



February 8th, 2022

FAQs

Russian Federation First Mercantile Fund (“RFFMF”)

What is the latest update/state of the assets?

Assets are still held with the custodian, Dolfin Financial in the UK, pending a closure of this firm because of a decision made by the UK regulator, the Financial Conduct Authority (FCA).

What is the latest update/status of the fund?

The RFFMF remains almost fully invested and has been so thru the period the assets of RFFMF and many others have been frozen pending the investigation of the FCA around the custodian used, Dolfin Financial. Weekly prices are calculated by an external administrator, Apex Fund Services, as an estimate only given RFFMF’s inability to trade, meet subscriptions and redemptions and pay commissions while the process of winding down Dolfin Financial by a third part/administrator, is taking its course.

Has this situation impacted negatively on my assets?

No negative impact as assets remains with its third party but investors have been unable to add or reduce their investment given the frozen status while the above process is on-going.

How long will it take to replace Dolfin? Are there any updates as to the transfer of the assets from Dolfin to a new custodian?

RFFMF already secured a new custodian in the spring of 2021, which is Bank Safra, and the new custodian is ready as soon as assets gets moved from the current to the new custodian.

When can we expect a new custodian and normal activities to resume?

Always hard to estimate the timetable when third parties, without a cause to work fast for the conclusion and paid a monthly fee to resolve the closure of Dolfin Financial are involved, but we expect a solution any day now.

Why is the fund suspended if there is a new custodian?

Because assets remain frozen with Dolfin Financial pending the transfer to the new custodian. This is solely a decision by the third-party firm, Smith and Williamson, appointed by the FCA to unwind the current custodian, and RFFMF has used legal counsel all along to try to fast track and resolve the move to the new custodian.

What is the problem about the new custodian performing their duties if already appointed?

Assets cannot be moved to the new custodian before the administration company appointed by the FCA, Smith and Williamson, has completed their job to close the current custodian, Dolfin Financial. Upon the release of assets, the newly appointed custodian for RFFMF will resume their duties when assets are transferred across.

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What is the timeline as to when to expect an update from the JSA (Joint Special Administrators)?

JSA does not work with a timetable and have no incentive to release assets before their job is done so frustrating for us all. Note again that RFFMF and its legal counsel has tirelessly worked to release RFFMF's assets as soon as ever possible.

The JSA web site stated the transfer of certain client agreements to Britannia.com. Is the fund part of the transfer?

No, the Fund is not a part of the transfer to Britannia.

According to the Bermuda Stock Exchange website the fund was delisted on the 31st of December 2019 and no other listing is found on the site. Could you explain further, and has this information been updated and reflected on client valuations with the new share class, currency and ISIN?

Currently RFFM has no listing. We have old C, D, F, F Eur, F GBP classes no new share classes.

Have there been any updates on releasing the assets of the fund yet?

Ongoing contacts from RFFMF and their legal counsel has not resulted in any specific date for the release of assets. However, progress is now being made (early February 2022) as a representative from Smith and Williamson has reached out to the RFFMF team to reconcile assets for RFFMF.

Who should I contact for further information and updates on the situation?

For further updates, kindly refer to the following website;

<https://smithandwilliamson.com/en/services/restructuring-and-recovery-services/dolfin-financial-uk-ltd-in-special-administration/>

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