Key Contractual Principles – [Fictional Investment Fund Name]

Date: 31 August 2025
Fund Name: Arcadia Growth Fund, LP
Fund Type: Closed-End Private Equity Fund
Jurisdiction: Cayman Islands

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1. Purpose and Scope

This document outlines the key contractual principles governing the operations, governance, and investor relations of the Arcadia Growth Fund ("the Fund"). It serves as a summary of the Fund's fundamental terms, intended for informational purposes for prospective and existing investors.

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2. Fund Structure

- **Legal Form:** Limited Partnership (LP)
- **General Partner (GP):** Arcadia Capital Management Ltd.
- **Limited Partners (LPs):** Institutional and accredited investors subscribing to the Fund.
- **Fund Term:** 10 years, with two 1-year extension options at the discretion of the GP.

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3. Capital Commitments

- **Minimum Commitment:** USD 1,000,000 per investor.
- **Capital Calls:** Drawdowns shall occur on a pro-rata basis, with at least 10 business days' notice.
- **Default on Commitment:** Failure to fund a capital call may result in penalties, including loss of voting rights and dilution of interest.

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4. Investment Policy

- **Target Sectors:** Technology, healthcare, and renewable energy.

- **Geography:** Global, with emphasis on North America and Europe.
- **Investment Instruments:** Equity, preferred shares, and convertible securities.
- **Diversification:** No single investment shall exceed 20% of total committed capital at the time of investment.

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5. Governance

- **Investment Committee:** Comprised of GP executives; approval required for all investments above USD 5 million.
- **Advisory Board:** Comprised of selected LP representatives; advisory only, without veto rights.
- **Voting Rights:** LPs have limited voting rights, primarily on material changes, extensions, or GP replacement.

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6. Fees and Expenses

- **Management Fee:** 2% per annum on committed capital during investment period; 2% on net invested capital thereafter.
- **Performance Fee (Carried Interest):** 20% of profits exceeding an 8% annual preferred return (hurdle).
- **Expenses:** Fund bears customary operating expenses, including legal, audit, and advisory fees.

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7. Distributions

- **Priority:** LPs receive distributions in the following order:
    1. Return of capital contributions.
    2. Preferred return of 8% per annum.
    3. Carried interest allocation to GP.
- **Frequency:** Distributions shall be made quarterly, subject to liquidity.

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8. Reporting

- **Financial Statements:** Quarterly and annual audited statements prepared according to IFRS.
- **Investor Reports:** Monthly summary of portfolio performance and capital account statements.
- **Transparency:** GP shall disclose any material conflicts of interest and related-party transactions.

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9. Amendments

- **Material Changes:** Require majority approval of LPs representing at least 66.7% of committed capital.
- **Non-Material Changes:** Can be made unilaterally by the GP, subject to notification to LPs.

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10. Termination

- **Normal Term:** Upon completion of 10-year term, unless extended.
- **Early Termination:** May occur with majority LP consent or if the GP resigns and no replacement is appointed.
- **Wind-Up:** Assets will be liquidated, and proceeds distributed according to the waterfall in Section 7.

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11. Confidentiality

All investors and the GP shall maintain strict confidentiality regarding fund activities, investment decisions, and investor information.

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12. Dispute Resolution

- **Governing Law:** Cayman Islands

- **Arbitration:** Any disputes arising under this agreement shall be submitted to arbitration under the rules of the London Court of International Arbitration (LCIA).