

PRIVATE PLACEMENT MEMORANDUM / OFFERING MEMORANDUM

MERLINSORT LLC

IMPORTANT NOTICE

This Private Placement Memorandum (the "Memorandum") is being furnished on a confidential basis to a limited number of accredited investors and qualified purchasers for informational purposes in connection with their consideration of an investment in MERLINSORT LLC (the "Fund").

INVESTMENT IN THE FUND INVOLVES SUBSTANTIAL RISK AND IS SUITABLE ONLY FOR SOPHISTICATED INVESTORS WHO CAN BEAR THE ECONOMIC RISK OF LOSS OF THEIR ENTIRE INVESTMENT.

DATE : November 25, 2025

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1. EXECUTIVE SUMMARY

1.1 Fund Overview

- Fund Name : MERLINSORT LLC
- Fund Structure : Dual-Jurisdiction Setup
- Fund Vehicle : US Delaware LLC (investors subscribe here)
- Investment Manager : UAE Sharjah Free Zone LLC
- Strategy : Multi-Strategy Quantitative/Algorithmic Trading
- Base Currency : USD
- Fiscal Year End : December 31

1.2 Dual-Jurisdiction Structure

US LLC (Fund Vehicle) :

- Role : Investment vehicle holding all fund assets
- Domicile : Delaware, United States
- Function : Investors subscribe as LLC members; assets held via prime broker accounts
- Tax Treatment : Pass-through entity (partnership for US federal tax purposes)

UAE FCZ LLC (Investment Manager) :

- Role : Exclusive investment manager for the Fund
- Domicile : Sharjah Free Zone, United Arab Emirates
- License Categories :
 - 6499 - Other Financial Service Activities, Except Insurance And Pension Funding Activities, N.E.C.
 - 6499.02 - Investment In Commercial Enterprises & Management
 - 6499.10 - Investment Management
 - 7010 - Activities of Head Offices
 - 7010.01 - Head Offices
 - 7010.08 - Management Services
- Function : Investment decisions, trade execution, algorithm development, risk management
- Compensation : Performance fees, volume rebates, dividend income (as detailed in Section 3)
- Regulatory Oversight : Sharjah Free Zone Authority

1.3 Investment Highlights

- Systematic/Algorithmic Approach : All strategies executed via quantitative models and mathematical frameworks
- Multi-Asset Class Exposure : Equities (US/International), Cryptocurrencies (BTC), FX, Commodities (Gold)
- Diversified Strategy Mix : Mean reversion, momentum, trend following, market neutral, hedging strategies
- Unique Fee Structure : Zero management fee, performance-based compensation only
- Volume & Dividend Optimization : Manager captures trading volume rebates and dividend income

2. INVESTMENT STRATEGY & OBJECTIVES

2.1 Investment Objective

The Fund seeks to generate absolute returns with low correlation to traditional markets by deploying a diversified portfolio of systematic, algorithmic trading strategies across multiple asset classes and geographies.

2.2 Core Strategies

A. US Equity - Mean Reversion Long/Short

- Universe : US stocks
- Methodology : Statistical mean reversion models identifying short-term deviations from fair value
- Positioning : Long undervalued, short overvalued
- Target : Market-neutral to low-beta exposure

B. Global Equity - Momentum (Multi-Country)

- Universe : US, France, Germany, UK, China (Shanghai), Japan, Hong Kong
- Methodology : Price momentum and trend strength indicators
- Positioning : Long strongest momentum stocks across developed and emerging markets
- Diversification : Geographic and currency diversification

C. US Equity - Mean Reversion Long Only

- Universe : US stocks
- Methodology : Mean reversion on oversold conditions
- Positioning : Long only, tactical exposure during market dislocations

D. US Equity - Negative Beta Long Strategy

- Universe : US stocks with negative market correlation
- Methodology : Selection of defensive/inverse-correlation equities
- Purpose : Portfolio diversification, drawdown mitigation

E. US Equity - Short Only (Market Hedge)

- Universe : US equities on technical overextensions
- Methodology : Short selling on parabolic moves and extreme valuations
- Purpose : Beta hedging, downside protection during market corrections

F. Gold - Long/Short

- Universe : Gold (futures, ETFs, or physical)
- Methodology : Quantitative models on gold price dynamics
- Positioning : Long/short based on trend and mean reversion signals

G. Volatility Momentum - Mean Reversion

- Universe : Volatility-related instruments (VIX, volatility ETFs)
- Methodology : Mean reversion on volatility spikes and compressions
- Risk Management : Strict position sizing due to leverage in vol products

H. Cryptocurrency - Bitcoin Trend Following

- Universe : Bitcoin (BTC) only
- Methodology : Trend following algorithms capturing directional moves
- Positioning : Long during uptrends, flat/short during downtrends

I. Cryptocurrency - Bitcoin Mean Reversion Long/Short

- Universe : Bitcoin (BTC)
- Methodology : Mean reversion on short-term BTC price dislocations
- Positioning : Long/short tactical positioning

J. FX - Mean Reversion & Trend Following Long/Short

- Universe : Major FX pairs (EUR/USD, GBP/USD, USD/JPY, etc.)
- Methodology : Hybrid approach combining trend and mean reversion
- Positioning : Long/short based on signal confluence

K. Interest Rate Management via FX Carry Trade

- Methodology : Borrow low-yield currencies, invest in high-yield currencies
- Hedging : FX risk hedged via forwards/options to isolate interest rate differential
- Objective : Generate carry income while neutralizing currency risk

2.3 Risk Management Framework

- Position Sizing : Algorithmic risk budgeting per strategy
- Stop-Loss Protocols : Hard stops and dynamic trailing stops
- Diversification : Cross-asset, cross-geography, cross-strategy
- Leverage : Maximum combined leverage of 3x NAV, applied across diversified algorithmic strategies (equities, crypto, FX) with hedging mechanisms to limit overall portfolio risk
- Liquidity Management : Maintain adequate cash reserves for redemptions and margin requirements
- Stress Testing : Regular scenario analysis and backtesting on historical crises

2.4 Technology & Execution

- Execution Platform : Direct market access (DMA) via prime brokers and exchanges
- Algorithms : Proprietary quantitative models, not ultra-complex (transparent mathematical frameworks)
- Monitoring : Real-time risk and P&L dashboards
- Data Sources : Institutional-grade market data feeds

3. FEE STRUCTURE

3.1 Management Fee

0% Annual Management Fee

The Fund does not charge a traditional management fee.

3.2 Performance Fee

20% Performance Fee

- Applied to New Net Profits only (after recovery of any previous losses)
- Calculated annually at fiscal year-end
- High-Water Mark (HWM) : Performance fees only charged on appreciation above previous highest NAV
- Hurdle Rate : None

3.3 Volume Rebates & Dividend Income

Manager Retention :

- All trading volume rebates (from exchanges/brokers) retained by Investment Manager
- All dividend income generated by long equity positions retained by Investment Manager
- These are not included in investor NAV calculations

Rationale : Aligns manager compensation with trading activity and long equity exposure, offsetting zero management fee structure.

3.4 Other Expenses

All ordinary fund expenses are borne by the Investment Manager, including :

- Brokerage commissions and transaction costs
- Custodian and prime brokerage fees
- Legal and audit fees
- Regulatory filing fees
- Fund administration costs

Estimated Total Expense Ratio (excluding performance fee) : 0% annually

Note : All operational expenses are funded by the Manager's treasury. Investors bear only the performance fee (20%) on net new profits.

4. TERMS & CONDITIONS

4.1 Minimum Investment

- Initial Subscription : USD \$25,000 (or equivalent)
- Additional Subscriptions : USD \$5,000 (or equivalent)

4.2 Subscription

- Subscription Frequency : Monthly
- Notice Period : 5 business days prior to subscription date
- Subscription Date : First week of each month (specific date determined by fund administrator)
- Payment Methods :
 - Wire Transfer : USD or approved fiat currency
 - Cryptocurrency : BTC, USDT, USDC
- Payment instructions (wire and crypto wallet addresses) provided upon acceptance of subscription
- Cryptocurrency Conversion : All crypto subscriptions are converted to USD at market rate (Binance Spot reference price) on the subscription date for NAV calculation purposes

4.3 Redemption

- Redemption Frequency : Annual (once per year)
- Redemption Notice : 90 calendar days written notice prior to redemption date
- Redemption Date : Last week of December each year (specific date determined by fund administrator)
- Redemption Payment : Within 10 business days following redemption date
- Payment Methods :
 - Wire Transfer : USD to investor's designated bank account
 - Cryptocurrency : BTC, USDT, or USDC to investor's verified wallet address
- Investor specifies preferred payment method in redemption request
- Redemption Gate : Fund may limit redemptions to 10% of NAV per month to manage liquidity
- Lock-Up Period : 1 Year from initial subscription date (no redemptions permitted during lock-up)

4.4 Valuation & NAV Calculation

- Valuation Frequency : Monthly
- NAV Publication : First week of the following month (within 7 business days of month-end)
- Valuation Agent : Self-administered by Investment Manager
- Pricing Sources : Prime broker statements, exchange official closes, third-party pricing services

4.5 Side Pockets

The Manager reserves the right to establish side pockets for illiquid or hard-to-value positions. Side pocket interests are non-redeemable until liquidation of underlying assets.

5. SUBSCRIPTION & REDEMPTION PROCEDURES

5.1 Investor Eligibility

US Investors :

- Must qualify as Accredited Investor under Regulation D (Rule 501 of the Securities Act of 1933) :
- Individual income >\$200,000 (or \$300,000 joint) in each of prior 2 years, OR
- Net worth >\$1,000,000 (excluding primary residence)
- Preferably qualify as Qualified Purchaser under Investment Company Act (net investments >\$5M)

Non-US Investors :

- Must meet equivalent sophisticated/professional investor standards in jurisdiction of residence

5.2 Subscription Process

12. Confidentiality Agreement : Execute NDA to receive Memorandum

13. Due Diligence : Review PPM/OM, ask questions to Investment Manager

14. Subscription Documents :

- Complete Subscription Agreement
- Provide accredited investor verification (tax returns, CPA letter, or self-certification)
- Complete KYC/AML documentation (passport, proof of address, source of funds)

15. Manager Approval : Manager reserves right to accept/reject subscriptions

16. Fund Transfer : Wire funds to Fund's subscription account by deadline

17. Confirmation : Receive confirmation of units/shares allocated

5.3 Redemption Process

18. Written Notice : Submit redemption request 90 days before redemption date (after 1-year lock-up)

19. NAV Calculation : Redemption executed at NAV as of redemption date

20. Payment : Redemption proceeds paid within 10 business days after redemption date

21. Holdback/Gates : Manager may impose redemption gates (limit to 10% of NAV per month) or holdback provisions in extraordinary circumstances

6. RISK FACTORS

INVESTMENT IN THE FUND INVOLVES SIGNIFICANT RISKS. INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS BEFORE INVESTING.

6.1 Market & Strategy Risks

- Quantitative Model Risk : Strategies rely on mathematical models which may fail or underperform in unprecedented market conditions
- Leverage Risk : Use of leverage magnifies gains and losses
- Liquidity Risk : Certain positions (e.g., crypto, small-cap stocks) may be difficult to exit rapidly
- Short Selling Risk : Unlimited loss potential on short positions
- Cryptocurrency Risk : Extreme volatility, regulatory uncertainty, cybersecurity risks, exchange failures
- FX Risk : Currency fluctuations impact non-USD positions and carry trade strategies
- Volatility Product Risk : Volatility instruments (VIX) subject to contango/backwardation, rapid decay
- Correlation Risk : Diversification benefits may disappear during market stress (correlations converge to 1)

6.2 Operational and Infrastructure Risks

Broker and Exchange Intermediation Risks :

The Fund's strategies involve direct exposure to brokers and digital asset infrastructures that may be subject to regulatory constraints or operational disruptions. Certain leading service providers (including Binance and other international exchanges) may face regulatory investigations, service restrictions, or liquidity limitations that could affect trade execution, pricing accuracy, or market access.

Investors acknowledge that intermediation risks are inherent to cryptocurrency and electronic markets. These include but are not limited to :

- Exchange service outages, suspensions, or insolvency
- Regulatory enforcement actions limiting withdrawals or trading
- Liquidity constraints during market stress
- Pricing discrepancies across platforms
- Operational failures affecting settlement and delivery

Jurisdictional and Regulatory Risks :

The Fund's activities may be influenced by jurisdictional risks, including :

- Capital Controls : Restrictions in China or other jurisdictions affecting fund flows and market access
- Extraterritorial Requirements : FATCA, CRS, and other cross-border tax/regulatory compliance obligations
- Regulatory Changes : Evolving frameworks in the UAE, US, or other relevant jurisdictions impacting broker access, settlement processes, and operational treatment of assets

Such developments may affect broker relationships, settlement/delivery flows, and operational asset processing.

Technology and Cybersecurity Risks :

The Fund operates with infrastructure combining exchange connectivity, secure wallets, and internal execution systems. These environments carry inherent risks :

- Cyber Intrusions : Hacking attempts, unauthorized access, data breaches
- Private Key Compromise : Loss or theft of cryptographic keys resulting in permanent asset loss
- Platform Unavailability : Exchange downtime, DDoS attacks, system maintenance
- Technology Provider Incidents : Failures of third-party infrastructure, APIs, or data feeds
- Electronic Market Volatility : Flash crashes, liquidity gaps, erroneous trades

The Fund applies enhanced controls and security measures, but no system can entirely eliminate these risks.

Smart Contract and DeFi Risks (if applicable) :

If the Fund utilizes decentralized finance (DeFi) protocols, additional risks may arise :

- Smart Contract Bugs : Coding errors, undetected vulnerabilities, exploits
- Oracle Failures : Incorrect price feeds, manipulation, or unavailability
- Governance Risks : Protocol changes, emergency shutdowns, community disputes
- Audit Limitations : Even audited contracts may contain residual vulnerabilities

While the Fund limits exposure to such vectors, institutional investors acknowledge these are known structural risks in decentralized systems.

Stablecoin De-Pegging Risks :

In operations involving stablecoins (USDT, USDC), de-pegging risk may occur due to :

- Market stress or panic selling
- Collateralization issues or transparency concerns
- Regulatory actions targeting stablecoin issuers
- Liquidity crises in redemption mechanisms

The Fund uses stablecoins prudently and only when necessary to optimize subscription or settlement flows. However, investors acknowledge that stablecoins are not equivalent to fiat currency and carry inherent risks.

Key Person Risk :

- The Fund's performance depends on the expertise and availability of the Investment Manager's key personnel
- Loss of key individuals may adversely affect strategy execution and performance

6.3 Liquidity & Redemption Risks

- Lock-Up Period : No redemptions for 1 year
- Redemption Gates : Manager may limit redemptions during market stress
- Side Pockets : Illiquid positions may be segregated, delaying realization
- Annual Redemptions Only : Limited liquidity compared to mutual funds

6.4 Legal & Structural Risks

- Dual Jurisdiction Complexity : US LLC + UAE FCZ structure may create tax/legal ambiguities
- Limited Regulatory Oversight : Private fund not subject to mutual fund regulations
- No Investor Control : Manager has sole discretion over investments
- Conflicts of Interest : See Section 10

6.5 Performance & Fee Risks

- No Guarantee of Returns : Past performance (if any) does not predict future results
- Performance Fee Asymmetry : Manager benefits from gains but does not reimburse losses
- Volume Rebate/Dividend Retention : Manager compensation misalignment risk (over-trading, excessive dividend chasing)

6.6 Specific Strategy Risks

- Mean Reversion : May experience prolonged drawdowns if trends persist
- Momentum : Vulnerable to abrupt reversals
- Trend Following Crypto : Whipsaw risk in ranging markets
- Carry Trade : Currency hedging costs may exceed interest rate differential
- Negative Beta Strategies : May underperform in bull markets

THIS LIST IS NOT EXHAUSTIVE. CONSULT INDEPENDENT ADVISORS.

7. MANAGEMENT & ORGANIZATION

7.1 Fund Structure & Governance

The Fund operates via a dual-jurisdiction structure optimized for tax efficiency and operational flexibility :

US LLC (Fund Vehicle) :

- Legal Entity : MERLINSORT LLC LLC, Delaware
- Role : Investment vehicle; holds all fund assets
- Governance : Managed by Managing Member (typically UAE Investment Manager or designated affiliate)
- Investors : Subscribe as LLC members
- Assets Held : Via prime brokerage accounts in Fund's name

UAE FCZ LLC (Investment Manager) :

- Legal Entity : C and R CAPITALS FCZ LLC
- Domicile : Sharjah Free Zone, UAE
- Role : Exclusive investment manager pursuant to Investment Management Agreement (effective upon investor subscription)
- Responsibilities :
 - Investment decision-making (100% discretion)
 - Trade execution across all asset classes
 - Algorithm development and maintenance
 - Risk management and monitoring
 - Reporting to investors
- Compensation : 20% performance fee + retention of volume rebates and dividend income

Investment Management Agreement :

- The Fund has appointed C and R CAPITALS FCZ LLC as exclusive investment manager
- Manager has full discretionary authority over Fund investments
- Agreement includes standard provisions : duties, compensation, termination, liability limitations
- Effective Date : Date of investor's subscription to the Fund
- Term : 1 year with automatic annual renewal unless terminated by either party with 90 days written notice

7.2 Key Personnel

C and R CAPITALS FCZ LLC - Founder & Chief Investment Officer

Biography : Brings 6 years of experience in portfolio management and risk oversight. Previously served as Risk Manager, overseeing strategic allocation across systematic trading strategies, managing leverage and borrowing costs across multiple asset classes. Responsible for portfolio construction, position sizing, and operational oversight of multi-strategy portfolios spanning equities, cryptocurrencies, and foreign exchange. Founded C and R CAPITALS FCZ LLC to deploy quantitative trading strategies with disciplined risk management. Directs all investment decisions and risk monitoring for the fund.

Track Record : Available upon request or accessible via our investor portal. For track record inquiries, please contact contact@crcapitals.fr.

Fund Performance :

- Inception Date : January 12, 2020
- Track Record Public Since : January 3, 2022
- Cumulative Return (Net of Fees) : +405.99% since inception
- Performance Methodology : All returns are net of the 20% performance fee and represent final closed monthly returns

Investment Philosophy : Systematic, data-driven, risk-managed approach to multi-asset trading leveraging quantitative models across global equity, cryptocurrency, and FX markets.

Location : Based in UAE Sharjah Free Zone with full substance requirements met (physical office, qualified employees resident in UAE).

7.3 Fund Administrator

Self-Administered by C and R CAPITALS FCZ LLC

The Investment Manager performs all fund administration functions internally, including :

- NAV calculation and monthly reporting
- Subscription/redemption processing
- Investor communications and statements
- Regulatory compliance and record-keeping

7.4 Prime Brokers / Custodians

Equity Trading :

- Interactive Brokers
- Alpaca Markets

FX Trading :

- IC Markets
- RoboForex
- RoboMarkets
- Interactive Brokers

Cryptocurrency Trading & Custody :

- Binance
- Kraken

The Fund maintains multiple prime brokerage relationships to ensure execution quality, competitive pricing, and operational redundancy across asset classes.

7.5 Cryptocurrency Custody & Operations

7.5.1 Custody Structure

100% Hot Wallet Allocation :

- 30% Interactive Brokers (IBKR Crypto platform)
- 40% Binance (exchange hot wallet)
- 30% Kraken (exchange hot wallet)

The Fund does not utilize cold storage for operational efficiency and to maintain liquidity for active trading strategies.

7.5.2 Multi-Signature Security

2-of-3 Multi-Signature Requirement :

- All cryptocurrency holdings (where technically feasible) are secured using 2-of-3 multi-signature wallets
- Requires authorization from two out of three designated key holders for any transaction
- Key holders are senior personnel of the Investment Manager with segregated access

7.5.3 Insurance and Protection

The Fund and Investment Manager maintain comprehensive insurance coverage across multiple layers to protect investor capital. However, investors must understand the scope and limitations of such coverage.

A. Equity Accounts (Interactive Brokers)

SIPC Protection (US Accounts) :

- Interactive Brokers US accounts are covered by the Securities Investor Protection Corporation (SIPC)
- Coverage : Up to \$500,000 per account (including maximum \$250,000 cash)
- Scope : Protects against broker failure or insolvency ONLY
- Does NOT Cover : Market losses, unauthorized trades, fraud by Fund managers, or poor investment performance

Additional Excess SIPC Coverage :

- Interactive Brokers maintains additional insurance coverage beyond SIPC through Lloyd's of London syndicates
- Total Coverage : Up to \$30 million per client (subject to aggregate limits and terms)

Important : This coverage applies solely to broker insolvency. Fund assets are held in segregated client accounts under the Fund's name.

B. Foreign Exchange Accounts (IC Markets, RoboForex, RoboMarkets)

Broker-Level Protection :

- Standard Coverage : Up to \$25,000 per account through broker compensation schemes
- Scope : Protects against broker default or operational failure
- Does NOT Cover : Market losses, liquidity events, or trading losses

Segregated Client Accounts :

- All FX accounts maintain client funds in segregated accounts separate from broker operating funds
- Regulatory oversight by respective jurisdictions (Cyprus CySEC, Belize FSC, or equivalent)

C. Comprehensive Professional Indemnity Insurance

The Investment Manager has secured institutional-grade professional indemnity insurance coverage through a leading global insurance provider. This policy provides enhanced protection for investor capital beyond standard broker protections.

Coverage Scope :

1. Fraud, Theft, and Misappropriation :

- Trigger Events : Unauthorized withdrawal of funds, embezzlement, fraudulent transfers, theft by employees or third parties
- Compensation Basis : Reimbursement at the Net Asset Value (NAV) as of the date of the last account valuation immediately preceding the discovery of the loss
- Claims Process : Automatic activation upon discovery; insurer freezes Investment Manager's operating accounts pending investigation and settlement

2. Breach of Investment Guidelines (Contract Violation) :

The insurance policy provides coverage if the Investment Manager materially breaches the Investment Management Agreement or Investment Guidelines, including but not limited to :

- Excessive Concentration : Single position exceeds 20% of NAV (violation of diversification limits)
- Leverage Violations : Combined leverage exceeds 3x NAV
- Unauthorized Instruments : Trading securities or derivatives outside the approved asset classes or strategies disclosed in this PPM
- Prohibited Investments : Investing in illiquid securities exceeding 15% of NAV without prior Fund approval
- Undisclosed Changes : Material modifications to strategies, brokers, or custody arrangements without written notice to investors and insurer

Compensation Basis (Breach Events) :

- Investors are compensated at the NAV as of the date when the breach occurred (highest value attained before violation)
- If breach results in losses, investors receive reimbursement restoring capital to pre-breach levels

Claims Timeline :

- Initiation : Claim filed within 30 days of breach discovery
- Preliminary Assessment : 60-90 days
- Settlement Commencement : 3 months from claim acceptance (standard cases)
- Maximum Settlement Period : Up to 18 months for complex breach cases requiring detailed forensic accounting, third-party valuations, or legal proceedings

Automatic Safeguards :

- Upon triggering a covered event, the insurer has authority to freeze Investment Manager's bank accounts and suspend trading activity pending resolution
- Independent auditor appointed to verify NAV calculations and loss amounts
- Investors receive written notification within 5 business days of claim filing

D. Cryptocurrency Accounts (Binance, Kraken, Interactive Brokers Crypto)

Exchange-Provided Protection (Limited) :

- Binance SAFU Fund : Emergency insurance fund covering certain platform-related hacks or technical failures (amounts and conditions determined by Binance)
- Kraken Insurance : Limited operational failure coverage for specific events (policy details proprietary to Kraken)
- Interactive Brokers Crypto : NO SIPC coverage (cryptocurrency assets not eligible for SIPC protection)

NO Government Insurance :

- NOT insured by FDIC, SIPC, or equivalent government deposit insurance schemes
- Hot wallet storage increases vulnerability compared to cold storage solutions
- Private key compromise or loss may result in permanent, unrecoverable loss of assets

Excluded Events (Not Covered by Exchange Insurance) :

- Market volatility and trading losses
- Hacking or compromise of the Fund's private keys (multisig wallets)
- Exchange insolvency beyond limited SAFU/insurance fund balances
- Regulatory seizures, asset freezes, or government actions
- Stablecoin depegging events (USDT, USDC)
- Smart contract exploits or DeFi protocol failures
- Network forks, chain splits, or consensus failures
- Force majeure events (natural disasters, war, internet outages)

Risk Mitigation Measures :

- 2-of-3 multisignature wallet architecture
- Diversification across three custody providers (30% IBKR, 40% Binance, 30% Kraken)
- Daily wallet balance verification and reconciliation
- Strict wallet address verification protocols (dual approval, micro-payment testing)

E. Cybersecurity and Operational Risk Insurance

Cyber Liability Coverage :

- The Investment Manager maintains cyber liability insurance covering data breaches, ransomware attacks, and unauthorized access to trading systems
- Coverage Includes : Legal costs, forensic investigations, notification expenses, credit monitoring for affected investors

Errors & Omissions (E&O) Insurance :

- Professional liability coverage for operational errors, calculation mistakes, or negligent acts
- Coverage Limit : [Amount to be disclosed to qualified investors upon request]

F. What Insurance Does NOT Cover

Critical Investor Understanding :

The insurance policies described above provide protection against specific operational failures, fraud, and guideline breaches. However, they **DO NOT** cover :

Market Risk : Losses resulting from adverse price movements, volatility, or poor investment performance (even if strategies are executed correctly within guidelines)

Strategic Decisions : Investment decisions made in good faith and within the scope of discretionary authority granted to the Investment Manager

Disclosed Risks : Any risks explicitly disclosed in Section 6 (Risk Factors) of this PPM, including but not limited to :

- Cryptocurrency volatility and regulatory uncertainty
- Leverage magnification of losses
- Exchange service outages or liquidity constraints
- Geopolitical events, capital controls, or sanctions
- Short selling unlimited loss potential
- Correlation breakdown during market stress

Force Majeure : Acts of God, war, terrorism, pandemics, natural disasters, widespread internet outages, or government actions beyond the control of the Investment Manager

Investor-Caused Events : Losses resulting from investor's failure to secure login credentials, phishing attacks on investor email accounts, or unauthorized access to investor's personal devices

G. Investor Acknowledgment

By subscribing to the Fund, investors acknowledge and accept :

Investment in the Fund is NOT a bank deposit and carries substantial risk of loss

Insurance coverage protects against specific operational failures and fraud, NOT market losses

SIPC and excess coverage apply only to broker insolvency (equities/FX accounts)

Cryptocurrency holdings have limited exchange-provided insurance and NO government protection

Professional indemnity insurance provides enhanced safeguards against guideline breaches and fraud

Insurance does not eliminate investment risk, and total loss of capital is possible

Claims processes may take 3-18 months depending on complexity

Recommendation : Investors should consult independent legal and financial advisors to understand insurance limitations and assess whether the Fund's risk profile aligns with their investment objectives and risk tolerance

7.5.4 Forks, Airdrops, and Chain Events

No Claim Policy :

The Fund does NOT accept, claim, or process tokens resulting from :

- Bitcoin forks (e.g., Bitcoin Cash, Bitcoin SV, or future forks)
- Airdrops on Bitcoin or any other digital asset
- Chain splits or similar events

Impact on NAV :

- Any potential fork or airdrop is ignored and does not affect the Fund's NAV calculation
- The Fund makes no effort to claim or liquidate such tokens
- Investors waive any rights to forked or airdropped assets

Rationale : This policy avoids operational complexity, security risks, and potential regulatory uncertainties associated with claiming derivative digital assets.

7.5.5 Wallet Address Verification Policy

Strict Verification Process :

All cryptocurrency wallet addresses (for subscriptions, redemptions, and transfers) are verified through a multi-step process :

Step 1 : Dual Internal Verification

- Two independent personnel verify the wallet address against the investor's documentation
- Address must match the format and checksum validation for the respective blockchain

Step 2 : Micro-Payment Test

- A small test transaction (typically \$10-\$50 equivalent) is sent to the provided address
- Investor confirms receipt before processing the full transaction

Step 3 : Email/WhatsApp Confirmation

- Final confirmation sent via verified email or WhatsApp account
- Investor must explicitly confirm the wallet address in writing

Address Change Protocol :

- Any modification to a previously verified wallet address requires the entire verification process to be repeated
- A new micro-payment test is mandatory
- No address submitted via unverified channels (e.g., unsolicited email, SMS) is accepted under any circumstances

Security Measures :

- The Fund maintains a whitelist of verified addresses
- All outbound crypto transactions are reviewed by at least two authorized personnel
- Suspicious address change requests trigger additional due diligence and potential transaction suspension

7.5.6 Cryptocurrency Conversion and Pricing**Subscription Conversion :**

- All cryptocurrency subscriptions (BTC, USDT, USDC) are converted to USD on the subscription date
- Reference Price : Binance Spot market closing price at time of subscription processing
- Conversion ensures consistent NAV calculation and eliminates crypto price volatility exposure for investor allocations

Redemption Conversion (if paid in crypto) :

- If investor elects cryptocurrency redemption, USD NAV value is converted to requested crypto at Binance Spot market price at time of payment processing
- Investor bears any conversion slippage or exchange rate fluctuation between redemption date and payment date

7.5.7 Operational Risks

Investors must acknowledge the following operational risks specific to cryptocurrency custody :

- Exchange Risk : Binance, Kraken, or IBKR may experience service outages, account freezes, regulatory actions, or insolvency
- Hot Wallet Risk : 100% hot wallet allocation increases vulnerability to hacking compared to cold storage
- Key Management Risk : Loss or compromise of multi-sig keys could result in permanent loss of assets
- Regulatory Risk : Changes in cryptocurrency regulations may restrict access, trading, or custody
- Counterparty Risk : Exchanges may impose withdrawal limits, KYC/AML freezes, or account restrictions

The Fund mitigates these risks through diversification across multiple exchanges and continuous monitoring, but cannot eliminate them entirely.

8. LEGAL & REGULATORY

8.1 US Legal Structure

- Entity Type : Limited Liability Company (LLC)
- Jurisdiction : Delaware
- Securities Law : Offered pursuant to Regulation D (Rule 506(b) or 506(c)) - exempt from SEC registration
- Not Registered : Fund is NOT registered as investment company under Investment Company Act of 1940 (relying on Section 3(c)(1) or 3(c)(7) exemption)

8.2 UAE Legal Structure

- Entity Type : Free Zone Company (FCZ) - Limited Liability Company
- Free Zone : Sharjah Free Zone
- Licenses : Investment management, head office, management services (as detailed in Section 1.2)
- Regulatory Oversight : Sharjah Free Zone Authority (compliance with FCZ regulations)

8.2.1 UAE Substance Requirements

To maintain 0% UAE corporate tax status, the UAE Investment Manager maintains adequate economic substance :

- Physical Office : Operational office space in Sharjah Free Zone
- Qualified Personnel : Minimum one qualified full-time employee resident in UAE
- Core Income-Generating Activities (CIGA) : Investment management activities conducted from UAE (portfolio decisions, risk management, client relations)
- Board Meetings : Held in UAE with minutes maintained
- Books & Records : Maintained in UAE, audited annually

Tax Treatment :

- FCZ entities conducting business exclusively with non-UAE entities/persons qualify for 0% corporate tax
- If substance requirements not met or mainland UAE business conducted : 9% UAE corporate tax applies on taxable income >AED 375,000

8.2.2 Cross-Border Structure & Management Agreement

Investment Management Agreement (IMA) :

- Governs relationship between US LLC (Fund) and UAE FCZ (Manager)
- Key terms : exclusive management rights, discretionary authority, fee structure, reporting obligations, termination provisions
- Arm's Length Pricing : Fee structure (20% performance fee + volume rebates/dividends) benchmarked against industry standards for transfer pricing compliance
- Documentation : Transfer pricing documentation maintained for US IRS and UAE Federal Tax Authority examination

Flow of Funds :

- Investor capital → US LLC (Fund)
- Fund assets held in prime brokerage accounts (US LLC name)
- Manager executes trades via authorized trading authority
- Performance fees paid US LLC → UAE Manager (cross-border payment subject to tax treaty benefits if applicable)

US-UAE Tax Treaty (2023) :

- Treaty in effect since 2024, provides potential benefits on certain cross-border payments
- Reduced withholding rates may apply to interest, dividends (if applicable to fee structure)

8.3 Compliance & AML

- Know Your Client (KYC) : Comprehensive identity verification for all investors
- Anti-Money Laundering (AML) : Compliance with US Bank Secrecy Act, UAE AML laws, FATF recommendations
- Sanctions Screening : OFAC and international sanctions list checks
- Ongoing Monitoring : Periodic re-verification and transaction monitoring

8.4 Data Protection

Investor personal information handled in accordance with applicable data protection laws (GDPR if EU investors, UAE data protection laws, US privacy regulations).

9. TAX CONSIDERATIONS

9.1 US Tax Treatment

- Pass-Through Entity : LLC typically treated as partnership for US tax purposes (unless electing corporate treatment)
- K-1 Reporting : US investors receive Schedule K-1 annually reporting allocable income/gains/losses
- Tax Characterization : Trading income may be characterized as ordinary income or capital gains depending on trading activity and elections
- Mark-to-Market Election : Fund may elect IRC Section 475(f) mark-to-market accounting

9.2 UAE Tax Treatment

- Corporate Tax : UAE introduced 9% corporate tax (effective June 2023) on taxable income >AED 375,000
- Free Zone entities may qualify for 0% rate if meet conditions (no business with UAE mainland, adequate substance)
- Withholding Tax : Currently no withholding tax on dividends, interest, royalties in UAE
- VAT : UAE has 5% VAT; most financial services are exempt or zero-rated

9.3 Non-US Investors

- US Withholding : Non-US investors may be subject to US withholding tax on US-source income (e.g., dividends)
- Tax Treaties : Availability depends on investor's country of residence and applicable treaties
- FATCA/CRS : Fund complies with FATCA and Common Reporting Standard (automatic exchange of financial account information)

9.4 Dual-Jurisdiction Tax Implications

For Investors (US & Non-US) :

- Direct Investment : Investors invest directly in US LLC, NOT in UAE entity
- Tax Reporting : All tax reporting flows from US LLC to investors
- No UAE Tax Exposure for Investors : Investors do not have UAE tax reporting obligations related to their Fund investment
- Management Fees Deductibility : Performance fees paid by Fund to UAE Manager are fund-level expenses reducing taxable income allocated to investors

For UAE Investment Manager :

- Manager receives fees from US Fund as compensation for services
- Manager subject to UAE tax regime (0% if substance met; 9% otherwise)
- No US withholding tax typically applies to management/performance fees under services exception

Transfer Pricing Considerations :

- Fee arrangement (20% performance + rebates/dividends) must be at arm's length
- Both US IRS and UAE FTA may examine intercompany fee arrangements
- Documentation maintained to support reasonableness of fee structure

9.5 Tax Advice Disclaimer

THE TAX CONSEQUENCES OF INVESTING IN THE FUND ARE COMPLEX AND VARY BASED ON INVESTOR'S INDIVIDUAL CIRCUMSTANCES AND JURISDICTION. INVESTORS MUST CONSULT THEIR OWN TAX ADVISORS.

10. CONFLICTS OF INTEREST

10.1 Manager Compensation Structure

- Volume Rebates : Manager retains trading rebates, creating incentive to increase trading volume (potential over-trading)
- Dividend Retention : Manager retains dividend income, creating incentive to favor dividend-paying long positions (may distort strategy allocation)

Mitigation : Investment decisions driven by quantitative models with predefined risk parameters, not discretionary decisions to maximize rebates/dividends. Independent oversight and periodic strategy review.

10.2 Allocation of Opportunities

If Manager manages multiple accounts/funds, allocation policy ensures fair treatment (pro-rata or rotational allocation of trades).

10.3 Personal Trading

Manager and employees may trade personal accounts. Policy in place to prevent front-running and ensure Fund's interests prioritized.

10.4 Soft Dollars

Manager may receive research or execution services paid via brokerage commissions (soft dollars). Any such arrangements disclosed.

11. SUBSCRIPTION AGREEMENT

[This section would include or reference the separate Subscription Agreement document, which includes :]

- Investor representations and warranties (accredited investor status, financial sophistication, etc.)
- Investment amount
- Acceptance of terms and risks
- Indemnification provisions
- Governing law and dispute resolution (arbitration clause)
- Signature page

APPENDICES

Appendix A : Glossary of Terms

- High-Water Mark (HWM) : Highest NAV at which performance fee was previously charged
- Lock-Up Period : Initial period during which redemptions are prohibited
- NAV (Net Asset Value) : Per-share/unit value of the Fund
- Prime Broker : Financial institution providing services including custody, financing, securities lending

Appendix B : Practical Examples

B.1 NAV Calculation Example

Scenario : Fund holds mix of BTC and USD cash

Date	BTC Holdings	BTC/USD Price	USD Cash	Liabilities	Accrued Perf Fee	Total NAV
Month Start	10.0 BTC	\$20,000	\$800,000	\$0	\$0	\$1,000,000
Month End	40.0 BTC	\$25,000	\$200,000	\$0	\$40,000	\$1,160,000

Calculation :

- BTC Value = 40 BTC × \$25,000 = \$1,000,000
- Total Assets = \$1,000,000 (BTC) + \$200,000 (USD) = \$1,200,000
- Accrued Performance Fee (20%) = \$40,000
- NAV = \$1,200,000 - \$40,000 = \$1,160,000

Notes :

- All crypto assets converted to USD at Binance Spot closing price
- Subscriptions and redemptions processed at this NAV per unit
- Expense ratio = 0% (Manager bears all operational costs)

B.2 Performance Fee Calculation with High-Water Mark

Example 1 : Positive Performance Above HWM

- Beginning NAV : \$1,000,000
- High-Water Mark (HWM) : \$950,000
- Ending NAV (before fee) : \$1,200,000
- Net New Profit : \$1,200,000 - \$1,000,000 = \$200,000
- Performance Fee : 20% × \$200,000 = \$40,000
- NAV after fee : \$1,160,000
- New HWM : \$1,160,000 (or per-unit equivalent)

Example 2 : Positive Performance Below HWM (No Fee)

- Beginning NAV : \$900,000
- High-Water Mark (HWM) : \$1,000,000
- Ending NAV (before fee) : \$950,000
- Net New Profit : \$50,000 (but still below HWM)
- Performance Fee : \$0 (NAV below HWM, no fee charged)
- NAV after fee : \$950,000
- HWM remains : \$1,000,000

Example 3 : Negative Performance (Loss Recovery)

- Beginning NAV : \$1,000,000
- Ending NAV : \$900,000
- Loss : \$100,000
- Performance Fee : \$0 (no fee on losses)
- HWM remains : \$1,000,000 (unchanged)
- Future fees only charged once NAV exceeds \$1,000,000

B.3 Subscription Process Timeline**Investor subscribes \$50,000 in BTC for January subscription :**

Date	Event	Details
Dec 25	Investor submits Subscription Agreement	Completes KYC/AML, provides BTC wallet address
Dec 26-27	KYC/AML Verification	Manager validates investor documents, accredited status
Dec 28	Micro-Payment Test	Manager sends \$20 in BTC to investor's wallet; investor confirms receipt
Dec 29	Wallet Whitelisted	Investor's BTC address verified and whitelisted
Jan 2	Investor Transfers BTC	Sends 2.0 BTC (valued ~\$50,000 at BTC = \$25,000)
Jan 3	BTC Receipt Confirmed	Manager confirms receipt of 2.0 BTC
Jan 5	Subscription Processing	BTC converted to USD at Binance Spot rate : \$25,500/BTC = \$51,000
Jan 5	NAV Calculation	Monthly NAV calculated : \$10.00 per unit
Jan 5	Units Allocated	Investor receives 5,100 units (\$51,000 / \$10.00 per unit)
Jan 7	Confirmation Sent	Investor receives confirmation statement with unit allocation

Key Notes :

- Subscription processed first week of month (Jan 1-7)
- BTC converted to USD on subscription date (eliminates crypto price risk for NAV)
- 5 business days notice required before subscription deadline

B.4 Redemption Process Timeline

Investor requests redemption of \$100,000 (10,000 units) in September for December redemption :

Date	Event	Details
Sep 20	Redemption Request Submitted	Investor submits written notice requesting redemption of 10,000 units
Sep 21	Request Acknowledged	Manager confirms receipt, calculates 90-day notice period
Dec 20	Redemption Cutoff	Last week of December redemption window
Dec 27	NAV Calculation (Year-End)	NAV per unit calculated : \$10.50
Dec 27	Redemption Value Determined	10,000 units × \$10.50 = \$105,000
Dec 27	Performance Fee Deducted	Pro-rata performance fee on redeemed units deducted from proceeds
Dec 28	Payment Method Confirmed	Investor confirms : Wire Transfer to bank account XYZ
Jan 8	Payment Processed	\$105,000 wired to investor's bank (within 10 business days of Dec 27)
Jan 9	Redemption Complete	Investor receives funds, units cancelled from register

Alternative : Crypto Redemption

- If investor elects BTC payment : \$105,000 / BTC price on Jan 8 = BTC quantity
- Sent to investor's verified wallet address (re-verified via micro-payment if address changed)
- Investor bears conversion slippage between Dec 27 NAV date and Jan 8 payment date

Key Notes :

- 90 days written notice required (Sep 20 → Dec 20)
- Redemption gate : Max 10% of total NAV per month (if total redemptions exceed, pro-rata basis)
- Payment within 10 business days of redemption date
- Annual redemption only (last week of December)

B.5 Crypto Payment Example

Subscription in USDT :

- Investor sends \$25,000 USDT to Fund's Binance USDT wallet
- Manager confirms receipt and converts to USD on Binance at 1 :1 rate (or spot USDT/USD if different)
- \$25,000 allocated to investor at NAV per unit on subscription date

Redemption in USDC :

- Investor redeems \$50,000 worth of units
- NAV calculated : \$50,000 redemption value
- Manager converts \$50,000 USD to USDC at Binance spot rate on payment date
- Sends USDC to investor's verified wallet address
- Investor bears any conversion spread (typically <0.1% for stablecoins)

Appendix C : Subscription Documents Checklist

- ☐ Signed Subscription Agreement
- ☐ Accredited Investor Verification (tax returns, CPA letter, or self-certification form)
- ☐ KYC/AML Documentation :
- ☐ Copy of passport or government-issued ID
- ☐ Proof of address (utility bill, bank statement <3 months old)
- ☐ Source of funds declaration
- ☐ W-9 (US investors) or W-8BEN (non-US investors)
- ☐ Wire transfer confirmation OR crypto transaction hash (for crypto subscriptions)

Appendix D : How to Invest – Step-by-Step Guide

The investment process in MERLINSORT LLC follows five structured steps to ensure regulatory compliance, operational efficiency, and investor protection.

Step 1 : Pre-Onboarding & KYC/KYB Verification

For Individual Investors (KYC) :

- Complete Know Your Customer (KYC) questionnaire
- Provide valid government-issued ID (passport or driver's license)
- Provide proof of residential address dated within last 3 months (utility bill, bank statement, or tax document)
- Declare source of funds (employment income, investment proceeds, inheritance, business income, etc.)
- Complete accredited investor verification (tax returns, CPA letter, or self-certification)

For Entity Investors (KYB - Know Your Business) :

- Provide certificate of incorporation/formation
- Provide organizational documents (Operating Agreement, Bylaws, Trust Agreement)
- Identify beneficial owners (individuals owning $\geq 25\%$ of entity)
- Provide IDs and proof of address for all beneficial owners
- Provide authorized signatory documentation and board resolution

Compliance Screening :

- Manager conducts sanctions screening (OFAC, UN, EU sanctions lists)
- Politically Exposed Person (PEP) screening
- Anti-Money Laundering (AML) risk assessment
- Enhanced due diligence for high-risk jurisdictions or complex structures

Timeline : Typically 2-5 business days for standard verification; complex cases may take longer.

Step 2 : Submit Subscription Agreement

Once KYC/KYB is approved, investor completes and signs the Subscription Agreement, including :

- Investment Amount : Minimum \$25,000 initial subscription (subsequent : \$5,000 minimum)
- Investor Representations : Accredited investor status, risk acknowledgment, suitability
- Payment Method Selection : Wire transfer (USD) OR cryptocurrency (BTC, USDT, USDC)
- Wallet Address (if crypto) : Provide receiving wallet address for micro-payment verification
- Tax Forms : W-9 (US investors) or W-8BEN/W-8BEN-E (non-US investors)
- FATCA/CRS Self-Certification : Required for all investors

Submission Methods :

- Email (signed PDF) to : contact@crcapitals.fr
- Secure document portal (link provided upon KYC approval)

Timeline : Investor receives confirmation within 1 business day; Manager reviews and accepts/rejects within 3 business days.

Step 3 : Payment Execution**Option A : Wire Transfer (Fiat Currency)**

Upon acceptance of Subscription Agreement, Manager provides wire instructions :

Beneficiary Bank : Provided after subscription agreement execution and acceptance

Bank Address : Provided after subscription agreement execution and acceptance

SWIFT/BIC : Provided after subscription agreement execution and acceptance

Account Name : MERLINSORT LLC

Account Number : Provided after subscription agreement execution and acceptance

Reference : [Investor Name] - Initial Subscription

Note : All banking details will be provided securely via email and verified through multiple channels upon acceptance of your subscription.

Timeline : Wire transfer typically settles within 1-3 business days (domestic) or 3-5 business days (international).

Option B : Cryptocurrency Payment (BTC, USDT, USDC)

Upon acceptance of Subscription Agreement, Manager provides crypto wallet addresses :

Bitcoin (BTC) :

- Address : Provided after subscription agreement execution and acceptance
- Network : Bitcoin mainnet
- Minimum confirmations : 3 blocks (~30 minutes)

USDT (Tether) :

- Address : Provided after subscription agreement execution and acceptance
- Network : Specify network (Ethereum ERC-20, Tron TRC-20, or other)
- Minimum confirmations : 12 blocks (Ethereum) / 19 blocks (Tron)

USDC (USD Coin) :

- Address : Provided after subscription agreement execution and acceptance
- Network : Specify network (Ethereum ERC-20, Polygon, Solana, or other)
- Minimum confirmations : 12 blocks (Ethereum)

Important : Always verify wallet address via multiple channels (email + WhatsApp/phone confirmation) before sending funds. Cryptocurrency transactions are irreversible.

Timeline : Crypto typically confirms within 10 minutes to 1 hour depending on network congestion and transaction fees.

Step 4 : Crypto Verification & Conversion (if applicable)

For Cryptocurrency Subscriptions Only :

Micro-Payment Test (Security Measure) :

22. Manager sends small test payment (\$10-\$50 equivalent) to investor's provided wallet address
23. Investor confirms receipt and verifies wallet ownership
24. Investor's wallet address is whitelisted for full subscription payment

Subscription Payment :

25. Investor sends full subscription amount to Manager's verified wallet address
26. Manager confirms receipt on blockchain (3+ confirmations for BTC, 12+ for ETH-based tokens)
27. Manager converts crypto to USD on subscription date at Binance Spot market rate

Conversion Example :

- Investor sends 2.0 BTC on Jan 5, 2025
- Binance BTC/USD Spot price at 12 :00 PM UTC on Jan 5 : \$25,500
- USD Equivalent : $2.0 \text{ BTC} \times \$25,500 = \$51,000$
- This \$51,000 USD value is used for NAV allocation (eliminates crypto volatility risk)

Timeline : Conversion typically occurs within 2-4 hours of blockchain confirmation during business hours (Mon-Fri 9 AM - 5 PM UAE time).

Step 5 : Unit Allocation & Confirmation**NAV Calculation :**

- Monthly NAV is calculated on the last business day of each month
- Subscriptions processed during the first week of the month are allocated at the NAV calculated for that month
- Example : Subscription payment received Jan 5 → allocated at Jan 31 NAV (published first week of February)

Unit Allocation Formula :

Units Allocated = Subscription Amount (USD) / NAV per Unit

Example :

- Subscription Amount : \$51,000 (after BTC conversion)
- NAV per Unit on Jan 31 : \$10.00
- Units Allocated : $\$51,000 / \$10.00 = 5,100$ units

Confirmation Statement :

Investor receives confirmation within 7 business days of NAV calculation, including :

- Number of units allocated
- NAV per unit on subscription date
- Total investment value
- Cumulative units held
- Lock-up expiration date (1 year from subscription date)

Welcome Package :

- Access to investor portal (monthly NAV updates, quarterly reports)
- Contact information for investor relations
- Redemption procedures and forms

Visual Timeline Summary

Day 0-5 : Pre-Onboarding (KYC/KYB) → Approval
Day 5-8 : Submit Subscription Agreement → Acceptance
Day 8-10 : Micro-Payment Test (crypto only) → Wallet Verified
Day 10-12 : Payment Sent (wire or crypto) → Confirmed
Day 12-15 : Crypto Converted to USD (if applicable)
Day 30 : Month-End NAV Calculated
Day 37 : Units Allocated & Confirmation Sent

Total Time : Approximately 5-6 weeks from initial KYC to final unit allocation (for month-start subscriptions).

Important Notes

ERISA Investors :

- The Fund does NOT accept investments from US employee benefit plans subject to ERISA
- This includes 401(k) plans, pension plans, and other qualified retirement plans
- Individual Retirement Accounts (IRAs) are generally acceptable if the IRA owner is an accredited investor and makes investment decisions independently

Lock-Up Period :

- All investments are subject to a 1-year lock-up from the subscription date
- No redemptions permitted during lock-up period
- After lock-up, redemptions available annually (last week of December) with 90 days written notice

Redemption Gate :

- Fund may limit redemptions to 10% of total NAV per month
- If total redemption requests exceed gate, redemptions processed on pro-rata basis
- Manager may suspend redemptions temporarily in extraordinary circumstances (market disruptions, force majeure)

Tax Reporting :

- US investors receive Schedule K-1 (Form 1065) by March 15 annually
- Non-US investors receive applicable tax documentation as required by jurisdiction
- All investors subject to FATCA/CRS reporting

Ongoing Investor Relations :

- Monthly NAV statements (published first week of following month)
- Quarterly performance reports with strategy commentary
- Annual audited financial statements (within 90 days of fiscal year-end)
- Ad hoc investor updates for material events

CONTACT INFORMATION

Investment Manager :

C and R CAPITALS FCZ LLC

Sharjah Free Zone

United Arab Emirates

Email : contact@crcapitals.fr

For Subscription Inquiries :

Please contact the Investment Manager at contact@crcapitals.fr for subscription information and documentation.

DISCLAIMERS

NO OFFER OR SOLICITATION

This Memorandum does not constitute an offer to sell or solicitation to buy securities in any jurisdiction where such offer/solicitation is unlawful. Distribution restricted to eligible investors only.

FORWARD-LOOKING STATEMENTS

Certain statements may constitute forward-looking projections. Actual results may differ materially. No assurance strategies will be successful.

CONFIDENTIALITY

This Memorandum is confidential and proprietary. May not be reproduced or distributed without prior written consent.

INDEPENDENT VERIFICATION

Prospective investors should independently verify all information and conduct own due diligence. Consult legal, tax, and financial advisors.

BY SUBSCRIBING, INVESTORS ACKNOWLEDGE THEY HAVE READ, UNDERSTOOD, AND ACCEPTED ALL TERMS, CONDITIONS, AND RISKS DESCRIBED IN THIS MEMORANDUM.

MERLINSORT LLC

Private Placement Memorandum

Date : November 25, 2025

Version : 1.0

LEGAL DOCUMENTS

Operating Agreement and Subscription Agreement are available separately.

To receive the complete legal documentation package, please contact :

- Email : contact@crcapitals.fr
- Subject : "Legal Documents Request - [Your Name]"

The legal documents package includes :

- Limited Liability Company Operating Agreement (MERLINSORT LLC)
- Subscription Agreement (investor application form)

END OF PRIVATE PLACEMENT MEMORANDUM

Document Version : PPM Standalone

For complete package including legal documents, contact contact@crcapitals.fr