SECURITIES NOTE

dated February 13, 2024

16 293 iX Brent Oil Exchange Traded Notes[1] due December 05, 2029

issued under

REGISTRATION DOCUMENT

dated February 13, 2024

EXCHANGE TRADED NOTES PROGRAMME

This document constitutes a Security Note for the purposes of AIFC Market Rules No.FR0003 in respect of Exchange Traded Notes, issued by iX Brent Oil SPC Limited.

This Securities Note dated February 13, 2024 for iX Brent Oil Exchange Traded Notes due December 05, 2029 (the "**Securities Note**") shall be read in conjunction with the Registration Document for Exchange Traded Notes Programme of AIX FM Limited dated February 13, 2024, including any amendments thereto (the "**Registration Document**"), and the Prospectus Summary for iX Brent Oil Exchange Traded Notes due December 05, 2029 (the "**Prospectus Summary**") (all three documents together, the "**Prospectus**"). These three documents collectively form the Prospectus for the purposes of AIFC Market Rules No.FR0003.

All provisions of the Registration Document and Prospectus Summary are incorporated in this Securities Note by the reference. In the event of discrepancies between the conditions of the Registration Document and/or Prospectus Summary and this Securities Note conditions of this Securities Note shall prevail.

Terms not otherwise defined herein, shall have the meaning specified in the Registration Document.

This Securities Note upon its publication and effective from February 13, 2024 supersedes the Securities Note of iX Brent Oil SPC Limited Exchange Traded Notes due December 05, 2029 dated October 22, 2022.

General

- The iX Brent Oil Exchange Traded Notes (the "**ETNs**") are senior unsecured debt obligations of iX Brent Oil SPC Limited (the "**SPC**"), a special purpose company incorporated in the AIFC whose sole assets are shares in the United States Brent Oil Fund LP (NYSE Arca ticker symbol: "BNO") (the "**Shares**") (the "**Underlying ETF**") and Cash (together, "**Underlying Assets**"). The base currency of the Underlying ETF is US Dollars (US$).

- The investment objective of the Underlying ETF is for the daily changes in percentage terms of its shares' net asset value to reflect the daily changes in percentage terms of the spot price of Brent crude oil, as measured by the daily changes in price of the Underlying ETF's Benchmark Oil Futures Contract, less Underlying ETF's expenses. The Underlying ETF invests primarily in listed crude oil futures contracts and other oil-related futures contracts, and may invest in forwards and swap contracts. These investments will be collateralized by cash, cash equivalents, and US government obligations with remaining maturities of two years or less. The Underlying ETF is described in more detail on pages 27 to 29 of this Securities Note.

- The ETNs seek to provide investors a return linked to the performance of the Underlying ETF, reduced by the Expenses. If the price of Shares at the date of your sale of ETNs is greater than the price of Shares at the date of your purchase of ETNs, you will receive less due to accrued Expenses. The amount of accrued Expenses will reduce the amount, if any, you will receive at maturity, upon Redemption or upon Early Termination (as the case may be), which could result in a loss to you on your investment, even if the price of Shares at the date of your sale is greater than the price of Shares at the date of your purchase. **Any payment on the ETNs is subject to the SPC's ability to pay its obligations as they become due.**

- The ETNs are issued by the SPC, a special purpose company incorporated in the AIFC and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017). The SPC is a wholly-owned

[1] This amount represents the current number of ETNs outstanding. The Issuer may issue additional ETNs as further described in the Prospectus.

subsidiary of AIX FM Limited (the “**Management Company**”). The Management Company is itself a wholly-owned subsidiary of the Astana International Exchange Limited (“**AIX**”).

- **An investment in the ETNs involves significant risks and is not appropriate for every investor. The ETNs should be purchased only by knowledgeable investors who understand the potential consequences of investing in the ETNs. Investors should consider their investment horizon as well as potential transaction costs when evaluating an investment in the ETNs and should regularly monitor their holdings of ETNs to ensure that they remain consistent with their investment strategies.**

- The ETNs are senior unsecured debt obligations of the SPC and mature on December 05, 2029.

- The ETNs do not guarantee any return on your investment. Prior to maturity of the ETNs, unless the ETNs are either redeemed or terminated in accordance with their terms, the ETN Holders will only be able to realise the value of their investment by selling the ETNs through a broker that is a trading member of AIX, the stock exchange within the AIFC. On maturity of the ETNs, the ETN Holders will receive Cash and/or Shares and the amount of such Cash and/or the number of Shares will be reduced by the Expenses.

- The ETNs will not pay any coupon.

- The base currency of the ETNs is US Dollars (US$) and the nominal value of the ETNs shall be expressed in US Dollars (US$). The nominal value of one ETN calculated as at the date of the initial Prospectus (being December 05, 2019) is equal to 19,79 US Dollars (US$). This nominal value is not a principal amount and, accordingly, does not provide the ETN Holder with a right to claim this amount from the SPC. The value and price of the ETNs will be subject to change on a daily basis, as described in the Prospectus.

- The ETNs are listed and admitted to trading on AIX under the ticker symbol “**IXO**”. The SPC has no obligation to maintain any listing on any exchange or quotation system and no assurance can be given that the listing on AIX will be maintained.

- 9 395 ETNs have been issued by the SPC in the amount of the Initial Placement and are sold off-exchange to the Initial Purchaser where the consideration provided by the Initial Purchaser consists of 9 395Shares and cash in the amount of 1 000,00 US Dollars (US$). This amount represents the amount of the Initial Placement. Following the Initial Placement, ETNs are eligible for any public market sales. The SPC may issue additional ETNs or redeem existing ETNs, as further described in the Prospectus. As at the date of the Securities Note, the issued number of ETNs was 16 293 ETNs.

- Retail investors who qualify as an App Investor may subscribe for ETNs by filing an electronic request with SPC via the App. App Investors (other than Authorised Participant) have no right to require the SPC to redeem ETNs, but an App Investor may file an electronic request with SPC via the App for repurchase of its ETNs.

Investing in the ETNs involves a number of risks not associated with an investment in conventional debt securities. See the Section headed “Risk Factors” in the Registration Document, the Prospectus Summary and in this Securities Note for more information.

Astana International Exchange Ltd (AIX) and its related companies and their respective directors, officers and employees do not accept responsibility for the content of this Prospectus including the accuracy or completeness of any information or statements included in it. Liability for this Prospectus lies with the SPC. Nor has AIX, its directors, officers or employees assessed the suitability of the securities to which this Prospectus relates for any particular investor or type of investor. If you do not understand the contents of this Prospectus or are unsure whether the securities are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

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DEFINITIONS AND KEY TERMS

Acting Law of the AIFC	Has the same meaning as defined in clause 1 of Article 4 of the Constitutional Statute of the Republic of Kazakhstan "On the Astana International Financial Centre" No. 438-V ZRK, dated 7 December 2015.
App	Means a mobile application developed by AIX under brand name "Tabys" and leased out to SPC (acting through the Management Company) based on corresponding sub-license arrangements to facilitating communication and document transactions (subscription or buyback) in respect of ETNs between the SPC and the App Investor. The App can be downloaded to investor's mobile device subject to the terms of service of the App.
App Investor	An investor who has accepted the terms and conditions of the App Investor Agreement and the terms of service of the App for the purpose of ETN subscription and buyback with SPC.
Creation Amount	250 ETNs, subject to the right of the Management Company to modify the Creation Amount at any time at its sole and absolute discretion.
Custodian	Jusan Bank JSC, a legal entity incorporated under the laws of the Republic of Kazakhstan and acting as a custodian for the Shares and Cash owned by the SPC, pursuant to and in accordance with the terms and conditions of the Custody Agreement.
ISIN	KZX000000278.
Maturity Date	December 05, 2029.
Permitted Assets	The assets which the SPC is permitted to hold and own are: • Shares; and • Cash.
Placement Fee	Zero.
Primary Exchange or **NYSE Arca**	NYSE Arca stock exchange.
Redemption Fee	0.125 percent of a sum equal to the product of the NAV (as at the Business Day preceding the date of the Redemption Notice) multiplied by the number of ETNs redeemed, subject to the right of the Management Company to modify the Redemption Fee at any time at its sole and absolute discretion.
Redemption Amount	250 ETNs, subject to the right of the Management Company to modify the Redemption Amount at any time at its sole and absolute discretion.
SPC	iX Brent Oil SPC Limited ("**SPC**", "**we**", "**our**" or "**us**"), a special purpose company, registration number 191040900244, incorporated under the Acting Law of the AIFC on 29 October 2019 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, telephone +7(717) 223 53 66. The SPC is registered by Astana Financial Services Authority in the public register https://publicreg.myafsa.com/details/191040900244/ and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).
Underlying ETF	United States Brent Oil Fund LP (NYSE Arca ticker symbol: "BNO").

NET ASSET VALUE

As at the date of this Securities Note, the Net Asset Value ("NAV") was equal to 29.68 USD and consist of the following:

Date February 13, 2024

Type of asset	Value, USD
Cash	410.14
Shares (16 273 shares in the United States Brent Oil Fund LP.)	483,145.37
Gross asset value	483,555.51
Total accrued Expenses for account of ETN Holders	16.56
NAV	483,538.95
NAV per ETN (with 16 293 ETNs outstanding as at the date of this Securities Note)	29.68

Historical Net Asset Value (since inception, end of month values):

Month	NAV per ETN, USD	Month	NAV per ETN, USD
10 December 2019	20,22	December 2021	20,99
December 2019	20,96	January 2022	24,28
January 2020	18,29	February 2022	27,24
February 2020	16,28	March 2022	30.01
March 2020	7,99	April 2022	30,59
April 2020	7,12	May 2022	33,97
May 2020	9,88	June 2022	32,77
June 2020	10,89	July 2022	32,41
July 2020	11,42	August 2022	29,99
August 2020	11,77	September 2022	27,35
September 2020	10,75	October 2022	30,21
October 2020	9,58	November 2022	28,69
November 2020	12,01	December 2022	28,30
December 2020	12,97	January 2023	28,18
January 2021	13,83	February 2023	27,56

February 2021	16,29	March 2023	26,60
March 2021	15,97	April 2023	26,95
April 2021	17,05	May 2023	24,40
May 2021	17,70	June 2023	25,48
June 2021	19,34	July 2023	29,04
July 2021	19,60	August 2023	29,72
August 2021	18,78	September 2023	32,07
September 2021	20,73	October 2023	30,20
October 2021	22,34	November 2023	28,43
November 2021	18,79	December 2023	27,30
		January 2024	28,84

TERM AND CONDITIONS OF THE OFFER

The following is the general terms and conditions of the offer of of ETNs under this Securities Note.

Name of security	iX Brent Oil Exchange Traded Notes
Class of security	Senior unsecured debt notes
Form of security	Book-entered non-bearer securities in uncertificated form
Currency of security	US Dollars
Nominal value	The nominal value of one ETN calculated as at the date of the initial Prospectus (being December 05, 2019) is equal to 19,79 US Dollars (US$). This nominal value is not a principal amount and, accordingly, does not provide the ETN Holder with a right to claim this amount from the SPC.
Price of security	The value and price of the ETNs will be subject to change on a daily basis, as described in the Prospectus.
Governing law	Acting Law of the AIFC
Issuer	iX Brent Oil SPC Limited
Registrar	Astana International Exchange Registrar Ltd
Issue date	December 05, 2019
Maturity date	December 05, 2029
Offer period	Continuing offering
New issuances	The ETNs are issued on continuous basis in transactions with Authorised Participants. New ETNs are created by virtue of decision of the SPC on approval of the Prospectus.
Coupon	None
Repayment	Bullet at maturity, subject to the right of an Authorised Participant to require the SPC to redeem the ETNs, the right of the SPC to exercise Early Termination or (as the case may be) the right of the SPC to extend the term of the ETNs, each as described in the Prospectus.
ISIN	KZX000000278
Transferability	Freely transferable, no restrictions
Listing and trading	Astana International Exchange Limited
Date of admission to trading	December 13, 2019
Ticker	IXO
Initial issued quantity	9 395
Current issued quantity	16 293
Custodian	Jusan Bank JSC, Republic of Kazakhstan
Auditor	IAC Russell Bedford A+ Partners LLP, Republic of Kazakhstan.
Underlying ETF	United States Brent Oil Fund LP (NYSE Arca ticker symbol: “BNO”)
Ranking of ETNs	The ETNs constitute direct, unconditional and unsecured obligations of the SPC and rank and will rank: (i) pari passu, without any preference among themselves; and (ii) as senior debt with preference over all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in each case, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.
Potential investors	The ETNs are offered to the various categories of potential investors, that are eligible to invest in ETNs. Each potential investor shall consult with his/her financial and/or legal adviser on eligibility on ETNs in light of his/her particular circumstances.

Material interest and conflict	*Disclosures on affiliated companies within AIX group.* AIX FM Limited is a wholly-owned subsidiary of AIX and acts as a Management company of the SPC and enters into all necessary agreements in the Prospectus on behalf of the SPC. Whereas, AIX CSD, AIX Registrar and AIX MLS are wholly-owned subsidiaries of AIX and may from time to time act as an administrator, registrar, transfer-agent, representative or otherwise as may be required from time to time in relation to the Prospectus, or be otherwise involved in or with other funds and clients which have similar investment objectives to those of the SPC. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the SPC. Each of these companies will, at all times, have regard in such event to its obligations to the SPC and will endeavor to ensure that such conflicts are resolved fairly and taking into account interests of the investors. Each of these companies has measures in place to minimize potential conflicts of interest. The services of companies provided to the SPC are not deemed to be exclusive and each of these companies shall be free to render similar services to others so long as its services hereunder are not impaired thereby and to retain for its own use and benefit all fees and other money payable thereby and companies shall not be under any duty to disclose to the SPC any fact or thing which comes to the notice of companies in the course of its rendering similar services to others or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties under contracts with the SPC. Conflicts of interest may also arise due to the widespread business operations of companies and their connected persons (CEO, CFO, Directors). The foregoing parties may effect transactions where those conflicts arise and shall not, subject to the terms of contracts be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of the SPC will be on arm's length terms. In the event that any conflicts of interest arise, each company will, at all times, have regard in such event to its obligations under contracts and, in particular, to its obligations to act in the best interests of the SPC and the ETN Holder (s) so far as practicable. Companies will endeavor to ensure that such conflicts are resolved fairly and taking into account interests of the investors.
The manner of placement, allocation and method of payment for ETNs	The ETNs are issued and redeemed by the SPC on a continued basis upon the request of the Authorised Participants. Any issuances of the ETNs are to be sold by the SPC to the Authorised Participants off-exchange in exchange for the Shares and Cash in proportion to the NAV. Upon completion of the placement, ETNs are eligible for any public market sales. Retail investors who qualify as an App Investor may subscribe for any number of ETNs or may request SPC to repurchase all or part of its ETNs by filing an electronic request with SPC via the App. Prospective investors may purchase or sell ETNs on AIX through a brokerage firm that is a trading member of AIX. The Authorised Participants have a right to redeem ETNs purchased from the SPC, on AIX or off-exchange. The redemptions of the ETNs are to be made off-exchange. **ETN Holders (other than Authorised Participant) have no right to require the SPC to redeem ETNs**.
The effect the issuance of the ETNs on the capital structure of the SPC	Continuing issuance and redemptions of ETNs (being debentures of the SPC) will not affect the capital structure of the SPC.
Particulars of any commissions or other fees to be paid by the SPC in relation to the offer	The SPC is not planning to pay any fees or commissions in relation to the offer (except customarily fees of the Stock Exchange).
All relevant details of the appointment of an underwriter and/or a placing agent	Not applicable, the offer has no underwriter or a placing agent.

Details of the entities which have a firm commitment to act as intermediaries in secondary trading	As stated in this Prospectus, the Stock Exchange may at its sole discretion appoint a market maker to provide two-way bid and ask quotes for secondary trading. Such appointment and provision of trading quotes are not guaranteed and could be terminated at any point of time.

GENERAL TERMS OF THE ETNS

The following are general terms of the ETNs and other considerations you should take into account when deciding whether to invest in the ETNs.

What are the ETNs and how do they work?
The ETNs are unsecured senior debt obligations of iX Brent Oil SPC Limited, a special purpose company governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017) and incorporated in the AIFC. The assets of the SPC are a combination of shares in the Underlying ETF (the "**Shares**") and cash in US Dollars and Kazakhstan tenge in the hands of the SPC (the "**Cash**").

Over the term of the ETNs, the NAV will generally fluctuate in line with the change in value of the Underlying ETF, reduced by the Expenses (as explained in more detail immediately below).

Net Asset Value
The NAV equals:

the closing price of a Share as quoted on the Primary Exchange on the preceding Business Day
multiplied by
the number of Shares held by the SPC
plus
Cash
plus
any other assets
less
accrued but unpaid Expenses
less
any other liabilities (excluding ETNs issued).

The NAV per ETN calculated by dividing the NAV by number of outstanding ETNs.

In calculation of the market price for securities and value of any other assets or liabilities the SPC usually uses the most appropriate valuation procedure including the closing price for such securities on any major stock exchange as well as other methods. Any assets or liabilities that are denominated in currency other than USD will be translated into USD at the prevailing market rates.
Besides, the SPC has a right, acting reasonably and prudently, to adjust the calculation of the NAV by excluding or (as the case may be) including certain items in order to determine the correct value of the assets of the SPC.

The NAV is calculated on each Business Day and usually published on the website of the Stock Exchange at www.aix.kz at 11:00 a.m. Astana time on that Business Day.

The NAV is rounded down to the nearest cent.

Expenses
The SPC shall pay the following expenses:

- operational fees;
- the management fee; and
- other expenses.

The above expenses of the SPC are deducted from, and reflected in the value of the SPC and, accordingly, the NAV. The effect of the SPC paying Expenses is therefore to reduce the NAV.

Total Expense Ratio
The Total Expense Ratio is the ratio of the Expenses, including operational fees and the management fee and the fees charged by the manager of the Underlying ETF, accrued on a daily basis, to the NAV. It is expected (but not guaranteed) that the Total Expense Ratio will not exceed 1.0 percent per annum.
For avoidance of doubt, any extraordinary expenses will not be included in expenses for the purpose of calculation of the Total Expense Ratio.

Right of the Management Company to pay Expenses
If at any time the Total Expense Ratio exceeds 1.0 percent per annum, the Management Company has a right, but is not obliged, to reimburse the SPC for such shortfall.
The Management Company may, but is not obliged to, pay any operational fees at its own expense, with or without reimbursement from the SPC.
The management fee and operational fees are described in more detail on this page of this Prospectus.

Operational fees
Operational fees include all costs, charges, fees and expenses incurred in the operation of the SPC, including transactional costs, banking costs, brokerage costs, borrowing costs, the costs and expenses of obtaining and maintaining authorisations or registrations with regulatory authorities, professional fees, expenses for auditing, interest payments and other fees.

Management fee
In accordance with the Management Agreement, the SPC shall pay a fee to the Management Company for the Management Company's services. Pursuant to and in accordance with the terms and conditions of the Management Agreement, the Management Company may modify the management fee, provided that the Total Expense Ratio may not exceed 1.0 percent per annum.

Calculation and payment of the management fee
The management fee will be accrued on a daily basis and paid monthly by the SPC.
In the event the SPC has insufficient cash to pay the management fee or other Expenses, the SPC may sell Shares in order to cover such Expenses.

Other Expenses
In addition to the Expenses indicated above, the SPC may, in exceptional circumstances, deduct costs that relate to the ETNs that arise outside the ordinary course of business such as taxes, litigation expenses and any other extraordinary expenses. These other expenses are for the account of the ETN Holders and, accordingly, will be reflected in the NAV.

Substitution of the current Underlying ETF for a new Underlying ETF
The SPC may change the Underlying ETF at its sole and absolute discretion. The circumstances under which the SPC may change the Underlying ETF include, but are not limited to:

- suspension of trading or delisting of the Shares on the official list of the Primary Exchange; and
- other conditions that may make it practically impossible to sell, purchase or obtain reasonable market prices for the Shares.

Should such conditions occur, the SPC, acting in good faith, must, decide whether to:

- substitute the current Underlying ETF with a new Underlying ETF, which new Underlying ETF shall, in all material respects, be substantially similar to the previous Underlying ETF; or
- exercise its right to Early Termination to redeem all of the outstanding ETNs.

In circumstances where the previous Underlying ETF is substituted for a new Underlying ETF, the SPC shall:

- inform the ETNs Holders by means of a notification on the website of the Stock Exchange at www.aix.kz;
- request the suspension of trading of the ETNs on the Stock Exchange;
- suspend the issuance and Redemptions of the ETNs;
- sell, on a best efforts basis, Shares in the previous Underlying ETF;
- purchase, on a best efforts basis, shares in the new Underlying ETF;
- calculate and publish the new NAV; and
- seek a lifting of the trading suspension on the Stock Exchange in respect of the ETNs.

Changes to this Securities Note
The SPC may amend or change this Securities Note at any time in its sole and absolute discretion by the issuance of a supplementary Securities Note.

RISK FACTORS

Your investment in the ETNs will involve risks. The ETNs are not secured debt and are riskier than ordinary unsecured debt securities. As described in more detail below, the trading price of the ETNs may vary considerably before the Maturity Date due to, among other things, fluctuations in the markets and other events that are difficult to predict and beyond control of the SPC. This Section of the Securities Note describes additional risks related to these ETNs. In addition to these additional risks specific to these ETNs, you need to review the general risks associated with the ETNs in the respective section of the Registration Document and the Prospectus Summary, which are incorporated by reference in this Securities Note.

Besides, there are also risks related to the Underlying ETF as described below.

The SPC urges you to read the following information about these risks, together with the other information in the Prospectus, before investing in the ETNs.

RISK FACTORS RELATED TO THE ETNs

Concentration risk.
Almost all of the assets of the SPC are invested in the Shares, which creates a significant concentration on the Underlying ETF. Any negative movements in the price of Shares will directly adversely affect the NAV and the market price of ETNs.

The Underlying ETF may be replaced upon the occurrence of certain adverse events
If certain adverse events were to occur (including but not limited to suspension of trading or delisting of the Shares from the official list of the Primary Exchange) which make it practically impossible to sell or purchase, or (as the case may be) to obtain reasonable market prices for the Shares, then the SPC must, acting in the good faith, decide whether to substitute the current Underlying ETF with a new Underlying ETF, which new Underlying ETF shall, in all material respects, be substantially similar to the previous Underlying ETF, or exercise Early Termination to redeem all of the outstanding ETNs.

The SPC is a recently established entity with limited track record of operation
The SPC has been established on 29 October 2019 and has limited track record of operation. The SPC is a special purpose vehicle with a passive investment strategy and the asset classes in which it can invest are limited. Investments by the ETN Holders will be used by the SPC to purchase Permitted Assets only. Accordingly, the prospects of the SPC are fully dependent on the market demand for its ETNs and the performance of the Underlying ETF.

RISK FACTORS RELATED TO THE UNDERLYING ETF

Below are the principal risks related to the Underlying ETF taken from the prospectus of the Underlying ETF as of the date of this Securities Note. Potential investers are urged to read the full and current description of risks associated with the Underlying ETF in the most recent prospectus of the Underlying ETF available at https://www.uscfinvestments.com/bno prior to the purchase of any ETNs. The prospectus of the Underlying ETF might be changed/updated by the Underlying ETF from time to time as well as risk factors involved.

The Underlying ETF is subject to certain risks, including the principal risks noted below, any of which may adversely affect the Underlying ETF's net asset value per share, trading price, yield, total return and ability to meet its investment objective. The order of the below risk factors does not indicate the significance of any particular risk factor. The terms used in this Section are defined in the prospectus of the Underlying ETF.

Investment Risk

The NAV of BNO's shares relates directly to the value of the Benchmark Futures Contracts and other assets held by BNO and fluctuations in the prices of these assets could materially adversely af ect an investment in BNO's shares. Past performance is not necessarily indicative of future results; all or substantially all of an investment in BNO could be lost. The net assets of BNO consist primarily of investments in Futures Contracts and, to a lesser extent, in Other Crude Oil-Related Investments. The NAV of BNO's shares relates directly to the value of these assets (less liabilities, including accrued but unpaid expenses), which in turn relates to the price of crude oil in the marketplace. Brent crude oil prices depend on local, regional, and global events or conditions that affect supply and demand for oil.

Economic conditions impacting Brent crude oil. The demand for Brent crude oil correlates closely with general economic growth rates. The occurrence of recessions or other periods of low or negative economic growth will typically have a direct adverse impact on crude oil demand and therefore may have an adverse impact on crude oil prices. Other factors that affect general economic conditions in the world or in a major region, such as changes in population growth rates, periods of civil unrest, military conflicts, war (such as the current war between Russia and Ukraine), pandemics (e.g. COVID-19), government austerity programs, or currency exchange rate fluctuations, can also impact the demand for Brent crude oil. Sovereign debt downgrades, defaults, inability to access debt markets due to credit or legal constraints, liquidity crises, the breakup or restructuring of fiscal, monetary, or political systems such as the European Union, and other events or conditions (e.g. pandemics such as COVID-19) that impair the functioning of financial markets and institutions also may adversely impact the demand for Brent crude oil.

Other Brent crude oil demand-related factors. Other factors that may affect the demand for crude oil and therefore its price, include technological improvements in energy efficiency; seasonal weather patterns, which affect the demand for crude oil associated with heating and cooling; increased competitiveness of alternative energy sources that have so far generally not been competitive with oil without the benefit of government subsidies or mandates; and changes in technology or consumer preferences that alter fuel choices, such as toward alternative fueled vehicles or electric transportation and broad-based changes in personal income levels.

Other Brent crude oil supply-related factors. Brent crude oil prices also vary depending on a number of factors affecting supply, including geopolitical risk associated with wars (such as the current war between Russia and Ukraine), terrorist attacks and tensions between countries, including sanctions imposed as a result of the foregoing that can adversely affect oil and other energy trade flows by limiting or disrupting trade between countries or regions. For example, increased supply from the development of new oil supply sources and technologies to enhance recovery from existing sources tends to reduce crude oil prices to the extent such supply increases are not offset by commensurate growth in demand. Similarly, increases in industry refining or petrochemical manufacturing capacity may impact the supply of Brent crude oil. World oil supply levels can also be affected by factors that reduce available supplies, such as adherence by member countries to the Organization of the Petroleum Exporting Countries ("OPEC") production quotas and the occurrence of geopolitical risk associated with wars, terrorist attacks and tensions between countries, including sanctions imposed as a result of the foregoing that can adversely affect oil and other energy trade flows by limiting or disrupting trade between countries or regions, natural disasters, disruptions in competitors' operations, or unexpected unavailability of distribution channels that may disrupt supplies. Technological change can also alter the relative costs for companies in the petroleum industry to find, produce, and refine oil and to manufacture petrochemicals, which in turn, may affect the supply of and demand for oil.

Other factors impacting the Brent crude oil market. The supply of and demand for crude oil may also be impacted by changes in interest rates, inflation, and other local or regional market conditions, as well as by the development of alternative energy sources.

Price Volatility May Possibly Cause the Total Loss of Your Investment. Futures contracts have a high degree of price variability and are subject to occasional rapid and substantial changes. Consequently, you could lose all or substantially all of your investment in BNO. Significant market volatility has recently occurred in the crude oil markets and the oil futures markets. Such volatility is attributable in part to the COVID-19 pandemic, related supply chain disruptions, war, including the war between Russia and Ukraine, and continuing disputes among oilproducing countries. These and other events could cause continuing or increased volatility in the future, which may affect the value, pricing and liquidity of some investments or other assets, including those held by or invested in by BNO and the impact of which could limit BNO's ability to have a substantial portion of its assets invested in the Benchmark Futures Contract. In such a circumstance, BNO could, if it determined it appropriate to do so in light of market conditions and regulatory requirements, invest in other Futures Contracts and/or Other Crude Oil-Related Investments.

Russia's invasion of Ukraine, and sanctions brought by the United States and other countries against Russia and others, have caused disruptions in many business sectors, resulting in significant market disruptions that may lead to increased volatility in the price of certain commodities, including oil and natural gas, as well as volatility in BNO's NAV or share price. On February 24, 2022, Russia launched a large-scale invasion of Ukraine. The extent and duration of the military action, and resulting sanctions, and future market or supply disruptions in the region, are impossible to predict, but could be significant and may have a severe adverse effect on the region. The United States and other countries and certain international organizations have imposed broad-ranging economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to Russia's invasion of Ukraine. On March 8, 2022, the United States announced that it would ban imports of oil, natural gas and coal from Russia. Among other things, the extent and duration of the military action, the responses of countries and political bodies to Russia's actions, including sanctions, future market or supply disruptions, and Ukraine's military response and the potential for wider conflict may increase financial market volatility generally, have severe adverse effects on regional and global economic markets, and cause volatility in the markets for commodities including the price of energy, including energy futures, and the NAV or share price of BNO. A resolution to the war in Ukraine also could impact the markets for certain commodities, such as oil and natural gas, and may have collateral impacts, including increased volatility, and cause disruptions to availability of certain commodities, commodity and futures prices and the supply chain globally. The longer-term impact on commodities and futures prices, including the spot price of oil and the price of the Benchmark Futures Contract is difficult to predict and depends on a number of factors that may have a negative impact on BNO in the future.

Historical performance of BNO and the Benchmark Futures Contract is not indicative of future performance. Past performance of BNO or the Benchmark Futures Contract is not necessarily indicative of future results. Therefore, past performance of BNO or the Benchmark Futures Contract should not be relied upon in deciding whether to buy shares of BNO.

Infectious disease outbreaks like COVID-19 could negatively affect the valuation and performance of BNO's investments. An outbreak of infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and spread globally. In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. COVID-19 resulted in numerous deaths, travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines and the imposition of both local and more widespread "work from home" measures, cancellations, loss of employment, supply chain disruptions, and lower consumer and institutional demand for goods and services, as well as general concern and uncertainty. The spread of COVID-19 had a material adverse impact on local economies in the affected jurisdictions and also on the global economy, as cross border commercial activity and market sentiment were impacted by the outbreak and government and other measures seeking to contain its spread. COVID-19 had a material adverse impact on the crude oil markets and oil futures markets to the extent economic activity and the use of crude oil continues to be curtailed, which in turn had a significant adverse effect on the prices of Oil Futures Contracts, including the Benchmark Futures Contract, and Other Oil-Related Investments**.** Infectious disease outbreaks like COVID-19 may arise in the future and could adversely affect individual issuers and capital markets in ways that cannot necessarily be foreseen. In addition, actions taken by government and quasi-governmental authorities and regulators throughout the world in response to such an outbreak, including the potential for significant fiscal and monetary policy changes, may affect the value, volatility, pricing and liquidity of some investments or other assets, including those held by or invested in by BNO. Public health crises caused by infectious disease outbreaks may exacerbate other pre-existing political, social and economic risks in certain countries or globally and their duration cannot be determined with certainty.

Correlation Risk

An investment in BNO may provide little or no diversification benefits. Thus, in a declining market, BNO may have no gains to of set losses from other investments, and an investor may suf er losses on an investment in BNO while incurring losses with respect to other asset classes. Investors purchasing shares to hedge against movements in the price of crude oil will have an efficient hedge only if the price investors pay for their shares closely correlates with the price of crude oil. Investing in BNO's shares for hedging purposes includes the following risks: · The market price at which the investor buys or sells shares may be significantly less or more than NAV. · Daily percentage changes in NAV may not closely correlate with daily percentage changes in the price of the Benchmark Futures Contract. · Daily percentage changes in the price of the Benchmark Futures Contract may not closely correlate with daily percentage changes in the price of Brent crude oil. Historically, Futures Contracts and Other Crude Oil-Related Investments have generally been non-correlated to the performance of other asset classes such as stocks and bonds. Non-correlation means that there is a low statistically valid relationship between the performance of futures and other commodity interest transactions, on the one hand, and stocks or bonds, on the other hand. However, there can be no assurance that such non-correlation will continue during future periods. If, contrary to historic patterns, BNO's performance were to move in the same general direction as the financial markets, investors will obtain little or no diversification benefits from an investment in BNO's shares. In such a case, BNO may have no gains to offset losses from other investments, and investors may suffer losses on their investment in BNO at the same time they incur losses with respect to other investments. Variables such as drought, floods, weather, military conflicts, pandemics (such as COVID-19), embargoes, tariffs and other political events may have a larger impact on crude oil prices and crude oil-linked instruments, including Futures Contracts and Other Crude Oil-Related Investments, than on traditional securities. These additional variables may create additional investment risks that subject BNO's investments to greater volatility than investments in traditional securities. Non-correlation should not be confused with negative correlation, where the performance of two asset classes would be opposite of each other. There is no historical evidence that the spot price of crude oil and prices of other financial assets, such as stocks and bonds, are negatively correlated. In the absence of negative correlation, BNO cannot be expected to be automatically profitable during unfavorable periods for the stock market, or vice versa.

The market price at which investors buy or sell shares may be significantly less or more than NAV. BNO's NAV per share will change throughout the day as fluctuations occur in the market value of BNO's portfolio investments. The public trading price at which an investor buys or sells shares during the day from their broker may be different from the NAV of the shares, which is also the price shares can be redeemed with BNO by Authorized Participants in Redemption Baskets. Generally, price differences may relate to supply and demand forces at work in the secondary trading market for shares that are closely related to, but not identical to, the same forces influencing the prices of Brent crude oil and the Benchmark Futures Contract at any point in time. USCF expects that exploitation of certain arbitrage opportunities by Authorized Participants and their clients will tend to cause the public trading price to track NAV per share closely over time, but there can be no assurance of that. For example, a shortage of BNO's shares in the market and other factors could cause BNO's shares to trade at a premium. Investors should be aware that such premiums can be transitory. To the extent an investor purchases shares that include a premium (e.g., because of a shortage of shares in the market due to the inability of Authorized Participants to purchase additional shares from BNO that could be resold into the market) and the cause of the premium no longer exists causing the premium to disappear (e.g., because more shares are available for purchase from BNO by Authorized Participants that could be resold into the market) such investor's return on its investment would be adversely impacted due to the loss of the premium. The NAV of BNO's shares may also be influenced by non-concurrent trading hours between the NYSE Arca and the various futures exchanges on which crude oil is traded. While the shares trade on the NYSE Arca from 9:30 a.m. to 4:00 p.m. Eastern Time, the trading hours for the futures exchanges on which Brent crude oil trades may not necessarily coincide during all of this time. For example, while the shares trade on the NYSE Arca until 4:00 p.m. Eastern Time, liquidity in the Brent crude oil market will be reduced after the close of the NYMEX at 2:30 p.m. Eastern Time. As a result, during periods when the NYSE Arca is open and the futures exchanges on which Brent crude oil is traded are closed, trading spreads and the resulting premium or discount on the shares may widen and, therefore, increase the difference between the price of the shares and the NAV of the shares.

Daily percentage changes in BNO's NAV may not correlate with daily percentage changes in the price of the Benchmark Futures Contract. It is possible that the daily percentage changes in BNO's NAV per share may not closely correlate to daily percentage changes in the price of the Benchmark Futures Contract. Non-correlation may be attributable to disruptions in the market for Brent crude oil, the imposition of position or accountability limits by regulators or exchanges, or other extraordinary circumstances. As BNO approaches or reaches position limits with respect to the Benchmark Futures Contract and other Futures Contracts or in view of market conditions, BNO may begin investing in Other Crude Oil-Related Investments. In addition, BNO is not able to replicate exactly the changes in the price of the Benchmark Futures Contract because the total return generated by BNO is reduced by expenses and transaction costs, including those incurred in connection with BNO's trading activities, and increased by interest income from BNO's holdings of Treasuries (defined below). Tracking the Benchmark Futures Contract requires trading of BNO's portfolio with a view to tracking the Benchmark Futures Contract over time and is dependent upon the skills of USCF and its trading principals, among other factors.

An investment in BNO is not a proxy for investing in the crude oil markets, and the daily percentage changes in the price of the Benchmark Futures Contract, or the NAV of BNO, may not correlate with daily percentage changes in the spot price of Brent crude oil. An investment in BNO is not a proxy for investing in the crude oil markets. To the extent that investors use BNO as a means of indirectly investing in crude oil, there is the risk that the daily changes in the price of BNO's shares on the NYSE Arca, on a percentage basis, will not closely track the daily changes in the spot price of Brent crude oil on a percentage basis. This could happen if the price of shares traded on the NYSE Arca does not correlate closely with the value of BNO's NAV; the changes in BNO's NAV do not correlate closely with the changes in the price of the Benchmark Futures Contract; or the changes in the price of the Benchmark Futures Contract do not closely correlate with the changes in the cash or spot price of Brent crude oil. This is a risk because if these correlations do not exist, then investors may not be able to use BNO as a cost-effective way to indirectly invest in Brent crude oil or as a hedge against the risk of loss in Brent crude oil-related transactions. The degree of correlation among BNO's share price, the price of the Benchmark Futures Contract and the spot price of Brent crude oil depends upon circumstances such as variations in the speculative oil market, supply of and demand for Futures Contracts (including the Benchmark Futures Contract) and Other Crude Oil-Related Investments, and technical influences on trading oil futures contracts. Investors who are not experienced in investing in oil futures contracts or the factors that influence that market or speculative trading in the crude oil markets and may not have the background or ready access to the types of information that investors familiar with these markets may have and, as a result, may be at greater risk of incurring losses from trading in BNO shares than such other investors with such experience and resources.

Daily percentage changes in the price of the Benchmark Futures Contract may not correlate with daily percentage changes in the spot price of Brent crude oil. The correlation between changes in prices of the Benchmark Futures Contract and the spot price of Brent crude oil may at times be only approximate. The degree of imperfection of correlation depends upon circumstances such as variations in the speculative oil market, supply of and demand for Futures Contracts (including the Benchmark Futures Contract) and Other Crude Oil-Related Investments, and technical influences in oil futures trading.

Natural forces in the oil futures market known as "backwardation" and "contango" may increase BNO's tracking error and/or negatively impact total return. The design of BNO's Benchmark Futures Contract is such that every month it begins by using the near month contract to expire until the near month contract is within two weeks of expiration, when, over a four-day period, it transitions to the next month contract to expire as its benchmark contract and keeps that contract as its benchmark until it becomes the near month contract and close to expiration. In the event of a Brent crude oil futures market where near month contracts trade at a higher price than next month to expire contracts, a situation described as "backwardation" in the futures market, then absent the impact of the overall movement in Brent crude oil prices the value of the benchmark contract would tend to rise as it approaches expiration. Conversely, in the event of a Brent crude oil futures market where near month contracts trade at a lower price than next month contracts, a situation described as "contango" in the futures market, then absent the impact of the overall movement in crude oil prices the value of the benchmark contract would tend to decline as it approaches expiration. When compared to total return of other price indices, such as the spot price of Brent crude oil, the impact of backwardation and contango may cause the total return of BNO's per share NAV to vary significantly. Moreover, absent the impact of rising or falling oil prices, a prolonged period of contango could have a significant negative impact on BNO's per share NAV and total return and investors could lose part or all of their investment. While contango and backwardation are consistently present in trading in the futures markets, such conditions can be exacerbated by market forces. For example, extraordinary market conditions in the crude oil markets, including "super contango" (a higher level of contango arising from the overabundance of oil being produced and the limited availability of storage for such excess supply), occurred in the crude oil futures markets in April 2020 due to over-supply of crude oil in the face of weak demand during the COVID-19 pandemic when disputes among oil-producing countries regarding limitations on the production of oil also were occurring. This resulted in a negative price for the May 2020 futures contract on light sweet crude oil as traded on the New York Mercantile Exchange. Volatility in the Brent crude oil market was also elevated, but it did not reach the same extreme levels as the volatility in the WTI light, sweet crude oil futures market. However, increased volatility in the future could limit BNO's ability to have a substantial portion of its assets invested in the Benchmark Futures Contract. In addition, it is possible that the Benchmark Futures Contract may experience periods of super contango or negative prices in the future. In any such circumstance, BNO could, if it determined it appropriate to do so in light of market conditions and regulatory requirements, invest in other Futures Contracts and/or Other Crude Oil-Related Investments. See "Additional Information About BNO, its Investment Objective and Investments" for a discussion of the potential effects of contango and backwardation.

Accountability levels, position limits, and daily price fluctuation limits set by the exchanges have the potential to cause tracking error, by limiting BNO's investments, including its ability to fully invest in the Benchmark Futures Contract, which could cause the price of shares to substantially vary from the price of the Benchmark Futures Contract. Designated contract markets, such as the NYMEX and ICE Futures Exchange, have established accountability levels and position limits on the maximum net long or net short futures contracts in commodity interests that any person or group of persons under common trading control (other than as a hedge, which an investment by BNO is not) may hold, own or control. These levels and position limits apply to the futures contracts that BNO invests in to meet its investment objective. In addition to accountability levels and position limits, the NYMEX and ICE Futures Exchange may also set daily price limits on futures contracts. The daily price fluctuation limit establishes the maximum amount that the price of a futures contract may vary either up or down from the previous day's settlement price. Once the daily price fluctuation limit has been reached in a particular futures contract, no trades may be made at a price beyond that limit. The accountability levels for the Benchmark Futures Contract and other Futures Contracts traded on U.S.-based futures exchanges, such as the NYMEX, are not a fixed ceiling, but rather a threshold above which the NYMEX may exercise greater scrutiny and control over an investor's positions. The current accountability level for investments for any one-month in the Benchmark Futures Contract is 10,000 net futures contracts. In addition, the NYMEX imposes an accountability level for all months of 20,000 net futures contracts for investments in futures contracts for oil. If BNO and the Related Public Funds exceed this accountability level for investments in the futures contracts for Brent crude oil, the NYMEX will monitor such exposure and may ask for further information on their activities, including the total size of all positions, investment and trading strategy, and the extent of liquidity resources of BNO and the Related Public Funds. If deemed necessary by the NYMEX, BNO could be ordered to reduce its net futures contracts back to the accountability level. In contrast, the position limits for the ICE Futures Exchange maintain that when 100 lots or more are traded, the activity must be reported to the exchange on a daily basis. ICE Futures Exchange also maintains that an Expiration Limit of 6,000 lots, long or short, will apply for the five business days up to and including the expiration date. There are no specific position accountability levels or limits, nor are there are any maximum daily price fluctuation limits for the ICE Brent Crude Oil (physically settled) futures contract. Position limits differ from accountability levels in that they represent fixed limits on the maximum number of futures contracts that any person may hold and cannot be exceeded without express CFTC authority to do so. In addition to accountability levels imposed by NYMEX and position limits that may apply at any time, the NYMEX and ICE Futures Exchange impose position limits on contracts held in the last few days of trading in the near month contract to expire. It is unlikely that BNO will run up against such position limits because BNO's investment strategy is to close out its positions and "roll" from the near month contract to expire to the next month contract during a four-day period beginning two weeks from expiration of the contract. On October 15, 2020, the CFTC approved a final rule that amends the existing federal position limits regime set forth in Part 150 of the CFTC's regulations as well as the framework for exchange-set position limits and exemptions (such final rule, the "Position Limit Rule"). The Position Limit Rule establishes federal position limits for 25 core referenced futures contracts (comprised of agricultural, energy and metals futures contracts), futures and options linked to the core referenced futures contracts, and swaps that are economically equivalent to the core referenced futures contracts. The Benchmark Futures Contract is not subject to position limits under the Position Limit Rule. Accordingly, the Position Limit Rule is not expected to impact the ability of BNO to meet its investment objective by inhibiting USCF's ability to effectively invest the proceeds from sales of Creation Baskets of BNO in particular amounts and types of its permitted investments.

Risk mitigation measures that could be imposed by BNO's futures commission merchants ("FCMs") have the potential to cause tracking error by limiting BNO's investments, including its ability to fully invest in the Benchmark Futures Contract and other Futures Contracts, which could cause the price of BNO's shares to substantially vary from the price of the Benchmark Futures Contract. BNO's FCMs have discretion to impose limits on the positions that BNO may hold in the Benchmark Futures Contract. To date, BNO's FCMs have not imposed any such limits. However, were BNO's FCMs to impose limits, BNO's ability to have a substantial portion of its assets invested in the Benchmark Futures Contract and other Futures Contracts could be severely limited, which could lead BNO to invest in other Futures Contracts or, potentially, Other Crude Oil-Related Investments. BNO could also have to more frequently rebalance and adjust the types of holdings in its portfolio than is currently the case. This could inhibit BNO from pursuing its investment objective in the same manner that it has historically and currently. In addition, when offering Creation Baskets for purchase, limitations imposed by exchanges and/or any of BNO's FCMs could limit BNO's ability to invest the proceeds of the purchases of Creation Baskets in Benchmark Futures Contracts and other Futures Contracts. If this were the case, BNO may invest in other permitted investments, including Other Crude Oil-Related Investments, and may hold larger amounts of Treasuries, cash and cash equivalents, which could impair BNO's ability to meet its investment objective.

Tax Risk

An investor's tax liability may exceed the amount of distributions, if any, on its shares. Cash or property will be distributed at the sole discretion of USCF. USCF has not and does not currently intend to make cash or other distributions with respect to shares. Investors will be required to pay U.S. federal income tax and, in some cases, state, local, or foreign income tax, on their allocable share of BNO's taxable income, without regard to whether they receive distributions or the amount of any distributions. Therefore, the tax liability of an investor with respect to its shares may exceed the amount of cash or value of property (if any) distributed with respect to such shares.

An investor's allocable share of taxable income or loss may dif er from its economic income or loss on its shares. Due to the application of the assumptions and conventions applied by BNO in making allocations for tax purposes and other factors, an investor's allocable share of BNO's income, gain, deduction or loss may be different than its economic profit or loss from its shares for a taxable year. This difference could be temporary or permanent and, if permanent, could result in it being taxed on amounts in excess of its economic income.

Items of income, gain, deduction, loss and credit with respect to shares could be reallocated, and BNO could be liable for U.S. federal income tax, if the U.S. Internal Revenue Service ("IRS") does not accept the assumptions and conventions applied by BNO in allocating those items, with potential adverse consequences for an investor. The U.S. federal income tax rules pertaining to partnerships are complex and their application to large, publicly traded partnerships such as BNO is in many respects uncertain. BNO applies certain assumptions and conventions in an attempt to comply with the intent of the applicable rules and to report taxable income, gains, deductions, losses and credits in a manner that properly reflects shareholders' economic gains and losses. It is possible that the IRS could successfully challenge the application by BNO of these assumptions and conventions as not fully complying with all aspects of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable Treasury Regulations, which would require BNO to reallocate items of income, gain, deduction, loss or credit in a manner that adversely affects investors. BNO may be liable for U.S. federal income tax on any "imputed understatement" resulting from an adjustment as a result of an IRS audit. The amount of the imputed understatement generally includes increases in allocations of items of income or gain to any investor and decreases in allocations of items of deduction, loss, or credit to any investor without any offset for corresponding reductions in allocations of items of income or gain to any investor or increases in allocations of items of deduction, loss, or credit to any investor. If BNO is required to pay any U.S. federal income taxes on any imputed understatement, the resulting tax liability would reduce the net assets of BNO and would likely have an adverse impact on the value of the shares. Under certain circumstances, BNO may be eligible to make an election to cause the investors to take into account the amount of any imputed understatement, including interest and penalties. The ability of a publicly traded partnership such as BNO to make this election is uncertain. If the election is made, BNO would be required to provide investors who owned beneficial interests in the shares in the year to which the adjusted allocations relate with a statement setting forth their proportionate shares of the adjustment ("Adjusted K-1s"). The investors would be required to take the adjustment into account in the taxable year in which the Adjusted K-1s are issued.

BNO could be treated as a corporation for U.S. federal income tax purposes, which may substantially reduce the value of the shares. BNO has received an opinion of counsel that, under current U.S. federal income tax laws, BNO will be treated as a partnership that is not taxable as a corporation for U.S. federal income tax purposes, provided that (i) at least 90 percent of BNO's annual gross income will be derived from (a) income and gains from commodities (not held as inventory) or futures, forwards, options, swaps and other notional principal contracts with respect to commodities, and (b) interest income, (ii) BNO is organized and operated in accordance with its governing agreements and applicable law and (iii) BNO does not elect to be taxed as a corporation for U.S. federal income tax purposes. Although USCF anticipates that BNO has satisfied and will continue to satisfy the "qualifying income" requirement for all taxable years, that result cannot be assured. BNO has not requested and will not request any ruling from the IRS with respect to its classification as a partnership not taxable as a corporation for U.S. federal income tax purposes. If the IRS were to successfully assert that BNO is taxable as a corporation for U.S. federal income tax purposes in any taxable year, rather than passing through its income, gains, losses and deductions proportionately to shareholders, BNO would be subject to U.S. federal income tax on its net income for the year at corporate tax rates. In addition, although USCF does not currently intend to make distributions with respect to shares, if BNO were taxable as a corporation for U.S. federal income tax purposes, any distributions made with respect to BNO shares would be taxable to shareholders as dividend income to the extent of

BNO's current and accumulated earnings and profits. Taxation of BNO as a corporation could materially reduce the after-tax return on an investment in shares and could substantially reduce the value of the shares.

BNO is organized and operated as a limited partnership in accordance with the provisions of the LP Agreement and applicable state law, and therefore, BNO has a more complex tax treatment than traditional mutual funds. BNO is organized and operated as a limited partnership in accordance with the provisions of the LP Agreement and applicable state law. No U.S. federal income tax is paid by BNO on its income. Instead, BNO will furnish shareholders each year with tax information on IRS Schedule K-1 (Form 1065) and each U.S. shareholder is required to report on its U.S. federal income tax return its allocable share of the income, gain, loss and deduction of BNO. This must be reported without regard to the amount (if any) of cash or property the shareholder receives as a distribution from BNO during the taxable year. A shareholder, therefore, may be allocated income or gain by BNO but receive no cash distribution with which to pay the tax liability resulting from the allocation, or may receive a distribution that is insufficient to pay such liability. In addition to U.S. federal income taxes, shareholders may be subject to other taxes, such as state and local income taxes, unincorporated business taxes, business franchise taxes and estate, inheritance or intangible taxes that may be imposed by the various jurisdictions in which BNO does business or owns property or where the shareholders reside. Although an analysis of those various taxes is not presented here, each prospective shareholder should consider their potential impact on its investment in BNO. It is each shareholder's responsibility to file the appropriate U.S. federal, state, local and foreign tax returns.

If BNO is required to withhold tax with respect to any Non-U.S. shareholders, the cost of such withholding may be borne by all shareholders. Under certain circumstances, BNO may be required to pay withholding tax with respect to allocations to Non-U.S. shareholders. Although the LP Agreement provides that any such withholding will be treated as being distributed to the Non-U.S. shareholder, BNO may not be able to cause the economic cost of such withholding to be borne by the Non-U.S. shareholder on whose behalf such amounts were withheld since it does not generally expect to make any distributions. Under such circumstances, the economic cost of the withholding may be borne by all shareholders, not just the shareholders on whose behalf such amounts were withheld. This could have a material impact on the value of the shares.

The impact of changes in U.S. federal income tax laws on BNO is uncertain. In general, legislative or other actions relating to U.S. federal income taxes could have a negative effect on BNO or its investors. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department. On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (the "IRA") into law. At this time, we cannot predict with certainty how the tax provisions of the IRA or any other proposed or future tax legislation might affect BNO, its investors, or BNO's investments. Investors are urged to consult with their tax advisor with respect to the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in our shares..

OTC Contract Risk

BNO will be subject to credit risk with respect to counterparties to OTC contracts entered into by BNO or held by special purpose or structured vehicles. BNO faces the risk of non-performance by the counterparties to the OTC contracts. Unlike in futures contracts, the counterparty to these contracts is generally a single bank or other financial institution, rather than a clearing organization backed by a group of financial institutions. As a result, there will be greater counterparty credit risk in these transactions. A counterparty may not be able to meet its obligations to BNO, in which case BNO could suffer significant losses on these contracts. If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, BNO may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding. BNO may obtain only limited recovery or may obtain no recovery in such circumstances. BNO has sought to mitigate these risks by typically entering into transactions only with major, global financial institutions. In addition, two-way margining requirements imposed by U.S. regulators also mitigate such risks.

Valuing OTC derivatives may be less certain than actively traded financial instruments. In general, valuing OTC derivatives is less certain than valuing actively traded financial instruments such as exchange traded futures contracts and securities or cleared swaps because, for OTC derivatives, the price and terms on which such OTC derivatives are entered into or can be terminated are individually negotiated, and those prices and terms may not reflect the best price or terms available from other sources. In addition, while market makers and dealers generally quote indicative prices or terms for entering into or terminating OTC contracts, they typically are not contractually obligated to do so, particularly if they are not a party to the transaction. As a result, it may be difficult to obtain an independent value for an outstanding OTC derivatives transaction.

BNO's rights under an OTC contract may be restricted by regulations. Regulations adopted by global prudential regulators that are now in effect require certain prudentially regulated entities and certain of their affiliates and subsidiaries (including swap dealers) to include in their derivatives contracts and certain other financial contracts terms that delay or restrict the rights of counterparties (such as BNO) to terminate such contracts, foreclose upon collateral, exercise other default rights or restrict transfers of credit support in the event that the prudentially regulated entity and/or its affiliates are subject to certain types of resolution or insolvency proceedings. Similar regulations and laws have been adopted in non-U.S. jurisdictions that may apply to BNO's counterparties located in those jurisdictions. It is possible that these new requirements, as well as potential additional resulted government regulation, could adversely affect BNO's ability to terminate existing derivatives contracts, exercise default rights, or satisfy obligations owed to it with collateral received under such contracts.

The use of swap agreements may expose BNO to early termination risk, which could result in significant losses to BNO. Swap agreements do not have uniform terms. A swap counterparty may have the right to close out BNO's position due to the occurrence of certain events (for example, if a counterparty is unable to hedge its obligations to BNO, or if BNO defaults on certain terms of the swap agreement, or if there is a material decline in BNO's NAV on a particular day) and request immediate payment of amounts owed by BNO under the agreement. If the level of BNO's NAV has a dramatic intraday move, the terms of the swap agreement may permit the counterparty to immediately close out a transaction with BNO at a price set by the counterparty, which may not represent fair market value. A swap counterparty may also have the right to close out BNO's position for no reason, in some cases with same day notice.

Other Risks

BNO is not leveraged, but it could become leveraged if it had insuf icient assets to completely meet its margin or collateral requirements relating to its investments. BNO has not leveraged, and does not intend to leverage, its assets through borrowings or otherwise, and makes its investments accordingly. Consistent with the foregoing, BNO's announced investment intentions, and any changes thereto, will take into account the need for BNO to make permitted investments that also allow it to maintain adequate liquidity to meet its margin and collateral requirements and to avoid, to the extent reasonably possible, BNO becoming leveraged. If market conditions require it, BNO may implement risk reduction procedures, which may include changes to BNO's investments, and such changes may occur on short notice if they occur other than during a roll or rebalance period. Although BNO does not and will not borrow money or use debt to satisfy its margin or collateral obligations in respect of its investments, it could become leveraged if BNO were to hold insufficient assets that would allow it to meet not only the current, but also future, margin or collateral obligations required for such investments. Such a circumstance could occur if BNO were to hold assets that have a value of less than zero. USCF endeavors to have the value of BNO's Treasuries, cash and cash equivalents, whether held by BNO or posted as margin or other collateral, at all times approximate the aggregate market value of its obligations under its Futures Contracts and Other Crude Oil-Related Investments. Although permitted to do so under its LP Agreement, BNO has not and does not intend to leverage its assets by making investments beyond its potential ability to meet the potential margin and collateral obligations relating to such investments. Consistent with this, BNO's investment decisions will take into account the need for BNO to make permitted investments that also allow it to maintain adequate liquidity to meet its margin and collateral requirements and to avoid, to the extent reasonably possible, BNO becoming leveraged, including by its holding of assets that have a high probability of having a value of less than zero.

BNO may temporarily limit the offering of Creation Baskets. BNO may determine to limit the issuance of its shares through the offering of Creation Baskets to its Authorized Participants in order to allow it to reinvest the proceeds from sales of its Creation Baskets in currently permitted assets in a manner that meets its investment objective. BNO will announce to the market through the filing of a Current Report on Form 8-K if it intends to limit the offering of Creation Baskets at any time. In such case, orders for Creation Baskets will be considered for acceptance in the order they are received by BNO and BNO would continue to accept requests for redemption of its shares from Authorized Participants through Redemption Baskets during the period of the limited offering of Creation Baskets.

Certain of BNO's investments could be illiquid, which could cause large losses to investors at any time or from time to time. Futures positions cannot always be liquidated at the desired price. It is difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in a market. A market disruption, such as a war or a foreign government taking political actions that disrupt the market for its currency, its crude oil production or exports, or another major export, can also make it difficult to liquidate a position. Because both Futures Contracts and Other Crude Oil-Related Investments may be illiquid, BNO's Crude Oil Interests may be more difficult to liquidate at favorable prices in periods of illiquid markets and losses may be incurred during the period in which positions are being liquidated. The large size of the positions that BNO may acquire increases the risk of illiquidity both by making its positions more difficult to liquidate and by potentially increasing losses while trying to do so. OTC contracts that are not subject to clearing may be even less marketable than futures contracts because they are not traded on an exchange, do not have uniform terms and conditions, and are entered into based upon the creditworthiness of the parties and the availability of credit support, such as collateral, and in general, they are not transferable without the consent of the counterparty. These conditions make such contracts less liquid than standardized futures contracts traded on a commodities exchange and could adversely impact BNO's ability to realize the full value of such contracts. In addition, even if collateral is used to reduce counterparty credit risk, sudden changes in the value of OTC transactions may leave a party open to financial risk due to a counterparty default since the collateral held may not cover a party's exposure on the transaction in such situations.

BNO is not actively managed and its investment objective is to track the Benchmark Futures Contract so that the average daily percentage change in BNO's NAV for any period of 30 successive valuation days will be within plus/minus ten percent (10%) of the average daily percentage changes in the price of the Benchmark Futures Contract over the same period. BNO is not actively managed by conventional methods. Accordingly, if BNO's investments in Crude Oil Interests are declining in value, in the ordinary course, BNO will not close out such positions except in connection with paying the proceeds to an Authorized Participant upon the redemption of a basket or closing out its positions in Futures Contracts and other permitted investments (i) in connection with the monthly change in the Benchmark Futures Contract or when BNO otherwise determines it would be appropriate to do so, e.g., due to regulatory requirements or risk mitigation measures, or (ii) to avoid BNO becoming leveraged, and it reinvests the proceeds in new Futures Contracts and Other Crude Oil-Related Investments to the extent possible. USCF will seek to cause the NAV of BNO's shares to track the Benchmark Futures Contract during periods in which its price is flat or declining as well as when the price is rising. BNO's ability to invest in the Benchmark Futures Contract could be limited as a result of any or all of the following: evolving market conditions, a change in regulatory accountability levels and position limits imposed on BNO with respect to its investment in Futures Contracts, additional or different risk mitigation measures taken by market participants, generally, including BNO, with respect to BNO acquiring additional Futures Contracts, or BNO selling additional shares.

BNO may not meet the listing standards of NYSE Arca, which would adversely impact an investor's ability to sell shares. BNO's shares are listed for trading on the NYSE Arca under the market symbol "BNO." NYSE Arca may suspend BNO's shares from trading on the exchange with or without prior notice to BNO, upon failure of BNO to comply with the NYSE's listing requirements, or when in its sole discretion, the NYSE Arca determines that such suspension of dealings is in the public interest or otherwise warranted. There can be no assurance that the requirements necessary to maintain the listing of BNO's shares will continue to be met or will remain unchanged. If BNO were unable to meet the NYSE's listing standards and were to become delisted, an investor's ability to sell its shares would be adversely impacted.

The NYSE Arca may halt trading in BNO's shares, which would adversely impact an investor's ability to sell shares. Trading in shares may be halted due to market conditions or, in light of NYSE Arca rules and procedures, for reasons that, in the view of the NYSE Arca, make trading in shares inadvisable. In addition, trading is subject to trading halts caused by extraordinary market volatility pursuant to "circuit breaker" rules that require trading to be halted for a specified period based on a specified market decline.

The liquidity of BNO's shares may also be af ected by the withdrawal from participation of Authorized Participants, which could adversely af ect the market price of the shares. In the event that one or more Authorized Participants which have substantial interests in the shares withdraw from participation, the liquidity of the shares will likely decrease, which could adversely affect the market price of the shares and result in investors incurring a loss on their investment.

Shareholders that are not Authorized Participants may only purchase or sell their shares in secondary trading markets, and the conditions associated with trading in secondary markets may adversely af ect investors' investment in the shares. Only Authorized Participants may directly purchase shares from, or redeem shares with, BNO through Creation Baskets or Redemption Baskets respectively. All other investors that desire to purchase or sell shares must do so through the NYSE Arca or in other markets, if any, in which the shares may be traded. Shares may trade at a premium or discount relative to NAV per share.

The lack of an active trading market for BNO's shares may result in losses on an investor's investment in BNO at the time the investor sells the shares. Although BNO's shares are listed and traded on the NYSE Arca, there can be no guarantee that an active trading market for the shares will be maintained. If an investor needs to sell shares at a time when no active trading market for them exists, the price the investor receives upon sale of the shares, assuming they were able to be sold, likely would be lower than if an active market existed.

Limited partners and shareholders do not participate in the management of BNO and do not control USCF, so they do not have any influence over basic matters that af ect BNO. The limited partners and shareholders take no part in the management or control, and have a minimal voice in BNO's operations or business. Limited partners and shareholders must therefore rely upon the duties and judgment of USCF to manage BNO's affairs. Limited partners and shareholders have no right to elect USCF on an annual or any other continuing basis. If USCF voluntarily withdraws, however, the holders of a majority of BNO's outstanding shares (excluding for purposes of such determination shares owned, if any, by the withdrawing general partner and its affiliates) may elect its successor. USCF may not be removed as general partner except upon approval by the affirmative vote of the holders of at least 66 2/3 percent of BNO's outstanding shares (excluding shares, if any, owned by USCF and its affiliates), subject to the satisfaction of certain conditions set forth in the LP Agreement.

Limited partners may have limited liability in certain circumstances, including potentially having liability for the return of wrongful distributions. Under Delaware law, a limited partner might be held liable for BNO's obligations as if it were a general partner if the limited partner participates in the control of the partnership's business and the persons who transact business with the partnership think the limited partner is the general partner. A limited partner will not be liable for assessments in addition to its initial capital investment in any of BNO's shares. However, a limited partner may be required to repay to BNO any amounts wrongfully returned or distributed to it under some circumstances. Under Delaware law, BNO may not make a distribution to limited partners if the distribution causes BNO's liabilities (other than liabilities to partners on account of their partnership interests and nonrecourse liabilities) to exceed the fair value of BNO's assets. Delaware law provides that a limited partner who receives such a distribution and knew at the time of the distribution that the distribution violated the law will be liable to the limited partnership for the amount of the distribution for three years from the date of the distribution.

USCF's LLC Agreement provides limited authority to the Non-Management Directors, and any Director of USCF may be removed by USCF's parent company, which is wholly owned by The Marygold Companies, Inc., formerly Concierge Technologies, Inc., a controlled public company where the majority of shares are owned by Nicholas D. Gerber along with certain of his other family members and certain other shareholders. USCF's Board of Directors currently consists of four Management Directors, who are also executive officers or employees of USCF, and three Non-Management Directors, who are considered independent for purposes of applicable NYSE Arca and SEC rules. Under USCF's LLC Agreement, the Non-Management Directors have only such authority as the Management Directors expressly confer upon them, which means that the NonManagement Directors may have less authority to control the actions of the Management Directors than is typically the case with the independent members of a company's Board of Directors. In addition, any Director may be removed by written consent of USCF Investments, Inc. ("USCF Investments"), formerly Wainwright Holdings, Inc., which is the sole member of USCF. The sole shareholder of USCF Investments is The Marygold Companies, Inc., formerly Concierge Technologies, Inc. ("Marygold"), a company publicly traded under the ticker symbol "MGLD." Mr. Nicholas D. Gerber, along with certain of his family members and certain other shareholders, owns the majority of the shares in Marygold, which is the sole shareholder of USCF Investments, the sole member of USCF. Accordingly, although USCF is governed by the USCF Board of Directors, which consists of both Management Directors and Non-Management Directors, pursuant to the LLC Agreement, it is possible for Mr. Gerber to exercise his indirect control of USCF Investments to effect the removal of any Director (including the Non-Management Directors which comprise the Audit Committee) and to replace that Director with another Director. Having control in one person could have a negative impact on USCF and BNO, including their regulatory obligations.

There is a risk that BNO will not earn trading gains sufficient to compensate for the fees and expenses that it must pay and as such BNO may not earn any profit. BNO pays brokerage charges of approximately 0.08% of average total net assets based on brokerage fees of $3.50 per buy or sell, management fees of 0.75% of NAV on its average net assets, and OTC spreads and extraordinary expenses (e.g., subsequent offering expenses, other expenses not in the ordinary course of business, including the indemnification of any person against liabilities and obligations to the extent permitted by law and required under the LP Agreement and under agreements entered into by USCF on BNO's behalf and the bringing and defending of actions at law or in equity and otherwise engaging in the conduct of litigation and the incurring of legal expenses and the settlement of claims and litigation) that cannot be quantified. These fees and expenses must be paid in all cases regardless of whether BNO's activities are profitable. Accordingly, BNO must earn trading gains sufficient to compensate for these fees and expenses before it can earn any profit.

BNO is subject to extensive regulatory reporting and compliance. BNO is subject to a comprehensive scheme of regulation under the federal commodities and securities laws. BNO could be subject to sanctions for a failure to comply with those requirements, which could adversely affect its financial performance (in the case of financial penalties) or ability to pursue its investment objective (in the case of a limitation on its ability to trade). Because BNO's shares are publicly traded, BNO is subject to certain rules and regulations of federal, state and financial market exchange entities charged with the protection of investors and the oversight of companies whose securities are publicly traded. These entities include the Public Company Accounting Oversight Board (the "PCAOB"), the SEC, the CFTC, the NFA, and NYSE Arca and these authorities have continued to develop additional regulations or interpretations of existing regulations. BNO's ongoing efforts to comply with these regulations and interpretations have resulted in, and are likely to continue resulting in, a diversion of management's time and attention from revenue-generating activities to compliance related activities. BNO is responsible for establishing and maintaining adequate internal control over financial reporting. BNO's internal control system is designed to provide reasonable assurance to its management regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective may provide only reasonable assurance with respect to financial statement preparation and presentation.

Regulatory changes or actions, including the implementation of new legislation, is impossible to predict but may significantly and adversely af ect BNO. The futures markets are subject to comprehensive statutes, regulations, and margin requirements. In addition, the CFTC and futures exchanges are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price limits and the suspension of trading. Regulation of commodity interest transactions in the United States is a rapidly changing area of law and is subject to ongoing modification by governmental and judicial action. Considerable regulatory attention has been focused on non-traditional investment pools that are publicly distributed in the United States. In addition, the SEC, CFTC and the exchanges are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price limits and the suspension of trading. Further, various national governments outside of the United States have expressed concern regarding the disruptive effects of speculative trading in the energy markets and the need to regulate the derivatives markets in general. The effect of any future regulatory change on BNO is impossible to predict, but it could be substantial and adverse.

BNO is not a registered investment company so shareholders do not have the protections of the 1940 Act. BNO is not an investment company subject to the 1940 Act. Accordingly, investors do not have the protections afforded by that statute, which, for example, requires investment companies to have a majority of disinterested directors and regulates the relationship between the investment company and its investment manager.

Trading in international markets could expose BNO to credit and regulatory risk. BNO invests primarily in Futures Contracts, a significant portion of which are traded on United States exchanges, including the NYMEX. However, a portion of BNO's trades may take place on markets and exchanges outside the United States. Trading on such non-U.S. markets or exchanges presents risks because they are not subject to the same degree of regulation as their U.S. counterparts, including potentially different or diminished investor protections. In trading contracts denominated in currencies other than U.S. dollars, BNO is subject to the risk of adverse exchange-rate movements between the dollar and the functional currencies of such contracts. Additionally, trading on non-U.S. exchanges is subject to the risks presented by exchange controls, expropriation, increased tax burdens and exposure to local economic declines and political instability. An adverse development with respect to any of these variables could reduce the profit or increase the loss earned on trades in the affected international markets.

BNO and USCF may have conflicts of interest, which may permit them to favor their own interests to the detriment of shareholders. BNO is subject to actual and potential inherent conflicts involving USCF, various commodity futures brokers and Authorized Participants. USCF's officers, directors and employees do not devote their time exclusively to BNO and also are directors, officers or employees of other entities that may compete with BNO for their services. They could have a conflict between their responsibilities to BNO and to those other entities. As a result of these and other relationships, parties involved with BNO have a financial incentive to act in a manner other than in the best interests of BNO and the shareholders. USCF has not established any formal procedure to resolve conflicts of interest. Consequently, investors are dependent on the good faith of the respective parties subject to such conflicts of interest to resolve them equitably. Although USCF attempts to monitor these conflicts, it is extremely difficult, if not impossible, for USCF to ensure that these conflicts do not, in fact, result in adverse consequences to the shareholders. USCF serves as the general partner or sponsor to each of BNO and the Related Public Funds. USCF may have a conflict to the extent that its trading decisions for BNO may be influenced by the effect they would have on the other funds it manages. By way of example, if, as a result of reaching position limits imposed by the ICE Futures Exchange, BNO purchased Futures Contracts, this decision could impact BNO's ability to purchase additional Futures Contracts if the number of contracts held by funds managed by USCF reached the maximum allowed by the ICE Futures Exchange. Similar situations could adversely affect the ability of other Related Public Funds to track their benchmark futures contract(s). BNO may also be subject to certain conflicts with respect to its FCMs, including, but not limited to, conflicts that result from the FCM receiving greater amounts of compensation from other clients, or purchasing opposite or competing positions on behalf of third-party accounts traded through the FCMs. In addition, USCF's principals, officers, directors or employees may trade futures and related contracts for their own account. A conflict of interest may exist if their trades are in the same markets and at the same time as BNO trades using the clearing broker to be used by BNO. A potential conflict also may occur if USCF's principals, officers, directors or employees trade their accounts more aggressively or take positions in their accounts which are opposite, or ahead of, the positions taken by BNO.

BNO could terminate at any time and cause the liquidation and potential loss of an investor's investment and could upset the overall maturity and timing of an investor's investment portfolio. BNO may terminate at any time, regardless of whether BNO has incurred losses, subject to the terms of the LP Agreement. In particular, unforeseen circumstances, including, but not limited to, (i) market conditions, regulatory requirements, risk mitigation measures taken by BNO or third parties or otherwise that would lead BNO to determine that it could no longer foreseeably meet its investment objective or that BNO's aggregate net assets in relation to its operating expenses or its margin or collateral requirements make the continued operation of BNO unreasonable or imprudent, or (ii) adjudication of incompetence, bankruptcy, dissolution, withdrawal, or removal of USCF as the general partner of BNO, could cause BNO to terminate unless a majority interest of the limited partners within 90 days of the event elects to continue the partnership and appoints a successor general partner, or the affirmative vote of a majority in interest of the limited partners subject to certain conditions. However, no level of losses will require USCF to terminate BNO. BNO's termination would cause the liquidation and potential loss of an investor's investment. Termination could also negatively affect the overall maturity and timing of an investor's investment portfolio.

BNO does not expect to make cash distributions. BNO has not previously made any cash distributions and intends to reinvest any realized gains in additional Crude Oil Interests rather than distributing cash to limited partners, or other shareholders. Therefore, unlike mutual funds, commodity pools or other investment pools that actively manage their investments in an attempt to realize income and gains from their investing activities and distribute such income and gains to their investors, BNO generally does not expect to distribute cash to limited partners. An investor should not invest in BNO if the investor will need cash distributions from BNO to pay taxes on its share of income and gains of BNO, if any, or for any other reason. Nonetheless, although BNO does not intend to make cash distributions, the income earned from its investments held directly or posted as margin may reach levels that merit distribution, e.g., at levels where such income is not necessary to support its underlying investments in Crude Oil Interests and investors adversely react to being taxed on such income without receiving distributions that could be used to pay such tax. If this income becomes significant then cash distributions may be made.

An unanticipated number of Redemption Basket requests during a short period of time could have an adverse ef ect on BNO's NAV. If a substantial number of requests for redemption of Redemption Baskets are received by BNO during a relatively short period of time, BNO may not be able to satisfy the requests from BNO's assets not committed to trading. As a consequence, it could be necessary to liquidate positions in BNO's trading positions before the time that the trading strategies would otherwise dictate liquidation.

The suspension in the ability of Authorized Participants to purchase Creation Baskets could cause BNO's NAV to differ materially from its trading price. In the event that there was a suspension in the ability of Authorized Participants to purchase additional Creation Baskets, Authorized Participants and other groups that make a market in shares of BNO would likely still continue to actively trade the shares. However, in such a situation, Authorized Participants and other market makers may seek to adjust the market they make in the shares. Specifically, such market participants may increase the spread between the prices that they quote for offers to buy and sell shares to allow them to adjust to the potential uncertainty as to when they might be able to purchase additional Creation Baskets of shares. In addition, Authorized Participants may be less willing to offer to quote offers to buy or sell shares in large numbers. The potential impact of either wider spreads between bid and offer prices, or reduced number of shares on which quotes may be available, could increase the trading costs to investors in BNO compared to the quotes and the number of shares on which bids and offers are made if the Authorized Participants still were able to freely create new baskets of shares. In addition, there could be a significant variation between the market price at which shares are traded and the shares' NAV, which is also the price shares can be redeemed with BNO by Authorized Participants in Redemption Baskets. The foregoing could also create significant deviations from BNO's investment objective. Any potential impact to the market for shares of BNO that could occur from the Authorized Participant's inability to create new baskets would likely not extend beyond the time when additional shares would be registered and available for distribution.

BNO may determine that, to allow it to reinvest the proceeds from sales of its Creation Baskets in currently permitted assets in a manner that meets its investment objective, it may limit its offers of Creation Baskets. BNO may determine to limit the issuance of its shares through the offering of Creation Baskets to its Authorized Participants. As a result of certain circumstances described herein, including (1) the need to comply with regulatory requirements (including, but not limited to, exchange accountability levels and position limits); (2) market conditions (including but not limited to those allowing BNO to obtain greater liquidity or to execute transactions with more favorable pricing); and (3) risk mitigation measures taken by BNO's current and other FCMs that limit BNO and other market participants from investing in particular crude oil futures contracts, BNO's management can determine that it will limit the issuance of shares and the offerings of Creation Baskets because it is unable to invest the proceeds from such offerings in investments that would permit it to reasonably meet its investment objective. If such a determination is made, the same consequences associated with a suspension of the offering of Creation Baskets, as described in the foregoing risk factor, "**The suspension in the ability of Authorized Participants to purchase Creation Baskets could cause BNO's NAV to dif er materially from its trading price**."

In a rising rate environment, BNO may not be able to fully invest at prevailing rates until any current investments in Treasury Bills mature in order to avoid selling those investments at a loss. When interest rates rise, the value of fixed income securities typically falls. In a rising interest rate environment, BNO may not be able to fully invest at prevailing rates until any current investments in Treasury Bills mature in order to avoid selling those investments at a loss. Interest rate risk is generally lower for shorter term investments and higher for longer term investments. The risk to BNO of rising interest rates may be greater in the future due to the end of a long period of historically low rates and the effect of potential monetary policy initiatives and resulting market reaction to those initiatives. When interest rates fall, BNO may be required to reinvest the proceeds from the sale, redemption or early prepayment of a Treasury Bill or money market security at a lower interest rate.

BNO may potentially lose money on its holdings of money market funds. BNO invests in government money market funds. Although such government money market funds seek to preserve the value of an investment at $1.00 per share, there is no guarantee that they will be able to do so and BNO may lose money by investing in a government money market fund. An investment in a government money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation, referred to herein as the FDIC, or any other government agency. The share price of a government money market fund can fall below the $1.00 share price. BNO cannot rely on or expect a government money market fund's adviser or its affiliates to enter into support agreements or take other actions to maintain the government money market fund's $1.00 share price. The credit quality of a government money market fund's holdings can change rapidly in certain markets, and the default of a single holding could have an adverse impact on the government money market fund's share price. Due to fluctuations in interest rates, the market value of securities held by a government money market fund may vary. A government money market fund's share price can also be negatively affected during periods of high redemption pressures and/or illiquid markets.

The failure or bankruptcy of a clearing broker or BNO's Custodian could result in a substantial loss of BNO's assets and could impair BNO in its ability to execute trades. The CEA and CFTC regulations impose several requirements on FCMs and clearing houses that are designed to protect customers, including mandating the implementation of risk management programs, internal monitoring and controls, capital and liquidity standards, customer disclosures, and auditing and examination programs. In particular, the CEA and CFTC regulations require FCMs and clearing houses to segregate all funds received from customers from proprietary assets. There can be no assurance that the requirements imposed by the CEA and CFTC regulations will prevent losses to, or not materially adversely affect, BNO or its investors. In particular, in the event of an FCM's or clearing house's bankruptcy, BNO could be limited to recovering either a pro rata share of all available funds segregated on behalf of the FCM's combined customer accounts or BNO may not recover any assets at all. BNO may also incur a loss of any unrealized profits on its open and closed positions. This is because if such a bankruptcy were to occur, BNO would be afforded the protections granted to customers of an FCM, and participants to transactions cleared through a clearing house, under the United States Bankruptcy Code and applicable CFTC regulations. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt FCM or an Exchange's clearing house if the customer property held by the FCM or the Exchange's clearing house is insufficient to satisfy all customer claims. Bankruptcy of a clearing FCM can be caused by, among other things, the default of one of the FCM's customers. In this event, the Exchange's clearing house is permitted to use the entire amount of margin posted by BNO (as well as margin posted by other customers of the FCM) to cover the amounts owed by the bankrupt FCM. Consequently, BNO could be unable to recover amounts due to it on its futures positions, including assets posted as margin, and could sustain substantial losses. Notwithstanding that BNO could sustain losses upon the failure or bankruptcy of its FCM, the majority of BNO's assets are held in Treasuries, cash and/or cash equivalents with BNO's Custodian and would not be impacted by the bankruptcy of an FCM.

The failure or bankruptcy of BNO's Custodian could result in a substantial loss of BNO's assets. The majority of BNO's assets are held in Treasuries, cash and/or cash equivalents with the Custodian. The insolvency of the Custodian could result in a complete loss of BNO's assets held by that Custodian, which, at any given time, would likely comprise a substantial portion of BNO's total assets.

Due to the increased use of technologies, intentional and unintentional cyber-attacks pose operational and information security risks. With the increased use of technologies such as the internet and the dependence on computer systems to perform necessary business functions, BNO is susceptible to operational and information security risks. In general, cyber incidents can result from deliberate attacks or unintentional events such as a cyber-attack against BNO, a natural catastrophe, an industrial accident, failure of BNO's disaster recovery systems, or consequential employee error. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites. Cyber security failures or breaches of BNO's clearing broker or third party service provider (including, but not limited to, index providers, the administrator and transfer agent, the custodian), have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability of BNO shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. Adverse effects can become particularly acute if those events affect BNO's electronic data processing, transmission, storage, and retrieval systems, or impact the availability, integrity, or confidentiality of our data. In addition, a service provider that has experienced a cyber-security incident may divert resources normally devoted to servicing BNO to addressing the incident, which would be likely to have an adverse effect on BNO's operations. Cyber-attacks may also cause disruptions to the futures exchanges and clearinghouses through which BNO invests in futures contracts, which could result in disruptions to BNO's ability to pursue its investment objective, resulting in financial losses to BNO and its shareholders. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. BNO and its shareholders could be negatively impacted as a result. While USCF and the Related Public Funds, including BNO, have established business continuity plans, there are inherent limitations in such plans, including the possibility that certain risks have not been identified or that new risks will emerge before countervailing measures can be implemented. Furthermore, BNO cannot control cybersecurity plans and systems of its service providers, market makers or Authorized Participants.

BNO's investment returns could be negatively af ected by climate change and greenhouse gas restrictions. Driven by concern over the risks of climate change, a number of countries have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions or production and use of oil and gas. These include adoption of cap and trade regimes, carbon taxes, trade tariffs, minimum renewable usage requirements, restrictive permitting, increased efficiency standards, and incentives or mandates for renewable energy. Political and other actors and their agents increasingly seek to advance climate change objectives indirectly, such as by seeking to reduce the availability of or increase the cost for, financial and investment in the oil and gas sector and taking actions intended to promote changes in business strategy for oil and gas companies. Many governments are also providing tax advantages and other subsidies to support transitioning to alternative energy sources or mandating the use of specific fuels other than oil or natural gas. Depending on how policies are formulated and applied, they could have the potential to negatively affect BNO's investment returns and make oil and natural gas products more expensive or less competitive.

USCF is the subject of class action, derivative, and other litigation. In light of the inherent uncertainties involved in litigation matters, an adverse outcome in this litigation could materially adversely af ect USCF's financial condition. USCF and USCF's directors and certain of its officers are currently subject to litigation. Estimating an amount or range of possible losses resulting from litigation proceedings to USCF is inherently difficult and requires an extensive degree of judgment, particularly where the matters involve indeterminate claims for monetary damages and are subject to appeal. In addition, because most legal proceedings are resolved over extended periods of time, potential losses are subject to change due to, among other things, new developments, changes in legal strategy, the outcome of intermediate procedural and substantive rulings and other parties' settlement posture and their evaluation of the strength or weakness of their case against USCF. For these reasons, we are currently unable to predict the ultimate timing or outcome of, or reasonably estimate the possible losses or a range of possible losses resulting therefrom. In light of the inherent uncertainties involved in such matters, an adverse outcome in this litigation could materially adversely affect USCF's financial condition, results of operations or cash flows in any particular reporting period. In addition, litigation could result in substantial costs and divert USCF's management's attention and resources from conducting USCF's operations, including the management of BNO and the other Related Public Funds.

Other risk factors related to the Underlying ETF

Other risk factors related to the Underlying ETF are described in the Section entitled "Risk Factors" of the prospectus of the Underlying ETF issued in connection with the Shares and available at https://www.uscfinvestments.com/bno.

USE OF PROCEEDS

The net proceeds of the issue of the ETNs will be used by the SPC for investments in the Permitted Assets only.

UNDERLYING ETF

THE INFORMATION IN THIS SECTION HAS BEEN TAKEN "AS IS" FROM THE WEB-SITE (HTTPS://WWW.USCFINVESTMENTS.COM/BNO) MAINTAINED FOR THIS UNDERLYING ETF AND THE SPC SHALL NOT BE LIABLE FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS SECTION. BECAUSE THE PERFORMANCE OF THE UNDERLYING ETF DIRECTLY AFFECTS THE VALUE AND PRICE OF THE ETNS POTENTIAL INVESTORS SHOULD REVIEW INFORMATION ABOUT THE UNDERLYING ETF AVAILABLE AT THE WEB-SITE HTTPS://WWW.USCFINVESTMENTS.COM/BNO PRIOR TO PURCHASING ANY ETNS.

Overview

The return on the ETNs is linked to the performance of the United States Brent Oil Fund LP (NYSE Arca ticker symbol: "BNO") (the "**Underlying ETF**"). The Underlying ETF is an exchange-traded security designed to track the daily price movements of Brent crude oil.

Key Facts as of Feb 21, 2024

NAV	$29,80	Management Fee	0.75%
Shares Outstanding	4 300 000	Total Expense Ratio	1.00%
Total Net Assets	$128 137 240,44	Administrator	The Bank of New York Mellon
Ticker	BNO	Distributor	ALPS Distributors, Inc.
Intraday Indicative Value	BNO.IV	General Partner	United States Commodity Funds, LLC
ISIN	US91167Q1004		

Holdings as of Feb 21, 2024, subject to change

Security	Quantity	Price	Market Value
Commodity Interests			
BRENT CRUDE FUTR May24	1,561	821100	$128,173,710.00
Cash			
MORGAN STANLEY LIQ GOVT INST 8302	70,785,000	1,00	$70,785,000.00
US DOLLARS	51,148,092	1,00	$51,148,092.39
BNY CASH RESERVE	7,691,227	1,00	$7,691,227.52

Fees and Expenses Attributable to Underlying ETF

This table describes the fees and expenses that you may pay if you buy and hold shares of the Underlying ETF. You should note that you may pay brokerage commissions on purchases and sales of the Underlying ETF's shares, which are not reflected in the table. Authorized participants will pay applicable creation and redemption fees.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees 0.75%*

Distribution Fees ………………………………………………………………………………… NONE

Other Fund Expenses	0.25%**
Total Annual Fund Operating Expenses	1.00%

* Underlying ETF is contractually obligated to pay USCF a management fee equal to 0.75% per annum, which is based on its average daily total net assets and paid monthly.
** Based on amounts for the year ended December 31, 2022.

The Underlying ETF

United States Brent Oil Fund, LP (the "**Underlying ETF**"), a Delaware limited partnership, is a commodity pool that continuously issues common shares of beneficial interest that may be purchased and sold on the NYSE Arca stock exchange. The Underlying ETF is managed and controlled by United States Commodity Funds LLC ("**USCF**"), a Delaware limited liability company. USCF is registered as a Commodity Pool Operator with the Commodity Futures Trading Commission and is a member of the National Futures Association.

Investment Objective and Strategy

The investment objective of the Underlying ETF is for the daily changes in percentage terms of its shares' per share net asset value to reflect the daily changes in percentage terms of the spot price of Brent crude oil, as measured by the daily changes in the price of a specified short-term futures contract on Brent crude oil called the "Benchmark Futures Contract", plus interest earned on Underlying ETF's collateral holdings, less Underlying ETF's expenses.

The Benchmark Futures Contract is the futures contract on Brent crude oil as traded on the ICE Futures Europe Exchange (the "ICE Futures Exchange") that is the near month contract to expire, except when the near month contract is within two weeks of expiration, in which case it will be measured by the futures contract that is the next month contract to expire.

The Underlying ETF seeks to achieve its investment objective by investing primarily in futures contracts for crude oil, heating oil, gasoline, natural gas and other petroleum-based fuels that are traded on the New York Mercantile Exchange (the "NYMEX"), the ICE Futures Europe and ICE Futures U.S. (together, "ICE Futures Exchanges") or other U.S. and foreign exchanges (collectively, "Futures Contracts"), and to a lesser extent, in order to comply with regulatory requirements, risk mitigation measures, liquidity requirements, or in view of market conditions, other crude oil-related investments such as cash-settled options on Futures Contracts, forward contracts for crude oil, cleared swap contracts and non-exchange traded ("over-the-counter" or "OTC") transactions that are based on the price of crude oil and other petroleum-based fuels, Futures Contracts and indices based on the foregoing (collectively, "Other Crude Oil-Related Investments"). Market conditions that USCF currently anticipates could cause the Underlying ETF to invest in Other Crude Oil-Related Investments include, but are not limited to, those allowing Underlying ETF to obtain greater liquidity or to execute transactions with more favorable pricing. For convenience and unless otherwise specified, Futures Contracts and Other Crude Oil-Related Investments, collectively are referred to as "Crude Oil Interests".

In addition, USCF believes that market arbitrage opportunities will cause daily changes in Underlying ETF's share price on the NYSE Arca on a percentage basis to closely track daily changes in Underlying ETF's per share net asset value on a percentage basis. USCF further believes that the daily changes in prices of the Benchmark Futures Contract have historically tracked the daily changes in the spot price of Brent crude oil. USCF believes that the net effect of these relationships will be that the daily changes in the price of Underlying ETF's shares on NYSE Arca on a percentage basis will closely track the daily changes in the spot price of Brent crude oil on a percentage basis, less Underlying ETF's expenses.

Investors should be aware that Underlying ETF's investment objective is not for its net asset value or market price of shares to equal, in dollar terms, the spot price of Brent crude oil or any particular futures contract based on Brent crude oil nor is its Underlying ETF's investment objective for the percentage change in its net asset value to reflect the percentage change of the price of any particular futures contract as measured over a time period greater than one day. This is because natural market forces called contango and backwardation have impacted the total return on an investment in Underlying ETF's shares during the past year relative to a hypothetical direct investment in Brent crude oil and, in the future, it is likely that the relationship between the market price of Underlying ETF's shares and the changes in the spot price of Brent crude oil will continue to be so impacted by contango and backwardation.

Additional information about Underlying ETF

For more information about Underlying ETF, visit the website at https://www.uscfinvestments.com/bno . Investment objectives, risks, charges, expenses, and other important information are contained in the prospectus of Underlying ETF; read and consider it carefully before investing.

SPC

iX Brent Oil SPC Limited, a special purpose company incorporated under the AIFC law on October 29, 2019 and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017). The LEI (Legal Entity Identifier) code of the SPC is 254900HMIEAPFLYXD076. The SPC passed the necessary resolutions by virtue of which the ETNs have been created.

In addition to incorporating the SPC, the Management Company incorporated a number of special purpose companies in the AIFC. Each special purpose company is expected to issue exchange traded notes linked to the performance of various securities where such notes are intended to be listed and traded on the Stock Exchange.

Main business purpose
iX Brent Oil SPC Limited is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable the ETN holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Legal form
iX Brent Oil SPC Limited is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the board of directors of the Astana Financial Services Authority JSC.

The AFSA Registrar of Companies has issued a certificate of incorporation with respect to the SPC on October 29, 2019 and included it into the AFSA's public register at https://publicreg.myafsa.com/details/191040900244/.

Articles of association of the SPC
The articles of association of the SPC provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):
(a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
(b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, recevables and shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
(c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;
(d) the financing of the shareholder or another special purpose company;
(e) any other activity approved in writing by the Registrar of Companies of the AIFC; and
(f) any activity ancillary to an activity mentioned in paragraphs (a) to (f).
In addition, in accordance with the articles of association of the SPC the SPC shall be entitled to own and/or hold only those assets which are permitted to be owned or held under this Prospectus (as this Prospectus may be amended from time to time).

Directors
The Management Company, a wholly-owned subsidiary of AIX, act as the sole director and secretary of the SPC. The appointment of the Management Company, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Prospects of the Issuer
The SPC is a special purpose vehicle with a passive investment strategy and the asset classes in which it can invest are limited. Investments by the ETN Holders will be used by the SPC to purchase Permitted Assets only. Accordingly, the prospects of the SPC are fully dependent on the market demand for its ETNs and the performance of the Underlying ETF.

Auditor
The SPC has appointed IAC Russell Bedford A+ Partners LLP, as its Auditor. The audited financial statements prepared in accordance with IFRS are published on the website of the Stock Exchange at www.aix.kz each year not later than the end of May.

Management Company
The SPC has appointed the Management Company, a wholly-owned subsidiary of AIX, as the Management Company, as described in the Registration Document. The Management Company and/or its affiliates is responsible for the provision of certain services and has a right to receive the management fee pursuant to the Management Agreement.
The SPC is run operationally by the Management Company under the Management Agreement. The Management Company outsources some of its functions from AIX.

Working Capital Statement
AIX FM Limited acting as a Director for the SPC believes that in its opinion and based on the passive investment approach of the SPC, the working capital is sufficient for the SPC's present requirements for at least the next 12 months from the date of this Securities Note.

Additional information

Reasons for the offer
The ETNs are offered to the potential investors in or from AIFC; net proceeds of the issue of the ETNs will be used by the SPC for investments in the Permitted Assets only. Estimated net amount of the proceeds is equal to the Initial Placement.

Creditworthiness of the Issuer
Information about the creditworthiness of the Issuer (earnings coverage ratio; any relevant credit ratings; any other risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes, statement of capitalization and indebtedness) – not applicable.

Guarantees attached to the ETNs
There are no guarantees attached to the ETNs.

FINANCIAL INFORMATION OF THE SPC

The financial information of the SPC below as at and for the year ended 31 December 2022 was derived from the SPC's Financial Statements 2022, which have been audited by Russell Bedford A+ Partners Ltd and were prepared in accordance with IFRS. You should read the following selected financial information in conjunction with the SPC's Financial Statements for the Year ended 31 December 2022 and the notes thereto which are included in the annual report of the SPC, published on the website of AIX.

Except for the information extracted from the Financial Statements this Securities Note do not include any audited or reviewed financial information.

KZT is the presentation currency for the Financial Statements. The Financial Statements and financial information included in this section have, unless otherwise noted, been presented in KZT. All amounts are presented in KZT thousands (unless otherwise noted).

Rounding

Certain figures included in this Section of the Securities Note have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

STATEMENT OF FINANCIAL POSITION OF THE ISSUER

The table below sets forth the statement of financial position of the SPC, as at 31 December 2022.

	31 December 2022	**31 December 2021**
Assets		
Cash and cash equivalents	436	599
Financial assets at fair value through profit or loss	212,912	147,108
Total Assets	**213,348**	**147,707**
Equity		
Share capital	1	1
Retained earnings/(accumulated loss)	-	-
Total Equity	**1**	**1**
Liabilities		
Financial liabilities at fair value through profit or loss	213,330	147,694
Other liabilities	17	12
Total Liabilities	**213,347**	**147,706**
Total Equity and Liabilities	**213,348**	**147,707**

STATEMENT OF COMPREHENSIVE INCOME OF THE SPC

The table below sets forth the statement of comprehensive income of the SPC for the year ended 31 December 2022.

	2022	**2021**
Net gain/(loss) from changes in fair value of financial assets	51,038	70,360
Net gain/(loss) from changes in fair value of financial liabilities	(50,555)	(70,209)
Operating income	**483**	**151**
Administrative expenses	(1,465)	(1,382)
Other income	1,244	1,230
Net gain/(loss) from foreign currencies	-	1
Profit before income tax expense	**262**	**-**
Income tax expense	(262)	-
Profit for the period	**-**	**-**

Other comprehensive income for the period	-	-
Total comprehensive income for the period	**-**	**-**

STATEMENT OF CASH FLOWS OF THE SPC

The table below sets forth the statement of cash flows of the SPC, as at 31 December 2022.

	2022	2021
Operating activities		
Management fee	(471)	(140)
Bank services	(13)	-
Net cash flows from operating activities	**(484)**	**(140)**
Investing activities		
Selling of exchange traded funds	284	-
Net cash flows from investing activities	**284**	**-**
Financing activities		
Redemption of exchange traded notes	-	(163)
Net cash flows from financing activities	**-**	**(163)**
Net increase/(decrease) in cash and cash equivalents	**(200)**	**(303)**
Effect of exchange rates changes on cash and cash equivalents	37	21
Cash and cash equivalents, beginning of the period	599	881
Cash and cash equivalents, at the end of the period	**436**	**599**

STATEMENT OF CHANGES IN EQUITY OF THE SPC

The table below sets forth the statement of changes in equity of the SPC, as at 31 December 2022.

	Share capital	Retained earnings	Total equity
As at 31 December 2012	**1**	**-**	**1**
Total comprehensive income for the period	-	-	-
As at 31 December 2021	**1**	**-**	**1**
Total comprehensive income for the period	**-**	**-**	**-**
As at 31 December 2022	**1**	**-**	**1**

SELECTED FINANCIAL INFORMATION

Below is the additional information on selected items.

Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	**Market value**	**Number of shares**	**Market value**
United States Brent Oil Fund LP	US Dollar	**16,273**	**212,912**	16,293	147,108
		16,273	**212,912**	16,293	147,108

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

7 April 2022 the SPC reduced number of ETF by 20 in amount of 284 thousand tenge.

Changes in financial assets are as follow:

	1 January	Redemption	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	**147,108**	**(284)**	**-**	**51,038**	**15,050**	**212,912**
2021	121,244	(48,452)	-	70,360	3,956	147,108

Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
iX Brent Oil SPC Limited	US Dollar	**16,293**	**213,330**	16,293	147,694
		16,293	**213,330**	16,293	147,694

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the SPC and sold to the related party AIX MLS Ltd.

The ETNs are unsecured and can be redeemed by the SPC prior to maturity, which is 5 December 2029.

Changes in financial liabilities are as follow:

	1 January	Cash outflow/inflow	ETF/ETN exchange	Redemption	Changes in fair value	Foreign exchange	31 December
2022	**147,694**	**-**	**-**	**-**	**50,555**	**15,081**	**213,330**
2021	122,124	(162)	-	(48,452)	70,209	3,975	147,694

Administrative expenses

	2022	2021
Audit	809	937
Custodian service	411	293
Management fee	221	152
Bank services	13	-
CIT for non-residents	11	-
	1,465	**1,382**

Other income

Other income is a reimbursement of administrative expenses by Management Company according to management agreement in amount of 1,244 thousand tenge (2021: 1,230 thousand tenge).

Related Party Transactions

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
Redemption of ETN		
AIX MLS Ltd.	(284)	(48,452)
Administrative expenses		
AIX FM Ltd.	(221)	(152)
Other income		
AIX FM Ltd	1,244	1,230

RESPONSIBILITY STATEMENT

Subject to the following paragraph, the SPC, having made all the reasonable enquiries, accepts responsibility for this Securities Note, the Prosectus Summary and the Registration Document (in accordance with Section 69 of the AIFC Framework Regulations №18 of 2018 and Part 1 of the AIFC Market Rules №FR0003 of 2017) and confirms that the Prospectus complies with the requirements set out in Section 69 of the AIFC Framework Regulations №18 of 2018 and Part 1 of the AIFC Market Rules №FR0003 of 2017 and contains all information which is material in the context of the issue of the ETNs, that the information contained in the Prospectus is correct to the best of its knowledge and that no material facts or circumstances have been omitted. The information in the Section "Underlying ETF" has been taken "as is" from the website (https://www.uscfinvestments.com/bno) maintained for the Underlying ETF and the SPC shall not be liable for the accuracy or completeness of the information contained in that Section. Because the performance of the Underlying ETF directly affects the value and price of the ETNs potential investors should review information about the Underlying ETF available at the website https://www.uscfinvestments.com/bno prior to purchasing any ETNs. The SPC confirms that such information has been accurately reproduced and is able to ascertain from the information published on the above-mentioned sources that no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of information is identified where used. The SPC accepts responsibility for correctly extracting such information from the sources and confirms that such information has been correctly extracted from those sources.

Neither the delivery of the Prospectus nor the offering, sale or delivery of any ETNs shall in any circumstances create any implications that there has been no adverse change, or any event reasonably likely to involve an adverse change, in the condition (financial or otherwise) of the Issuer since the date of the Prospectus.