

TKB Investment Partners (JSC)  
Approved  
by CEO Order No. 12  
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**REGULATIONS FOR DETERMINING THE INVESTMENT PROFILE OF  
CLIENTS OF AN INVESTMENT ADVISOR**

Version No. 1

## 1. General

- 1.1. These Regulations for Determining the Investment Profile of Clients of an Investment Advisor (hereinafter referred to as **the Regulations**) have been developed by TKB Investment Partners (JSC) (hereinafter referred to as **the Company** or **the MC**) in accordance with the Directive of the Bank of Russia of 17.12.2018 No. 5014-Y “On the Regulations for Determining the Investment Profile of Clients of an Investment Advisor, on the Requirements to the Form of Delivery of Individual Investment Recommendations and to the Investment Advisory Business” (hereinafter referred to as **the Directive**) and the tutorial recommendations of the National Association of Stock Market Participants (NAUFOR), and it sets forth the arrangements for determining the investment profile of clients and the list of data for that purpose.
- 1.2. These Regulations shall apply to the Company’s investment advisory business.
- 1.3. Unless otherwise stipulated by these Regulations, all the terms shall have the meanings set forth by the applicable law including the Directive and the investment advisory agreements made between the Company and clients.
- 1.4. For informing clients and potential clients, these Regulations shall be published on the Company’s website at <http://tkbip.ru/>.

## 2. Terms and definitions

- 2.1. **Client** shall mean a legal entity or an individual that has made an investment advisory agreement with the investment advisor;  
**Potential client** shall mean a person that intends to make an investment advisory agreement with the investment advisor.
- 2.2. **Qualified investor** shall mean a person that meets the requirements set forth by the Federal Law No. 39-Φ3 “On the Stock Market”, the Directive of the Bank of Russia of 29.04.2015 No. 3629-Y “On the Recognition of Persons as Qualified Investors and the Maintenance of the Register of Persons Recognized as Qualified Investors” and that has been recognized as a qualified investor according to the Company’s bylaws.
- 2.3. **Client’s investment profile** shall mean information on the return from transactions with financial instruments that the Client expects, the period for which such return is determined, and the risk of loss from such transactions that is admissible for the Client if the Client is not a qualified investor.
- 2.4. **Investment horizon** shall mean the period for which the expected return and admissible risk for the Client are determined.
- 2.5. **Admissible risk** shall mean the risk of possible losses from transactions with financial instruments that the Client is able to bear.
- 2.6. **Expected return** shall mean the return from transactions with financial instruments that the Client expects.

## 3. Regulations for determining the Client’s investment profile

- 3.1. The Company shall determine and obtain the Client's approval of the Client's investment profile before the beginning of delivery of individual investment recommendations (hereinafter referred to as **IIR**).
- 3.2. The Client's investment profile shall be determined for each investment advisory agreement (hereinafter referred to as an **IA Agreement**). There may be more than one investment profile for the same Client if more than one IA Agreement is expected to be made with such Client. Amendment or/and termination of one investment profile of a Client does not necessarily cause amendment or/and termination of any other investment profiles of such Client.
- 3.3. The Client's investment profile shall be determined as follows:
- Expected return;
  - Admissible risk (to be included in the Client's investment profile if the Client is not a qualified investor and may be in the Client's investment profile on the Company's decision if the Client is a qualified investor);
  - Investment horizon.
- 3.4. The Client's investment profile is part and parcel of the IA Agreement.
- 3.5. The signing of the IA Agreement shall mean that: a) the investment profile has been determined and agreed between the Company and the Client; b) the Client has been informed of the risk of false investment submission by the Client for the determining of their investment profile. Amendment of the Client's investment profile shall be effected via relevant amendments to the IA Agreement.
- 3.6. The manager will not check whether the data that the Client has provided for the determining of their investment profile are true.
- 3.6.1. If it is impossible to include the investment profile in the IA Agreement, the Company and the Client may agree upon a different procedure for determining and approval of the investment profile in compliance with all the requirements of this section 3.
- 3.6.2. On the result of analysis of investment about the Client, the Company shall make a document on the investment profile determined (hereinafter referred to as the Statement of the Client's Investment Profile or the Statement) in the form of Appendix 4 to the Regulations. The Company shall deliver the Statement of the Client's Investment Profile to the Client and obtain consent to the contents of the Statement and the Client's investment profile determined using one of the following methods:

Subitem No.	Method of information delivery to the Client	Method and form of receipt by the Company of the Client's consent to the Client's investment profile	Data and time when consent is received by the Company
1.	By delivery of the paper Statement in the form of Appendix 4 to the Regulations as a separate document.	In such case, the Company may accept the Client's consent: - on paper; - as an electronic document	The date and time specified by the Company's employee who received the paper Statement

2.	By delivery of the Statement in electronic form with an electronic signature of the Company via electronic channels for communication with the Client as stipulated by the IA Agreement (e.g., via authorized email of the parties or document exchange system (DES)).	from the Client with the Client's electronic signature.	The date and time of receipt of the electronic document (ED) by the Company
3.	By inclusion in the IA Agreement as an independent appendix or part of the IA Agreement of: <ul style="list-style-type: none"> <li>• the Statement in the form of Appendix 4 to the Regulations.</li> <li>• or an extract from the Statement in any form that shall contain the data as required for such document by the Directive.</li> </ul>	The Client shall provide consent by signing the IA Agreement.	The date and time of signature of the IA Agreement by the Parties

3.7. The Company shall review the Client's investment profile if the Client has notified the Company of a change of information regarding their investment profile or if any information that constitutes the Client's investment profile is updated on the Company's initiative (if required).

***Regulations for determining the investment profile of clients that are qualified investors***

3.7.1. For determining the investment profile, the Client shall deliver a questionnaire in the form of Appendix 1 hereto to the Company, which shall contain the following data:

- the expected investment horizon (from one to five years);
- a description of the investment objective (may be selected from Appendix 1 hereto or worded by the Client themselves);
- investment restrictions that are applicable to the relevant IA Agreement (if set forth by the law or/and the Client's own decisions).

The Company may allow the delivery of any questionnaires from these Requirements in a bilingual form (in Russian and in a foreign language). It shall be stated in such additional questionnaire that the text in the foreign language is provided for information only and the Russian text shall prevail in the event of any discrepancy.

3.7.2. Based on the data obtained according to clause 3.7.1 hereof, the Company shall make the draft Statement with indication of the expected investment profile as the investment horizon, expected return, and admissible risk (if the Company at its sole discretion considers it necessary to state this parameter in the investment profile) and shall send it to the Client for approval according to clause 3.6.2 of the Regulations.

3.7.3. The signing of the Statement according to clause 3.6.2 of the Regulations by the Client, also after amendment of the draft on the Client's request, shall mean that the Client's investment profile has been determined and agreed between the Company and the Client.

### **3.8. Regulations for determining the investment profile of clients that are not qualified investors**

3.8.1. The investment profile of clients that are not qualified investors shall be determined based on analysis of information that has been provided by the Client according to the questionnaire in the form of Appendix 1 hereto and, depending on the Client's type in the form of Appendix 2 or Appendix 3 hereto as follows:

#### **3.8.2. The investment profile of clients that are not qualified investors may not at any day contain risk that is greater than stated below:**

a) For Clients that are individuals:

$$\text{ExtraRisk} \leq \min \left\{ \frac{\text{Savings} + \text{Term} \cdot (\text{Earnings} - \text{Costs})}{\text{InvestmentAmount}} \cdot 100\% ; 100\% \right\} \text{ where:}$$

ExtraRisk shall mean the maximum admissible risk at any day for the Client;

Earnings shall mean the Client's average earnings for the year (the amount in item 1 of the questionnaire in the form of Appendix 2 multiplied by 12);

Costs shall mean the Client's average costs for the year (the amount in item 2 of the questionnaire in the form of Appendix 2 multiplied by 12);

Savings shall mean the Client's savings (item 3 of the questionnaire in the form of Appendix 2);

InvestmentAmount shall mean the approximate size of the investment portfolio (item 6 of the questionnaire in the form of Appendix 2);

Term shall mean the period in years to be determined as follows:

- if *Yes* is stated in item 4 of the questionnaire in the form of Appendix 2, then Term shall be defined as the average life expectancy less the Client's current age (the average life expectancy is 66 years for men and 77 years for women);
- in other cases:
  - if *Yes* is stated in item 5 of the questionnaire in the form of Appendix 2, then Term shall be equal to the Investment Horizon;
  - in other cases, Term shall be calculated as the double Investment Horizon.

#### **b) For legal entities that are business companies**

If *Yes* is stated in item 1.1 of the questionnaire in the form of Appendix 3, then the maximum admissible risk at any day for such Client shall be 100 %. In all other cases, the procedure below shall be applied.

$$\text{ExtraRisk} \leq \min \left\{ \frac{\text{NetAssets} - \text{MinAssets}}{\text{InvestmentAmount}} \cdot 100\% ; \text{MaxRisk} * \text{ClientCoef} \right\} \text{ where:}$$

ExtraRisk shall mean the maximum admissible risk at any day for a non-qualified Client that is a legal entity;

NetAssets shall mean the approximate size of the Client's net assets (the amount in item 1 of the questionnaire in the form of Appendix 3);

MinAssets shall mean the minimum required size of the Client's net assets (the amount in item 2 of the questionnaire in the form of Appendix 3);

InvestmentAmount shall mean the approximate size of the investment portfolio (item 3 of the questionnaire in the form of Appendix 3);

MaxRisk shall mean the maximum loss amount specified by the Client in item 4 of the questionnaire in the form of Appendix 3;

ClientCoef shall mean the adjustment factor to be determined as follows:

- if *Yes* is stated in item 5 of the questionnaire in the form of Appendix 3, then ClientCoef shall be 1;
- if *No* is stated in item 5 of the questionnaire in the form of Appendix 3, then ClientCoef shall be 0.9.

## Investment Profiling Questionnaire

Name of the Client: \_\_\_\_\_

ID data for individuals/ Principal State Registration Number (OGRN) for legal entities:

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Investment horizon: \_\_\_\_\_ (from one to five years)

Qualified investor: Yes  / No

For the determining of the investment profile, the Client may select one of the proposed investment objectives below or state their own. The admissible risk level in the table below has been estimated by the Company and may be adjusted upon agreement of the parties.

**Risk at any day** shall mean the admissible level of losses related to change of the market value of the Client's in portfolio, as a percentage as at the close of any business day in the information horizon (period).

**Risk at end of period** shall mean the admissible level of losses related to change of the market value of the Client's in portfolio, as a percentage as at the end of the information horizon (period).

The Client understands and agrees that the values of the expected return, the risk at any day, and the risk at end of period as stated in this Questionnaire are provided for information only and shall not be interpreted or/and construed as restrictions or liabilities of the Company. In view of the above, the Client understands and agrees that the values of the expected return, the risk at any day, and the risk at end of period as stated in this Questionnaire are not and will not be used in the relations between the Client and the Company for any purpose except information.

Credit, system, infrastructure, and other non-market risks are not taken into consideration for determining the expected return and the admissible level of losses. Possible taxes, costs incurred by implementation of the Company's individual investment recommendations by the Client, and the Company's remuneration under the Investment Advisory Agreement are not taken into consideration for determining the expected return.

Description of the in objective	Investment horizon					Note
	1 year	2 years	3 years	4 years	5 years	
<input type="checkbox"/> Maximum liquidity Short-term liquidity management with frequent credits to the investment account and prompt withdrawal of a significant part of the portfolio enabled. The dates of credits and withdrawals are not preset. The investment currency is the ruble.						Risk at any day
	0%	0%	0%	0%	0%	Risk at end of period
	TBD	TBD	TBD	TBD	TBD	Expected return
<input type="checkbox"/> Fixed earnings Investment for significant terms with well-predictable dates of credits and withdrawals for interest earnings on bonds or/and deposits. The investment currency is the ruble.	TBD	TBD	TBD	TBD	TBD	Risk at any day
	0%	0%	0%	0%	0%	Risk at end of period
						Expected return
<input type="checkbox"/> Safety Investment for a preset term without premature asset withdrawal (save for emergencies) for earnings above interest	TBD	TBD	TBD	TBD	TBD	Risk at any day
	0%	0%	0%	0%	0%	Risk at end of period

earnings on bonds or/and deposits. The investment currency is the ruble.	TBD	TBD	TBD	TBD	TBD	Expected return
<input type="checkbox"/> <b>Balanced high earnings</b> Investment for a long term without premature asset withdrawal (save for emergencies) for earning on intensive redistribution of investment between shares and fixed-income instruments. The investment currency is the ruble.	TBD	TBD	TBD	TBD	TBD	Risk at any day
	TBD	TBD	TBD	TBD	TBD	Risk at end of period
	TBD	TBD	TBD	TBD	TBD	Expected return
<input type="checkbox"/> <b>Shareholder earnings</b> Investment for a long term for earning on portfolio investments in shares of Russian issuers. The investment currency is the ruble.	TBD	TBD	TBD	TBD	TBD	Risk at any day
	TBD	TBD	TBD	TBD	TBD	Risk at end of period
	TBD	TBD	TBD	TBD	TBD	Expected return
<input type="checkbox"/> <b>Unit-linked</b> Investment of the risk part of an insurer's liabilities coverage funds on investment insurance products in high-yield (high-risk) instruments.	-100%	-100%	-100%	-100%	-100%	Risk at any day
	-100%	-100%	-100%	-100%	-100%	Risk at end of period
	Depending on the investment currency and investment strategy of the risk part of an insurer's liabilities coverage funds					Expected return

TBD: The Company will provide this information as at the date when the Investment Profiling Questionnaire is provided to the Client or Potential Client.

If none of the investment objectives above suits you, please state it yourself; you must state the investment currency, the expected return in the investment currency, and, for Clients that are not qualified investors, also the admissible risk in the investment currency:

Admissible risk shall be the priority for determining the investment profile of Clients that are not qualified investors.

Please list the investment restrictions that are applicable to investment under the IA Agreement made (if any):

I am aware of the risks related to providing false information for the determining of my investment profile.

I certify that the data provided are true and complete.

\_\_\_\_\_ / \_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_



### Investment Profiling Questionnaire

(additional information for individuals that are not qualified investors)

Name of the Client \_\_\_\_\_ Age \_\_\_\_\_ Sex \_\_\_\_\_

ID data for individuals:

\_\_\_\_\_

1.	Approximate average regular monthly income for the last 12 months. <i>Regular income shall mean the income that you get and will get in the future in the former amount with a high degree of confidence (income from professional activity, real estate lease, etc.)</i>	rubles
2.	Approximate average monthly costs for the last 12 months. <i>Regular costs shall mean your usual everyday consideration costs (recreation, real estate or car maintenance, etc.). Costs shall NOT include any amounts that are invested, i.e. returnable in the future.</i>	rubles
3.	Approximate savings as at the present moment. <i>Savings shall mean the value of your investment assets less any debts. Investment assets shall mean bank deposits, securities, real estate (save for properties you use for your own residence), antiques, etc.</i>	rubles
4.	Are you a pensioner and is pension your only income?	yes/no
5.	Do you have the education, experience, and knowledge in investment that are sufficient for assessing whether investment products are acceptable from the risk point of view? In particular, will you refrain from purchasing an investment product if you do not have a complete understanding of its investment qualities and related risks?	yes/no
6.	Expected amount for investment (investment portfolio)	rubles (not to exceed the amount in clause 3)

I am aware of the risks related to providing false information for the determining of my investment profile.

I certify that the data provided are true and complete.

\_\_\_\_\_ / \_\_\_\_\_

\_\_\_\_\_, 20\_\_

\_\_\_\_\_ **To be completed by the MC official** \_\_\_\_\_

Maximum admissible risk as determined based on the above data	%
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\_\_\_\_\_ / \_\_\_\_\_

\_\_\_\_\_, 20\_\_

**Investment Profiling Questionnaire**  
(additional information for legal entities that are not qualified investors)

Name of the Client \_\_\_\_\_

Principal State Registration Number (OGRN) for legal entities: \_\_\_\_\_

1.	Approximate net assets of your company at the present moment. <i>Net assets shall mean the difference between all the assets and all the liabilities of the company.</i>	rubles
1.1	Information on the turnover (revenue) from the sales of products, jobs, and services according to accounting data (national standards, accounting and reporting rules (if applicable)) for the last complete reported period.  <i>If the above value is greater than two (2) billion rubles for the reported year, state YES, in other cases state NO. A complete reported year shall mean a reported year for which the deadline for delivery of the annual accounting (financial) statements has expired or for which the annual accounting (financial) statements were made before the deadline for its submission.</i>	Yes/No
2.	Minimum required net assets of your company based on the need for floating assets during the investment horizon and the minimum equity requirements (if any). <i>Floating assets shall mean funds that are used (required) for everyday activities including the company's inventories, work in progress, finished products, products shipped, and receivables, but they do not include cash on the company's accounts (settlement and deposit accounts).</i>	rubles
3.	Approximate size of the investment portfolio.	rubles
4.	Maximum loss that is admissible for your company.	%
5.	Is there a department or/and professionals at your company that are in charge of investment activities?	Yes/No

I am aware of the risks related to providing false information for the determining of my investment profile.

I certify that the data provided are true and complete.

\_\_\_\_\_ / \_\_\_\_\_

\_\_\_\_\_, 20\_\_

\_\_\_\_\_ **To be completed by the MC official** \_\_\_\_\_

Maximum admissible risk as determined based on the above data	_____ %
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\_\_\_\_\_ / \_\_\_\_\_

\_\_\_\_\_, 20\_\_

Appendix 4  
to the Regulations for  
Determining the Investment  
Profile of Clients of the  
Individual Advisor

<i>for official notes</i> Received by the MC: HH-MM DD.MM.YYYY  _____ / _____ / _____ Signature                      Full name (not to be completed if the statement is included in the IA Agreement)	To the IA Agreement No. _____ of _____ (date) (to be completed if the IA Agreement had been made before the Client's investment profile has been determined)
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Statement of the Client's Investment Profile

Name of the Client: \_\_\_\_\_

ID data for individuals/ Principal State Registration Number (OGRN) for legal entities:  
 \_\_\_\_\_

Qualified investor: Yes  / No

1. Based on the Investment Profiling Questionnaire that was provided by the Client, the following Investment Profile has been determined:

Investment objective		
Investment horizon		
Investment strategy currency		
Admissible risk in the strategy currency	Risk at any day	
	Risk at end of period	
Expected return in the strategy currency		

2. The Client's investment profile has been determined based on the following information that was provided by the Client in the Investment Profiling Questionnaire:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

3. The Client has been advised to notify the Company as soon as possible of any change of data, based on which the Client's investment profile has been determined.

\_\_\_\_\_ **To be completed by the MC** \_\_\_\_\_

\_\_\_\_\_ / \_\_\_\_\_

\_\_\_\_\_, 20\_\_

\_\_\_\_\_ **To be completed by the Client** \_\_\_\_\_

I agree with the investment profile above:

\_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Signature                      Full name

DATE: