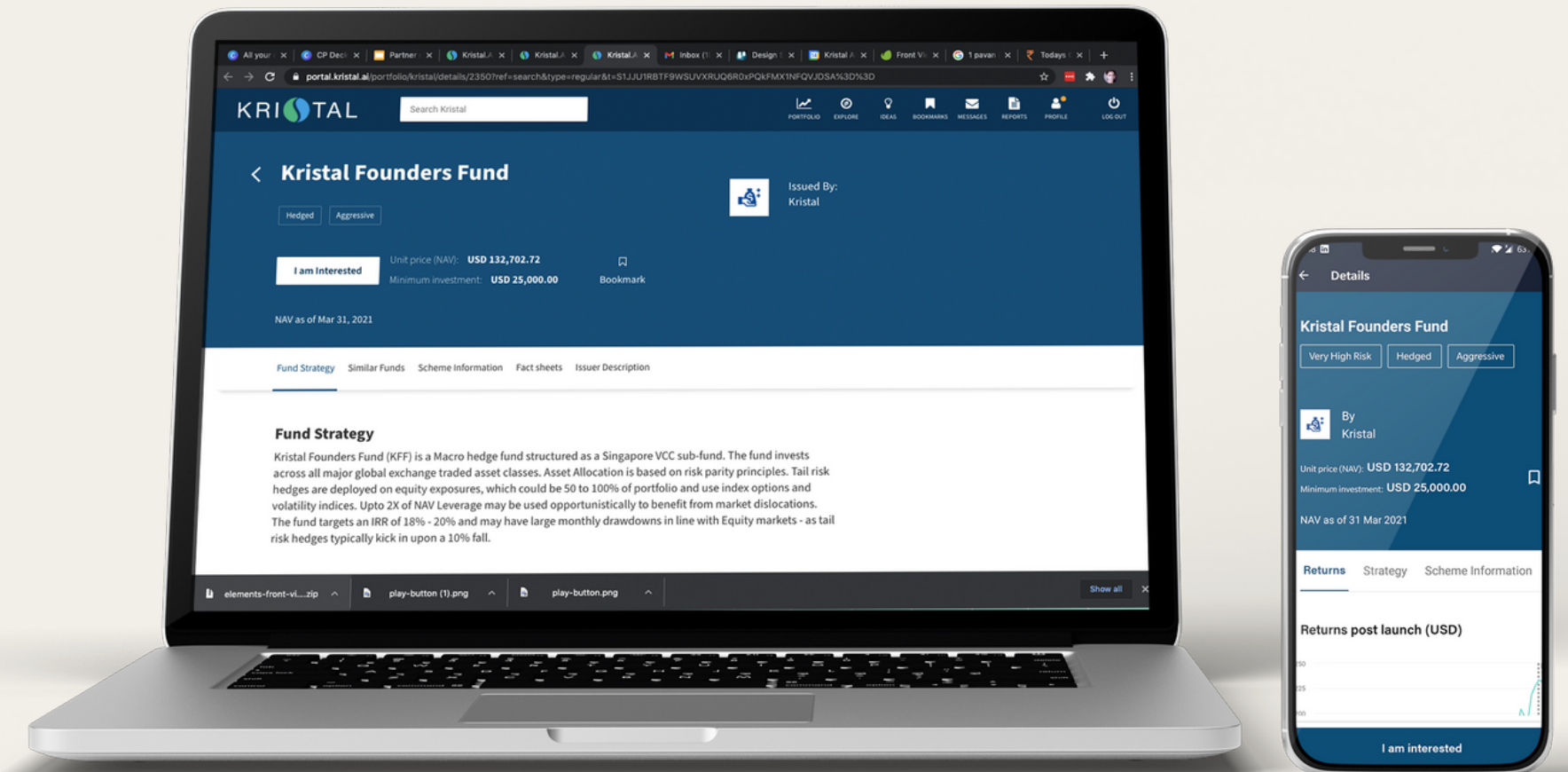


Wealth Manager for the Digital Era



Kristal.AI

TECH-ENABLED ADVISORY SOLUTION



NAV and Factsheet: Kristal Founders Fund

Company Registration Number: 201711235E

Kristal.AI

AN OVERVIEW

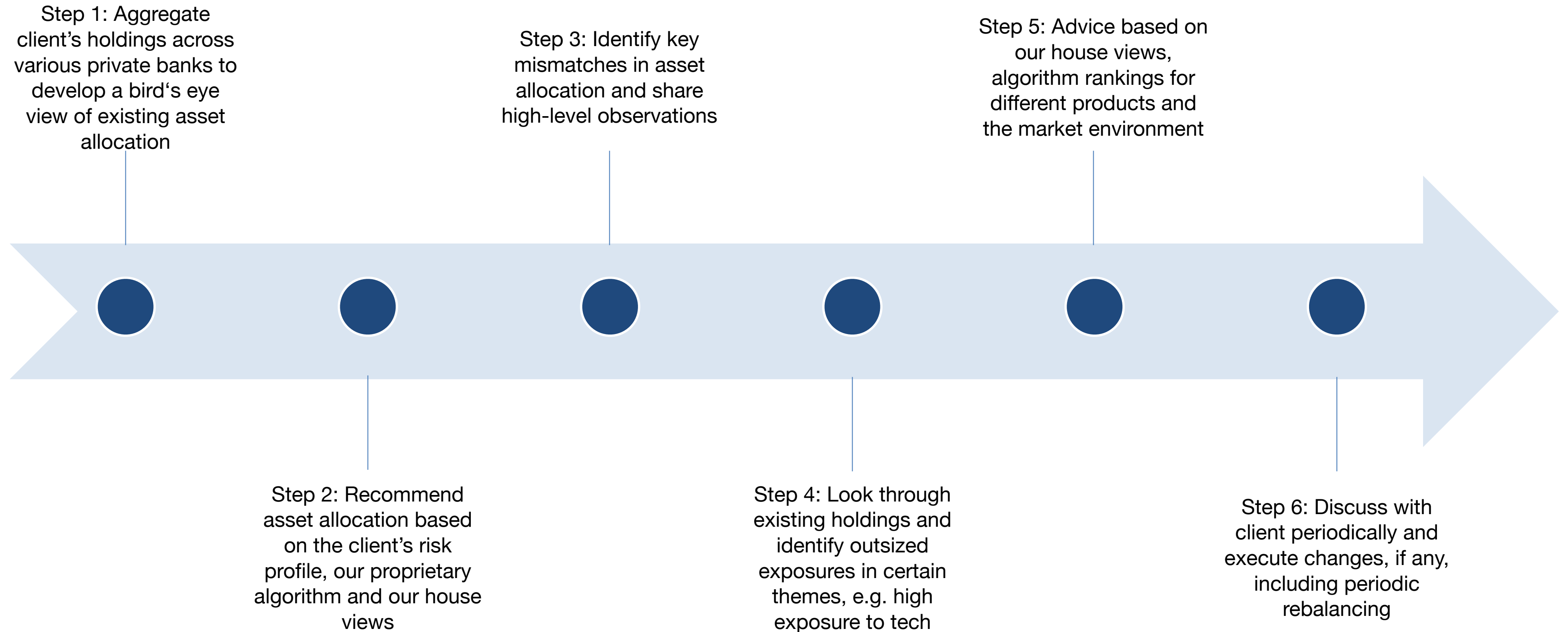
- A Wealth Manager for the Digital Era, Kristal is a Digital-First Private Wealth Platform.
- We offer a combination of algorithms and human advisory which helps provide our institutional partners personalized strategy, portfolio optimization, and unmatched access to global investment opportunities at the best market value.
- At the heart of our investment methodology is the unique collaboration between our seasoned Investment Committee and our cutting-edge algorithm.
- This approach allows us to capture trends, without missing the risk management provided by human oversight

Investment Advisory Process

ILLUSTRATIVE EXAMPLE

Investment Advisory Process – Overview

Seamless End-to-End Client Experience Using a Hybrid (Algo + IC) Approach



Step 1: Aggregate Client's Holdings

Developing a Bird's Eye View of the \$1 Million Portfolio

**Equity Stocks
Portfolio Held
at DB**
\$200,000



Ticker	Name	Sector	Weight
MSFT US Equity	MICROSOFT CORP	Technology	28%
AAPL US Equity	APPLE INC	Technology	37%
AAL US Equity	AMERICAN AIRLINES GROUP INC	Consumer, Cyclical	23%
TMUS US Equity	T-MOBILE US INC	Communications	6%
TSLA US Equity	TESLA INC	Consumer, Cyclical	3%
NOK US Equity	NOKIA CORP-SPON ADR	Communications	1%
AMC US Equity	AMC ENTERTAINMENT HLDS-CL A	Consumer, Cyclical	2%
TOTAL Stocks			100%

**ETF Portfolio
Held at Kristal**
\$250,000

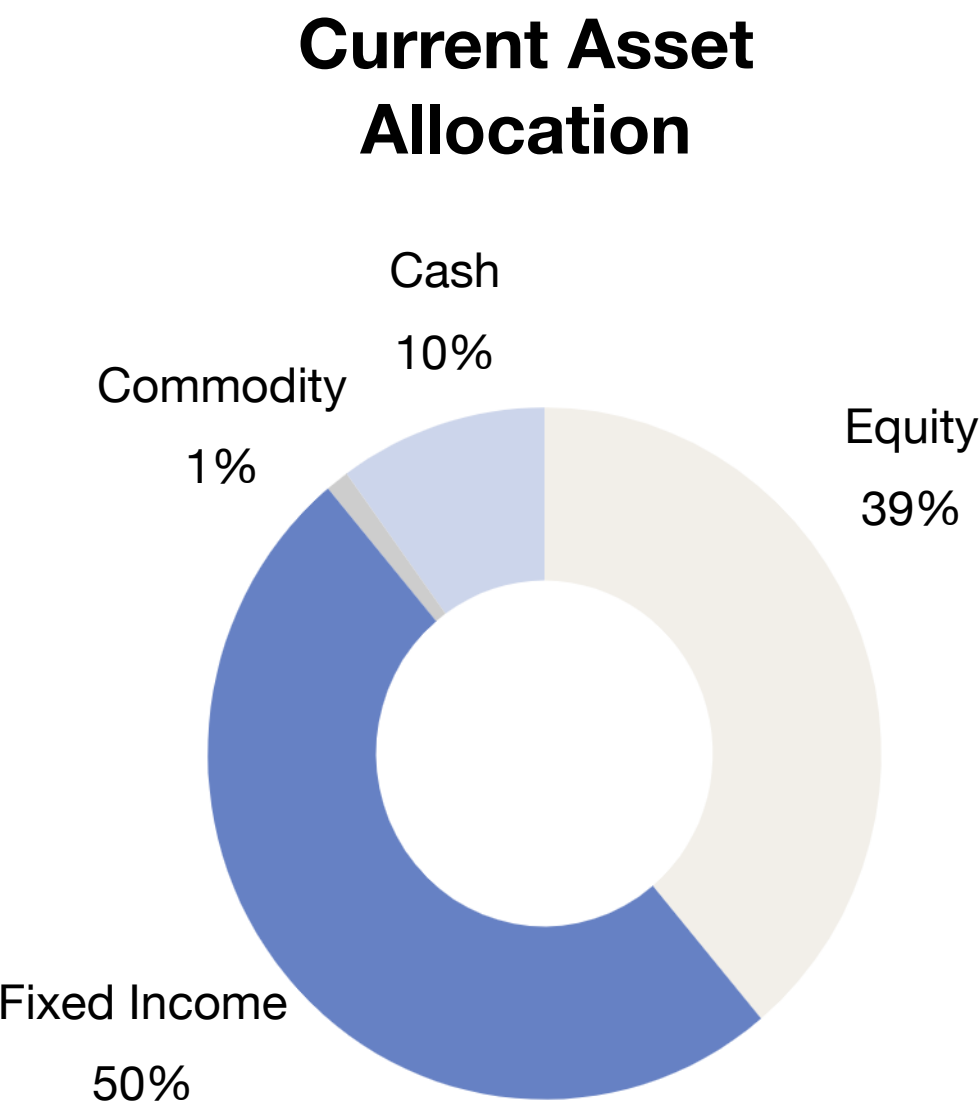


Ticker	Name	Asset Class	Weight
SPY US Equity	SPDR S&P 500	Equity	24%
SDIV US Equity	GLOBAL X SUPERDIVIDEND	Equity	7%
ARKQ US Equity	ARK AUTONOMOUS TECH & ROBOTICS	Equity	8%
VWO US Equity	VANGUARD EM STOCK INDEX FUND	Equity	5%
SRET US Equity	GLOBAL X SUPERDIVIDEND REIT	Equity	5%
VEU US Equity	VANGUARD FTSE ALL-WORLD EX-US	Equity	5%
BND US Equity	VANGUARD TOTAL BOND MARKET	Fixed Income	20%
VTI US Equity	VANGUARD TOTAL STOCK MKT	Equity	10%
IAU US Equity	ISHARES GOLD TRUST	Commodity	4%
VIG US Equity	VANGUARD DIVIDEND APPREC	Equity	5%
FSRPX US Equity	FIDELITY SELECT RETAILING PT	Equity	6%
TOTAL ETFs			100%

**Fixed Income
ETF Portfolio
Held at JB**
\$450,000



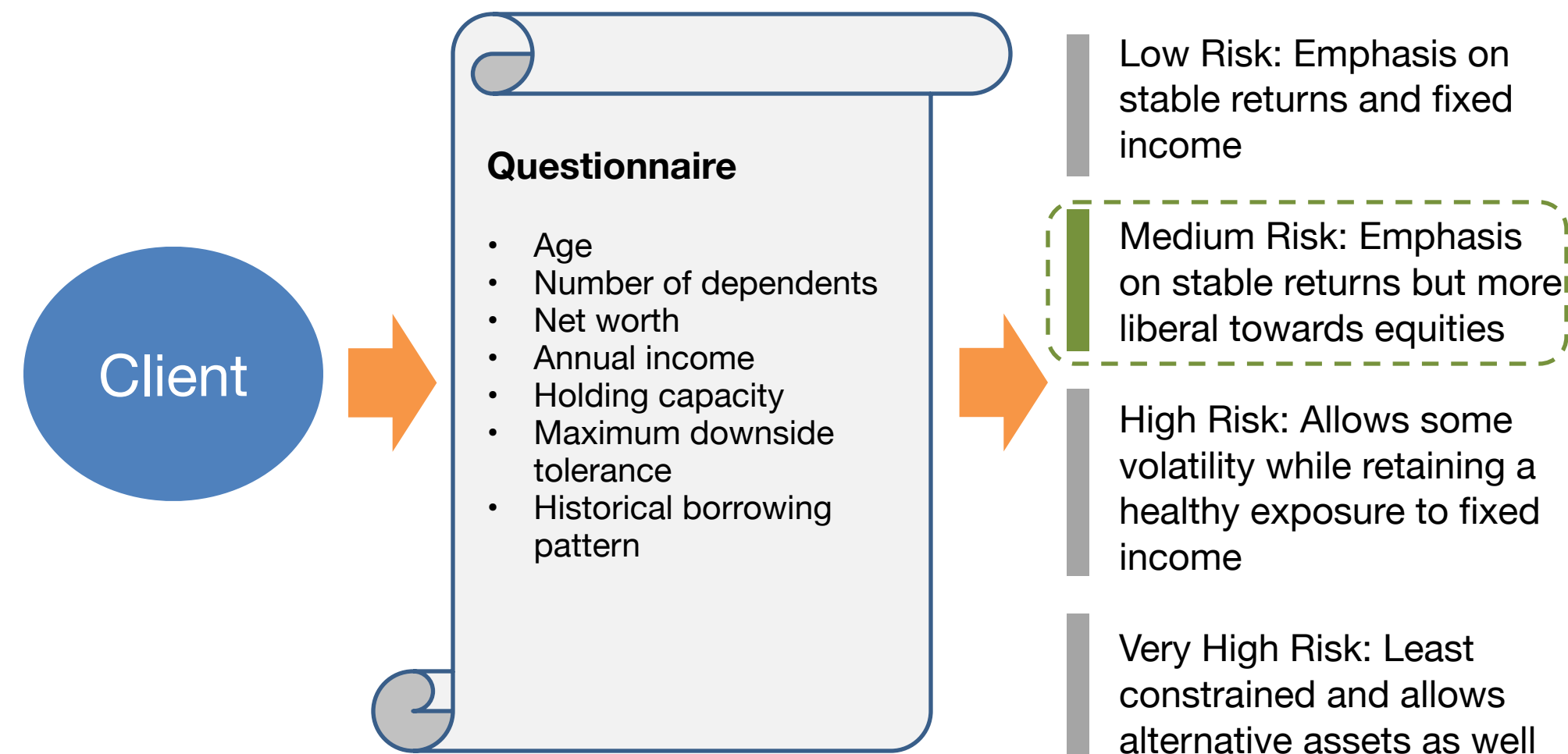
Ticker	Name	Asset Class	Weight
ZODMUBX LX Equity	INVESCO US SENIOR LOAN-HX	Fixed Income	20%
AT1 LN Equity	INVESCO AT1 CAPITAL BOND	Fixed Income	15%
IEF US Equity	ISHARES 7-10 YEAR TREASURY B	Fixed Income	23%
VTIP US Equity	VANGUARD SHORT-TERM TIPS	Fixed Income	29%
HYG US Equity	ISHARES IBOX HIGH YLD CORP	Fixed Income	13%
TOTAL ETFs			100%



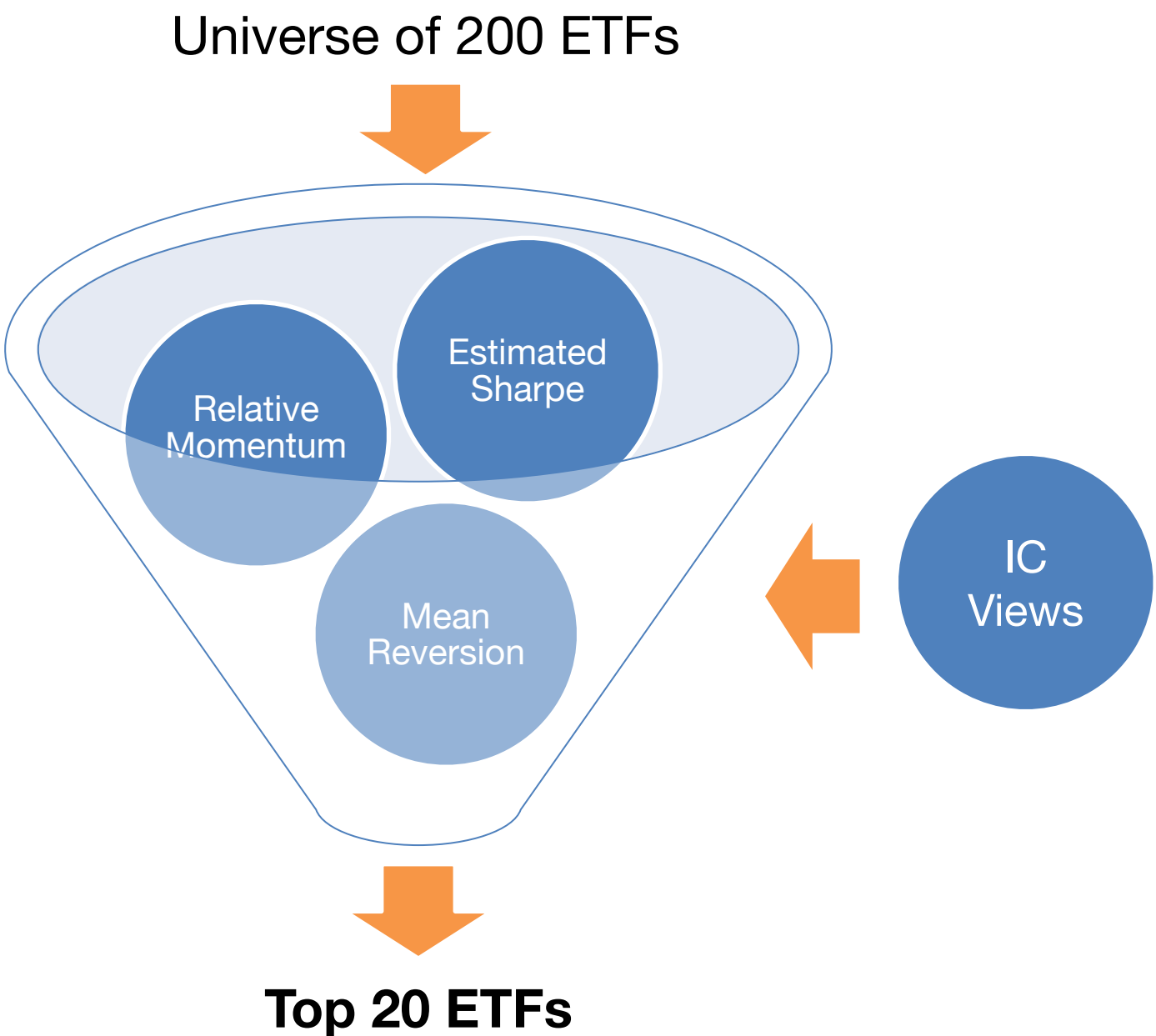
Step 2: Algo-Driven Asset Allocation Framework

A. Identifying Client's Risk Profile and Investable Universe

Risk Profiling of the Client

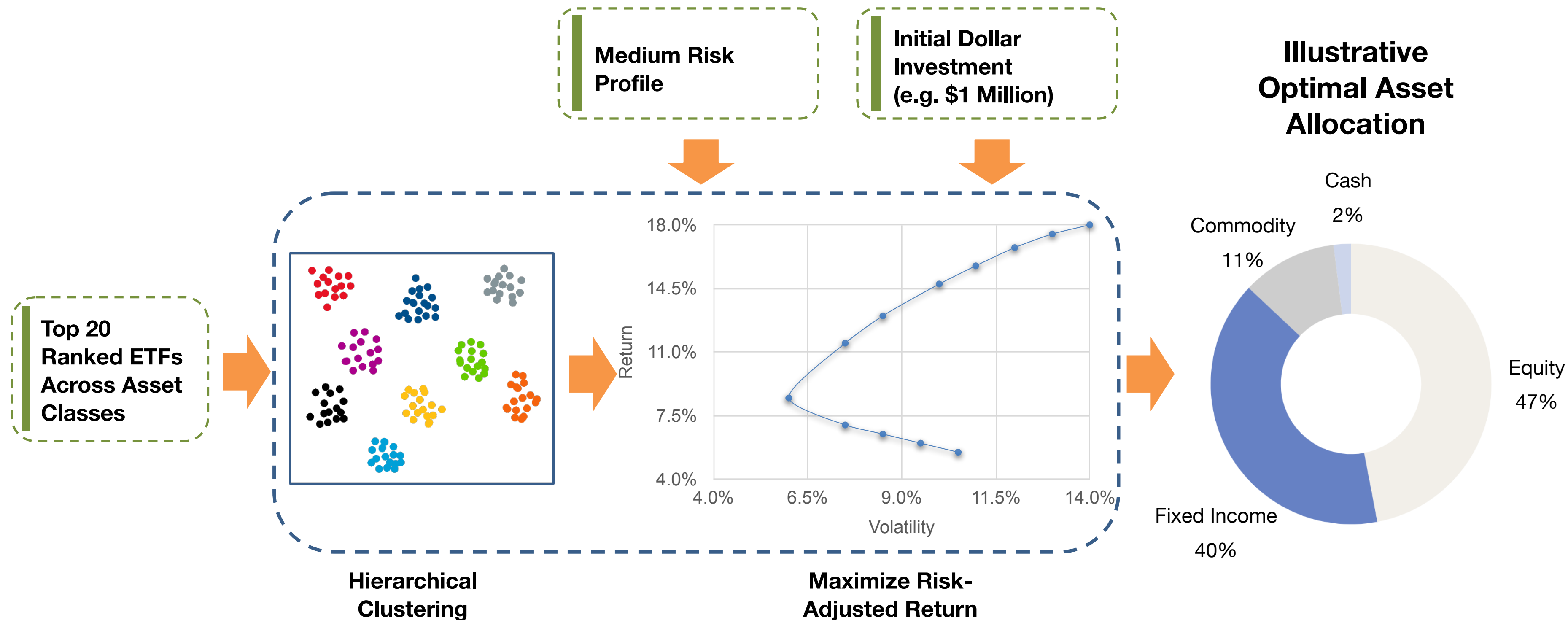


Narrowing Down the Investable Universe



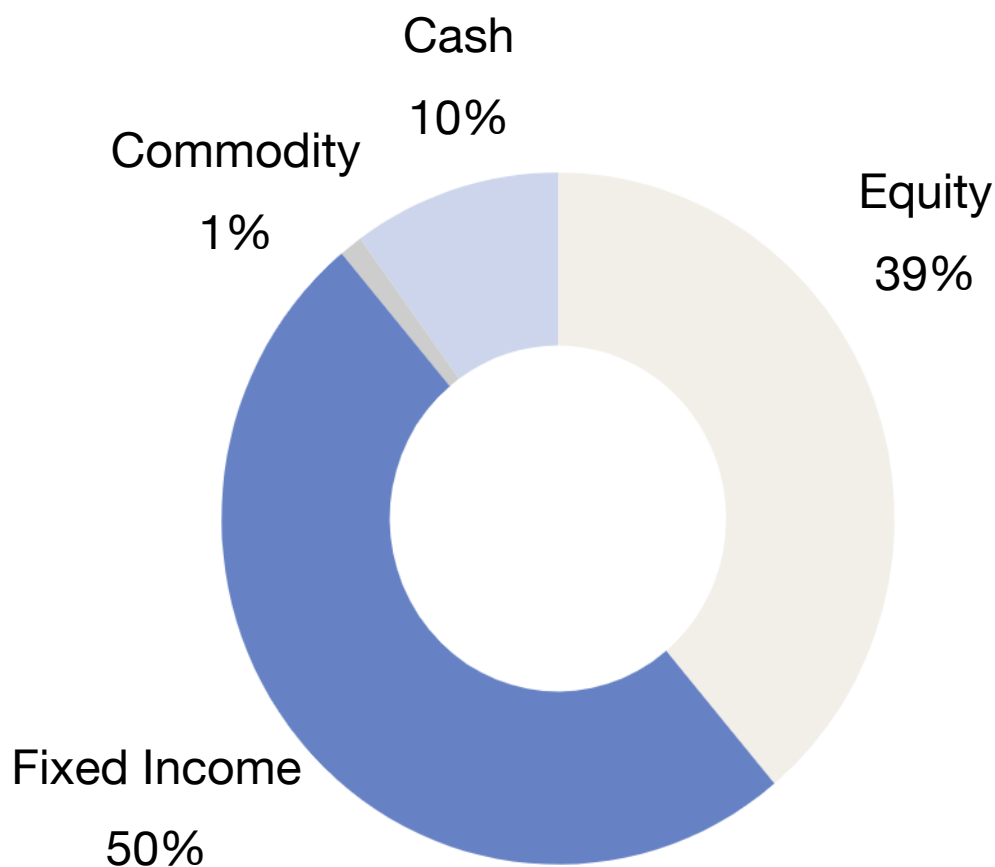
Step 2: Algo-Driven Asset Allocation Framework

B. Iterative Genetic Algorithm to Arrive at an Optimal Asset Allocation

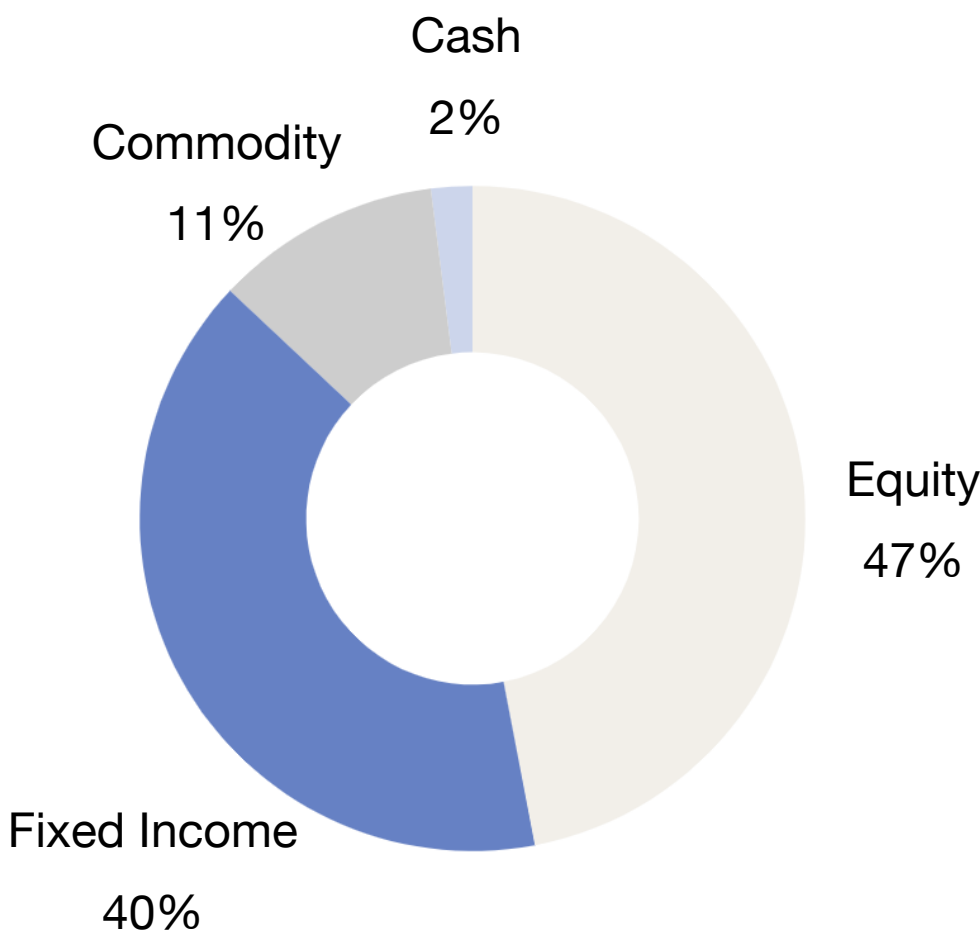


Step 3: Identify Key Asset Allocation Mismatches

Share High-Level Asset Allocation Observations



Current Asset Allocation



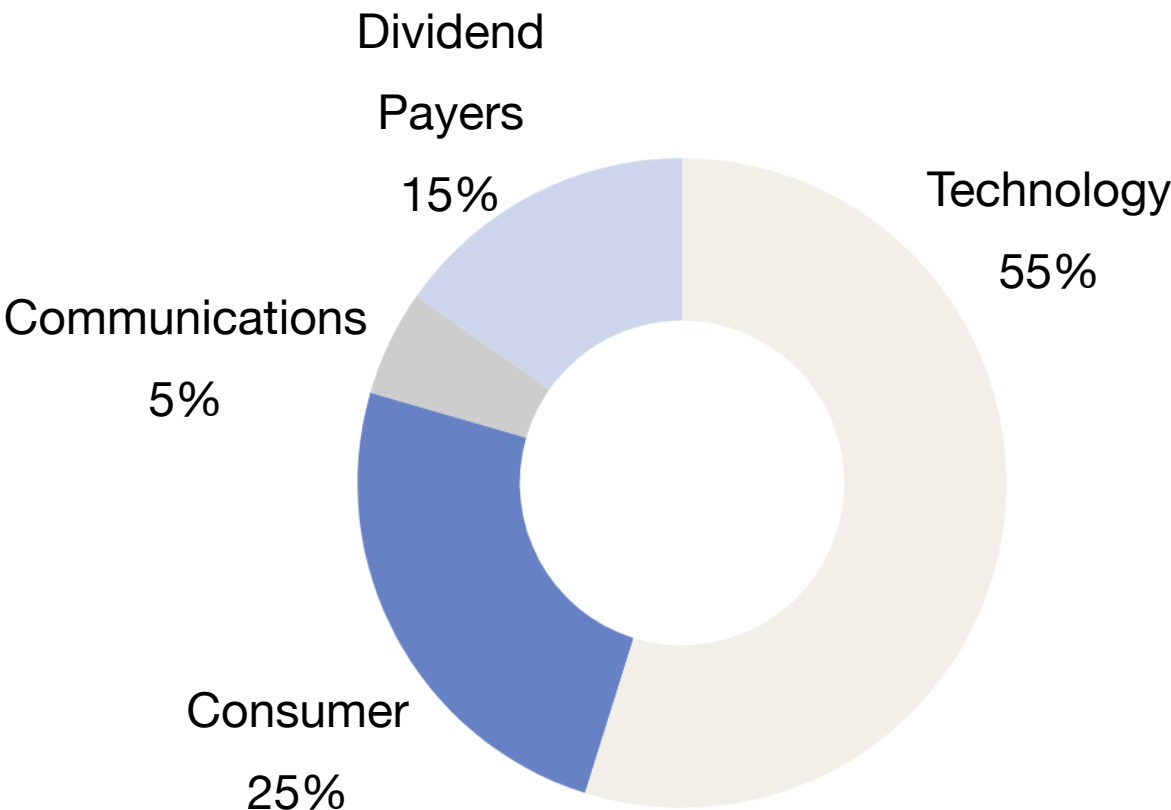
Illustrative Optimal Asset Allocation

Asset Allocation Observations

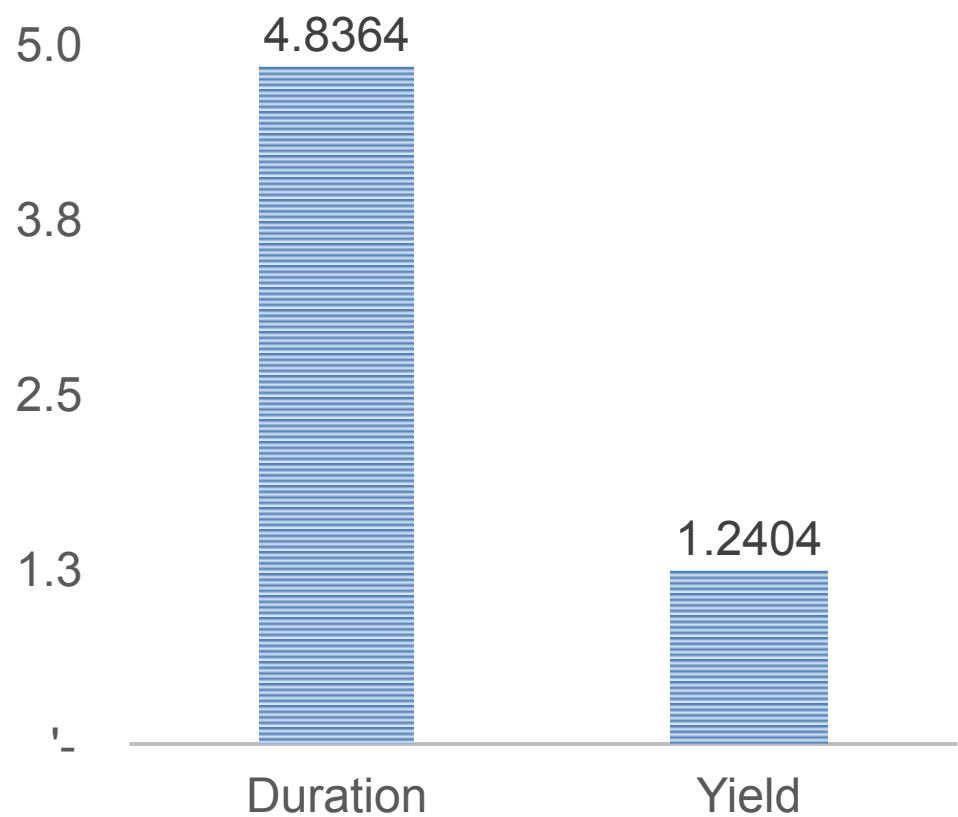
- **Increase equity** allocation by 7-8%, barring client constraints
- **Reduce fixed income** allocation, given low rates environment and increased probability of higher inflation
- **Increase commodities** allocation to capture the commodity super cycle and as an inflation hedge
- **Deploy** about 70-80% of the \$100,000 lying in **cash** to reduce cash drag and participate in rising markets

Step 4: Identify Outsized Exposures in Themes

Deeper Dive Into Existing Holdings



**Equity Sectoral /
Thematic
Breakdown**



**Fixed Income
Characteristics**

Key Observations

Equities

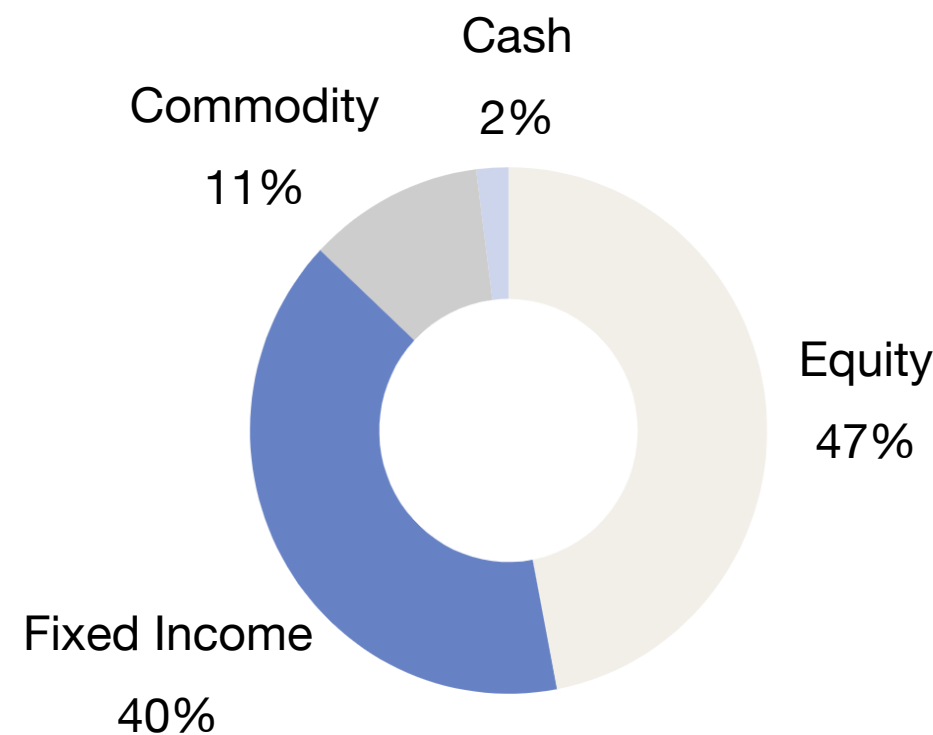
- High exposure to the tech sector
- Given the reflationary environment, would add a few financials, commodity-related exposures

Fixed Income

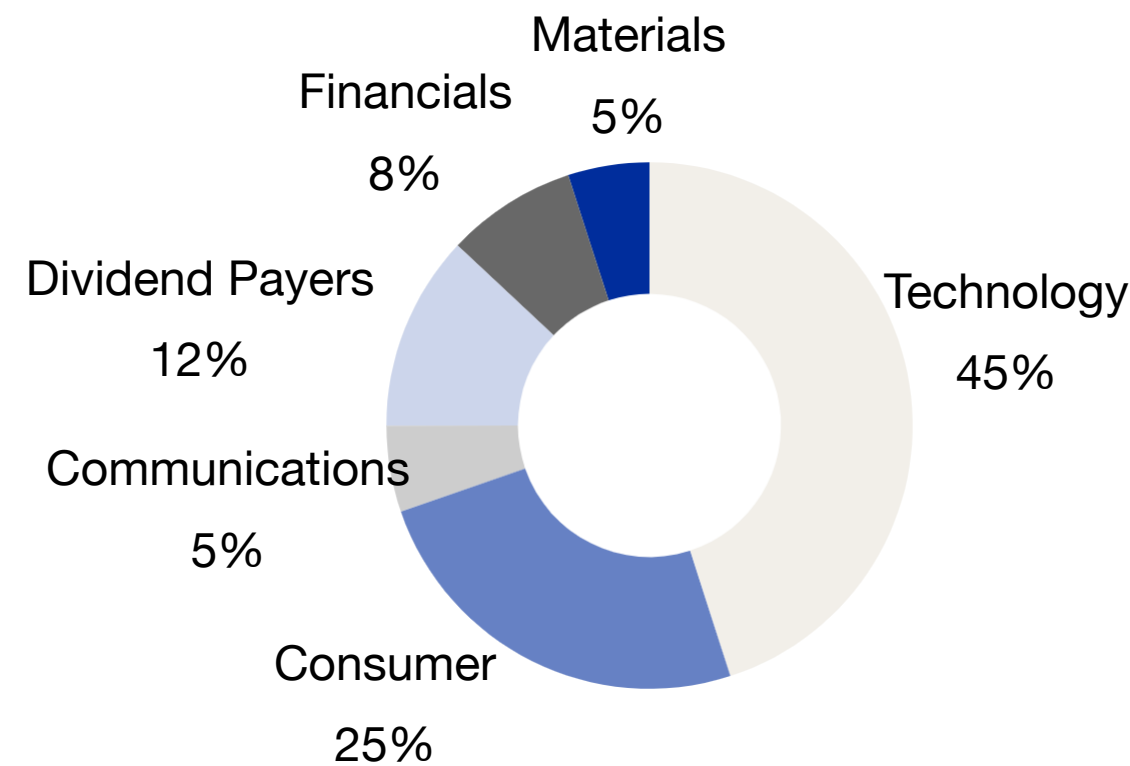
- For a portfolio duration of 4.8 years, the yield of 1.2% seems quite low
- Would try to shorten duration while pushing up the yield. E.g. potentially look to sell VTIP that yields -2% and add EM debt or perpetual bonds that are higher yielding

Steps 5 & 6: Advise and Execute

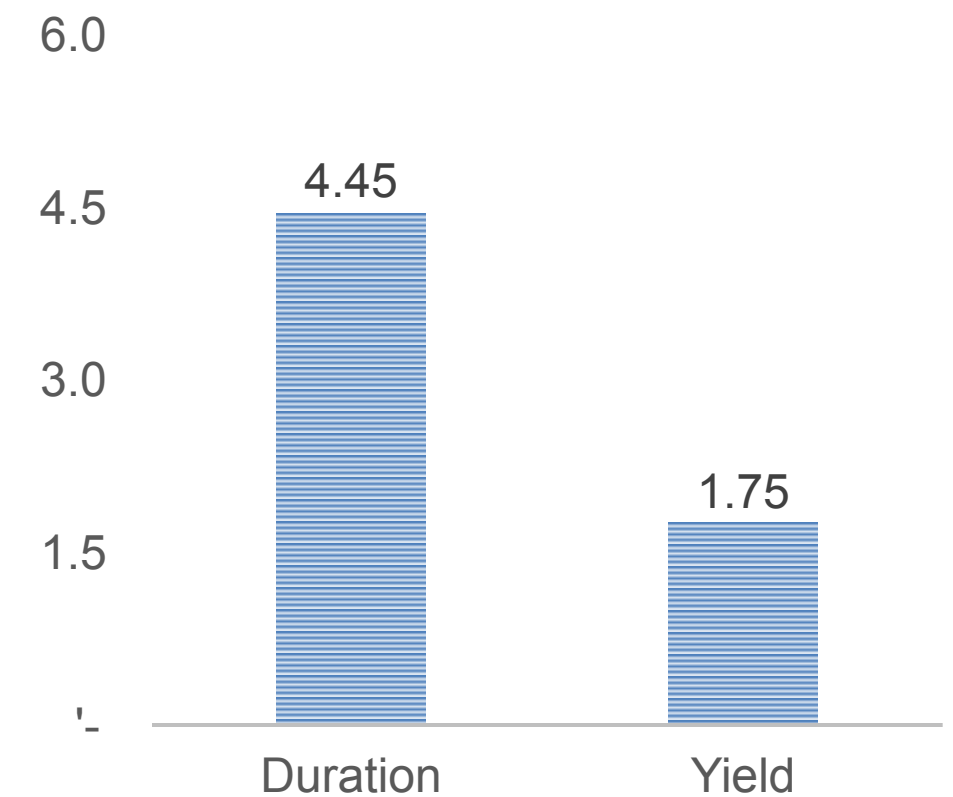
Minimize Overconcentration and Improve Diversification



Recommended Target Asset Allocation



Target Equity Sectoral / Thematic Breakdown



Target Fixed Income Characteristics

Key Advisory Recommendations

- **Deploy some cash to buy equity** ETFs / funds oriented towards financials and commodity-related sectors, e.g. metals, copper miners etc.
- **Shift out of high duration** FI exposures or negative yielding investments like VTIP and buy EM debt, perpetual bonds of big banks or even leveraged products
- **Reduce overall FI allocation and increase commodities** with a barbell approach towards industrial metals and precious metals
- Potentially look at add a Kristal Founders Fund (KFF) or another macro hedge fund to **add a tactical flavour** to the asset allocation. Can also consider market-neutral funds that provide stable, uncorrelated source of returns

Advisory Solution

FEE STRUCTURE & NEXT STEPS

How We Can Work Together



The Kristal.AI Advisory Mandate

- Kristal.AI Investment Advisor ("IA") provides tactical and strategic asset allocation and investment advisory
- Ultimate **investment decisions taken by Bluegrove** on behalf of their Clients
- **Bluegrove executes transactions** in Client accounts
- Considerations in favour of Advisory Mandate:
 - "Hands-on" approach
 - **Bluegrove retains control** over Client mandates
 - Bluegrove can focus on investment product development

Advisory Fee Structure

- Advisory fee of **0.1% - 0.25% p.a. of total AUM**, with a floor and cap on the fees
- Factors impacting Kristal's advisory fee:
 - Products in the portfolio
 - Periodicity of reporting / portfolio review
 - Degree of customization needed specific to Bluegrove

Next Steps

- Kristal.AI runs a pilot for (say) a quarter to provide a sense of our process and capabilities
- Obtain clarity on frequency of reporting / portfolio review
- Agree on fee structure and scope of advisory services
- Figure out ways to complement our capabilities to better serve Bluegrove's clients

Why Kristal.AI?

More Value for Less

1

Explore a variety of investment opportunities without extravagant management fees. A treasury bond is always more expensive on any other platform than it is on Kristal.AI.

Better Access to Markets

2

Cherry-picked offerings across asset classes, curated ETFs across 200+ indices and geographies, and access to hedge funds not available at most private banks.

Better Personalization

3

Whether you are a new, experienced or a busy investor, our advisors will work with you to optimise your portfolio as needed.

Transparency and Trust

4

Licensed by MAS (Singapore), SFC (Hong Kong), and SEBI (India), we are transparent in costs and your holdings.

Get in touch with your Kristal Advisors for more insights.

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