costs, losses and expenses which may be incurred in discharge of his duties.

The Directors do not receive a fee for their service in such capacity. The Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Fund, or in connection with the business of the Fund.

BANKER AND MORTGAGE ADVISOR:

The Advisor will act as banker and mortgage advisor to the Fund. The Advisor will give such advice on investments of the Fund to the Directors as they may require from time to time in connection with the investment of the Fund's assets. The Directors will be responsible for the day-to-day investment decisions of the Fund.

Cayman National Bank Ltd. is a company incorporated in the Cayman Islands and holds a Class "A" Unrestricted Banking and Trust License from the Cayman Islands Government.

The Fund may terminate the appointment of the Advisor by giving one month's notice in writing to the Advisor. The Fund's Bank and Mortgage Advisory Agreement is also terminable by the Advisor upon expiration of not less than three months' notice in writing to the Fund. The Fund's Bank and Mortgage Advisory Agreement, in certain circumstances, may be terminated immediately.

The Fund's Bank and Mortgage Advisory Agreement provides that, in the absence of willful misfeasance, bad faith, gross negligence or reckless disregard, the Advisor (including all directors, officers and employees of the Advisor) shall not be liable for any loss or damage suffered by the Fund arising directly or indirectly out of any error or judgment or oversight or mistake of the law on the part of the Advisor made or committed in the performance of its duties under the Bank and Mortgage Advisory Agreement.

In the Bank and Mortgage Advisory Agreement the Fund agrees to indemnify and hold the Advisor harmless against all claims and demands (including costs and expenses arising therefrom or incidental thereto) which may be made against the Advisor as the result of or in the course of the discharge of its duties under the Bank and Mortgage Advisory Agreement in respect of any loss or damage sustained or suffered or alleged to have sustained or suffered by any third party otherwise than by reason of the willful misfeasance, bad faith, gross negligence or reckless disregard of the Advisor.

For its services as Advisor, Cayman National Bank Ltd. receives the commitment fee paid by mortgagors. This fee usually amounts to 1% of the mortgage principal. The duties and remuneration of Cayman National Bank Ltd. are set out in an Agreement entered into with the Administrator dated 12th March 1993 as amended by a Deed of Amendment dated 18 December 2019.

ADMINISTRATOR:

The Fund has engaged JTC Fund Services (Cayman) Ltd. to act as the administrator, registrar and transfer agent (the "Administrator") to the Fund pursuant to an Administrative Services Agreement (the "Administrative Services Agreement").

JTC Fund Services (Cayman) Ltd. holds a mutual fund administrator licence issued by the Cayman Islands Monetary Authority. It is a wholly owned subsidiary of the JTC PLC. Information on JTC PLC and its applicable regulators can be accessed via www.jtcgroup.com.

The Administrator is responsible, under the supervision of the Directors, for providing administrative services required in connection with the Fund including maintaining the corporate books and records of the Fund, keeping the accounts of the Fund and calculating the net asset value. The Administrator has no responsibility to ensure compliance with the investment objectives of the Fund.

The Administrative Services Agreement is terminable at any time by the Fund in the event that the Administrator, in the reasonable judgement of the Directors, shows reckless disregard, wilful misfeasance, bad faith or gross negligence in the performance of its obligations and duties under the Administrative Services Agreement. The Administrative Services Agreement is

also terminable by either party on 90 days' notice or sooner with the written consent of both parties.

The Administrative Services Agreement provides that the Administrator shall not be liable to the Fund for any acts or omissions in the performance of its services, other than by reason of any fraud, gross negligence or material breach of duty by the Administrator.

In the Administrative Services Agreement the Fund agrees to indemnify the Administrator and its directors, officers, employees, shareholders, associated and affiliated companies against, and hold harmless from, any expense, loss, liability or damage arising out of any claim asserted or threatened to be asserted by any third party in connection with the Administrator's serving or having served as such pursuant to the Administrative Services Agreement, provided that the Administrator and its directors, officers, employees, shareholders, associated and affiliated companies shall not be entitled to such indemnification with respect to any loss, expense, liability or damage suffered by the Fund which was caused by reason of any fraud, gross negligence or material breach of duty of the Administrator or its directors, officers, employees, shareholders, associated and affiliated companies.

The Administrator is entitled to receive from the Fund a fee payable monthly in arrears based on the net asset value of the Fund, subject to a minimum monthly fee. The Administrator is also entitled to receipt of reasonable out-of-pocket expenses incurred on behalf of the Fund including, without limitation, communications, postage and printing.

FEES AND EXPENSES

The Fund will bear all fees and expenses incurred in connection with its investment program and operations including: (i) fees and expenses of service providers, advisers and consultants; (ii) indemnification expenses and the cost of insurance against potential indemnification liabilities; (iii) legal, administrative, accounting, tax, audit, transaction services and insurance expenses; (iv) all registration fees, taxes and corporate fees payable to any relevant government, agency or regulatory authority including but not limited to the costs associated with maintaining the Fund's legal existence; (v) expenses with respect to investor communications, including marketing expenses, expenses of meetings of Investors and costs of preparing, printing and distributing financial statements and other documents; (vi) Directors' fees (if any) and expenses; and (viii) litigation or other extraordinary expenses.

Any liabilities or expenses attributable to a particular Investor may, in the sole discretion of the Directors, be allocated solely to such Investor.

REAL ESTATE IN THE CAYMAN ISLANDS

THE GOVERNING ACT:

In general, Real Property Transactions are governed by the provisions of the Registered Land Act (as revised) ("Registered Land Act"). The Registered Land Act legislates for a system to record certain interests in land (including ownership, nature of title, certain encumbrances and certain appurtenances). It also sets out the various remedies available to Chargees (the persons to whom a parcel of land is charged as security for debt) in the circumstances of Chargor (the proprietor of the parcel) default.

In addition the Strata Titles Registration Act (as revised) ("Strata Act") provides for the creation, management and destruction of strata lots – a system of organizing a collection of parcels with shared amenities / facilities (for example, a condominium complex). Both the Registered Land Act and the Strata Act applies to strata lots.

TITLE TO LAND:

The Cayman Islands enjoy a system of registered land titles under which land is held in parcels, the approximate boundaries of which are shown on a Registry Map. Each parcel has its own register, which contains details of the parcel including the nature of the title (i.e. whether it is freehold or leasehold (i.e. a lease for a term of years)), the owner of the parcel and the registrable rights which benefit and burden the parcel. The register will also record any charges/mortgages registered against the parcel, and the registered proprietor of the charge/mortgage.

The register will also reveal whether the parcel is a strata lot or a volumetric parcel.

Strata lots are created by and identified on a strata plan registered against a parcel. Upon the registration of a strata plan the original parcel is transferred to a strata corporation (a body corporate created pursuant to the Strata Act) and new registers are opened for each strata lot. The balance of the original parcel not comprising a strata lot will be common property held by the strata lot proprietors jointly in proportion to their unit entitlement (as shown on the strata plan). The affairs of the strata corporation will be governed by a set of by-laws. Strata corporations have the power to levy assessments to pay for the insurance and maintenance of the common property.

Volumetric parcels are three dimensional land parcels created by and identified on a volumetric plan registered against a parcel. Upon the registration of a

volumetric plan the original parcel is subdivided three dimensionally into volumetric parcels with the remainder forming a base parcel.

The register to a parcel will also record whether the title is 'absolute' or 'provisional'. Absolute title is the most superior class of title available in the Cayman Islands. Provisional title is inferior and its owner is at risk of a stronger claim to the land being established. A registered proprietor of a provisional title may apply to the Registrar of Lands to upgrade title to absolute.

LAND AS SECURITY:

Under the Registered Land Act it is possible to create a "Charge" over a parcel as security for the payment of money. A Charge does not operate as a transfer of title to the parcel but is a security created by the Chargor. The Fund proposes to restrict itself to lending on the security of a Charge on parcels the title to which is absolute.

A Chargee has certain powers under the Registered Land Act to which he/she/it may resort to enforce his/her/its security if necessary. These powers are a power of sale and a power to appoint a receiver. The Charge document itself can provide for variations of these powers and commonly the Charge document will contain provisions that are more favourable to a Chargee than those set out in the Registered Land Act.

OWNERSHIP IDENTIFICATION:

A copy the register for each parcel, as well as copies of all registered instruments noted on the register, is available from the Land Registry for a small fee. Extracts of the Registry Map, as well as copies of volumetric plans and strata plans (where relevant), are also available.

ENCUMBRANCE IDENTIFICATION:

The register for a parcel provides detailed chronological information of Charges registered against and the sums secured thereby. Removal of an existing Charge is facilitated by submission of a Discharge of Charge duly executed by authorized signatories on behalf of the Chargee. A small fee is payable to register a Discharge of Charge.

TRANSFER OF OWNERSHIP OF EXISTING CHARGES:

The Registered Land Act facilitates the transfer of ownership of existing Charges between Chargees, thereby permitting secondary market activity in the mortgage industry.

REALISATION OF DEBTS SECURED BY A REGISTERED CHARGE:

The Registered Land Act sets out certain procedures, for the protection of the Chargor in the way of demanding repayment and the giving of notice of default, that have to be complied with by the Chargee.



As mentioned above, it is common for most Chargees to reserve to themselves in the terms of the Charge enforcement powers that are more favourable than those set out in the Registered Land Act. The Registered Land Act expressly allows the parties to depart from certain of its procedures, provided that before acting on certain variations leave of the Court has been obtained.

POWER OF SALE:

The statutory power of sale is exercisable by public auction. This does not require a formal auction process, the sale of the property via the Cayman Islands Real Estate Brokers Association Multiple Listing System ("MLS") – a common way for property to be bought and sold in the Cayman Islands – is the generally accepted method of using the underlying property to repay the mortgage. The listing should be accompanied by a reserve sale price that reflects the fair market value of the property (usually the median of values prepared by two independent valuers), which may be gradually lowered if not met within a reasonable time.

When exercising its power of sale, the Charge must act in good faith and have regard to the interests of the Chargor. This obligation shortly explained means that the Chargee must take all reasonable steps to secure the best price reasonably obtainable on the day appointed for the sale.

It is common for the terms of a Charge to also reserve to a Chargee the power to sell by private treaty. In order to act on the same, leave of the Court must be obtained. This is not customarily granted unless there has been fair attempt to find a buyer on the open market, and for this reason most sales are effected through the MLS as described above.

MORTGAGE LENDING AND SECURITY

Traditionally mortgage lending in the Cayman Islands has been restricted to an upper limit of 80% of the value of the mortgaged property. However, in recent times, this limit has been increased to 95% of the value of the mortgaged property. There have also been some instances where mortgages for 100% of the purchase value have been granted to customers, but subject to specific lending and collateral criteria being met.

The credit analysis and qualification procedures generally conform to the standard mortgage lending parameters.

In the aftermath of the high inflation of the early 1980's all lenders in the local market opted for Variable Rate Mortgages, in preference to Fixed Rate Mortgages, which had been the norm up until then. Currently most mortgage

lending institutions offer both variable and fixed rate mortgages with a minimum floor rate attached to variable rate mortgages

Until very recently the average life of a mortgage facility available in the Cayman Islands tended to be around twenty years. In recent times most of the lending has taken place in the longer end, much of it actually being done on a thirty-year basis.

Procedures governing the registration of charges and foreclosure action are outlined in the previous section, "Real Estate in the Cayman Islands".

SHARES OF THE FUND

The authorized share capital of the Fund is US\$900,000.00 divided into 100 Sponsor's shares having a par value of US\$1.00 each which are non-participating voting shares; and 89,990,000 redeemable shares with a nominal value of US\$0.01 each which are to be issued by the Directors pursuant to this Prospectus as fully paid Redeemable Participating Shares. The Sponsor's shares are owned by Cayman National Corporation Ltd.

The holder of the Sponsor's shares shall be entitled to notice of, and attend and vote at, meetings of the Investors of the Fund. The holder of the Sponsor's shares shall not be entitled to share in any dividends declared by the Fund. Upon a liquidation of the Fund the Sponsor's shares shall only be entitled to a return of the par value paid up on the Sponsor's shares but only after the nominal amount of any premium paid on the Redeemable Participating shares has been repaid to the holders of such shares.

The holders of the Redeemable Participating shares shall not be entitled to receive notice of nor to attend nor to vote at any General Meeting of the Fund, except that they shall be entitled to notice of, and to attend and vote at any meeting held to consider and vote on resolutions which, if passed, would vary their rights.

The Advisor and any of its affiliates may buy and redeem Redeemable Participating shares of the Fund.

PURCHASE OF SHARES

The Fund may issue fully paid shares of US\$0.01 par value without limitations. Applications to purchase shares accompanied by any supporting documentation required to satisfy anti-money laundering requirements and a

remittance made payable to Cayman National Mortgage Fund Ltd. should be sent in accordance with the instructions contained in the Subscription Documents for a minimum of US\$10,000. Remittances may also be sent by wire transfer to Cayman National Bank Ltd. for the account of Cayman National Mortgage Fund Ltd. Account Number 021-03814. Applications and cleared funds should be received at least 5 business days before the month end.

If the completed Subscription Agreement, supporting documentation or subscription monies are not received by the applicable time referred to above, the application will be held over to the month end following receipt of the Subscription Agreement, outstanding documentation and/or subscription monies, as the case may be. Shares will then be issued at the relevant subscription day.

The Fund may reject any application in whole or part and without giving any reason for doing so. If an application is rejected, the subscription monies paid, or the balance thereof in the case of a partial rejection, will be returned (without interest) as soon as practicable to the account from which the subscription monies were originally remitted. Any costs incurred in returning the subscription monies will be borne by the subscriber.

Share certificates will not be issued although investors will be registered in the Fund's Share Register.

The Fund is continuously offered on the first business day of each month at net asset value as at the last business day of the previous month.

The Directors have the right to suspend the continuous offering on a temporary basis if they consider this to be in the best interest of the Fund.

REDEMPTION OF SHARES

Shares in the Fund may be redeemed as of the last business day of each month. Any request for shares to be redeemed must be in writing, stating the number of shares to be redeemed and should identify the Investor's account with the Fund. The request should be signed by Investors in the same way as the shares are registered. The Administrator must receive redemption requests at least 2 weeks before the month end.

The price at which a redemption request is executed is the net asset value per share next determined after proper redemption instructions are received.

(Shares redeemed in this manner will be entitled to the additional shares represented by the dividend declared with respect to the shares on the day of redemption.)

Redemption proceeds will not be paid to an Investor until the Fund has received any outstanding information or documentation required in connection with any applicable anti-money laundering requirements or similar matters. None of the Directors, the Advisor or the Administrator will be liable for any loss arising as a result of any delay in payment of any redemption proceeds if such information and documentation has not been provided by the Investor.

The Fund may refuse to pay redemption proceeds to an Investor if the Directors, the Advisor or the Administrator suspects or is advised that the payment of the redemption proceeds may result in a breach of any applicable laws or regulations in any relevant jurisdiction.

The Directors may also in certain circumstances reduce the redemption proceeds payable to an Investor by the amount of any withholding or other tax borne by the Fund that the Directors determine is attributable to such Investor.

DETERMINATION OF NET ASSET VALUE

Net asset value per share is determined at the close of business on the last day of each month which is a normal business day in the Cayman Islands and will be generally determined using International Financial Reporting Standards issued by the International Accounting Standards Board.

Net asset value per share is calculated by adding the value of all mortgages and other assets of the Fund, subtracting the liabilities of the Fund and dividing the remainder by the number of outstanding shares.

The net asset value will be determined in accordance with the following principles:

- all mortgages will be valued at the principal amount outstanding;
- no value will be assigned to goodwill;
- all fees payable by the Fund will be treated as liabilities;
- the value of any cash in hand or on deposit and accounts receivable and prepaid expenses shall be deemed to be the full amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate to reflect the true value thereof; and
- all other assets and liabilities of the Fund will be valued in the manner determined by the Directors.

YIELD INFORMATION

From time to time, the Fund may advertise its yield and effective yield. Investors should note that the investment results of the Fund will be based on historical performance and will fluctuate over time. Any presentation of the Fund's yield or effective yield for any prior period should not be considered a representation of what an investment may earn or what the Fund's yield or effective yield may be in any future period.

GENERAL INFORMATION

INDEPENDENT AUDITORS AND LEGAL ADVISERS:

Ernst & Young, independent accountants, serve as the Fund's independent auditors for a fee to be approved by the Directors annually. Appleby (Cayman) Ltd. are legal advisors to the Fund on all matters of Cayman Islands law.

DATA PROTECTION:

The Fund is committed to being a responsible custodian of the information investors provide to the Fund and the information the Fund collects in the course of operating the Fund. The Privacy Notice, which is annexed to the Subscription Agreement and also available on request, sets out how the Fund may collect, use and share information and describes:

- the types of information the Fund may collect;
- how the Fund may use the information it collects;
- how the Fund may share the information it collects;
- how the Fund protects and safely stores the information it collects;
- investors' choices and rights; and
- how to contact the Fund if any investor requires additional information or wishes to raise a concern.

DOCUMENTS AVAILABLE FOR INSPECTION:

Listed below are certain agreements into which the Fund has entered and certain other significant documents pertaining to the Fund. All of the following are available for inspection during the Fund's normal business hours at its registered office:

1. The Cayman Islands Companies Act (as revised).
2. The Cayman Islands Mutual Funds Act (as revised).
3. The Fund's Memorandum and Articles of Association.
4. The Fund's Bank and Mortgage Advisory Agreement as amended by a Deed of Amendment dated 18 December 2019.
5. The Fund's Administrative Services Agreement

SUBSCRIPTION DOCUMENT

REDEMPTION REQUEST