

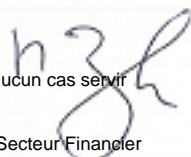
**MOZAIQUE FUND MANAGEMENT SICAV SIF**  
**a société anonyme**  
**qualifying as**  
**a société d'investissement à capital variable - fonds d'investissement spécialisé**

**Registered pursuant to the Luxembourg law of February 13, 2007 on specialized investment funds, as amended or supplemented from time to time**

**INVESTMENT MEMORANDUM**

**November 2019**

**The Board of Directors of the Fund (as defined hereafter) is responsible for the information contained in this Investment Memorandum. To the best of the knowledge of the Board of Directors (who has taken all reasonable care to ensure that this is the case), the information contained in this Investment Memorandum is considered to be accurate at the date of its publication and does not omit anything likely to affect the importance of such information. To reflect material changes, this Investment Memorandum will be updated from time to time and potential subscribers should enquire with the Fund as to the issue of any later or updated Investment Memorandum.**



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## IMPORTANT INFORMATION

PROSPECTIVE INVESTORS SHOULD READ THIS INVESTMENT MEMORANDUM CAREFULLY BEFORE DECIDING WHETHER TO PURCHASE SHARES IN THE FUND OR IN A SPECIFIC SUB-FUND AND SHOULD PAY PARTICULAR ATTENTION TO THE INFORMATION UNDER THE SECTION “GENERAL RISK CONSIDERATIONS”.

THE FUND, THE SUB-FUNDS AND THE INVESTMENTS IN WHICH THEY INVEST ARE SPECULATIVE INVESTMENTS AND INVOLVE SIGNIFICANT RISKS. INVESTMENT IN THE FUND AND IN ANY SPECIFIC SUB-FUND SHOULD BE REGARDED AS A LONG-TERM INVESTMENT. THERE CAN BE NO ASSURANCE THAT THE SUB-FUND’S INVESTMENT OBJECTIVES WILL BE ACHIEVED AND INVESTMENT RESULTS MAY VARY SUBSTANTIALLY OVER TIME.

INVESTMENT IN THE FUND AND IN ANY SPECIFIC SUB-FUND MAY NOT BE SUITABLE FOR ALL INVESTORS AND AS SUCH PROSPECTIVE INVESTORS SHOULD BE AWARE THAT INVESTMENT IN THE FUND AND IN ANY SPECIFIC SUB-FUND CARRIES A SIGNIFICANT DEGREE OF RISK. THE FUND OR ANY SPECIFIC SUB-FUND, IS ONLY SUITABLE FOR INVESTMENT BY INVESTORS WHO ARE AWARE OF AND UNDERSTAND THE RISKS INVOLVED AND ARE ABLE TO WITHSTAND THE LOSS OF ALL OR A SIGNIFICANT PORTION OF THEIR INVESTMENT. INVESTMENT IN THE FUND AND IN ANY SPECIFIC SUB-FUND IS NOT INTENDED TO BE A COMPLETE INVESTMENT PROGRAM FOR ANY INVESTOR. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER (I) WHETHER AN INVESTMENT IN SHARES IS SUITABLE FOR THEM IN LIGHT OF THEIR CIRCUMSTANCES AND FINANCIAL RESOURCES AND (II) THE RELEVANT APPENDIX.

**MOZAIQUE FUND MANAGEMENT SICAV SIF** (the “Fund”) is a public limited liability company (*société anonyme* (S.A.)) incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable* (SICAV)), established as a specialized investment fund (*Fonds d'Investissement Spécialisé* (SIF)). The Fund is registered pursuant to the Luxembourg law dated 13 February 2007 on specialized investment funds, as amended from time to time (the “**Law of 2007**”).

The Fund is offering Shares of one or several separate Sub-Funds on the basis of the information contained in the current Investment Memorandum and its appendices which are deemed to be an integral part of the Investment Memorandum, the articles of incorporation of the Fund (the “**Articles**”) and the subscription application form of the Fund (collectively referred to as the “**Offering Documents**”). The specific details of each Sub-Fund are set forth in the relevant Appendix. No person has been authorized to issue any advertisement or to give any information or to make any representations concerning the Fund other than as contained in the Investment Memorandum and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Investment Memorandum shall be solely at the risk of the prospective investor.

Prospective investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption or disposal of the Shares of the Fund. **It is the responsibility of prospective investors to inform themselves as to the tax and other consequences to them of subscribing,**

**buying, selling or otherwise transferring or redeeming Shares under the laws of the state(s) in which they are or may be taxable.**

The value of the Shares may fall as well as rise and an investor may not ultimately retrieve the amount initially invested. Income from the Shares will fluctuate in money terms and changes in rates of exchange will, among other things, cause the value of Shares to increase or decrease. The levels and bases of, and relief from, taxation may change.

In addition, the Fund's investments are subject to market fluctuations and the risks inherent in all investments and there can be no assurances that appreciation will occur. It will be the policy of the Fund to maintain a diversified portfolio of investments so as to minimise risk.

According to the law of 12 July 2013 on Alternative Investment Fund Managers (the "**Law of 2013**"), the Fund being a collective investment undertaking which (i) raises capital from a number of investors, with a view to invest it in accordance with its investment policy for the benefit of those investors and (ii) does not require authorization pursuant to Article 5 of Directive 2009/65/EC, it will be qualified as an alternative investment fund within the meaning of the corpus of rules formed by (a) Directive 2011/61/EC of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers (the "**AIFM Directive**"), (b) the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the Directive (the "**AIFM Regulation**"), (c) the Law of 2013 and (d) any binding guideline or other delegated act and regulation issued from time to time by any relevant authorities in respect of the AIFM Directive (together the "**AIFM Rules**"). The Fund will be internally managed (the "**AIFM**") in accordance with the Law of 2013 and the Law of 2007.

At the time of this Investment Memorandum, the AIFM is, in accordance with article 3 (3) of the Law of 2013, subject to registration formalities only. It is noted that should the AIFM's assets under management exceed in total the following thresholds, the AIFM would be subject to the authorization regime:

- (i) EUR 100 million, including assets acquired through use of leverage;
- (ii) EUR 500 million, when the portfolio of assets managed consists of AIFs that are not leveraged and have no redemption rights exercisable during a period of 5 years following the date of the initial investment in each AIF.

**Important: Considering the qualification of a subscriber or a transferee as Well-Informed Investor, the Board of Directors will have due regard to the applicable laws and regulations (if any) of the CSSF. Well-Informed Investors subscribing in their own name, but on behalf of a third party, must certify that such subscriptions are made on behalf of a Well-Informed Investor as aforesaid and the Board of Directors and/or the Registrar and/or Transfer Agent and/or the Auditor acting for and on behalf of the Fund may require at its sole discretion, evidence that the beneficial owner of the Shares is a Well-Informed Investor. The holding at any time of any Shares by a party which does not satisfy the requirements for Eligible Investors may result in the compulsory redemption of such Shares by the Board of Directors.**

This Investment Memorandum shall be maintained in strict confidence. Each recipient hereof acknowledges and agrees that the content of this Investment Memorandum constitutes the proprietary and confidential information of the Fund and that the Fund derives independent economic value from such information not being generally known and that such information is the subject of reasonable efforts to maintain its secrecy. The recipient further agrees that the content of this Investment Memorandum is a trade secret, the disclosure of which will cause substantial and irreparable

competitive harm to the affected parties or their respective businesses. Notwithstanding the foregoing, a recipient may provide this Investment Memorandum to its own legal, tax, accounting and other professional advisers bound by a duty of confidentiality solely for the purpose of evaluating a potential investment in the Fund. The existence and nature of all conversations regarding the Fund and the Investment Memorandum must be kept strictly confidential.

This copy of the Investment Memorandum is for the exclusive use of the intended recipient and should be returned to the Fund immediately upon request if a non-electronically version has been provided and otherwise should be destroyed. The intended recipient must not forward, transmit, distribute, copy or otherwise reproduce this Investment Memorandum in any manner whatsoever. If this Investment Memorandum has been received by any person other than an intended recipient or from any sender other than the Fund (except for any duly appointed intermediary or prime broker and any named licensed entity who is appointed by the Board of Directors to provide certification of an investors well informed status), then there is a presumption that this Investment Memorandum has been improperly reproduced and distributed, in which case the Fund disclaims any responsibility for its content and use.

This Investment Memorandum has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Fund and should not be reproduced or used for any other purpose.

**The Shares are restricted and are suitable only to certain Eligible Investors and all restrictions on distributions in specific jurisdictions set forth below are to be construed accordingly.** The Fund will refuse (i) to issue Share to natural persons and to companies that cannot be qualified as Eligible Investors within the meaning of the Law of 2007 and (ii) to make any transfer of Shares to the extent that such transfer would result in a non-Eligible Investor becoming a Shareholder. The Fund, at its sole discretion, may refuse the issue or the transfer of Shares if no sufficient evidence exists that the Investor to which the Shares should be issued or transferred is an Eligible Investor. In order to determine whether a purchaser or transferee of Shares may be qualified as an Eligible Investor, the Fund will refer to the recommendations made by the CSSF. Generally, the Fund may, at its sole discretion and without any liability, reject any application for subscription of Shares and proceed, at any time, to the compulsory redemption of all the Shares held by a non-Eligible Investor.

**Some Sub-Fund(s) may be offered, sold or otherwise made available to retail investors in the European Economic Area ("EEA"). A retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. In such case, a key information document required by the PRIIPs Regulation, as defined hereafter, for offering or selling of some Sub-Fund(s) or otherwise making them available to retail investors in the EEA will be made available and therefore offering or selling such Sub-Fund's shares or otherwise making them available to retail investor in the EEA will be compliant with the PRIIPs Regulation. The relevant Sub-Fund Appendix specifies whether a KID will be provided for the purposes of the PRIIPs Regulation.**

Subject to any applicable law and what is stated in the current Investment Memorandum, Eligible Investors may invest in any Sub-Fund offered by the Fund. Shareholders should choose the Sub-Fund that best suits their specific risk and return expectations as well as their diversification needs. A separate pool of assets will be maintained for each Sub-Fund and will be invested in accordance with the investment policy applicable to the relevant Sub-Fund in meeting its investment objectives.

Potential investors should note that some Sub-Funds may be established as a closed-end investment Sub-Fund and

redemption of Shares in this specific Sub-Fund may not be permitted or may be restricted.

**The distribution of the Investment Memorandum and the offering of the Shares may be restricted in certain jurisdictions. The Investment Memorandum does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of the Investment Memorandum and of any person wishing to subscribe for Shares to inform themselves of and to observe all applicable laws and regulations of relevant jurisdictions.**

**Luxembourg:** the Fund has been licensed by the *Commission de Surveillance du Secteur Financier* in Luxembourg. The Fund is aimed at Eligible Investors only and public offering in or from Luxembourg may be carried out in respect of the Fund. Eligible Investors are Institutional Investors, Professional Investors and/or Well-informed Investors within the meaning of article 2 of the Law of 2007. Well-informed Investors are Investors who (i) adhere in writing to the status of well-informed investors and (ii) either invest a minimum of one hundred twenty-five thousand Euro (EUR 125,000.-) in the Fund or benefit from a certificate delivered by a credit institution within the meaning of Directive 2006/48/EC, another investment company within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2009/65/EC stating that they are experienced enough to appreciate in an adequate manner an investment in a specialized investment fund.

**Hungary:** The Shares may not be offered to the public in Hungary and neither this Investment Memorandum, which has not been submitted to the Hungarian Financial Supervisory Authority, nor any offering material or information contained therein relating to the Fund, may be supplied in Hungary in connection with any offer for subscription or sale of the Shares to the public in Hungary.

**Romania:** The Shares may not be offered to the public in Romania and neither this Investment Memorandum, which has not been submitted to the Romanian National Securities Commission, nor any offering material or information contained therein relating to the Fund, may be supplied in Romania in connection with any offer for subscription or sale of the Shares to the public in Romania.

**Greece:** The Shares may not be offered to the public in Greece and neither this Investment Memorandum, which has not been submitted to the Greek Capital Market Commission, nor any offering material or information contained therein relating to the Fund, may be supplied in Greece in connection with any offer for subscription or sale of the Shares to the public in Greece.

**Turkey:** The Shares may not be offered to the public in Turkey and neither this Investment Memorandum, which has not been submitted to the Banking Regulation and Supervision Agency of Turkey and the Capital Markets Board of Turkey, nor any offering material or information contained therein relating to the Fund, may be supplied in Turkey in connection with any offer for subscription or sale of the Shares to the public in Turkey.

**Russia:** The Shares may not be offered to the public in the Russian Federation and neither this Investment Memorandum, which has not been submitted to the Federal Financial Markets Service (Russia), nor any offering material or information contained therein relating to the Fund, may be supplied in the Russian Federation in connection with any offer for subscription or sale of the Shares to the public in the Russian Federation.

**United Kingdom:** The Shares may not be offered to the public in the United Kingdom and neither this Investment

Memorandum, which has not been submitted to the Financial Conduct Authority, nor any offering material or information contained therein relating to the Fund, may be supplied in the United Kingdom in connection with any offer for subscription or sale of the Shares to the public in the United Kingdom.

**USA:** Unless otherwise expressly specified in the relevant Appendix of the relevant Sub-Fund, the Shares of the Fund are not registered under the United States Securities Act of 1933 (the 1933 Act) or the Investment Fund Act of 1940 (the 1940 Act) or any other applicable legislation in the United States. Accordingly Shares of the Fund may not be offered, sold, resold, transferred or delivered directly or indirectly, in the United States or to, or for the account of, or benefit of, any US Person. Applicants for the purchase of Shares of the Fund will be required not to be US Persons. Holders of Shares are required to notify the Board of Directors of any change in their non-US Person status. Prospective investors are advised to consult their legal counsel prior to investing in Shares of the Fund in order to ascertain their status as non-US Persons. The Fund may refuse to issue Shares to US Persons or to register any transfer of Shares to any US Person. Moreover, the Fund may at any time forcibly redeem the Shares held by any US Person.

The Articles give powers to the Board of Directors to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Fund are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Board of Directors might result in the Fund incurring any liability or taxation or suffering any other disadvantage which the Fund may not otherwise have incurred or suffered. The Board of Directors of the Fund may compulsorily redeem all Shares held by any such persons with any costs to be borne by any such persons.

**Each applicant for Shares shall certify that it is an Eligible Investor.** A mention thereof is provided in the Subscription Application Form.

In compliance with the Law of 2007, the Custodian (as defined hereafter) is responsible for the deposit of the assets of the Fund. The Fund may appoint a prime broker in accordance with the rules of Luxembourg law, in particular CSSF circular 08/372, not necessarily being incorporated in Luxembourg. Appointment of a prime broker will be made in a way that the Custodian is at all times capable to carry out its functions as depositary of the Fund under Luxembourg law. The prime broker will be a financial entity (i) experienced in the contemplated financial transactions and (ii) supervised by an official financial supervisory authority in its country of establishment as such authority has a quality comparable to the one of the supervisory authority in member states of the European Union. The prime broker or the delegate of such prime broker may hold the assets of the Fund and will be able at any time to inform the Custodian on the assets as required under Luxembourg law. Also the Custodian will have the right to request from the Fund to dismiss the prime broker in case the Custodian deems such dismissal to be in the best interest of the investors in the Fund. The Fund will dismiss a prime broker in case it does not comply with the requirements aimed at prime brokers for specialized investment funds under Luxembourg law.

### **Forward-Looking Statements**

- (i) This Investment Memorandum and the documents referenced or incorporated by reference herein and any additional written materials furnished to the investor by or on behalf of the Fund may contain forward-looking statements with respect to the Fund and its financial condition, results of operations, business and prospects. Statements that are not historical facts may include forward-looking statements.



- (ii) The words “believe,” “expect,” “anticipate,” “hope,” “intend,” “may,” “will,” “should,” “could,” “potential,” “continue,” “estimate,” “predict,” “project,” “forecast,” “assume” and “plan” and similar expressions, or the negative of such expressions, may identify forward-looking statements. Additionally, any statements concerning future financial performance (including, but not limited to, future revenues, earnings or growth rates), ongoing or anticipated business objectives, strategies or prospects and possible future actions or plans by the Fund also are forward-looking statements.
- (iii) Forward-looking statements are based on the Fund’s current expectations or beliefs regarding future events or circumstances, and investors are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements are subject to numerous estimates and assumptions, known and unknown risks and uncertainties. A number of factors, many of which are out of the Funds’ control and are difficult to forecast, could cause actual future results to differ materially from those projected or implied in such forward-looking statements. While it is impossible to identify all such factors, those factors described under the “Risk Considerations” section of this Investment Memorandum include some of the factors which could cause actual results to differ materially from those expressed or implied in any forward-looking statements. All of the forward-looking statements contained in this Investment Memorandum and the documents referenced or incorporated by reference herein, and in any additional written materials furnished to the Investor by or on behalf of the Fund, should be considered in light of these and other risk factors.
- (iv) The forward-looking statements contained in this Investment Memorandum are as of the date appearing on the front page of this Investment Memorandum, and the forward-looking statements contained in the documents referenced or incorporated by reference herein and in any additional written materials furnished to prospective investors by or on behalf of the Fund are as of the respective dates stated in those documents. The Fund disclaims any obligation to update, review or revise any forward-looking statements to reflect any change in expectations or assumptions with regard thereto or to reflect anticipated or unanticipated events or circumstances occurring (i) with respect to this Investment Memorandum, after the date appearing on the front page of this Investment Memorandum, and (ii) with respect to the documents referenced or incorporated by reference herein and any additional written materials furnished to prospective investors by or on behalf of the Fund, after the respective dates of such documents.
- (v) All forward-looking statements attributable to the Fund or any person acting on its behalf are expressly qualified in their entirety by this cautionary statement.

Statements made in this Investment Memorandum are based on applicable laws and regulations in force at the date hereof and are subject to changes therein. Neither the delivery of this Investment Memorandum nor the offer, issue or sale of the Shares shall, under any circumstances, constitute a representation that the information contained in this Investment Memorandum is correct as of any time subsequent to the date hereof.

In the event that any provision of the Articles is inconsistent with or contrary to the description in or terms of this Investment Memorandum, the Articles shall prevail.

Capitalised terms, if not otherwise defined in this Investment Memorandum, will have the meanings given to them in the Articles.

This Investment Memorandum is written in the English language only, which language shall be controlling in all respects. This Investment Memorandum may be translated into other languages. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail to the extent permitted by the applicable laws or regulations, and all disputes as to the terms thereof shall be governed by, and construed in accordance with the laws of Luxembourg.

<b>DIRECTORY</b>
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**FUND'S REGISTERED OFFICE****MOZAIQUE FUND MANAGEMENT SICAV SIF**

2, Boulevard de la Foire  
L-1528 Luxembourg  
Grand Duchy of Luxembourg

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**AUDITOR****ERNST & YOUNG S.A**

35E, Avenue John F. Kennedy,  
L-1855 Luxembourg Grand Duchy of Luxembourg

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**BOARD OF DIRECTORS OF THE FUND****János Stefán**

2/A AP., 12/B Building,  
3 Floor Kozraktar Street,  
H-1093, Budapest,  
Hungary

**Szilárd Márton**

402 AP, 3B Building  
Corvin Setany,  
H-1082, Budapest,  
Hungary

**Gareth Williams**

30, rue Jaansmillen,,  
L-7539 Rollingen,  
Grand Duchy of Luxembourg

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**ADMINISTRATIVE, DOMICILIARY, REGISTRAR AND  
TRANSFER AGENT****Apex Fund Services (Malta) Limited, Luxembourg  
branch**Mailing address :

3, rue Gabriel Lippmann,  
L-5365 Munsbach,  
Grand Duchy of Luxembourg

Registered address :

2, boulevard de la Foire,  
L-1528 Luxembourg  
Grand Duchy of Luxembourg

P.O. Box Address :

B.P. 542  
L-2015 Luxembourg  
Grand Duchy of Luxembourg

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**CUSTODIAN & PAYING AGENT****COMPAGNIE DE BANQUE PRIVEE QUILVEST S.A.****(CBP QUILVEST S.A.)**

48, rue Charles Martel

L-2134 Luxembourg

Grand Duchy of Luxembourg

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**LEGAL ADVISOR****As to Luxembourg Law****CHEVALIER & SCIALES**

36-38, Grand-Rue,

L-1660 Luxembourg,

Grand Duchy of Luxembourg.

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**RISK MANAGEMENT COMPANY****PRICEWATERHOUSECOOPERS S.C.**

2 Rue Gerhard Mercator L-2182 Luxembourg

(Lëtzebuerg) LUXEMBOURG

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## DEFINITIONS

The following definitions shall apply throughout this Investment Memorandum unless the context otherwise requires:

<i>“Administration Agreement”</i>	The administration agreement entered into between the Fund and the Administrator and Domiciliary Agent from time to time.
<i>“Administrator”</i>	Any administrator appointed by the Fund from time to time.
<i>“Advisory Fee”</i>	An advisory fee as further specified within each Sub-Fund individually in the relevant Appendix to this Investment Memorandum, as the case may be.
<i>“Alternative Investment Fund Manager” or “AIFM”</i>	Any alternative investment fund manager as may be appointed in relation to the Fund, from time to time in accordance with the Luxembourg Law of 2013.
<i>“Alternative Investment Fund Management Agreement”</i>	The alternative investment fund management agreement entered into between the Fund and the Investment Manager from time to time.
<i>“Appendix”</i>	The relevant appendix of the Investment Memorandum specifying the terms and conditions of a specific Sub-Fund.
<i>“Articles”</i>	The articles of incorporation of the Fund.
<i>“Board of Directors”</i>	The board of directors of the Fund.
<i>“Business Day”</i>	Any day other than a Saturday, Sunday or other day that is a legal or bank holiday under the laws of the Grand Duchy of Luxembourg or is a day on which banking institutions or stock exchanges located in the Grand Duchy of Luxembourg are required by law or other governmental action to close.
<i>“Class” or “Classes”</i>	A class of Shares issued by any of the Sub-Funds and any further classes of Shares issued by any of the Sub-Funds.
<i>“CSSF”</i>	The <i>“Commission de Surveillance du Secteur Financier”</i> , the Luxembourg supervisory authority.
<i>“Custodian and Paying Agent”</i>	Any custodian and paying agent appointed by the Fund from time to time.
<i>“Custodian and Paying Agent Services Agreement”</i>	The custodian and paying agent services agreement entered into between the Fund and the Custodian and Paying Agent from time to time.
<i>“Cut-Off Time”</i>	The deadline, as specified for each Sub-Fund in the relevant appendix, before which applications for subscription, redemption or conversion of Shares of any Class in any Sub-Fund must be received by the Registrar and Transfer Agent in order to be dealt with on the following Valuation Day.
<i>“Distribution Fee”</i>	A distribution fee as further described in section “Expenses” of this Investment Memorandum and specified within each Sub-Fund individually in the relevant Appendix to this Investment Memorandum, as the case may be.
<i>“Directors”</i>	Any director of the Fund.
<i>“Distributor”</i>	Any distributor appointed from time to time.
<i>“Domiciliary Agent”</i>	Any domiciliary agent appointed by the Fund from time to time.

<i>“Eligible Investors”</i>	Institutional Investors, Professional Investors and/or Well-informed Investors within the meaning of article 2 of the Law of 2007.
<i>“Euro” or “EUR”</i>	The lawful currency of the European Union.
<i>“FATCA”</i>	The Foreign Account Tax Compliance provisions of the United States Hiring Incentives to Restore Employment Act.
<i>“Fund”</i>	<b>MOZAIQUE FUND MANAGEMENT SICAV SIF</b> , a public limited liability company ( <i>société anonyme</i> (S.A.)) incorporated under the laws of the Grand Duchy of Luxembourg as a <i>société d’investissement à capital variable – fonds d’investissement spécialisé</i> .
<i>“Hedged Shares”</i>	Where a class of shares is described as hedged, the intention will be to systematically hedge (i) the value of the net assets in the Reference Currency of the Sub-Fund attributable to the hedged Class of Shares into the Reference Currency of the Hedged Class of Shares ("NAV Hedge") or (ii) the currency exposure of certain assets of the relevant Sub-Fund into the Reference Currency of the Hedged Class of Shares ("Portfolio Hedge").
<i>“Initial Offering Period”</i>	The period during which Shares for a relevant Sub-Fund are first offered for subscription i.e. a period commencing from the date specified in the relevant Appendix and ending on the date specified in the relevant Appendix unless earlier terminated or extended by the Board of Directors.
<i>“Initial Offering Price”</i>	In relation to each Sub-Fund, the first offering price of Shares in a Sub-Fund made pursuant to the terms and conditions of the Investment Memorandum and the relevant Appendix.
<i>“Institutional Investors”</i>	Investors who are qualified as institutional investors according to guidelines or recommendations issued by the regulatory authority from time to time.
<i>“Investment Committee”</i>	Any investment committee appointed from time to time.
<i>“Investment Manager”</i>	Any investment manager appointed from time to time.
<i>“Investment Management Agreement”</i>	The investment management agreement entered into between the Fund and the Investment Manager from time to time.
<i>“Investment Management and Distribution Agreement”</i>	The investment management and distribution agreement entered into between the Fund and the Investment Manager from time to time.
<i>“Investment Memorandum”</i>	The investment memorandum of the Fund as may be amended from time to time.
<i>“Investors”</i>	Holder(s) of Shares issued by the Fund.
<i>“KID”</i>	The key information document drawn up in accordance with the PRIIPs Regulation
<i>“Law of 1915”</i>	The Luxembourg law dated 15 August 1915 on commercial companies, as amended or supplemented from time to time.
<i>“Law of 2007”</i>	The law of February 13, 2007 relating to specialized investment funds as may be amended from time to time.
<i>“Law of 2013”</i>	The Luxembourg law dated 12 July 2013 on alternative investment fund managers, as amended or supplemented from time to time.
<i>“Lock-up Period”</i>	The number of months indicated in the relevant Appendix, as the case

	may be, following the subscription of Shares in a Sub-Fund by an investor during which such investor is not entitled to redeem his Shares.
“Luxembourg”	The Grand Duchy of Luxembourg.
“Management Fee”	A management fee as further described in section “Expenses” of this Investment Memorandum and specified within each Sub-Fund individually in the relevant Appendix to this Investment Memorandum, as the case may be.
“Mémorial”	The <i>Mémorial, Recueil des Sociétés et Associations</i> , the official journal of Luxembourg.
“NAV Hedge”	A hedging method whereby the Reference Currency of the Sub-Fund is systematically hedged to the Reference Currency of the Hedged Class of Shares.
“Net Asset Value” or “NAV”	The net asset value of the Fund, of each Class, each Share pursuant to the provisions set out in section “Determination of the Net Asset Value” of this Investment Memorandum.
“Performance Fee”	A performance as further described in section “Expenses” of this Investment Memorandum and specified within each Sub-Fund individually in the relevant Appendix to this Investment Memorandum, as the case may be.
“Personal Data”	Data supplied by Shareholders at the time of their subscription. Personal Data includes, <i>inter alia</i> , the name, the address and invested amount of each Shareholder as well as all the information/documents as provided in the Subscription Application Form.
“Placement Fee”	A placement fee as further described in section “Expenses” of this Investment Memorandum and specified within each Sub-Fund individually in the relevant Appendix to this Investment Memorandum, as the case may be.
“Portfolio Hedge”	A hedging method whereby the currency exposures of the Sub-Fund’s portfolio holdings attributable to the Hedged Class of Shares are systematically hedged back to the Reference Currency of the Hedged Class of Shares, unless for specific currencies it is impractical or not cost effective to apply such hedging.
“Prime Broker”	Any prime broker appointed by the Fund from time to time in a relevant Sub-Fund, as further described in the relevant Appendix of this Investment Memorandum.
“Prime Brokerage Agreement”	The prime brokerage agreement entered into between the Fund and any Prime Broker from time to time.
“PRIP” or “Packaged Retail Investment Product”	Investment, including instruments issued by special purpose vehicle or securitisation purpose entities, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor.
“PRIIPs Regulation”	Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for

	packaged retail and insurance-based investment products (PRIIPs)
<i>“Professional Investors”</i>	Investors qualified as professional investors under Annex II of Directive 2004/39 on investment services and regulated markets as amended from time to time.
<i>“Redemption Day”</i>	The Business Day as disclosed in the relevant Appendix to this Investment Memorandum on which Shares in the relevant Sub-Fund are redeemable.
<i>“Redemption Fee”</i>	A fee to be paid by the redeeming Shareholder in accordance with the terms and conditions of the relevant Sub-Fund, as the case may be.
<i>“Redemption Price”</i>	The “Redemption Price” will be denominated in the applicable Reference Currency and will be equal to the Net Asset Value per Share of the relevant Class as at the relevant Redemption Day, after adjustment for: <ul style="list-style-type: none"> <li>(i) Any accrual of Management Fees, Distribution Fees, Advisory Fees and Performance Fees due, as the case may be; minus</li> <li>(ii) Any Redemption Fee applicable to the relevant Class of Shares being redeemed.</li> </ul>
<i>“Reference Currency”</i>	The currency in which each Sub-Fund or Class is denominated.
<i>“Register”</i>	The register of Shareholders of the Fund.
<i>“Registrar and Transfer Agent”</i>	Any agent selected from time to time by the Fund to perform all registrar and transfer agency duties.
<i>“Regulated Market”</i>	A market which operates and is recognized and open to the public, as defined in article 2 of the Luxembourg law of 10 July 2005 on prospectuses for securities, as amended from time to time.
<i>“Regulatory Authority”</i>	The Luxembourg supervisory authority ( <i>Commission de Surveillance du Secteur Financier</i> or CSSF) or its successor in charge of the supervision of the undertakings for collective investment in the Grand Duchy of Luxembourg.
<i>Risk Management Agreement</i>	The risk management agreement entered into between the Fund and any risk manager from time to time, in case of delegation.
<i>Risk Manager</i>	Any risk manager appointed from time to time.
<i>“SFT(s)”</i>	Securities financing transactions in accordance with the SFTR
<i>“SFTR” or “SFTR Regulation”</i>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012
<i>“Share” or “Shares”</i>	Any shares of any Class issued in different Sub-Funds pursuant to the Investment Memorandum.
<i>“Shareholder”</i>	A holder of a Share or Shares of the Fund.
<i>“Sub-Fund” or “Sub-Funds”</i>	Any sub-fund of the Fund established by the Fund in accordance with this Investment Memorandum and the Articles.
<i>“Sub-Investment Manager”</i>	Any sub-investment manager appointed from time to time within a particular Sub-Fund.
<i>“Sub-Investment Management Agreement”</i>	The sub-investment management agreement entered into between the Fund and the Sub-Investment Manager, if any, from time to time.
<i>“Subscription”</i>	Shares in the relevant Sub-Fund that may be subscribed on a



	Subscription Day.
<i>"Subscription Application Form"</i>	The form to be used for transacting Shares.
<i>"Subscription Day"</i>	The Business Day as disclosed in the relevant Appendix to this Investment Memorandum on which Shares in the relevant Sub-Fund may be subscribed.
<i>"Subscription Fee"</i>	A fee to be paid by the investor in accordance with the terms and conditions of the relevant Sub-Fund, as the case may be.
<i>"Subscription Price"</i>	The price corresponding on each Valuation Day to the corresponding Net Asset Value per Share of the relevant Class.
<i>"USD"</i>	United States Dollar, the lawful currency of the United States of America.
<i>"US Person"</i>	Any resident or person with the nationality of the United States or one of their territories or possessions or regions under their jurisdiction, or any other company, association or entity incorporated under or governed by the laws of the United States or any person falling within the definition of "US Person" under such laws.
<i>"Valuation Day"</i>	Each Business Day as at which the Net Asset Value will be determined for each Class in each Sub-Fund as it is stipulated in the relevant Appendix to this Investment Memorandum.
<i>"Well-informed Investors"</i>	Has the meaning ascribed to it in the Law of 2007, and includes: <ul style="list-style-type: none"> <li>i. Institutional investors;</li> <li>ii. Professional investors, being those investors who are, in accordance with Luxembourg laws and regulations, deemed to have the experience, knowledge and expertise to make their own investment decisions and properly assess the risk they incur; and</li> <li>iii. Any other well-informed investor who fulfils the following conditions: <ul style="list-style-type: none"> <li>(a) has declared in writing his adhesion to the status of well-informed investor; and (b) invests a minimum of EUR 125,000. in the Company or has obtained a an assessment from a credit establishment as defined in the directive 2006/48/CE, from an investment firm as defined in directive 2009/65/EC, or from a management company as defined in directive 2009/65/EC, certifying his/her expertise, experience and knowledge to appraise in an appropriate manner an investment in the Fund.</li> </ul> </li> </ul>

## **4.1 STRUCTURE OF THE FUND**

### **4.1.1 General Information**

The Fund was incorporated under the name of **MOZAIQUE FUND MANAGEMENT SICAV SIF**, as a Luxembourg company in the form of a public limited liability company (*société anonyme* (S.A.)) qualifying as an investment company with variable share capital (*société d'investissement à capital variable* (SICAV)), established as a specialized investment fund (*Fonds d'Investissement Spécialisé* (SIF)) on 8 July 2015. The Articles have been published in the Mémorial under number 1848 dated 24 July 2015. The Fund is registered with the *Registre de Commerce et des Sociétés*, Luxembourg under number B.198.606. The Fund is authorized as an undertaking for collective investment (“UCI”) under the provisions of the Law of 2007. The Fund has been authorized by the CSSF on 9 July 2015.

The capital of the Fund shall be equal at all times to the net assets of the Fund. The minimum subscribed capital of the Fund, as prescribed by the Law of 2007, is one million two hundred and fifty thousand Euro (EUR 1,250,000.-). This minimum must be reached within a period of twelve (12) months following the authorization of the Fund as a SICAV-SIF under the Law of 2007. Fractions of Shares may be issued up to one thousandth of a Share.

The Fund was incorporated with an initial capital (the “**Initial Share Capital**”) of thirty-one thousand Euro (EUR 31,000) divided into thirty-one (31) shares of no nominal value (the “**Founding Shares**”). Each Share grants the right to one vote at every general meeting of Shareholders. The Founding Shares subscribed at the incorporation of the Fund representing the Initial Share Capital may be redeemed without any Redemption Fee to be borne by the founding shareholder. Upon incorporation, the Founding Shares were fully paid-up. The Shares may only be subscribed or purchased by Eligible Investors.

The Fund is established as an umbrella fund and as such provides Investors with the choice of investment in a range of several separate Sub-Funds each of which relates to a separate portfolio of assets permitted by law with specific investment objectives, as described in the relevant Appendix to the Investment Memorandum.

The Fund has an umbrella structure consisting of (1) one or several Sub-Funds. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective and policy applicable to that Sub-Fund as further described in the relevant Appendix. The Fund is one single legal entity. However, the rights of the Shareholders and creditors relating to a Sub-Fund or arising from the setting up, operation and liquidation of a Sub-Fund are limited to the assets of that Sub-Fund, and will not be commingled with the assets of any other Sub-Fund. Shares may be issued in one (1) or more Classes in each Sub-Fund, each Class having different features or being offered to different types of Investors, as more fully disclosed in the relevant Appendix for each Sub-Fund individually without reserving to the existing Shareholders a preferential right to subscribe for the Shares to be issued.

### **4.1.2 Investment objectives, policy, restriction and strategy**

The investment objectives of the Fund are the investment objectives of each of the Sub-Funds. The investment objectives and policies of the Sub-Funds are determined by the Board of Directors at the time of creation of each Sub-Fund. The investment objectives and other specific details are described individually for each Sub-Fund in the relevant

Appendix to the Investment Memorandum. Specific restrictions could apply to each Sub-Fund as more fully detailed, as the case may be, in the relevant appendix to the Investment Memorandum.

**THERE CAN BE NO ASSURANCE THAT THE SUB-FUND'S INVESTMENT OBJECTIVES WILL BE ACHIEVED. INVESTMENT RESULTS MAY SUBSTANTIALLY VARY OVER TIME.**

The Fund may utilise leverage by borrowing funds, in accordance with current market practice applicable to the type of investments. Borrowing or leverage by the Fund will only be permitted in accordance with the express policies and objectives disclosed in the relevant Appendix or Appendices to this Investment Memorandum. Any borrowing or leverage by one (1) Sub-Fund will not have any impact or affect on any other Sub-Fund.

In compliance with the provisions of the Law of 2007, the investment strategy of each Sub-Fund will be based on the principle of risk diversification as further described in the relevant Appendix of the Investment Memorandum.

The Fund / Sub-Funds may hold cash reserves on an ancillary basis for the purposes of meeting expenses and contingencies. Under exceptional market circumstance as determined at the sole discretion of the Board of Directors, the Fund may be invested entirely in cash, money market instruments or short term deposits.

Except as otherwise indicated in the relevant Appendix, a Sub-Fund may subscribe, acquire and/or hold securities issued by one or more other Sub-Fund of the Fund, without being subject to the provisions of the law of 10 August 1915 on commercial companies regarding the acquisition by a company of its own shares, as long as:

- The target Sub-Fund does not in turn invest in the investing Sub-Fund;
- Voting rights, if any, attached to the relevant securities are suspended as long as they are held by the concerned Sub-Fund and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- The value of the securities will not be taken into account for the calculation of the net assets of the Fund for the purpose of verifying the minimum threshold imposed by the Law of 2007, for as long as the said securities are held by the Fund.

The specific conditions of such subscription, acquisition and holding, if any, will be detailed in the relevant Appendix.

The Fund is subject to and will conduct its investment operations in compliance with the following general investment restrictions. The investment policy of a Sub-Fund may be subject to different or additional investment restrictions than those provided below, in which case such different or additional restrictions are disclosed in the relevant Appendix.

(i) No Sub-Fund may invest more than thirty per cent (30%) of its assets in securities of the same kind issued by the same issuing body. This restriction does not apply:

- To investments in securities issued or guaranteed by a member state of the OECD, or by its local authorities or by supranational institutions and bodies of a European, regional or worldwide nature;
- To investments in target investment entities which are subject to risk diversification requirements at least similar to those provided for in relation to investment funds ruled by the Law;

For the application of this restriction, each compartment of a target issuer with an umbrella structure is to be considered as a separate issuer, provided that the principle of segregation of commitments of the different compartments of such target issuer in relation to third parties is ensured.

- (ii) Short sales may not in principle result in the Sub-Fund holding a short position in securities of the same type issued by the same issuer representing more than thirty per cent (30%) of its net assets;
- (iii) When making use of derivative instruments, a Sub-Fund must ensure a comparable risk diversification through an appropriate risk diversification of underlying assets. Similarly, the counterparty risk in an OTC transaction must, where applicable, be limited having regard to the quality and qualification of the counterparty. OTC derivatives net exposure will be limited to 30% per counterparty of the net asset value of the relevant Sub-Fund.

**Any of the above restrictions may not be applicable in respect of newly created Sub-Funds during an initial portfolio build-up period following its / their launch(es), if and when such temporary, restricted and limited derogations are expressly provided for in the relevant Appendix(ces).**

#### **4.1.3 Issue of Shares**

The Board of Directors is authorised to issue, at any time, an unlimited number of fully paid-up different Classes of Shares without reserving to the existing Shareholders a preferential right to subscribe for the Shares to be issued.

Each Class of Shares, where available, may be offered in the Reference Currency of the relevant Sub-Fund, or may be denominated in any currency.

Each Class of Shares may be either unhedged or currency hedged.

The attention of Investors is drawn to the fact that the Net Asset Value of a Class of Share denominated in one currency may vary unfavourably in respect of another Class of Share denominated in another currency due to hedging transactions.

Regarding the Hedged Shares, there are two methods that could be used for this type of Shares:

**NAV Hedge:** This type of hedging seeks to minimise the effect of exchange rate fluctuations between the Reference Currency of the Sub-Fund and that of the Hedged Shares. It is typically used when most portfolio holdings are either denominated in, or hedged back to, the Reference Currency of the Sub-Fund. Where such hedging is undertaken, the Reference Currency of the Sub-Fund is systematically hedged to the Reference Currency of the Hedged Shares. In these Hedged Shares, the Investor receives an excess return or loss similar to that of Shares issued in the Reference Currency of the Sub-Fund.

**Portfolio Hedge:** This type of hedging seeks to minimise the effect of exchange rate fluctuations between the currency exposures of portfolio holdings and the Reference Currency of the Hedged Shares. It is typically used when most portfolio holdings are neither denominated in, nor hedged back to, the Reference Currency of the Sub-Fund. Where such hedging is undertaken, the currency exposures of the assets of the Sub-Fund are systematically hedged back to the Reference Currency of the Hedged Shares in proportion to the Hedged Shares Class share of the net asset value of the Sub-Fund, unless for specific currencies it is impractical or not cost effective to apply the Portfolio Hedge. In these Portfolio Hedged Classes of Shares, the Shareholder will not benefit from or suffer loss caused by exchange rate fluctuations between the currencies of the portfolio holdings being hedged and the Reference Currency of the Class of Shares whereas Shares in the Reference Currency of the Sub-Fund will.

Where a Sub-Fund offers Hedged Shares, the hedging method used by the Sub-Fund is indicated in the relevant Appendix to the Investment Memorandum.

The net proceeds from the Subscriptions are invested as specified for each Sub-Fund in the relevant Appendix to the Investment Memorandum.

The Board of Directors shall maintain for each Sub-Fund a separate portfolio of assets. As between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

Shares are exclusively restricted to Eligible Investors.

Shares may be issued in one or more Classes in each Sub-Fund by the Board of Directors, each Class having different features or being offered to different types of Investors, as more fully disclosed in the relevant Appendix to the Investment Memorandum for each Sub-Fund individually.

The inscription of the Shareholder's name in the Register evidences his/her/its right of ownership of such registered Shares. A holder of registered Shares shall receive upon request a written confirmation of his/her/its shareholding.

Fractional Shares may be issued up to four (4) decimals of an Share. Such fractional Shares shall be entitled to participation in the net results and in the proceeds of liquidation on a pro rata basis. Such fractions shall be subject to and carry the corresponding fraction of liability (whether with respect to nominal or par value, premium, contribution, calls or otherwise howsoever), limitations, preferences, privileges, qualifications, restrictions, rights and other attributes of a whole Share of that Class. Any subscription monies received representing fractions less than 1/10000<sup>th</sup> of a whole Share will be retained for the benefit of the relevant Class.

The Fund being an umbrella structure, the Board of Directors is entitled to establish a pool of assets constituting a Sub-Fund within the meaning of article 71 of the Law of 2007 for each class of Shares or for two (2) or more classes of Shares in the manner described below. The Fund constitutes one single legal entity. However, by derogation to the provisions of article 2093 of the Luxembourg civil code, each pool of assets shall be invested for the exclusive benefit of the relevant Shareholders of that Sub-Fund and each Sub-Fund shall only be responsible for the liabilities which are attributable to such Sub-Fund. All the rights of investors and creditors in relation to each Sub-Fund are therefore limited to the assets of the Sub-Fund. Each Sub-Fund will be deemed to be a separate entity for the investors and creditors of the relevant Sub-Fund.

The Board of Directors may create each Sub-Fund for an unlimited or limited period of time. In the latter case, the Board of Directors may, at the expiry of the initial period of time, prorogue the duration of the relevant Sub-Fund once or several times. Details in relation to the different Classes of Shares as well as the rights in relation thereto are set out for each Sub-Fund in the relevant Appendix to the Investment Memorandum.

Within a Sub-Fund, Classes may be defined and issued from time to time by the Board of Directors and may, *inter alia*, correspond to (without being limited to):

- (i) A specific distribution policy, such as entitling to distributions or not entitling to distributions and / or,
- (ii) A specific sales and redemption charge structure and / or,
- (iii) A specific management or performance or advisory fee structure and / or,
- (iv) A specific distribution fee structure and / or,

- (v) A specific currency and / or,
- (vi) The use of different hedging techniques in order to protect in the reference currency of the relevant Portfolio the assets and returns quoted in the currency of the relevant class of Shares against long-term movements of their currency of quotation and / or,
- (vii) Any other specific features applicable to one Class.

Shares will participate equally with all the outstanding shares of the same class in the Sub-Fund's assets and earnings and will have the redemption rights described below and further described in the relevant Appendix.

Shares may be subscribed for by investors during one or several offering period, as decided by the Board of Directors, specified and disclosed for each Sub-Fund in the Investment Memorandum and its Appendix. Investors wishing to subscribe for Shares must execute a Subscription Application Form in relation to the relevant Sub-Fund.

For the time being, the following Sub-Fund is available for subscription by Eligible Investors:

- **Mozaique Alpha ("Sub-Fund A");**

Each Sub-Fund is described in more details in the relevant Appendix.

#### ***Minimum investment***

The minimum investment per investor is set out for each Sub-Fund in the relevant Appendix to the Investment Memorandum. The Board of Directors may waive the minimum investment at its sole discretion.

#### ***Subscription and payment of Shares***

For each of the Sub-Funds, Shares of each available Class (subject to any specific terms as specified in the relevant Appendix) will be available for subscription (i) during an Initial Offering Period for such Class at the Initial Offering Price specified in the relevant Appendix together with any Placement Fee, Subscription Fee or other initial fee as may be set out in the relevant Appendix and (ii) after the Initial Offering Period as of each Subscription Day at the Subscription Price calculated as at the immediately preceding Valuation Day specified in the relevant Appendix together with any Placement Fee, Subscription Fee or other initial fee as may be set out in the relevant Appendix. In case Subscription Application Forms are received following the close of the Initial Offering Period but prior to the first Valuation Day in respect of a Class, then at the discretion of the Board of Directors, Shares may be issued at the Initial Offering Price for the Class, together with any Placement Fee, Subscription Fee or other initial fees as set out in the relevant Appendix. In all cases any specific terms for subsequent subscriptions, if any, will be specified in the relevant Appendix. The Board of Directors may extend or shorten the Initial Offering Period for any Class of Shares at its absolute discretion at any time.

Subject to the above, the Subscription Price in the relevant Reference Currency will be equal to the Net Asset Value per Share for such Class of Shares, on the Valuation Day immediately preceding the Subscription Day on which Shares are issued pursuant to a Subscription Application Form, including Placement Fee, as the case may be.

The Board of Directors shall be authorised, without limitation and at any time, to issue additional Shares for all Sub-Funds without granting existing Shareholders a preferential right to subscribe for the Shares. The initial and subsequent Subscription amounts in a single Sub-Fund/Class/Sub-class are set out in the relevant Sub-Fund's

specifications. Initial Subscription for Shares must be made by Investors by forwarding to the Registrar and Transfer Agent a duly completed Subscription Application Form.

The applicable minimum subscription and minimum additional subscription requirements for the subscription of Shares of each Class will be specified in the relevant Appendix.

Applications for Shares of any available Class during the Initial Offering Period for such Class must be made using the Subscription Application Form relevant to that Appendix which must be received by the Registrar and Transfer Agent by facsimile on such date and by such time as determined by the Board of Directors and set out in the relevant Appendix (the “**Cut-Off Time**”) and for the first subscription with the original copy thereof sent by post, with the mention “*faxed on dd/mm/yy; avoid duplicate*”. The Board of Directors may in its sole discretion allow subscriptions during the Initial Offering Period at other times or on shorter notice.

The Registrar and Transfer Agent accepts no responsibility for any loss caused as a result of non-receipt of any application sent by facsimile transmission. The acceptance of subscriptions is subject to confirmation of the prior receipt of subscription monies in cleared funds credited to the relevant subscription account of the Fund (details of which are set out in the Subscription Application Form relevant to that Appendix) on or before the last day of the Initial Offering Period or the Cut-Off Time, as the case may be. Any delay in receipt of a duly completed Subscription Application Form or of cleared funds will result in the relevant application being processed on the next Subscription Day. The Board of Directors reserves the right to reject applications for Shares of any available Class in its absolute discretion, without assigning any reason therefore. At the discretion of the Board of Directors, payment for subscription of shares can be made either through cleared fund (i.e money received prior to the issue of the Shares as described above ) or through credit dealing (i.e money paid/received according to the agreed settlement cycle).

Subscription monies may be paid by applicants for Shares in any Class in the relevant currency. The Registrar and Transfer Agent will normally only process applications upon receipt of cleared funds by the appropriate deadline as set out in the relevant Appendix. Subscription monies shall be remitted by telegraphic transfer to the relevant subscription account specified for the relevant currency of payment in the Subscription Application Form attached to the relevant Appendix. All bank collection or other charges imposed for such telegraphic transfer payments by an applicant shall be borne by and charged to that applicant.

The Board of Directors may agree to issue Shares as consideration for a contribution in kind of securities, in compliance with the conditions set forth by Luxembourg laws, in particular the obligation to deliver a valuation report from the Auditor of the Fund (*réviseur d'entreprises agréé*) and provided that such securities comply with the investment objectives and investment policies and restrictions of the relevant Sub-Fund of the Fund. Any cost incurred in connection with a contribution in kind shall be borne by the relevant Investor.

**IMPORTANT: The Board of Directors may, at any moment, in its sole discretion and for a limited or unlimited duration, decide to cease issuing new Shares and to cease accepting any further subscriptions or conversions for any Shares of any Class or of any relevant Sub-Fund in order inter alia to protect existing Shareholders or the Sub-Fund itself (“Hard Closing”). Alternatively, the Board of Directors may, at any moment, in its sole discretion and for a limited or unlimited duration, decide to cease accepting any further subscriptions or conversions for any Shares of any Class or of any Sub-Fund from new investors only i.e. from investors who have not invested in the relevant Sub-Fund yet in order inter alia to protect existing Shareholders or the Sub-Fund itself (“Soft Closing”). These measures of Hard Closing or Soft Closing may be implemented with**

immediate effect by the Board of Directors in its sole discretion. The Shareholders of the Sub-Fund or of the Classes of Shares subject to a Hard Closing or a Soft Closing will be informed in writing, at the latest, immediately after such Hard Closing or Soft Closing take place. The Board of Directors will not have to justify the reasons for implementing such Hard Closing or Soft Closing. A partially or totally closed Sub-Fund or Classes of Shares can be re-opened for subscription or conversion when the circumstances which justified the Hard Closing or Soft Closing no longer prevail.

#### ***Rejection privilege***

The Fund reserves the right to reject any application for subscription at its own discretion, without giving any reason. If an application is rejected, the subscription amount will be returned, without interest, as soon as practicable following the date of rejection by electronic transfer, at the applicant's expense and risk.

#### **4.1.4 Conversion of Shares**

Unless otherwise determined in the Appendix, any Shareholder is entitled to request the conversion of whole or part of his/her/its Shares of one Class into Shares of another Class, within the same Sub-Fund or from one Sub-Fund to another Sub-Fund subject to such restrictions as to the terms and conditions as determined by the Board of Directors from time to time in the relevant Appendix of the Investment Memorandum. The price for the conversion of Shares from one class into another class shall be computed by reference to the respective Net Asset Value of the two classes of Shares, calculated on the same Valuation Day not taking into account the conversion / redemption fee, if any.

If as a result of any request for conversion the number or the aggregate net asset value of the Shares held by any Shareholder in any Class would fall below the minimum investment set out in the relevant Appendix, the Board of Directors may refuse on a discretionary basis to convert the Shares from one Class to another Class.

The Shares which have been converted into Shares of another Class or/and of another Sub-Fund shall be cancelled on the relevant Subscription Day.

A conversion fee, if any, will result from the conversion of Shares from a Class to another and/or from a Sub-Fund to another, as further described in the relevant Appendix of this Investment Memorandum.

#### **4.1.5 Redemption of Shares**

Shares in relation to each Sub-Fund shall either be redeemable or not redeemable pursuant to the terms and conditions set forth in this Investment Memorandum and the applicable Appendix. **IMPORTANT: in some Sub-Funds, a Lock-up Period may be provided. If so, a Shareholder may not redeem any Share until the number of months / years indicated in the relevant Appendix (since Subscription) has elapsed.**

After the Lock-Up Period has elapsed (if any, as further detailed in the relevant Appendix for the relevant Sub-Fund), every shareholder shall have the right on each Redemption Day to require the redemption of his/her/its Shares at the relevant Net Asset Value of such Shares as of the relevant Redemption Day, less any Redemption Fee, if applicable.



**A redemption request will only be executed after the identity of the Shareholder and/or the beneficial owner has been established to the complete satisfaction of the Fund. Payment will only be made to the respective Shareholder.** For the avoidance of doubt, the identification of the Shareholder and/or the beneficial owner, if necessary, is done before the first subscription is accepted. However, if the received documents are no longer valid (i.e. expiration date etc) or if the legislation is requesting more documents at the time of the redemption, the redemption will be executed in order for the shareholder to benefit from the relevant Net Asset Value of such Shares as of the relevant Redemption Day but the payment of the Redemption Price will be blocked until reception of the required documents.

The Board of Directors reserves the right to reduce proportionally all requests for redemptions in a Sub-Fund to be executed on one Valuation Day whenever the total proceeds to be paid for the Shares so tendered for redemption exceed a certain percentage of the total net assets of that specific Sub-Fund, as further described in the relevant Appendix, as the case may be.

Written notice must be received by the Fund after the Cut-Off Time prior to the relevant Valuation Day or Redemption Day as disclosed in the relevant Appendix. Request for redemption must be for either a number of Shares or an amount denominated in the relevant currency of the Class of the Sub-Fund.

All redemption requests will be processed strictly in the order in which they are received, and each Redemption shall be processed at the Net Asset Value of the said Shares.

Neither the Fund nor the Custodian and Paying Agent nor the Board of Directors are responsible for any delays or charges incurred at any receiving bank or settlement system.

The Fund shall have the right to satisfy payment of the Redemption Price in specie by allocating to the Shareholder investments from the portfolio of assets of the Fund equal to the value of the shares to be redeemed.

If as a result of any request for redemption, the number or the aggregate net asset value of the Shares held by any Shareholder in any class of shares of the relevant Sub-Fund would fall below the minimum investment set out in the relevant Appendix, then the Board of Directors may decide that this request be treated as a request for redemption for the full balance of such shareholder's holding of Shares in the Sub-Fund.

Further, if, with respect to any given Valuation Day, redemption requests pursuant to this clause and conversion requests pursuant to clause under heading "Conversion of shares" hereof exceed a certain level determined by the Board of Directors in relation to the number of shares in issue in a specific class, the Board of Directors may decide that part or all of such requests for redemption or conversion will be deferred for a period and in a manner that the Board of Directors considers to be in the best interest of the Fund. Following that period, with respect to the next relevant Valuation Day, these redemption and conversion requests will be met in priority to later requests.

The Fund may redeem Shares whenever the Board of Directors considers a redemption to be in the best interests of the Fund or a Sub-Fund.

The Redemption of Shares of any Class and/or Sub-class of any Sub-Fund shall be suspended when the calculation of the Net Asset Value thereof is suspended.

**The value of the Shares at the time of Redemption may be more or less than the amount initially invested by the Shareholder, depending on the market value of the assets held by the Fund at that time.**

#### **4.1.6 Transfer of Shares**

A Shareholder may request the transfer of part or all of his/her/its Shares to another person, firm or corporate body. The transfer may only be processed provided the Fund is satisfied that the transferor and the transferee (who shall be an Eligible Investor and not a Prohibited Person) fulfil all the requirements applicable to redemption and subscription of Shares. No charges will generally be levied.

##### **Restrictions on ownership**

Notwithstanding the above, the transfer of Shares is subject to the prior approval of the Board of Directors, which may, at its sole discretion, refuse such transfer where new Investor is unknown to the Fund. The Board of Directors shall provide the transfer approval or refusal, as the case may be, within a period which shall not exceed 12 months from the date of the transfer request. Such consent may however not be unreasonably withheld where the Shares are transferred to existing Investors.

The Fund may restrict or reject any application for Shares by any person, and may cause any Shares to be subject to compulsory redemption, if the Fund considers that this ownership involves a violation of the law of the Grand-Duchy of Luxembourg or abroad, or may involve the Fund in being subject to taxation in a country other than the Grand Duchy of Luxembourg or may in some other manner be detrimental to the Fund.

The Fund may restrict or prevent the ownership of Shares in the Fund by any person, firm or corporate body:

- (i) Who is not an Eligible Investor;
- (ii) Who is a US Person; or
- (iii) If in the opinion of the Board of Directors such holding may be detrimental to the Fund; or
- (iv) If it may result in a breach of any law or regulation, whether Luxembourg or foreign; or
- (v) If as a result thereof the Fund may become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred.

Such person, firm or corporate body to be determined by the Board of Directors being herein referred to as "**Prohibited Person**". Accordingly, the Board of Directors may require any subscriber to provide it with any information that it may consider necessary for the purpose of deciding whether or not he is, or will be, a Prohibited Person.

The Board of Directors is entitled to:

- (i) Decline to issue any Shares and decline to register any transfer of an Share, where it appears to it that such registry or transfer would or might result in legal or beneficial ownership of such Shares by a Prohibited Person; and/or
- (ii) At any time, require any person whose name is entered in, or any person seeking to register the transfer of Shares on the Register to furnish with any information, supported by affidavit, which the Board of Directors may consider necessary for the purpose of determining whether or not beneficial ownership of such shareholder's shares rests in a Prohibited Person, or whether such registry will result in beneficial ownership of such Shares by a Prohibited Person; and/or
- (iii) Decline to accept the vote of any Prohibited Person at any meeting of shareholders of the Fund; and/or
- (iv) Where it appears to the Board of Directors that any Prohibited Person either alone or in conjunction with any

other person is a beneficial owner of Shares, direct such Shareholder to sell his/her/its Shares and to provide to the Fund evidence of the sale within thirty (30) calendar days of the notice. If such Shareholder fails to comply with the direction of the Board of Directors, the Board of Directors may compulsorily redeem or cause to be redeemed from any such Shareholder all Shares held by such Shareholder at the last or next Redemption Day (whichever is the lowest); and/or

- (v) Proceed with the compulsory redemption of all the relevant Shares if it appears that a person who is not authorized to hold such Shares, either alone or together with other persons, is the owner of Shares, or proceed with the compulsory redemption of any or a part of the Shares, if it appears to the Fund that one or several persons is or are an owner or owners of a proportion of the Shares in such a manner that this may be detrimental to the Fund. The conditions and price of such compulsory Redemption will be specified in the relevant redemption notice. The price at which the redeemed Shares shall be redeemed shall in such instances be equal to two-third (2/3) of the Net Asset Value per Share, as calculated with respect to the relevant Valuation Day. Payment of the purchase price will be made to the owner of such Shares in the reference currency of the relevant Class, except during periods of exchange restrictions, and will be deposited by the Fund with a bank in Luxembourg or elsewhere (as specified in the redemption notice) for payment to such owner. Upon deposit of such price as aforesaid, no person interested in the Shares specified in such notice shall have any further interest in such Shares or any of them, or any claim against the Fund or its assets in respect thereof, except the right of the Shareholders appearing as the owner thereof to receive the Redemption Price (without interest) from such bank upon effective surrender of the Share. The exercise by the Fund of this power shall not be questioned or invalidated in any case, on the grounds that there was insufficient evidence of ownership of Shares by any person or that the true ownership of any Shares was otherwise than appeared to the Fund at the date of any redemption notice, provided that in such case the said powers were exercised by the Fund in good faith.

The Fund retains the right to offer only one Class for subscription in any particular jurisdiction in order to conform to local law, custom, business practice or the relevant Sub-Fund's commercial objectives.

## **4.2 RISK CONSIDERATIONS**

**THE FUND'S INVESTMENT PROGRAM ENTAILS SUBSTANTIAL RISKS. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVES OF THE FUND WILL BE ACHIEVED. Attention should be drawn to the fact that an Investor may not get back the amount he/she/it has invested. Changes in exchange rates may also cause the Net Asset Value in the Investor's reference currency to go up or down. No guarantee as to future performance of or future return from the Fund, can be given. In addition to the above mentioned general risks which are inherent in all investments, the investment in the Fund entails above-average risks and is only appropriate for Investors who can take the risk to lose the entire investment. Some specific risks related to the investment in the Fund are described below.**

### **4.2.1 General Considerations**

An investment in a Sub-Fund involves certain risks relating to the particular Sub-Fund's structure and investment objectives which Investors should evaluate before making a decision to invest in such Sub-Fund. The investments within each Sub-Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that the investment objective will be achieved.

Investors should make their own independent evaluation of the financial, market, legal, regulatory, credit, tax and accounting risks and consequences involved in investment in a Sub-Fund and its suitability for their own purposes. In evaluating the merits and suitability of an investment in a Sub-Fund, careful consideration should be given to all of the risks attached to investing in a Sub-Fund.

The following is a brief description of certain factors which should be considered along with other matters discussed elsewhere in this Investment Memorandum. The following however, does not purport to be a comprehensive summary of all the risks associated with investments in any Sub-Fund.

**An investment in Shares in the Sub-Fund carries substantial risk and is suitable only for Investors who accept the risks, can assume the risk of losing their entire investment and who understand that there is no recourse other than to the assets of the relevant Sub- Fund.**

**General:** The transactions in which the Fund generally will engage involve trading risks. Growing competition in the financial markets as well as the development of sophisticated technology that is able to discover investment opportunities more rapidly may limit the Board of Directors' ability to take advantage of opportunities in rapidly changing markets. No assurance can be given that the investment styles selected by the Board of Directors' and/or the investment and trading strategies employed by the Board of Directors and/or the Investment Manager will be successful or that shareholders will realize net profits on their respective investments. Because of the nature of the Fund's investment activities, the results of the Fund's operations may fluctuate from month to month. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results in future periods.

**AIFM Authorization:** At the date of this Investment Memorandum, the Fund has opted to be internally managed and therefore is subject to registration obligations only in compliance with the Law of 2013 and is to be considered as the Alternative Investment Fund Manager. However, should the Alternative Investment Fund Manager's assets under management exceed in total the thresholds specified by article 3 (3) of the Law of 2013, the Alternative Investment Fund Manager would be subject to the authorization regime. In such a case, the legal and operational requirements of the Alternative Investment Fund Manager and of the service providers (such as the Custodian and the Administrative Agent), as well as their responsibilities and the related fees may differ materially from the current requirements. It may therefore impact the Fund and its Shareholders.

**Markets:** It may not always be possible to execute a buy or a sell order at the desired price or to liquidate an open position, either due to market conditions on exchanges or due to the operation of daily price fluctuation limits or "circuit breakers". It is also possible that an exchange or governmental authority may suspend or restrict trading on an exchange or in particular securities or other financial instruments traded on such exchange. Options trading may be restricted in the event that trading in the underlying security becomes restricted, and options trading may itself be illiquid at times, irrespective of the condition of the market of the underlying security, making it difficult to offset option positions in order to realize gain thereon, limit losses or change positions in the market.

**Economic conditions:** The success of any investment activity may be affected by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investors' participation in the markets for interest sensitive instruments. Market periods characterized by illiquidity or flattened volatility could impair the ability to trade successfully.

**Lack of diversity:** The Fund's portfolio will normally be diversified among a variety of different investment styles. However, the Fund's assets may from time to time be concentrated within a limited number of investment styles and underlying fund managers. The Fund is not subject to specific legal or regulatory risk diversification requirements, other than those specified herein. Therefore, the Fund is, in principle, authorized to make a limited number of investments and, as a consequence, the aggregate returns realized by the Shareholders may be substantially adversely affected by the unfavorable performance of even one investment. In addition, the Fund's assets may be concentrated in certain industries and segments of activity. A lack of diversification in the Fund's portfolio may result in the Fund's performance being vulnerable to business or economic conditions and other factors affecting particular companies or particular industries, which may adversely affect the return to Shareholders.

**Lack of liquidity of underlying investments:** An investment in the Shares of the Sub-Funds requires a long-term commitment, with no guarantee on return. The return of capital and the realization of gains, will depend on the return realized at the occasion of the partial or complete disposition of investments by the Fund which may only occur a number of years after the investment has been made. Such strategy could be adversely affected by a variety of factors. The Fund's investments may be highly illiquid due to the absence of any trading market for these investments. There is a risk that the Fund may be unable to realize its investment objectives by sale or other disposition at attractive prices or at the appropriate times or in response to changing market conditions, or will otherwise be unable to complete a favorable exit strategy. Losses may be realized before gains on dispositions. Prospective investors should therefore be aware that they may be required to bear the financial risk of their investment for an indeterminable period of time.

**Absence of Secondary Market:** Currently there is no public market for the Shares and it is unlikely that an active secondary market will develop. Shares are not being registered to permit a public offering under the securities law of any jurisdiction. The Shareholders will be able to dispose of their Shares only by means of redemption on the relevant Redemption Day at the redemption proceeds. The Board of Directors has the power to suspend and compel redemptions subject to the limitations outlined in section "Restrictions of ownership" of this Investment Memorandum.

**Limited operating history:** The Fund has a limited operating history. There can be no assurance that the Fund will achieve its objectives. Although the Board of Directors and the Investment Manager have substantial experience in managing similar assets any past performance of the Board of Directors, Investment Managers and its managers and officers should not be construed as an indication of the future results of an investment in Shares of the Fund.

**Limited Ability to Liquidate an Investment in the Fund:** Shares may be redeemed only on a Redemption Day as defined in the relevant Appendix. Accordingly, the value of Shares on the Redemption Day may vary significantly from that at the time a redemption request is required to be submitted.

**Trading Risks:** Substantial risks are involved in the trading of securities. Market movements can be volatile and are difficult to predict. Government policies, particularly those of the US Federal Reserve Board and the European Central Bank, can have a profound effect on interest rates which, in turn, substantially affect securities prices as well as the liquidity of such markets. Politics, recession, inflation, employment levels, trade policies, international events, war and other unforeseen events can also have a significant impact on the price of securities.

Various techniques are employed to attempt to reduce the risks inherent in the trading strategies. The ability to achieve the desired effect through a particular technique is dependent upon many factors, including the liquidity of the market at the desired time of execution. Thus, substantial risk remains that the techniques employed on behalf of the Fund cannot always be effective in reducing losses. The activities undertaken by the Board of Directors may involve a

degree of leverage. Accordingly, a relatively small price movement may result in substantial and immediate losses in excess of the amount committed by the Fund. At various times, the markets for exchange-listed securities may be “thin” or illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. The liquidity of the market may also be affected by a halt in trading on a particular securities exchange or exchanges.

**Use of derivatives:** Only if and to the extent expressly disclosed within the relevant Appendix, but not further or otherwise, the Fund and each Sub-Fund may invest, directly or indirectly, in all kind of complex derivatives instruments (including options (including over-the-counter options), warrants, futures, forward contracts and swaps) that are highly volatile and speculative. All of these instruments are volatile and carry counter-party risks. Certain positions may be subject to wide and sudden fluctuations in market value with a resulting fluctuation in the amount of profits and losses. As a result, a relatively small price movement in an instrument may result in immediate and substantial losses for the investor. If the Fund purchases an option or warrant, it may lose the entire amount of its investment (the premium). In addition, trading securities on margin will result in interest charges to the Fund which may be substantial. Thus, any purchase or sale on a leveraged security or derivative instrument may result in losses in excess of the amount invested. Selling uncovered options is potentially far riskier in so far as the Fund’s potential losses are theoretically unlimited. The Board of Directors may engage in principal securities in trading currencies or commodities in which case the Fund will be subject to a risk with respect to the credit worthiness of its counter party.

**Leverage:** Only if and to the extent expressly disclosed within the relevant Appendix, but not further or otherwise, the Fund may use leverage in its trading and investment activities. Borrowing money to purchase an instrument may provide the opportunity for greater capital appreciation but at the same time will increase the risk of loss with respect to the instrument. Although the use of leverage increases returns to the Fund if it earns a greater return on the incremental positions purchased with the borrowed funds than it pays for such funds, the use of leverage decreases returns to the Fund if it fails to earn as much on such incremental positions as it pays for such funds. The amount of borrowings outstanding at any time by the Board of Directors in respect of assets that they manage may be large in relation to such assets. In addition, the level of interest rates generally, and the rates at which the Investment Manager or as the case may be by the Board of Directors, on behalf of the Fund or any Sub-Fund can borrow in particular, will ultimately affect the results of the Fund.

**Arbitrage Transactions:** Among the many risks of arbitrage strategies as these may be employed by the Board of Directors or as the case may be any underlying fund managers are that two or more buy or sell orders may not be able to be executed simultaneously at the desired prices, resulting in a loss being incurred on both sides of a multiple trade arbitrage transaction. Also, the transaction costs can be significant because separate costs are incurred on each component of the combination. Consequently, a substantial favourable price movement may be required before a profit can be realized.

**Foreign exchange/Currency risk:** The Board of Directors may invest in assets denominated in a wide range of currencies. The Net Asset Value expressed in its respective unit currency will fluctuate in accordance with the changes in foreign exchange rate between the Reference Currency of the relevant Sub-Fund and the currencies in which the relevant Sub-Fund's investments are denominated. In case the relevant Sub-Fund invests in hard currency and provided that it has not hedged its foreign currency debt, it may be exposed to currency risk if it receives its income in local currency. Such currency risk exposure may affect the relevant Sub-Fund’s position.

Investors should be aware that, while it is intended to systematically hedge in the Hedged Class of Shares there is no guarantee that the hedging will be totally successful. Certain Sub-Funds may also invest in currency derivatives, with

the aim of generating returns at the portfolio level. This is indicated in the Sub-Fund's investment policy and only occurs where the Hedged Shares use NAV Hedge. Accordingly, whilst the hedging seeks to minimize the effect of exchange rate fluctuations between the Reference Currency of the Sub-Fund and that of the Hedged Shares, there may be currency risk in the portfolio. Investors in the Hedged Classes of Shares may have exposure to currencies other than the currency of their Class of Shares and may also be exposed to the risks associated with the instruments used in the hedging process. As a result of currency hedging transactions, the relevant Sub-Fund may be required to transfer cash or other liquid assets as collateral to counterparties. Consequently, the Hedged Shares may be allocated a greater proportion of cash or other liquid assets than the other Share Classes and therefore may have less market exposure which could have a positive or negative impact on performance.

**Commission and fee(s) amounts:** The payment of a fee calculated on the basis of performance results could encourage the Board of Directors and/or the Investment Manager to select more risky and volatile placements than if such fees were not applicable.

**The Fund:** No assurance can be given that the Fund and the relevant Sub-Funds or Compartment will achieve their investment objectives.

**Potential Conflicts of Interests:** Prospective investors should note that the Board of Directors, the Investment Manager, the Sub-Investment Manager, the Custodian and Paying Agent and possibly other parties may be subject to various conflicts of interest in their relationships with the Fund.

**Reliance on Management:** The Fund and the success of each Sub-Fund for the foreseeable future will depend significantly on the efforts and abilities of the Directors and the Investment Manager, as the case may be. The loss of these persons' services could have a materially adverse effect on the Fund and/or the relevant Sub-Fund. Decisions with respect to the investment management of a relevant Sub-Fund will be made by the Board of Managers and the Investment Manager, as the case may be. If the Fund invests in products the performance of which is linked with an underlying asset, the Fund and/or the Board of Directors or any relevant party mentioned in this Appendix may possess or acquire material information about the underlying assets and such activities and information may cause adverse consequences to investors. Such actions or conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and creditor rights. The Fund or any involved party shall have no obligation to disclose such information about the underlying asset or the companies to which they relate.

**Effects of substantial redemptions:** Substantial redemptions of Shares within a limited period of time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect both the value of the Shares being redeemed and the value of the remaining outstanding Shares. In addition, regardless of the period of time during which redemptions occur, the resulting reduction in the Fund's assets could make it more difficult for the Fund to generate profits or recover losses. Redemptions of Shares during the first financial years of the Fund will result in a greater percentage of the Fund's offering and organizational expenses being borne by the holders of the remaining Shares or result in acceleration of amortization.

**Contingent liabilities:** the Fund may find it necessary upon the redemption of Shares by a shareholder to set up a reserve for un-amortized, undetermined or contingent liabilities and withhold a certain portion of a shareholder's redemption proceeds.

**Changes in investment styles:** The Board of Directors may decide to alter the Fund's investment styles without prior approval by the Fund or its shareholders if the Board of Directors decides that such change is in the best interests of the Fund. Any such change of strategy could result in the exposure of the Fund's assets to additional risks.

**Substantial fees and expenses:** The fees and expenses to which the Fund will be subject can be substantial. The Fund will therefore be required to make significant investment profits in order to avoid depletion or exhaustion of its assets.

**Tax Considerations:** Tax charges and withholding taxes in various jurisdictions in which the Fund will invest will affect the level of distributions made to it and accordingly to investors. No assurance can be given as to the level of taxation suffered by the Fund or its investments.

FATCA provisions generally impose a reporting to the US Internal Revenue Service of direct and indirect of US Persons' ownership of non-U.S. accounts and non-U.S. entities. Failure to provide such information will lead to a 30% withholding tax applying to certain U.S. source income (including but not limited to dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

The Fund will do its best to satisfy any obligations to avoid any FATCA withholding tax. However, there can be no guarantee or assurance that the Fund will be able to comply with all the requirements imposed by FATCA. Should the Fund not be able to comply with the FATCA's requirements and the Fund be subject to US withholding tax on certain with-holdable payments as a result of non-compliance, the Net Asset Value may be adversely affected and the shareholders may suffer significant loss as a result.

All Investors and Shareholders should consult with their own tax advisor(s) regarding the possible implication of FATCA on their investments in the Fund.

The Fund and/or its Shareholders may also be indirectly affected by the fact that a non US financial entity does not comply with FATCA regulations even if the Fund satisfies with its own FATCA obligations.

**Operation risk:** Highly skilled resources in respective areas of operational expertise may be difficult to access, thus creating higher operational risks. In addition, additional operational risks should be recognizes, such as:

- **General back-office risks:** Operational risk is the risk deriving from deficiencies in information systems or internal controls that could result in unexpected losses. Operational risk is inherent to any financial activity, but arguably, is especially significant in the case of alternative assets investments, where automatisations is limited. The capture of data on alternative assets is often a manual process, subject to delay and human error and determining accurate market values can be problematic for the more complex transactions. Internal control weaknesses can lead to losses from fraud or simply from the assumption of risks in excess of those acceptable to the Board of Directors. The main source of operational risk for the Fund is human errors related to transaction processing, at the level of investment management, fund valuation and shareholders' transaction processing.
- **Investor transaction risks:** The maintenance of the register of shareholders as well as the processing of investors' transactions constitutes a significant source of risks: processing risks, and AML/KYC risks.
- **Accounting and NAV calculation risk:** The bookkeeping and financial reporting of the Fund constitutes a significant source of risks of human error.



- **Pre Trade Risk management**: Investment decision must comply with the investment policy and restrictions of the Fund. Any breach of those may result into unexpected risks.

**Changes in applicable law**: The Fund must comply with various regulatory and legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which it operates. Should any of those laws change over the life of the Fund, the regulatory and legal requirements to which the Fund and its Shareholders may be subject, could differ materially from current requirements.

**Lack of regulation**: although the Fund is approved by the CSSF and listed on the official list of the specialized investment funds subject to the supervision of the CSSF in accordance with the Law of 2007, this does not imply that there will be any restrictions on the Fund's trading and investment choices other than those set out in this document, nor does this imply that the activities of the Fund will be monitored on a regular basis by the Regulatory Authority.

**Political and economic risks**: The value of the Fund's investments may be affected by uncertainties in the form of unforeseen domestic or foreign political developments, civil disorder or constitutional crises. Abrupt changes of policy with regard to taxation, the government's fiscal and monetary stance, currency repatriation and other economic regulations are also possible, including expropriation, nationalization, or confiscation of assets or changes in legislation regarding the permissible share of foreign ownership of companies or assets.

**Possible business failures and credit risk**: The insolvency or other business failure of any one or more of the major companies in which the Fund invests, if applicable, could have a material and adverse effect on the Fund's performance and ability to achieve its objectives. Lack of generally available financing alternatives increases the risk of business failure. In addition, should the portfolio companies be subject to the risks associated with debt financing, it is subject to the risks that available funds will be insufficient to meet required payments and the risk that existing indebtedness will not be refinanced or that the terms of such refinancing will not be as favorable as the terms of existing indebtedness.

**Risks on disposition of certain investments**: In connection with the disposition of an investment in a portfolio company, the Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. It may also be required to indemnify the purchasers of such investment to the extent that any such representations prove to be inaccurate. These arrangements may result in contingent liabilities.

**Control person liability**: The Fund may have important interests in some portfolio companies. The exercise of such important interest in a portfolio company may impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws) or other types of liability in which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, the Fund might suffer a significant loss. In addition, the Fund's assets, including any investments made and any capital held by the Fund, might be made available to satisfy liabilities and other obligations of the Fund. If the Fund becomes subject to liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets in general rather than be limited to any particular asset, such as the investment giving rise to the liability.

**Litigation**: The Fund might be named as a defendant in a lawsuit or regulatory action stemming from the conduct of its business and the activities of the Board of Directors. In the event such litigation was to occur, the Fund would bear the costs of defending against it and be at further risk if the defence in the litigation were unsuccessful.

**Suitability standards**: Because of the risks involved, investment in the Fund / Sub-Fund is only suitable for those persons who are able to bear the economic risk of the investment, understand the high degree of risk involved, believe that the investment is suitable based upon their investment objectives and financial needs, and have no need for liquidity of investment. Should any non-professional investor invest in Shares of the Fund / Sub-Fund, it is advisable that only part of the sums which such an investor intends for long term investment should be so invested.

**Early termination**: In the event of the early termination of the Fund, the Board of Directors would have to distribute to the Shareholders their pro-rata interest in the assets thereof. The Fund's investments would have to be sold by the Board of Directors or distributed to the Shareholders. It is possible that at the time of such sale certain investments may be worth less than the initial cost of the investment, resulting in a loss to the Fund and to its Shareholders. Moreover, in the event the Fund terminates prior to the complete amortization of organizational expenses, any unamortized portion of such expenses will be accelerated and will be debited from (and thereby reduce) amounts otherwise available for distribution to Shareholders.

**Institutional Risks**: The institutions, including brokerage firms and banks, with which the Fund (directly or indirectly) does business, or to which securities have been entrusted for custodial and prime brokerage purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the Fund. Brokers may trade with an exchange as a principal on behalf of the Fund, in a "debtor-creditor" relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could therefore have title to part of the assets of the Fund (for example, the transactions which the broker has entered into on behalf of the Fund) as principal as well as with regard to the margin payments which the Fund provides. In the event of such broker's insolvency, the transactions which the broker has entered into as principal could default and the assets of the Fund could become part of the insolvent broker's estate, to the detriment of the Fund. In this regard, the Fund's assets may be held in "street name" so that a default by the broker may cause the rights of the Fund to be limited to that of an unsecured creditor. The Fund may intend to potentially use directly a prime broker for custodial and prime brokerage purposes. The prime brokerage agreement shall incorporate a legally enforceable right of set-off in favour of the Fund, and the prime broker shall agree to return the same or equivalent securities to the Fund at the end of the prime brokerage relationship. However, in some cases such right of set-off in favour of the Fund may not be enforceable in certain jurisdictions.

**It should be noted that the Board of Directors and the initiator have consulted with lawyers, service partners and other experts regarding the formation of the Fund. Such personnel are accountable to the Fund only and not to the Shareholders themselves. Each prospective investor should consult his own legal, tax and financial advisors regarding the desirability of an investment in the Fund.**

**Risks related to political and other macro risks investments in emerging countries**: The Sub-Funds' investments in emerging countries, if any, can be adversely affected by political, economic and diplomatic changes. Also, individual countries in which the Fund is active may experience one or more natural or man-made disasters such as floods, hurricane, drought, health epidemic, war, terrorist attack, or civil unrest. Such events, even with an efficient and adequate response, may have a materially adverse effect on the Fund's portfolio and or operations in the affected country.

**Degree of regulation in emerging countries:** The degree of regulation in emerging countries may be less stringent than that in more developed countries. Also, companies in emerging countries may be subject to accounting, auditing and financial reporting standards, practices and disclosure requirements that are not comparable to those used in developed countries. Furthermore, in certain countries and for certain types of securities forming part of the portfolio, the validity of title may be challenged by third parties or by the relevant issuers due to the possible deficiencies arising from applicable laws and regulations.

**Efficiency of settlement systems and liquidity issues in emerging countries:** Settlement systems in emerging countries may be less well recognized than in developed countries. There may be a risk that settlement may be delayed and that securities of the Sub-Funds may be in jeopardy because of failures or of defects in the system. Market practice may even require that payment be made prior to receipt of the security, or that delivery of the security be made before payment is received. In such cases, default by the counterparty through whom the transaction is effected might result in a loss being suffered by the Sub-Funds. Also, securities in emerging countries securities can be substantially less liquid than securities in more developed countries. This may adversely affect the timing and pricing of the Sub-Funds' acquisitions and disposals of such securities. Furthermore, the Sub-Funds may hold investments in companies whose daily volumes of shares traded are low. This may also qualify the shares of such companies as less liquid.

#### **4.2.2 Risks related to the portfolio valuation**

Prospective investors should acknowledge that the portfolio of the Sub-Funds will be composed of assets of different natures in terms of *inter alia* geographies, financial statements formats, reference currencies, accounting principles, types and liquidity of securities, coherence and comprehensiveness of data.

As a result, the valuation of the portfolio and the production of the Net Asset Value calculation will be a complex process which might in certain circumstances require the Fund to make certain assumptions in order to produce the desired output.

The lack of an active public market for securities and debt instruments will make it more difficult and subjective to value investments of the Sub-Funds for the purposes of determining the Net Asset Value.

#### **4.2.3 Risks related to investments in other UCIs**

The investment by a Sub-Fund in target Undertakings for Collective Investment (“UCIs”) may result in a duplication of some costs and expenses which will be charged to the Sub-Fund, i.e. setting up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, custodian bank fees, auditing and other related costs. For Shareholders of the said Sub-Fund, the accumulation of these costs may cause higher costs and expenses than the costs and expenses that would have been charged to the said Sub-Fund if the latter had invested directly.

#### **4.2.4 Risks related to transactions covered by the SFTR**

Those transactions involve certain risks. There is no assurance that the Fund will achieve the objective for which it entered into a transaction.

Repurchase transactions and buy-sell (or sell-buy) back transactions might expose the Fund to risks similar to those associated with optional or forward derivative financial instruments, the risks of which are described in other sections of this Investment Memorandum. Securities loans may, in the event of a counterparty default or an operational difficulty, be recovered late, which might restrict the Fund's ability to complete the sale of securities or to meet redemption requests.

The Fund's exposure to its counterparty will be mitigated by the fact that the counterparty will forfeit its collateral if it defaults on the transaction. If the collateral is in the form of securities, there is a risk that when it is sold it will realize insufficient cash to settle the counterparty's debt to the Fund or to purchase replacements for the securities that were lent to the counterparty. In the latter case, the Fund's tri-party lending agent will indemnify the Fund against a shortfall of cash available to purchase replacement securities but there is a risk that the indemnity might be insufficient or otherwise unreliable.

In the event that the Fund reinvests cash collateral in one or more of the permitted types of investment that are described above, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested. There is also a risk that the investment will become illiquid, which would restrict the Fund's ability to recover its securities on loan, which might restrict the Fund's ability to complete the sale of securities or to meet redemption requests.

### **4.3 MANAGEMENT AND ADMINISTRATION**

#### **4.3.1 Board of Directors of the Fund**

##### **4.3.1.1 Generality and main duties**

The Fund shall be managed by a Board of Directors composed of not less than three (3) members who do not need to be Shareholders of the Fund. The Board of Directors has responsibility for managing the Fund in accordance with the Investment Memorandum, the Articles, Luxembourg law and other relevant legal requirements. The Board of Directors is vested with the broadest powers to perform all acts of disposition and administration within the Fund's purpose.

The Board of Directors is responsible for implementing the investment policy of the Fund subject to the risk diversification rules and investment restrictions set out in this Investment Memorandum and the Appendices. The Board of Directors may create committees having specific duties and such committees shall exercise their activities under the responsibility of the Board of Directors.

The Board of Directors shall have the power to suspend voting rights of the Shareholder(s) in breach of his/her/its obligations under the Articles or the Subscription Application Form.

The Board of Directors is also responsible for selecting the Custodian and Paying Agent, the Administrator, the Domiciliary Agent, the Registrar and Transfer and other such agents as are appropriate.

The Directors of the Fund as at the date of this Investment Memorandum are:

- **Szilárd Márton**

Mr. Márton graduated at the Academy of Economic Studies in Bucharest, later on obtaining his MBA from the University Groningen, The Netherlands. Mr. Márton worked for several banks and financial institutions as a trader and as investment manager. Starting from 2005, Mr. Márton worked as portfolio advisor at OTP Bank (CEE based bank, largest bank in Hungary), giving advice and executing trades for the clients of the bank. In 2009 Mr. Márton joined Saxo Bank (Danish bank, specialized in online trading), where he was a generalist trader covering several asset classes: fx, options, stocks and futures, and flow trader for fx. In 2011 Mr. Márton, joined Citibank London, where he provided investment advice and executed trades for CEE based clients. Since 2014 February, Mr. Márton oversees the international investments and hedge funds business of Concorde Securites Ltd, still having in daily focus the execution of trades in fx, options, and bonds.

- **János Stefán**

Mr. Stefán graduated from Corvinus University of Budapest, obtaining Msc. in Business Administration. Throughout 2005-2014 Mr. Stefán held management positions at several companies, having strong focus on international investment opportunities. Until 2006 Mr. Stefán worked at Exxon Mobil, as cost analyst, then became the Head of Strategic Planning and Operations at GP&CO (financial services provider). Mr. Stefán with GP&CO. was providing investment advice and was coordinating acquisitions of shares in international companies by Hungarian companies, and alike in Hungarian companies by foreign firms. The activity focused more on none listed companies. Herby with GP&CO. Mr. Stefán was also advising private equity funds in acquisition and corporate governance related matters. Mr. Stefán was also offering advice and execution in hedging foreign exchange and commodity risk using online traded futures and forwards (mostly WTI/Brent contracts, and EURHUF/USDHUF forwards). At the moment Mr. Stefán is the CFO of ySwiss S.A. (Investments and tax planning company). As CFO Mr. Stefán maintained his focus on fx/commodity hedging and private equity advisory services.

- **Gareth Williams**

Mr. Williams is an independent director with more than 30 years' experience in the Financial Services and a former Countrywide Managing director and conducting officer at Apex Fund Services. Mr. Williams has held various positions in fund administration with specific responsibilities for fund accounting, business development, corporate & domiciliation services, financial reporting/finance functions, product, fund directorships, compliance & risk, internal audit and human resources.

#### **4.3.1.2 Liquidity management**

The Board of Directors will employ appropriate liquidity management methods and adopt procedures that will enable it to monitor the liquidity risk for each sub-fund. The Board of Directors will ensure that, for each Sub-Fund, the investment and financing strategy, the liquidity profile, the distribution policy and the redemption policy are consistent with liquidity needs. The liquidity management provisions described in the foregoing paragraph will not apply to unleveraged closed-ended sub-funds.

**Liquidity procedures:** The Board of Directors will maintain a level of liquidity in each Sub-Fund that is appropriate to its underlying obligations. This is determined by an assessment of the relative liquidity of the Sub-Fund's assets in the market, which includes the time required for liquidation and price at which the assets can be liquidated. To meet the

maximum level of redemption requests per given Redemption Day, each Sub-Fund may retain liquidity in the form of cash or cash equivalents or credit facility availability.

The Board of Directors will ensure that the investment strategy, liquidity profile and redemption policy for each Sub-Fund are aligned. Such policies are deemed to be aligned when investors are treated in a manner consistent with the fair treatment of all of the Fund's investors, including, *inter alia*, the fair treatment in respect of redemption of their investments. The Board of Directors will consider the impact that redemptions may have on the underlying prices of the individual assets of the Fund.

#### **4.3.1.3 Removal of the Directors**

Any Director may be removed with or without cause and/or replaced, at any time, by a resolution adopted by the general meeting of Shareholders of the Fund.

In the event of vacancy in the office of a Director because of death, retirement or otherwise, the remaining Directors may elect, by a majority vote, a Director to fill such vacancy until the next general meeting of Shareholders of the Fund.

At the incorporation of the Fund and as mentioned in the Articles, Szilárd Márton has been appointed as director for a period of 6 years, János Stefán and Gareth Williams have been appointed as directors for a period of 1 year. They can be re-elected.

#### **4.3.1.4 Liabilities**

The Board of Directors shall act with due diligence and fulfil its obligations under Luxembourg law. The Fund and its directors, officers, employees and agents (including any correspondents) shall not be liable for any error of judgment or mistake of law, for any loss suffered by the Fund or for any actions taken or omitted to be taken, except for, in the case of each considered individually, any loss resulting from a failure to act with due diligence, the non-fulfilment or improper fulfilment of the Board of Directors' obligations under Luxembourg law.

Any claim arising between the Shareholders and the Board of Directors shall be settled according to Luxembourg law and subject to the jurisdiction of the District Court of Luxembourg, provided that the Board of Directors may subject itself and the Fund to the jurisdiction of courts of the countries in which the Shares are sold, with respect to claims by Investors resident in such countries and, with respect to matters relating to subscriptions by Shareholders resident in such countries, to the laws of such countries.

The Shareholders shall refrain from acting on behalf of the Fund in any manner or capacity other than by exercising their rights as Shareholders in general meetings and shall only be liable to the extent of their contributions to the Fund.

**Indemnification.** Neither the Board of Directors, nor any of its affiliates, shareholders, officers, directors, agents and representatives (collectively, the «**Indemnified Parties**») shall have any liability, responsibility or accountability in damages or otherwise to any Shareholder, and the Fund agrees to indemnify, pay, protect and hold harmless each of the Indemnified Parties from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, proceedings, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, all reasonable costs and expenses of attorneys, defence, appeal and settlement of any and all suits, actions or proceedings instituted or threatened against the Indemnified Parties or the Fund) and all costs of

investigation in connection therewith which may be imposed on, incurred by, or asserted against the Indemnified Parties, the Fund or in any way relating to or arising out of, or alleged to relate to or arise out of, any action or inaction on the part of the Fund, on the part of the Indemnified Parties when acting on behalf of the Fund or on the part of any agents when acting on behalf of the Fund, provided that the Board of Directors shall be liable, responsible and accountable for and shall indemnify, pay, protect and hold harmless the Fund from and against, and the Fund shall not be liable to the Board of Directors for, any portion of such liabilities, obligations, losses, damages, penalties, actions, judgements, suits, proceedings, costs, expenses or disbursements of any kind or nature whatsoever (including, without limitation, all reasonable costs and expenses of attorneys, defence, appeal and settlement of any and all suits, actions or proceedings instituted or threatened against the Fund and all costs of investigation in connection, therewith asserted against the Fund) which result from the Board of Directors fraud, gross negligence, wilful misconduct or material breach of the Investment Memorandum and the Articles.

#### **4.3.2 Custodian and Paying Agent**

The Fund has appointed **CBP QUILVEST S.A.** pursuant to the Custodian and Paying Agent Agreement effective as of 22 November 2019 as custodian of all of the Company's assets, including its cash and CBP QUILVEST S.A. has also been appointed as paying agent of the Fund.

CBP QUILVEST S.A. has its registered address at 48, rue Charles Martel, L-2134 Luxembourg, Grand Duchy of Luxembourg.

The Custodian shall undertake all the habitual functions of a bank with regard to the deposit of the Fund's assets. It shall assume its functions and responsibilities in accordance with the provisions of the Law of 2007. It may, in accordance with usual banking practices and provisions of the Law of 2007, entrust other banks or financial institutions such as correspondents, nominees, agents or delegates of the Custodian with the custody of all or part of these assets. The Custodian's liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.

The Custodian will have no decision-making discretion relating to the Fund's investments. The Custodian is a service provider to the Fund and is not responsible for the preparation of this document and therefore accepts no responsibility for the accuracy of any information contained in this document, except as otherwise provided by law (including by applicable CSSF regulations and circulars).

As Paying Agent, CBP QUILVEST S.A. shall be responsible for the collection of subscription monies in relation to the issue of Shares as well as for making payments in relation to the redemption of Shares and, if applicable, payments of dividends to registered shareholders in the Fund by bank transfer to the account of such shareholders.

Without prejudice of and to the extent permitted by the Custodian and Paying Agent Services Agreement, the Fund's assets shall be deposited with the Custodian. Furthermore the Custodian may use and co-operate with external correspondents (including the Prime Brokers) in accordance with banking practice.

The assets of the Fund may, under the supervision of the Custodian, be deposited with one or more Prime Brokers, which may use their own network of correspondents. For the purpose of exercising its duties as Custodian, the Custodian may exclusively rely on information received and generated by the Prime Broker(s).

The Custodian shall approve the choice of the Prime Broker(s) by the Fund in accordance with the requirements detailed in circular CSSF 08/372. In particular, the Custodian's approval of the Fund's choice of the Prime Broker(s) is limited to ensuring that the Prime Broker is:

- (1) a financial institution regulated by a supervisory authority in a state in which the supervisory regime is recognised as being equivalent to the regime provided for by Community law; and
- (2) a financial institution which is recognised and specialised in this type of transactions.

The Custodian shall have the right to obtain information from the Prime Broker at any given moment on the composition and the value of the Fund's assets which have been entrusted to the Prime Broker.

Except in the event of fraud, wilful default or gross negligence on its part, the Custodian shall not be liable for acts or omissions of the Prime Broker(s) nor any damage or loss resulting thereof. The Custodian shall not be liable for losses of the Fund resulting out of bankruptcy of a correspondent, a Prime Broker and/or a correspondent of a Prime Broker.

Subject to the paragraph below either the Custodian or the Fund may terminate the Custodian and Paying Agent Agreement (i) by giving to the other party hereto a notice in writing specifying the date of such termination which shall not be less than 90 days after the date of giving such notice, or (ii) at any time if the other party shall go into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the Fund) or be unable to pay its debts generally or commit any act of bankruptcy under the laws of Luxembourg or if a receiver is appointed of any of the assets of the Fund or the Custodian or if some event having an equivalent effect occurs, or (iii) at any time if the other party shall commit any material breach of its obligations under the Custodian and Paying Agent Agreement and (if such breach shall be capable of remedy) shall fail within thirty (30) consecutive calendar days of receipt of notice served by the Fund or the Custodian, as the case may be, requiring such other party to make good such breach to the extent capable of remedy..

In case of termination by the Custodian as described above under (i), the Custodian shall not be entitled to terminate its obligations unless and until a replacement custodian, satisfactory to the Fund and approved by the CSSF, has been appointed, such appointment having to take place within two (2) months (as from the receipt of the prior notice of termination from the Custodian) to act as Custodian on behalf of the Fund, and to assume the responsibilities and functions of the Custodian as set forth under the Law of 2007. In the event of termination in (ii) or (iii) above, the Custodian shall, if terminated by the Fund, continue thereafter at the discretion of the Fund, for such period as may be necessary for the complete delivery or transfer of all Assets held hereunder as herein provided.

The Custodian may not be removed by the Fund unless a new custodian is appointed and the duties of the Custodian shall continue thereafter for such period as may be reasonably necessary to allow the transfer of all Assets of the Fund to the succeeding custodian. .

The Custodian will receive from the Fund such fees and commissions as are in accordance with usual practice in Luxembourg. They will be composed of a fee calculated as a percentage of the relevant Fund's net assets and of transaction-based commissions.

#### **4.3.3 Administrator, Domiciliary, Registrar and Transfer Agent**

APEX Fund Services (Malta) Limited, Luxembourg Branch is part of the APEX Group, a global provider of fund administration services with 34 offices across the globe, ISAE 3402/SSAE16 audited, independently owned with over



US Dollars 28,000,000,000.- under administration. APEX Group provides specialist fund administration, share registrar, corporate secretarial services and directors to funds and collective investment schemes globally.

APEX Fund Services (Malta) Limited, Luxembourg Branch will perform all general administrative tasks for the Fund, including the preparation of valuations, keeping of financial records and acting as registrar and transfer agent. APEX Fund Services (Malta) Limited, Luxembourg Branch shall receive an annual fee calculated in accordance with its customary schedule of fees and is also entitled to be reimbursed for all out of pocket expenses properly incurred in performing its duties as administrator, registrar and transfer agent of the Fund.

Under the Administration Agreement dated 8 July 2015, the Fund shall indemnify APEX Fund Services (Malta) Limited, Luxembourg Branch and hold it harmless from and against all liabilities, damages, costs, claims and expenses (including and without limitation reasonable legal fees and amounts reasonably in settlement with the agreement of the Fund, such agreement not to be unreasonably withheld) incurred by APEX Fund Services (Malta) Limited, Luxembourg Branch, their directors, officers, employees, servants, or agents in the performance of any of their individual obligations or duties under the Administration Agreement (including and without limitation complying with instructions given to the Administrator by or on behalf of the Fund) save where such liabilities, damages, costs, claims and expenses arise from the Administrator's own negligence, willful misconduct, default, fraud, bad faith or breach of the Administration Agreement.

In accordance with the terms of the Administration Agreement, the services of APEX Fund Services (Malta) Limited, Luxembourg Branch may be terminated by at least ninety (90) calendar days written notice from either the Fund or APEX Fund Services (Malta) Limited, Luxembourg Branch (or such shorter notice period as the parties may agree to accept) or earlier on the liquidation of either the Fund or APEX Fund Services (Malta) Limited, Luxembourg Branch or as further described in the Administration Agreement.

APEX Fund Services (Malta) Limited, Luxembourg Branch is a Luxembourg professional of the financial sector within the meaning of the Luxembourg law of 5 April 1993 on the financial services sector, as amended. It is subject as such to the supervision of the Commission de Surveillance du Secteur Financier.

#### **4.3.4 Prime broker**

The Fund may use the services of prime brokers to borrow securities and cash in order to be able to invest on a leveraged basis. Prime brokers may *inter alia* provide a centralized securities clearing facility for the Fund and the Fund's collateral requirements may be netted across all deals handled by prime brokers. Prime brokers will charge fees on financing the Fund's long and short cash and securities position and in some cases, for clearing the positions (see section "Risks Considerations"). If and where a prime broker is appointed by the Fund, the relevant Appendix will be updated.

The appointment of the Prime Broker as custodian of the Fund under the prime brokerage agreement, as the case may be, is separated from the appointment of the Custodian by the Fund. The Custodian will perform a separate custody and supervisory function as envisaged under Luxembourg law and regulation. Such functions of the Custodian are not altered by the appointment of the Prime Broker as custodian of the Fund. The Prime Broker is not acting as sub-custodian of the Custodian and has no responsibilities in relation to such functions under the relevant prime brokerage agreement.

The Fund shall inform as soon as possible in advance the Custodian if it intends to appoint a prime broker. The Custodian shall have the right to accept or refuse such prime broker and to countersign and/or enter into an agreement with such prime broker to enable the Custodian to comply with its obligations under the Law of 2007.

#### **4.3.5 Auditor**

The Fund has appointed **ERNST & YOUNG S.A.**, as auditor of the Fund as of 8 July 2015 for a period of one (1) year and can be re-elected.

#### **4.3.6 Investment Manager and Distributor / Sub-investment Manager**

The Fund may appoint, pursuant to an Investment Management and Distribution Agreement for each Sub-Fund, an Investment Manager to act :

(i) as investment manager and make, subject to the overall control and ultimate responsibility of the Board of Directors, discretionary investments with respect to the investments and reinvestments of the assets of each Sub-Fund as specified for each Sub-Fund in the relevant Appendix. The Investment Manager makes the investment decisions of each relevant Sub-Fund and places the purchase and sale orders for the relevant Sub-Fund's transactions, under the overall responsibility of the Board of Directors. As permitted by applicable law, these orders may be directed to brokers.

Subject to its overall responsibility, control, and supervision, the Investment Manager may appoint within a Sub-Fund a sub-investment manager in order to perform some investment management services, in accordance with a sub-investment management agreement and with the Law of 2007; and

(ii) as distributor in order to manage the distribution of the Shares of the relevant Sub-Fund. The names, rights and functions of the appointed Distributor will be detailed in the relevant Appendix.

The Investment Manager and Distributor must be appointed in accordance with the Law of 2007 and carefully selected by the Fund based on his experience, know-how, skills and reputation as well as the specific needs required by the investment objectives, the restrictions and the policy of a relevant Sub-Fund.

The Board of Directors selects under its sole responsibility the Investment Manager and Distributor and supervises the performance of the latter.

The name of the Investment Manager / Sub-investment Manager and Distributor, as well as their fees to which they are entitled are further described in the relevant Appendix of this Investment Memorandum for each relevant Sub-Fund.

In consideration of the services provided by the Investment Manager and the Distributor for the benefit of the Fund, the Investment Manager and the Distributor shall be compensated by the Fund for all operating expenses incurred in the provision of such services.

#### **4.3.7 Risk Manager**

PricewaterhouseCoopers S.C . ("**PwC**"), a Luxembourg credit institution, authorized from and regulated by the CSSF, and incorporated in the form of a cooperative company (société coopérative - SC), whose registered office is located at 2 rue Gerhard Mercator L-2182, Luxembourg, registered with the Luxembourg trade and companies register under number B-65477, has been appointed to provide an independent risk management.

The assistance provided by PricewaterhouseCoopers S.C. will mainly consist in supporting the chief risk director of the fund and performing his role. More specifically, PricewaterhouseCoopers S.C. will implement the risk management process and will be in charge of the identification of material risks and of the definition, for all of these risks, of analytics and indicators used for ex-post risk monitoring. PricewaterhouseCoopers S.C. will have to liaise with the Administrative Agent and brokers, will help to coordinate communication with the regulatory authority and will produce risk reports and supports for the preparation of the risk management section regarding the board reports.

#### **4.3.8 Conflict of Interests**

The Fund is organized and structured to minimize the risk of investors' interests being prejudiced by conflict of interest arising between the Fund and, where applicable, any person contributing to its business activity or any person linked directly or indirectly to the Fund. However, prospective investors should note that the Board of Directors, the Custodian, the Investment Manager and possibly other parties may be subject to various conflicts of interest in their relationships with the Fund. In such a case, the Board of Directors shall ensure that investors' interests are safeguarded. The following considerations are given on a non-exhaustive basis.

Potential conflicts of interests are described in the conflict of interest document of the Fund, together with the procedures put in place by the Fund to manage or mitigate them, as applicable. This document is available for consultation by investors upon request.

No contract or other transaction between the Fund and any other company or firm shall be affected or invalidated by the fact that the Board of Directors or any one or more of the directors is interested in, or is a director, associate, officer or employee of, such other company or firm.

Any director of the Board of Directors who serves as a director, manager, officer or employee of any company or firm with which the Fund shall contract or otherwise engage in business shall not, by reason of such affiliation with such other company or firm, be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

The Custodian and Paying Agent, in carrying out its role as custodian of the Fund, must act solely in the interest of the Shareholders.

Should any member of the Board of Directors become aware of a direct or indirect financial interest that conflicts to the interest of the Fund in a contemplated transaction, such member of the Board of Directors shall inform the Board of Directors (and as the case may be convened a meeting) and such declaration must be inserted in the minutes of the meeting and use their best endeavours to settle such conflict on an arm's length basis prior to completion of such transaction.

In the course of their regular business activities, Shareholders may possess, or come into possession of, information directly relevant to investment decisions of the Fund. No such Shareholders will be required or expected to disclose or otherwise reveal any such information to third parties, including the Fund.

Any existing conflict of interest shall be recorded in a register to be kept at the registered office of the Fund, detailing the relevant information in respect thereof. The Board of Directors shall adapt and update the register further to any change affecting a recorded conflict of interest. A major conflict of interest will either be reported to the Shareholders via the Fund's annual report or the information will be included in the agenda of the annual general meeting.

The Fund will follow the rules laid down in the CSSF Regulation n°15-07 determining the implementing measures of article 42bis of the Law of 2007 relating to specialised investment funds as regards the requirements in relation to risk management and conflicts of interest for specialised investment funds which are not referred to in the specific provisions of Part II of that law.

#### **4.4 EXPENSES**

##### **4.4.1 *Subscription, redemption and conversion charges borne by the Investor***

Subscription, conversion and redemption fees as disclosed in the relevant Appendix will apply in each Sub-Fund.

##### **4.4.2 *Fees of the Board of Directors***

Each Director is entitled to receive out of the assets of the Fund a fee calculated in accordance with customary banking practice in Luxembourg.

##### **4.4.3 *Fees of the Investment Manager***

The Investment Manager is entitled to receive from each Class within each Sub-Fund a part or the entirety of the Management Fee and / or of the Performance Fee payable on such terms as disclosed for each Sub-Fund individually in the relevant Appendix to the Investment Memorandum, plus a part or the entirety of the Placement Fee and/or Redemption Fee and / or Subscription Fee, if applicable. The amount of such fees is specified, the case being, for each Class of each Sub-Fund in the relevant Appendix.

In case a Sub-Investment Manager has been appointed for a particular Sub-Fund, its fees will be specified in the relevant Appendix.

##### **4.4.4 *Fees of the Distributor***

The Distributor, if any, is entitled to receive from each Class within each Sub-Fund a fee payable on such terms as disclosed for each Sub-Fund individually in the relevant Appendix to the Investment Memorandum. The amount of such fees is specified, as the case may be, for each Class of each Sub-Fund in the relevant Appendix.

##### **4.4.5 *Fees of the Administrator, Domiciliary, Registrar and Transfer Agent***

In accordance with the Administration Agreement, the Administrator, the Registrar and Transfer Agent is entitled to receive out of the assets of the Fund a fee calculated in accordance with customary banking practice in Luxembourg, calculated retrospectively every month on the basis of the net asset value of each Sub-Fund and paid monthly. In addition, all reasonable out-of-pocket expenses incurred by the Administrator in connection with the provision of services to the Fund pursuant to this Administration Agreement, shall be reimbursed by the Fund to the Administrator on a quarterly basis in arrears.

#### **4.4.6 Fees of the Custodian and Paying Agent**

In accordance with the Custodian and Paying Agent Services Agreement, the Custodian and Paying Agent is entitled to receive out of the assets of the Fund a fee calculated in accordance with customary banking practice in Luxembourg, calculated retrospectively every month on the basis of the net asset value of each Sub-Fund and paid monthly.

#### **4.4.7 Fees of the Risk Manager**

The risk management company, if any, is entitled to receive out of the assets of the Fund a fee in accordance with the Risk Management Agreement or with the relevant Appendix, as the case may be.

#### **4.4.8 Fees of the Prime Broker**

A Prime Broker of a Sub-Fund, if any, is entitled to receive from each Sub-Fund a brokerage fee payable on such terms as disclosed for each Sub-Fund individually in the relevant Appendix to the Investment Memorandum.

#### **4.4.9 Annual charges and expenses borne by the Fund**

All costs and expenses relating to the organisation of the Fund, including government incorporation charges and professional fees and expenses in connection with the preparation of the Fund's offering documents and the preparation of its basic corporate and contract documents which are estimated to be approximately EUR 65,000.-. Such costs and expenses for the first Sub-Fund and the incorporation of the Fund will be amortized by the Fund over a period of five (5) years.

For any additional Sub-Fund created, expenses incurred in connection with the creation of such additional Sub-Fund shall exclusively be borne by the relevant Sub-Fund and shall be written off over a period of a maximum of five (5) years as indicated in the relevant Appendix to this Investment Memorandum.

An annual lump sum of EUR 6,000.- must be paid by the Fund to the CSSF and a single lump sum of EUR 7,000 for the examination of the authorisation request by the Fund is applicable and must be paid to the CSSF.

#### **4.4.10 Other expenses**

##### ***Contingent liabilities***

The Board of Directors may accrue in the accounts of the Fund an appropriate provision for current taxes payable which are certain or probable to occur and can be measured with reasonable accuracy in the future based on the capital and income to the Valuation Day, as determined from time to time by the Board of Directors, as well as such amount (if any) as the Board of Directors may consider to be an appropriate allowance in respect of any risks or liabilities of the Fund (i.e. liabilities for past events which are definite as to their nature and are certain or probable to occur and can be measured with reasonable accuracy, which might arise during the life of the Fund and may include potential liabilities arising from any disputes (such as with a buyer or a tax authority) or as a result of any warranty or other similar arrangement arising as a result of a disposal of an investment of the Fund), provided that for the

avoidance of doubt, on the basis that the assets are held for investment, it is not expected that such provisions shall include any deferred taxation.

The Fund also bears its other operational and administrative costs including but not limited to the costs of selling and buying assets, the costs of legal publication, governmental charges, legal, auditing and quality controlling deeds, reporting expenses, the remuneration of the directors and their reasonable out-of-pocket expenses, reasonable marketing and investor services expenses. All expenses are accrued on each Valuation Day in determining the Net Asset Value and are charged first against income.

#### **4.5 DETERMINATION OF THE NET ASSET VALUE**

The Net Asset Value per Share of each Class shall be calculated by the Administrator under the ultimate responsibility of the Board of Directors with respect to each Valuation Day in accordance with Luxembourg law.

The Net Asset Value of each Sub-Fund will be provided in the Reference Currency. The Net Asset Value of each Class will be provided in the currency in which such Class is denominated.

The Net Asset Value per Share is the Net Asset Value that can be properly allocated to the relevant Class divided by the number of Shares of the relevant Class outstanding as of the relevant Valuation Day. The Net Asset Value will be rounded to four (4) decimal places.

The Subscription Price and the Redemption Price of the different Classes may differ as a result of the differing fee structure and/or distribution policy applicable to each Class.

The total net assets of the Fund will be equal to the difference between the gross assets and the liabilities of the Fund based on consolidated accounts prepared in accordance with Luxembourg GAAP provided that the equity or liability interests attributable to Shareholders derived from these financial statements will be adjusted to take into account the fair (i.e. discounted) value of deferred tax liabilities (calculated on an undiscounted basis) as determined by the Board of Directors in accordance with its internal rules.

The valuation of the net asset value of the different classes of shares shall be made in the following manner:

##### **4.5.1 *Assets of the Sub-Funds***

1. The assets of the Sub-Funds shall include:
  - (i) All cash on hand or on deposit, including any interest accrued thereon;
  - (ii) All bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
  - (iii) All bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned or contracted for by the Fund (provided that the Fund may make adjustments in a manner not inconsistent with paragraph 4.5.1..2 below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
  - (iv) All stock dividends, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;

- (v) All interest accrued on any interest-bearing assets owned by the Fund except to the extent that the same is included or reflected in the principal amount of such asset;
  - (vi) The preliminary expenses of the Fund, including the cost of issuing and distributing Shares of the Fund, insofar as the same have not been written off;
  - (vii) All other assets of any kind and nature including expenses paid in advance.
2. The value of the assets shall be determined as follows:
- (i) The value of any cash in hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is reduced after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;
  - (ii) The value of transferable securities, money market instruments and any financial assets admitted to official listing on any stock exchange or dealt on any regulated market shall be based on the last available or closing settlement price in the relevant market prior to the time of valuation, or any other price deemed appropriate by the Board of Directors;
  - (iii) In the event that any assets are not listed or dealt in on any stock exchange or on any regulated market or if with respect to assets listed or dealt in on any stock exchange, or any regulated market the price as determined pursuant to sub-paragraph (ii) is, in the opinion of the Board of Directors, not representative of the value of the relevant assets, such assets are stated at fair market value or otherwise at the fair value at which it is expected they may resold, as determined in good faith by or under the direction of the Board of Directors;
  - (iv) The liquidating value of futures, forward or options contracts not admitted to official listing on any stock exchange or dealt on any regulated market shall mean their net liquidating value determined, pursuant to the policies established prudently and in good faith by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts admitted to official listing on any stock exchange or dealt on any regulated market shall be based upon the last available closing or settlement prices of these contracts on stock exchanges and regulated market on which the particular futures, forward or options contracts are traded on behalf of the Fund; provided that if a future, forward or options contract could not be liquidated on the day with respect to which assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable;
  - (v) Units or shares of an open-ended undertaking for collective investment ("UCIs") will be valued at their last determined and available official net asset value, as reported or provided by such UCIs or its agents, or at their last estimated net asset values (i.e. estimates of net asset values) if more recent than their last official net asset values, provided that due diligence has been carried out by the Administrator, in accordance with instructions and under the overall control and responsibility of the Board of Directors, as to the reliability of such estimated net asset values. The net asset value calculated on the basis of estimated net asset values of the target UCIs may differ from the net asset value which would have been calculated on the relevant Valuation Day, on the basis of the official net asset values determined by the administrators of the target UCI. In case of significant differences between the estimated value and the final value of the target UCI, the Fund may, at its discretion, recalculate the net asset value for the relevant period. Units or shares of a closed-ended UCI will be valued in accordance with the valuation rules set out in items (ii) and (iii) above;
  - (vi) **Interest rate swaps** will be valued on the basis of their market value established by reference to the applicable interest rate curve.

**Swaps pegged to indexes or financial instruments** shall be valued at their market value, based on the applicable index or financial instrument. The valuation of the swaps tied to such indexes or financial instruments shall be based upon the market value of said swaps, in accordance with the procedures laid down by the Board of Directors.

**Credit default swaps** are valued on the frequency of the Net Asset Value founding on a market value obtained by external price providers. The calculation of the market value is based on the credit risk of the reference party respectively the issuer, the maturity of the credit default swap and its liquidity on the secondary market. The valuation method is recognized by the Board of Directors of the Fund and checked by the auditors.

**Total return swaps or total rate of return swaps** ("TRORS") will be valued at fair value under procedures approved by the Board of Directors. As these swaps are not exchange-traded, but are private contracts into which the Fund and a swap counterparty enter as principals, the data inputs for valuation models are usually established by reference to active markets. However it is possible that such market data will not be available for total return swaps or TRORS near the Valuation Day. Where such markets inputs are not available, quoted market data for similar instruments (e.g. a different underlying instrument for the same or a similar reference entity) will be used provided that appropriate adjustments be made to reflect any differences between the total return swaps or TRORS being valued and the similar financial instrument for which a price is available. Market input data and prices may be sourced from exchanges, a broker, an external pricing agency or a counterparty. If no such market input data are available, total return swaps or TRORS will be valued at their fair value pursuant to a valuation method adopted by the Board of Directors which shall be a valuation method widely accepted as good market practice (i.e. used by active participants on setting prices in the market place or which has demonstrated to provide reliable estimate of market prices) provided that adjustments that the Board of Directors may deem fair and reasonable be made. The Fund's auditors will review the appropriateness of the valuation methodology used in valuing total return swaps or TRORS. In any way the Fund will always value total return swaps or TRORS on an arm-length basis.

**All other swaps** will be valued at fair value as determined in good faith pursuant to procedures established by the Board of Directors;

- (vii) The value of contracts for differences will be based, on the value of the underlying assets and vary similarly to the value of such underlying assets. Contracts for differences will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors;
- (viii) All other securities, instruments and other assets are valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

For the purpose of determining the value of the Fund 's assets, the Administrator, having due regards to the standard of care and due diligence in this respect, may, when calculating the net asset value, completely and exclusively rely, unless there is manifest error or negligence on its part, upon the valuations provided by:

- (i) Various pricing sources available on the market such as pricing agencies (i.e., Bloomberg, Reuters) or fund administrators, or
- (ii) Prime brokers and brokers, or
- (iii) (A) specialist(s) duly authorized to that effect by the Board of Directors, or
- (iv) In the case no prices are found or when the valuation may not correctly be assessed, the Administrator may rely upon the valuation provided by the Board of Directors.

Adequate provisions will be made, Sub-Fund by Sub-Fund, for expenses to be borne by each of the Fund's Sub-Fund's and off-balance-sheet commitments may possibly be taken into account on the basis of fair and prudent criteria.



The value of all assets and liabilities not expressed in the reference currency of a Sub-Fund will be converted into the reference currency of such Sub-Fund at the rate of exchange on the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Board of Directors.

The Board of Directors, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

#### **4.5.2 Liabilities of the Sub-Funds**

The liabilities of the Sub-Funds shall include:

- (i) All loans, bills and accounts payable;
- (ii) All accrued interest on loans of the Fund (including accrued fees for commitment for such loans);
- (iii) All accrued or payable expenses;
- (iv) All known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Fund;
- (v) An appropriate provision for future taxes based on capital and income to the Valuation Day, as determined from time to time by the Fund, and other reserves (if any) authorized and approved by the Board of Directors, as well as such amount (if any) as the Board of Directors may consider to be an appropriate allowance in respect of any contingent liabilities of the Fund;
- (vi) All other liabilities of the Fund of whatsoever kind and nature reflected in accordance with generally accepted accounting principles. In determining the amount of such liabilities the Fund shall take into account all expenses payable by the Fund (such as, but not limited to, formation expenses, administrative expenses, fees and expenses payable to the service providers and to the Board of Directors, insurance coverage of the directors, reasonable traveling costs in connection with the activity of the Board of Directors, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in Luxembourg and in any other country, reporting and publishing expenses, including the cost of preparing, printing, advertising and distributing Investment Memorandum, explanatory memoranda, periodical reports or registration statements, and the costs of any reports to Shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex). The Fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount on a prorata basis for yearly or other periods.

#### **4.5.3 Allocation of the assets and liabilities of the Sub-Funds**

The Board of Directors shall establish a Sub-Fund in respect of each Class of Shares and may establish a Sub-Fund in respect of two or more Classes of Shares in the following manner:

- (i) If two or more Classes of Shares relate to one Sub-Fund, the assets attributable to such Classes shall be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned. The proceeds to be received from the issue of Shares of a Class shall be applied in the books of the Fund to the Sub-Fund

established for that Class of Shares, and the relevant amount shall increase the proportion of the net assets of such Sub-Fund attributable to the Class of Shares to be issued, and the assets and liabilities and income and expenditure attributable to such Class or Classes shall be applied to the corresponding Sub-Fund subject to the provisions of this clause;

- (ii) On each occasion when Shares are issued or redeemed, the Net Asset Value to be allocated to each Share and/or sub-class of Shares shall be increased or reduced by the amount received or paid out;
- (iii) Where any asset is derived from another asset, such derivative asset shall be applied in the books of the Fund to the same Sub-Fund as the assets from which it was derived and on each revaluation of an asset, the increase or decrease in value shall be applied to the relevant Sub-Fund;
- (iv) Where the Fund incurs a liability which relates to any asset of a particular Class or Sub-Fund or to any action taken in connection with an asset of a particular class or Sub-Fund, such liability shall be allocated to the relevant Class or Sub-Fund;
- (v) In the case where any asset or liability of the Fund cannot be considered as being attributable to a particular Class of Shares or Sub-Fund, such asset or liability shall be allocated to all the Classes of Shares or Sub-Fund pro rata to the net asset values of the relevant Classes of Shares or Sub-Funds or in such other manner as determined by the Board of Directors acting in good faith. Each Class of Shares or Sub-Fund shall only be responsible for the liabilities which are attributable to such Class of Shares or Sub-Fund;
- (vi) Upon the payment of distributions to the holders of any Class of Shares, the Net Asset Value of such Class of Shares shall be reduced by the amount of such distributions (causing a reduction in the amount of the net asset value to be allocated to the Shares of this Class). Whereas the net asset value of accumulation shares shall remain unchanged (causing an increase in the amount of the net asset value to be allocated to accumulation shares).

All valuation regulations and determinations shall be interpreted and made in accordance with generally accepted accounting principles.

In the absence of bad faith, wrongful misconduct, gross negligence or manifest error, or except where otherwise expressly decided by the Board of Directors in its sole discretion, every decision in calculating the net asset value taken by the Board of Directors or by a designee of the Board of Directors, under the overall responsibility of the Board of Directors, in calculating the Net Asset Value, shall be final and binding on the Fund and on present, past or future shareholders. The result of each calculation of the Net Asset Value shall be certified by a manager or a duly authorized representative or a designee of the Board of Directors.

For the purpose of this Clause:

- (i) Shares of the Fund to be redeemed/converted hereof shall be treated as existing and taken into account until immediately after the time specified by the Board of Directors on the Valuation Day on which such redemption is made and from such time and until paid by the Fund the price therefore shall be deemed to be a liability of the Fund;
- (ii) Shares to be issued by the Fund shall be treated as being in issue as from the time specified by the Board of Directors on the Valuation Day on which such issue is made and from such time and until received by the Fund the price therefore shall be deemed to be a claim due to the Fund;
- (iii) All investments, cash balances and other assets expressed in currencies other than the reference currency of the relevant Sub-Fund shall be valued after taking into account the market rates or rates of exchange in force on the relevant Valuation Day; and

- (iv) Where on any Valuation Day the Fund has contracted to:
- Purchase any asset, the value of the consideration to be paid for such asset shall be shown as a liability of the Fund and the value of the asset to be acquired shall be shown as an asset of the Fund;
  - Sell any asset, the value of the consideration to be received for such asset shall be shown as an asset of the Fund and the asset to be delivered shall not be included in the assets of the Board of Directors.

Provided however, that if the exact value or nature of such consideration or such asset is not known on such Valuation Day, then its value shall be estimated by the Board of Directors.

#### **4.6 SUSPENSION OF THE NET ASSET VALUE**

The Board of Directors may temporarily suspend the determination of the Net Asset Value per Share of any particular Sub-Fund and the issue and redemption of its Shares from its Shareholders as well as the conversion from and to Shares of each Class:

- (i) During any period when any of the principal stock exchanges, regulated market on which a substantial plan of the Fund's investments attributable to such Sub-Fund is quoted, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Sub-Fund is denominated, are closed otherwise than for holidays or during which dealings are substantially restricted or suspended; or
- (ii) When political, economic, military, monetary or other emergency events beyond the control, liability and influence of the Fund make the disposal of the assets of any Sub-Fund impossible under normal conditions or such disposal would be detrimental to the interests of the shareholders; or
- (iii) During any breakdown in the means of communication network or data processing facility normally employed in determining the price or value of any of the relevant Sub-Fund's investments or the current price or value on any market or stock exchange in respect of the assets attributable to such Sub-Fund; or
- (iv) During any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange; or
- (v) During any period when for any other reason the prices of any investments owned by the Fund cannot promptly or accurately be ascertained; or
- (vi) During any period when the Board of Directors so decides, provided all shareholders are treated on an equal footing and all relevant laws and regulations are applied (i) as soon as an extra general meeting of shareholders of the Fund or a Sub-Fund has been convened for the purpose of deciding on the liquidation or dissolution of the Fund or a Sub-Fund and (ii) when the Board of Directors is empowered to decide on this matter, upon its decision to liquidate or dissolve a Sub-Fund; or
- (vii) Whenever exchanging or capital movements' restrictions prevent the execution of transactions on behalf of the Fund; or
- (viii) When exceptional circumstances might adversely affect shareholders' interests or in the case that significant requests for subscription, redemption or conversion are received, the Board of Directors reserves the right to set the value of Shares in one or more Sub-Funds only after having sold the necessary securities, as soon as possible on behalf of the Sub-Fund(s) concerned. In this case, subscriptions, redemptions and conversions that are simultaneously in the process of execution will be treated on the basis of a single net asset value in order to ensure that all shareholders having presented requests for subscription, redemption or conversion are treated equally.

Subscribers or Shareholders requesting subscription, redemption or conversion of their Shares shall be notified by the Fund on receipt of their request for subscription, redemption or conversion.

Suspended subscriptions, redemptions and conversions will be taken into account on the first Valuation Day after the suspension ends.

Such suspension as to any class of Shares shall have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Class or of any other relevant Sub-Fund(s).

#### **4.7 DISTRIBUTION POLICY**

1. For any Class of Shares entitled to distributions, the general meeting of Shareholders of the Class or Classes issued in respect of any Sub-Fund (for any Class of Shares entitled to distributions) shall, upon proposal from the Board of Directors and within the limits provided by law, determine how the results of such Sub-Fund shall be disposed of and may from time to time declare, or authorise the Board of Directors to declare, distributions.

2. For any Class of Shares entitled to distributions, the Board of Directors may decide to pay interim dividends in compliance with the conditions set forth by law.

3. Payments of distributions to holders of registered Shares shall be made to such Shareholders by bank transfer following the bank instructions of such Shareholders. Distributions may be paid in such currency and at such time and place that the Board of Directors shall determine from time to time.

4. For each Sub-Fund or Class of Shares, the Board of Directors may decide on the payment of interim dividends in compliance with legal requirements.

5. The Board of Directors may decide to distribute stock dividends in lieu of cash dividends upon such terms and conditions as may be set forth by the Board of Directors.

6. Any distribution that has not been claimed within five (5) years of its declaration shall be forfeited and revert to the Sub-Fund relating to the relevant Class or Classes of Shares.

7. No interest shall be paid on a dividend declared by the Fund and kept by it at the disposal of its beneficiary.

#### **4.8 TAXATION**

The following is given from a general tax perspective and is based on the Fund's understanding of, and advice received on, certain aspects of the law and practice currently in force in Luxembourg. It does not purport to be a complete analysis of all possible tax situations that may be relevant to an investment decision. This summary does not allow any conclusions to be drawn with respect to issues not specifically addressed. The following description of Luxembourg tax law is based upon Luxembourg law and regulations as in effect and as interpreted by the Luxembourg tax authorities on the date of this Investment Memorandum and is subject to any amendments in law (or in interpretation thereof) later introduced, whether or not on a retroactive basis. There can be no assurance that the U.S., European Union, Luxembourg or other relevant tax laws will not be changed adversely with respect to the Fund and its Shareholders or that the Fund's income tax status will not be successfully challenged by such authorities. The tax aspects of the Fund

are complex and prospective investors should consult their own tax advisors. Investors should obtain advice from their own tax advisers regarding the tax implications for them when investing in, holding and disposing of the Shares and receiving distributions in respect of the Share held.

The residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds de chômage*), as well as personal income tax (*impôt sur le revenu*) in general. Shareholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, and solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual tax payers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

**Investors should consult their professional advisors on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile. It is the responsibility of prospective investors to inform themselves as to the tax and other consequences to them of subscribing, buying, selling or otherwise transferring or redeeming Shares under the laws of the state(s) in which they are or may be taxable.**

#### **4.8.1 Taxation of the Fund in Luxembourg**

Without any prejudice to the provisions of the law dated June 21, 2005 on the taxation of savings income in the form of interest payments, the Fund is currently not liable to any Luxembourg tax on profits or income, nor are distributions paid by the Fund liable to any Luxembourg withholding tax. The Fund is, however, liable in Luxembourg to a tax ("*taxe d'abonnement*") of 0.01% per annum of their Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Fund at the end of each relevant calendar quarter. In case some Sub-Funds are invested in other Luxembourg investment funds, which in turn are subject to the subscription tax provided for by the law of December 20, 2010 relating to undertakings for collective investment or the Law of 2007, no subscription tax is due from the Fund on the portion of assets invested therein.

Dividends and interest, if any, received by any Sub-Fund from investments may be liable to withholding taxes in the countries concerned at varying rates. Such withholding taxes are usually not recoverable.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares. No Luxembourg tax is payable on the realized capital appreciation of the assets of the Fund / Sub-Fund.

A registration fee of seventy-five Euros (EUR 75.-) is payable in Luxembourg in respect of the amendments of the articles of association of the Fund as well as for its incorporation according to the Luxembourg law of 19 December 2008.

Dividends and interest received by the Fund on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin. Neither the Fund nor the Custodian collects receipts for such withholding taxes on behalf of the individual or all Shareholders.

#### **4.8.2 Luxembourg Taxation of Shareholders**

##### **i. Resident Shareholders**

Under current legislation, distributions made by the Fund to Luxembourg resident Shareholders are not subject to any withholding taxes. Corporate / individual Shareholders who are resident in Luxembourg for tax purposes will however be subject to income tax at ordinary rates. For Luxembourg individual Shareholders (acting within the management of their private wealth), capital gains realised on the redemption or sale of the Shares are only subject to income tax in Luxembourg (i) if such Shares are redeemed or sold within a period of six months since their acquisition or (ii) if the Shareholder holds or has held (either solely or together with his spouse or partner and minor children) directly or indirectly more than 10% of the share capital of the Company at any time during a period of 5 years before the realisation of the capital gain.

##### **ii. Non-resident Shareholders**

Shareholders who are not residents of Luxembourg may be taxed in accordance with the laws of other jurisdictions. However this Investment Memorandum does not make any statement regarding those jurisdictions. Before investing in the Fund, investors should discuss with their tax advisers the implications of acquiring, holding, transferring and redeeming Shares.

The above is based on the Board of Directors' understanding of, and advice received on, certain aspects of the law and practice currently in force in Luxembourg. It should not be taken as constituting legal or tax advice and investors are advised to obtain information and, if necessary, advice regarding the laws and regulations applicable to them by reason of the subscription, purchase, holding and realisation of Shares in their countries of origin, residence or domicile.

Investors should consult their professional advisors on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

#### **4.8.3 FATCA**

The Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States. The Fund will be obliged to comply with the provisions of the Foreign Account Tax Compliance Act ("FATCA") under the terms of the Luxembourg legislation implementing the IGA.

FATCA requires foreign financial intermediaries ("FFI") on US accountholders and certain US investors to transmit information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the Internal Revenue Service ("IRS") on an annual basis.

Under FATCA, the Fund will be subject to U.S. federal withholding taxes at a rate of 30% on payments of, inter alia, interest, dividends and gross sales proceeds (on the capital redeemed or sold) paid to the FFI after 30th June 2014,

unless it complies (or is deemed compliant) with extensive reporting and withholding requirements.

The Fund will do its best to comply with the requirements of Luxembourg legislation implementing the IGA and to satisfy any obligations to avoid any FATCA withholding tax. However, there can be no guarantee or assurance that the Fund will be able to comply with all the requirements imposed by FATCA. Should the Fund not be able to comply with the FATCA's requirements and the Fund be subject to US withholding tax on certain with-holdable payments as a result of non-compliance, the Net Asset Value may be adversely affected and the shareholders may suffer significant loss as a result.

All Investors and Shareholders should consult with their own tax advisor(s) regarding the possible implication of FATCA on their investments in the Fund.

#### **4.8.4 Automatic Exchange of information**

Following the development by the Organisation for Economic Co-operation and Development ("**OECD**") of a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information ("**AEOI**") in the future on a global basis, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "**Euro-CRS Directive**") was adopted on 9 December 2014 in order to implement the CRS among the Member States. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**"). The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Fund will require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons), account details, reporting entity, account balance/value and income/sale or redemption proceeds to the local tax authorities of the country of fiscal residency of the foreign investors to the extent that they are fiscally resident in a jurisdiction participating in the AEOI.

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis. Investors in the Fund may therefore be reported to the Luxembourg and other relevant tax authorities in accordance with applicable rules and regulations.

**Investors should consult their tax advisors on the possible tax implications and other consequences with respect to the implementation of the CRS.**

#### 4.9 PREVENTION OF MONEY LAUNDERING

The Board of Directors, the Fund, the Administrator, the Registrar and Transfer Agent, the Investment Manager, the Sub-Investment Manager, any distributor and their officers are subject to the provisions of legislation and regulations currently in force in Luxembourg with respect to anti-money laundering, notably the law of 12 November 2004, as amended by the law of 17 July 2008 implementing Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and Directive 2006/70/EC laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of politically exposed person and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis and the law dated 17 July 2008 concerning the combating of money laundering and terrorist financing, the law of 27 October 2010 enhancing the anti-money laundering and counter terrorist financing legal framework, the Grand Ducal decree of 1 February 2010 and the relevant applicable CSSF Circulars and regulations, including CSSF Regulation n° 12/02 on the fight against money laundering and terrorist financing and the prevention of the use of the financial sector for the purpose of money laundering and terrorist financing prevention of money laundering and terrorist financing activities, as they may be amended or revised from time to time.

The Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC has been published on 5 June 2015 and shall be implemented by Member states by 26 June 2017 at the latest.

The Board of Directors, the Fund, the Administrator, the Registrar and Transfer Agent, the Investment Manager, the Sub-Investment Manager and any distributor and their officers reserve the right to request such information as is necessary to verify the identity of a prospective Shareholder and of the source of payment in order to comply with relevant regulations aimed at the prevention of money laundering in Luxembourg and other applicable jurisdictions. In the event of delay or failure by the prospective Shareholder to produce any information required for verification purposes, the Fund may refuse to accept the subscription for Shares and, if so, any funds received will be returned without interest to the account from which the monies were originally debited at the expense and risk of the prospective Shareholder. If a distributor or its agents are not subject to anti-money laundering and anti-terrorist financing regulations or do not meet the equivalent to Luxembourg legislation requirements, the necessary control will be carried out by the Registrar and Transfer Agent of the Fund.

In addition, the Fund also reserve the right to refuse to make any redemption payment or other distribution to a Shareholder if they suspect or are advised that the payment of any redemption monies or other distribution to such Shareholder might result in a breach of any of laws or regulations by any person in any relevant jurisdiction, or if such refusal is considered necessary or appropriate to ensure the compliance by the Fund with any such laws or regulations in any applicable jurisdiction. None of the Fund or of any of its employees or agents shall be liable to such Shareholder for any loss suffered as a result of delay in payment of the redemption proceeds or such distribution or a refusal to pay such redemption proceeds or such distribution.

Finally, many jurisdictions are in the process of changing or creating anti-money laundering, embargo and trade sanctions, or similar laws, regulations, requirements (whether or not with force of law) or regulatory policies and many financial intermediaries are in the process of changing or creating responsive disclosure and compliance policies



(collectively, the “**Requirements**”) and the Fund, the Investment Manager, the Sub-Investment Manager or the Administrator could be requested or required to obtain certain assurances from investors subscribing for Shares, disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is the policy of the Fund and the Investment Manager to comply with the Requirements to which they are or may become subject and to interpret them broadly in favor of disclosure.

To achieve this objective, each Investor will be deemed to have agreed by reason of owning any Shares, that it will provide additional information or take such other commercially reasonable actions as may be necessary or advisable for the Fund or the Investment Manager to comply with any Requirements, related legal process or appropriate requests (whether formal or informal) or otherwise. Each Investor by executing the Subscription Application Form and by owning Shares is deemed to have consented to disclosure by the Fund and the Investment Manager and their agent to relevant third parties of information pertaining to it in respect of the Requirements or information requests related thereto. Failure to honor any such request may result, in the discretion of the Fund, in mandatory redemption by the Fund or a forced sale to another Investor of such Investor’s Shares.

#### **4.10 MARKET TIMING AND LATE TRADING**

“Market Timing” is to be understood as the process (of arbitraging) by which the investor purchases and redeems or converts on a consistent basis units or shares of the same undertaking of collective investment within a short time period by exploiting time zone differences and/or inefficiencies or weaknesses in the determination of the Net Asset Value. In order to protect the Fund against arbitrage opportunities, investors are not allowed to place transactions at a known Net Asset Value. Transaction instructions received on behalf of the Fund after the Cut-Off Time will therefore not be given effect before the next Valuation Day. The Fund may not be used by investors to serve as a vehicle for frequent and / or short term trading and does not permit practices related to market timing. The Fund monitors investors transactions in order to prevent and to detect excessive trading and market timing practices. Subscriptions or switches from investors who the Fund suspects of using excessive trading or market timing practices may be rejected.

#### **4.11 GENERAL INFORMATION**

##### **4.11.1 Information to Shareholders**

The Fund’s financial year starts on 1 January of each year and ends on 31 December of the same year. The first financial year began on the date of the incorporation of the Fund and ended on 31 December 2015.

Financial reports shall be established in accordance with the relevant principles-based set of standards which form part of Luxembourg GAAP. The accounts of the Fund are maintained in EUR.

The annual financial statements of the Fund shall be audited and reported on as of the end of each financial year by independent certified public accountants of recognized international standing (the “**Auditor**”).

The general meeting of shareholders will appoint the Auditor of the Fund for a period of one (1) year and the Auditor can be re-elected.

Each Shareholder is entitled, upon request and against proof of his/her/its title, eight (8) days before the general meeting to obtain free of charge a copy of the annual accounts, the report of the authorised independent auditor, the management report and the observations of the Board of Directors.

Any other financial information concerning the Fund, including the periodic calculation of the Net Asset Value per Share, the issue and the redemption prices will be made available at the registered office of the Fund. Any other substantial information concerning the Fund may be published in such newspaper(s) and notified to Shareholders in such manner as may be specified from time to time by the Fund.

#### **4.11.2 Meetings of Shareholders**

The annual general meeting of the Shareholders will be held in Luxembourg within six months since the end of the financial year on a day that is a Business Day in Luxembourg. The Board of Directors will review the investment performance of the Fund during the annual general meeting.

Notices of a general meeting and other notices will be given in accordance with Luxembourg law. Notices will specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and the voting requirements will be given at least eight (8) calendar days prior to the meetings by registered letter or any means of communication accepted by the Shareholder such as express mail or email. Shareholders may participate in the general meeting by way of videoconference or other telecommunication means allowing their identification. Such meetings shall be deemed to be held at the registered office of the Fund. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in the Articles and in the Luxembourg law dated 10 August 1915 on commercial companies, as amended from time to time. All Shareholders may attend the annual general meetings, any general meetings and class meetings of the Sub-Funds in which they hold Shares and may vote either in person or by proxy.

The Shareholders' presence shall be recorded on an attendance list that shall be mandatory for each Shareholders' meeting.

Shareholders may enter, from time to time, into agreements regarding their voting rights, provided that such voting arrangements are compliant with the provisions of the Law of 1915.

A Shareholder may individually decide not to exercise, temporarily or permanently, all or part of his voting rights. The Shareholder is bound by such waiver and the waiver is mandatory for the Fund upon its notification to the Fund.

Existing Shareholders and future Shareholders may enter into agreements related to the transfer of Shares or the acquisition of Shares, including put options, in accordance with the provisions of the Civil Code and the Law of 1915.

#### **4.11.3 Dissolution and liquidation of the Fund**

The Fund has been established for an unlimited period of time.

At the proposal of the Board of Directors and unless otherwise provided by law and the Articles, the Fund may at any time be dissolved by a resolution of the general meeting of shareholders adopted in the manner required to amend the Articles (*i.e.* with (i) a presence quorum of seventy percent (75%) of the Shares issued by the Fund and (ii) the approval of seventy percent (75%) of the votes validly cast by the Shareholders present or represented at the meeting).

If the above mentioned quorum requirement is not met at the first meeting called, then, resolutions shall be passed under the same seventy percent (75%) quorum requirement and the same voting requirements for the second meeting called and subject to the approval of the Board of Directors.

In particular the Board of Directors shall submit to the general meeting of the shareholders the dissolution of the Fund when all investments of the Fund have been disposed at or liquidated.

Whenever the share capital falls below two-thirds of the minimum legal requirement as provided for in the Law of 2007, the question of the dissolution of the Fund shall be referred to the general meeting by the Board of Directors of the Fund. The general meeting, for which no quorum shall be required, shall decide by a simple majority of the validly cast votes, which for the avoidance of doubt shall not include abstention, nil vote and blank ballot paper.

The question of the dissolution of the Fund shall further be referred to the general meeting whenever the share capital falls below one-fourth (1/4) of the minimum legal requirement as provided for in the Law of 2007. In such an event, the general meeting shall be held without any quorum requirements and the dissolution may be decided by shareholders holding one-fourth (1/4) of the shares represented and validly cast at the meeting, which for the avoidance of doubt shall not include abstention, nil vote and blank ballot paper.

The meeting must be convened so that it is held within a period of forty (40) calendar days from ascertainment that the share capital of the Fund has fallen below two-thirds or one-fourth of the legal minimum requirement, as defined by the Law of 2007.

Liquidation shall be carried out by one (1) or several liquidators, who may be physical persons or legal entities, appointed by the general meeting of shareholders which shall determine their powers and their compensation.

Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the Law of 2007. The Law of 2007 specifies the steps to be taken to enable shareholders to participate in the distribution(s) of the liquidation proceeds and provides for a deposit escrow at the "*Caisse de Consignations*" at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period will be liable to be forfeited in accordance with the provisions of the Luxembourg law.

#### **4.11.4 Dissolution and liquidation of Sub-Funds**

In the event that, for any reason whatsoever the value of the net assets in any Sub-Fund or the value of the net assets of any class of shares within a Sub-Fund has decreased below such an amount considered by the Board of Directors as the minimum level under which the Class and/or the Sub-Fund may no longer operate in an economic efficient way, or in the event that a significant change in the economic or political situation impacting such Class and/or Sub-Fund should have negative consequences on the investment of such Class and/or Sub-Fund, the Board of Directors may decide to compulsorily redeem all the shares of the relevant Class or Classes issued in such Sub-Fund. Such redemption will be made at the net asset value applicable on the day on which all assets attributable to such Sub-Fund have been realised. The decision of the Board of Directors will be published (either in newspapers to be determined by the Board of Directors or by way of a notice sent to the shareholders at their addresses indicated in the Register) prior to the effective date of the compulsory redemption and the publication will indicate the reasons for, and the procedures of the compulsory redemption operations.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the Shareholders of any one or all Classes of Shares issued in any Sub-Fund may at a general meeting of such Shareholders, upon proposal from the Board of Directors, redeem all the Shares of the relevant Class or Classes and refund to the shareholders the net asset value of their shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of the validly cast votes.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Transfer Agent for a period of six (6) months thereafter; after such period, the assets will be deposited with the “*Caisse de Consignations*” on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

The liquidation procedure will be verified by the Auditor of the Fund as part of its audit of the annual report. The annual report must refer to the liquidation decision and describe the progress of the liquidation.

#### **4.11.5 Data Protection**

The Fund collects, stores and processes by electronic or other means the data supplied by Shareholders at the time of their subscription for the purpose of fulfilling the services required by the Shareholders and complying with its legal obligations. The data processed includes the name, address and invested amount of each Shareholder (the “**Personal Data**”). The investor may, at its discretion, refuse to communicate the Personal Data to the Fund. In this event however the Fund may reject its request for subscription for Shares in the Fund. In particular, the Personal Data supplied by Shareholders is processed for the purpose of (i) maintaining the Register, (ii) processing subscriptions, redemptions and conversions of Shares and payments of dividends or interests to Shareholders, (iii) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of late trading and market timing practices. The Personal Data is not used for marketing purposes. The Fund undertakes not to transfer the Personal Data to any third parties except when required by law and/or with the prior consent of the relevant Shareholder and/or unless the proper performance of the duties of the Fund and/or its directors requires so. Each Shareholder has a right to access its Personal Data and may ask for a rectification thereof in cases where such Personal Data is inaccurate and/or incomplete. The Shareholder may contact the Administrator in this regard. Personal Data shall not be retained for periods longer than those required for the purpose of its processing subject to any limitation periods imposed by law.

The Fund is authorized to provide all relevant (including personal and financial) data pertaining to the Fund and its shareholders to the custodian bank and paying agent, the registrar and transfer agent, the administrative agent, the auditors, the lawyers, the investment managers and advisers, the representatives, the agents, the subcontractors, the consultants and the business partners of the mentioned parties under the condition that they are subject to a similar confidentiality duty and limited to the proper execution of the obligations and fulfillment of duties in connection with the direct or indirect rendering of services to the Fund.

#### **4.11.6 Out-Of-Court Complaints Policy**

This section is aimed at providing information regarding the complaints policy of the Fund in a clear, comprehensible and easily accessible manner for any interested person.

The Fund commits to handling all complaints with objectivity and with the aim of ascertaining the truth.

**A. How to complain**

In the event a natural or legal person wishes to file a complaint with the Fund in order to recognize a right or to redress a harm, the complainant should address a written request that contains a clear chronological description of the issue and the details at the origin of the complaint, either by email or by post, to the following person:

*János Stefán*  
*j.stefan@mozaiquefunds.com*  
*2, boulevard de la Foire, L-1528 Luxembourg*  
*Grand-Duchy of Luxembourg*

The complainant may request the Fund to provide a complaint form to be filled in accordingly.

The responsible person for handling complaints within the Fund is *János Stefán*, Complaints Handling Officer.

Should the complainant not receive an answer or a satisfactory answer at this level, the Fund offers the possibility to the complainant to escalate the complaint up to the level of the management of the Fund.

Please be informed that the Fund shall handle complaints in accordance with the provisions of the Luxembourg Law of 2 August 2002 on Data Protection, as amended from time to time.

**B. Processing time for complaints**

The Fund will provide a written acknowledgement of receipt within a period which shall not exceed ten (10) Business Days after receipt of the complaint, unless the answer itself is provided to the complainant within this period.

Otherwise, the Fund shall provide an answer without undue delay and in any case, within a period which cannot exceed one month between the date of receipt of the complaint and the date at which the answer to the complainant was sent. Where an answer cannot be provided within this period, the Fund shall inform the complainant of the causes of the delay and indicate a date at which its examination is likely to be achieved.

**C. Recourse to Luxembourg regulator**

Where the complainant is dissatisfied with the answer received from the Fund, (s)he/it can file a request with the Luxembourg regulator, the CSSF. Such request should be submitted to the CSSF within one year since the complaint was submitted to the Fund.

The request must be filed with the CSSF in writing in Luxembourgish, German, English or French, by post or by fax to the CSSF or by email (to the address/number available on the CSSF website), or online on the CSSF website. In order to facilitate the filing of a request, the CSSF publishes a form on its website. Out-of-court complaint resolution before the CSSF is free of charge. Moreover, no charges will be reimbursed to the parties. The parties keep, at any time, the right to refer the subject matter of the complaint to the courts.

#### **D. Further information**

Should you wish to receive further information regarding the complaints policy of the Fund, please do not hesitate to contact us using the details provided in the How to Complain section.

#### **4.11.7 Documents Available**

Copies of the following documents may be obtained for inspection during usual business hours on any Business Day in Luxembourg at the registered office of the Fund:

- the Articles;
- the current Investment Memorandum;
- the conflict of interest policy;
- the risk management process;
- the out-of-court complaints policy;
- the Custodian and Paying Agent Services Agreement;
- the Administration Agreement; and
- the latest audited annual report.

#### **4.11.8 Data Protection and Confidentiality**

The Fund, acting as a data controller, collects stores and processes by electronic or other means the data supplied by Shareholders at the time of their subscription for the purpose of fulfilling the services required by Shareholders and complying with its legal obligations, especially to manage the Fund administratively and commercially, to enable operations to be handled pursuant to the stipulations of this Investment Memorandum and other agreements and comply with applicable laws and regulations. The data processed include, *inter alia*, the name, address and invested amount of each Shareholder as well as all the information / documents as provided in the Subscription Application Form.

In particular, the Personal Data supplied by Shareholders are processed for the purpose of (i) maintaining the register of Shareholders; (ii) processing subscriptions, redemptions and conversions of Shares and payments of dividends or interests to Shareholders; (iii) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of late trading and market timing practices.

The Personal Data shall never be used for marketing purposes. The Personal Data shall be retained and processed only to extent necessary and limited in time, during the period when Shareholders hold Shares in the Fund and subsequently for the period required by the relevant laws.

The Board of Directors, commits to observe confidentiality concerning information it possesses relating directly or indirectly to the Fund or its affairs, unless legal requirements oblige the Board of Directors to divulge such information and/or unless the proper performance of the duties of the Fund and/or the Board of Directors requires so.

The Board of Directors is authorized to provide all relevant (including personal and financial) data pertaining to the Fund and its Shareholders to regulatory bodies, to tax authorities, to the AIFM, the Custodian and Paying Agent, the Registrar and Transfer Agent and the Administrative Agent, the Auditor, the lawyers, the Investment Manager, the fund advisor, the investment advisor, the representatives, the agents, the subcontractors, the consultants and the business partners of the mentioned parties under the condition that they are subject to a similar confidentiality duty and limited to

the proper execution of the obligations and fulfilment of duties in connection with the direct or indirect rendering of services to the Fund. These persons and/or entities may be located outside the European Union, where data protection regulations are less restrictive. In such situations all the necessary steps will be undertaken in order to safeguard the processing of the Personal Data in accordance with the relevant provisions of law. In case of transfer of the Personal Data to the country outside of the European Economic Area, all the relevant information required by laws and regulations may be obtained – free of charge – from the Fund or the Administrative Agent, as applicable.

The Personal Data will not be disclosed to unauthorised third parties and the Fund will take all reasonable steps to protect the Personal Data from unlawful disclosure (e.g. as a result of a security breach), and shall such disclosure take place, the Fund will inform the person concerned of a breach. Moreover, the Fund will use its best endeavours so that any third party lawfully processing the Personal Data of the Shareholders applies the same standards.

SHAREHOLDERS SHOULD BE AWARE THAT BY SUBSCRIBING FOR SHARES OF THE FUND, THEY GIVE THEIR CONSENT TO PROCESSING OF THEIR PERSONAL DATA BY THE FUND AND ANY OTHER DULY AUTHORISED PERSON TO WHICH THEIR DATA IS DISCLOSED, AS INDICATED ABOVE.

THE SUBSCRIPTION APPLICATION FORM WILL CONTAIN A CONSENT FORM WHICH IS CLEARLY DISTINGUISHABLE AND DRAFTED IN AN INTELLIGIBLE AND EASILY ACCESSIBLE FORM.

The Shareholder has the right to access his/her/its Personal Data in order to modify, correct, update or supplement them, introduce restrictions in processing the Personal Data, as well as withdraw the consent to process the Personal Data at any time.

Furthermore, the Shareholder shall have the rights, as follows:

- The right to request the Fund to confirm to the said Shareholder if their Personal Data is being processed and if so, to request access to Personal Data in question as well as the additional information specified in the relevant laws;
- The right to obtain a copy of the Personal Data of the Shareholder being processed;
- The right to obtain the erasure of Personal Data concerning the Shareholder, subject to the relevant provisions;
- The right to receive from the Fund, the Personal Data provided in a structured, commonly used and machine-readable format in order to transmit those data to another data controller;
- The right to lodge a complaint with a supervisory authority if the Shareholder considers that the processing of the Personal Data relating to the Shareholder infringes the relevant laws.

The potential Shareholder may, at his/her/its discretion, refuse to communicate the Personal Data to the Fund. In this event however the Fund may reject his/her/its request for subscription for Shares in the Fund. Furthermore, the Shareholders should be aware that withdraw of the consent for or introducing restrictions to processing of the Personal Data might result in the necessity of redemption of their Shares, as the Fund will no longer be able to fulfil its legal obligations.

## APPENDIX A

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### Specific Information in relation to Mozaique Alpha or “Sub-Fund A”

*This Appendix A is an integral part of the Investment Memorandum of **MOZAIQUE FUND MANAGEMENT SICAV SIF** a public limited liability company (société anonyme (S.A.)) incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital (société d'investissement à capital variable (SICAV)), established as a specialized investment fund (Fonds d'Investissement Spécialisé (SIF)). Except as otherwise indicated in this Appendix, terms capitalised herein shall have the meaning ascribed to them in the Investment Memorandum.*

1. **Name of the Sub-Fund** Mozaique Alpha or “Sub-Fund A”.

2. **Main definitions**

**Class or Classes** “Class or Classes” means each class of Shares in issue or to be issued in respect of the Sub-Fund A.

**Class A Shares** “Class A Shares” refers to the Class A (USD) Shares of the Sub-Fund A which are closed for subscriptions as at the date of this Investment Memorandum.

**Class B Shares** “Class B Shares” refers to the Class B (EUR) Shares of the Sub-Fund A which are closed for subscriptions as at the date of this Investment Memorandum.

**Class C Shares** “Class C Shares” refers to the Class C (HUF) Shares of the Sub-Fund A which are closed for subscriptions as at the date of this Investment Memorandum.

**Class 1 Shares** “Class 1 Shares” refers to the Class 1 (USD) Shares of the Sub-Fund A.  
“Class 1 Shares” refers to the Class 1 (EUR) Hedged Shares of the Sub-Fund A.  
“Class 1 Shares” refers to the Class 1 (HUF) Hedged Shares of the Sub-Fund A.

**Class 2 Shares** “Class 2 Shares” refers to the Class 2 (USD) Shares of the Sub-Fund A.  
“Class 2 Shares” refers to the Class 2 (EUR) Hedged Shares of the Sub-Fund A.

**Class 3 Shares** “Class 3 Shares” refers to the Class 3 (USD) Shares of the Sub-Fund A.  
“Class 3 Shares” refers to the Class 3 (EUR) Hedged Shares of the Sub-Fund A.  
“Class 3 Shares” refers to the Class 3 (HUF) Hedged Shares of the Sub-Fund A.

**Cut-Off Time** *For subscription:* “Cut-Off Time” means 5.00 p.m (Luxembourg time) five (5) Business Days before the Valuation Day.

*For redemption:* “Cut-Off Time” means 5.00 p.m (Luxembourg time) one (1)



Month before the Valuation Day.

**Hurdle Rate** 6 months USD LIBOR applicable only in respect of the Class A, Class B and Class C Shares.

**Initial Offering Period** The initial offering period for the Class A, B and C Shares started on 9 July 2015 and ended on 14 September 2015.

The initial offering period for the Class 1 Shares, Class 2 Shares and Class 3 Shares starts on the day of receipt of the CSSF visa stamp of the updated investment memorandum and ends fifteen (15) Business Days after the date of start of the initial offering period. Such period may be extended or shortened by a decision of the Board of Directors.

**Initial Offering Price** USD 100 for the Class A Shares  
EUR 100 for the Class B Shares  
HUF 100 for the Class C Shares

USD 100 for the Class 1 (USD) Shares  
EUR 100 for the Class 1 (EUR) Hedged Shares  
HUF 100 for the Class 1 (HUF) Hedged Shares

USD 100 for the Class 2 (USD) Shares  
EUR 100 for the Class 2 (EUR) Hedged Shares

USD 100 for the Class 3 (USD) Shares  
EUR 100 for the Class 3 (EUR) Hedged Shares  
HUF 100 for the Class 3 (HUF) Hedged Shares

**Investment Manager and Distributor** **CONCORDE SECURITIES LTD** with its registered office at Alkotás Point Office Center, Alkotás Street 50, 1123 Budapest, HUNGARY, authorized and regulated by the Hungarian Financial Supervision Authority (HFSA).

**Prime Broker(s)** The "Prime Brokers" means **SAXO BANK** with its registered office at 15 Allée Philip Heymans, DK-2900 Hellerup, Denmark registered under number 15731249 and **INTERACTIVE BROKERS GROUP, INC.** with its registered office at One Pickwick Plaza Greenwich, CT 06830, United States of America.

**Redemption Day** The "Redemption Day" is the first Business Day of each month.

**Redemption Price** Subject to the articles, the "Redemption Price" will be denominated in the applicable Reference Currency and will be equal to the Net Asset Value per Share of the relevant Class as at the relevant Redemption Day, after adjustment for:

(i) Any accrual of Management Fee and /or Distribution Fee due, as the

- case may be;
- (ii) Any Redemption Fee (if any).

**Reference Currency** The Reference Currency of the Sub-Fund A is the US Dollar.

**Shares** The “Shares” mean the Class A Shares, the Class B Shares and the Class C Shares, together with the Class 1 (USD) Shares, the Class 1 (EUR) Hedged Shares, the Class 1 (HUF) Hedged Shares, the Class 2 (USD) Shares, the Class 2 (EUR) Hedged Shares, the Class 3 (USD) Shares, the Class 3 (EUR) Hedged Shares and the Class 3 (HUF) Hedged Shares.

**Subscription Day or Dealing Day** The “Subscription Day” or “Dealing Day” means the first Business Day of each month.

**Subscription Price** The “Subscription Price” means during the Initial Offering Period, the Initial Offering Price, and after the Initial Offering Period, the Net Asset Value per Share calculated on the concurrent Valuation Day in accordance with the Articles and the Investment Memorandum, plus any subscription Fee, as the case may be.

**Valuation Day** The “Valuation Day” is the last Business Day of each month.

### 3. **Term of the Sub-Fund A**

The Sub-Fund A has been created for the lifetime of the Fund.

### 4. **Target Investors**

The Sub-Fund A is directed at Eligible Investors, as defined in the Investment Memorandum. The investment in the Sub-Fund A should be viewed as medium to long term and may not be appropriate for all investors (see section 14 “risk factors” below).

The Sub-Fund A may be appropriate for those whose business and investment experience is such that they are capable of evaluating the merits of their prospective investment, those who can afford the loss of the whole of their investment and have no need for their investment to be liquid.

The Sub-Fund A is suitable for Investors interested in medium to long term investments, with at least a 5 year investment horizon.

**THE FUND’S INVESTMENT PROGRAM ENTAILS SUBSTANTIAL RISKS.**

**THERE CAN BE NO ASSURANCE THAT THE SUB-FUND A’S OBJECTIVES WILL BE ACHIEVED OR THAT THERE WILL BE ANY RETURN OF CAPITAL.**

Attention should be drawn to the fact that an Investor may not get back the amount he/she/it has invested. Changes in exchange rates may also cause the Net Asset Value in the Investor's reference currency to go up or down. No guarantee as to future performance of or future return from the Sub-Fund A, can be given. In addition to the above mentioned general risks which are inherent in all investments, the investment in the Fund entails above-average risks and is only appropriate for Investors who can take the risk to lose the entire investment. Some specific risks related to the investment in the Sub-Fund A are described below (section 14. *Risk factors*).

In case the Sub-Fund A is offered, sold or marketed to non-professional investors within the meaning of the MIFID Directive and since an investment in the Sub-Fund A may constitute an investment in PRIIPs for such non-professional investor, a KID compliant with the PRIIPs Regulation will be made available to such non-professional investor. The KID will then also be available on [www.mozaiquefunds.com](http://www.mozaiquefunds.com) for such investors and will be provided to them as required by the PRIIPs Regulation. Such KID will be provided only to investors from the European Economic Area (EEA), and from non-EEA country requiring it.

#### 5. Investment Objective and Policy

The investment objective of the Sub-Fund A is to provide investors with an attractive total returns by investing across multiples assets and markets and to provide a high degree of diversification, while employing moderate risk profile strategies.

The Sub-Fund A invests in a diversified portfolio of securities including but not limited to (i) fixed income (e.g. corporate, High Yield, convertibles, government, T-notes, bills, convertible arbitrage), (ii) long and short equities, using the long legs of these cash products as collateral for short and medium term margin positions, (iii) traded on margin (e.g. Fx spot, FX/EQ options trading), (iv) liquidity management (e.g. Money market instruments), (v) on margin (e.g. stretch-o-meter trading ideas),(vi) pair trades, (vii) shares / units of other hedge funds or mutual funds, as well as (viii) managed accounts.

The Sub-Fund A invests in particular (but not limited to) into financial instruments, forex, options (e.g. forex, equity), equities (e.g. ETF's) and also including amongst other the following derivative instruments: options, CFD's and CDS for hedging purposes.

The use of derivatives will be used by the Sub-Fund A for investment and hedging purposes. The Sub-Fund A may, amongst others, be using Iron Condor and other market neutral option strategies. An Iron Condor is an option trading strategy utilizing two vertical spreads, a put spread and call spread with the same expiration and four different strikes.

The Sub-Fund A will mainly focus on investments in the OECD countries.

The Board of Directors reserves the right to alter any investment policy or strategy of the Sub-Fund A as deemed appropriate from time to time in its discretion without obtaining Shareholders' approval. However, in such case Shareholders will have one month from the date of receipt of the notice regarding the change of the investment policy and strategy to request the redemption of their Shares without charge if they do not accept such amendments.

The Sub-Fund A may also hold cash on a temporary basis in connection with subscriptions, redemptions or the processing of other payments or receipts.

## 6. **Borrowing**

The Sub-Fund A may borrow money in any form, issue bonds and other debt instruments and may give security for any borrowings. The Sub-Fund A's borrowing is limited to five hundred percent (500%) of the Net Asset Value.

## 7. **Exposure**

The gross exposure of the Sub-Fund A may be up to five hundred percent (500 %) of the Net Asset Value of the Sub-Fund A. This exposure of 500% will be applied as a maximum borrowing limit.

## 8. **Investment restrictions**

Sub-Fund A will comply with the following investment restrictions:

- (1) The Sub-Fund A may not invest more than thirty per cent (30%) of its net assets to subscribe securities of the same type issued by the same issuer. This restriction does not apply to (i) investments in securities issued or guaranteed by an OECD Member State or its regional or local authorities or by EU, regional or global supranational institutions and bodies; - investments in target UCIs / companies that are subject to risk-spreading requirements at least comparable to those applicable to SIFs. For the purpose of the application of this restriction, every sub-fund of a target umbrella UCI is to be considered as a separate issuer provided that the principle of segregation of liabilities among the various sub-funds vis-à-vis third parties is ensured.
- (2) Short sales may not in principle result in the Sub-Fund A holding a short position in securities of the same type issued by the same issuer representing more than thirty per cent (30%) of its net assets.
- (3) When using financial derivative instruments, the Sub-Fund A must ensure, via appropriate diversification of the underlying assets, a similar level of risk-spreading. Similarly, the counterparty risk in an OTC transaction must, where applicable, be limited having regard to the quality and qualification of the counterparty.
- (4) When using financial derivative instruments, the Sub-Fund A may not hold an open position on a single contract in respect of a derivative financial instrument dealt in on an organized market or on an OTC basis for which the required margin or, as applicable, commitment represents 30% (thirty percent) or more of the relevant Sub-Fund's Assets. Similarly, the counterparty risk in an OTC transaction must, where applicable, be limited having regard to the quality and qualification of the counterparty.

The above restrictions will not be applicable during the initial portfolio build-up period of up to 6 months following the launching of the Sub-Fund A.

The Sub-Fund A does not contemplate to use transactions covered by the SFTR. As the case may be, this Appendix will be updated accordingly from time to time.

## 9. Share Classes

The Sub-Fund A offers the following share classes:

- Class 1 (USD) Shares:
  - o US Dollar;
  - o Eligible Investors;
  - o Capitalisation of income.
  
- Class 1 (EUR) Hedged Shares:
  - o Euro ;
  - o Eligible Investors;
  - o Capitalisation of income.
  
- Class 1 (HUF) Hedged Shares:
  - o HUF ;
  - o Eligible Investors;
  - o Capitalisation of income.
  
- Class 2 (USD) Shares:
  - o US Dollar;
  - o Eligible Investors;
  - o Capitalisation of income.
  
- Class 2 (EUR) Hedged Shares:
  - o Euro;
  - o Eligible Investors;
  - o Capitalisation of income.
  
- Class 3 (USD) Shares:
  - o US Dollar;
  - o Board of Directors and employees of the Sub-Fund A subject to the approval of the Board of Directors provided by means of a Board of Directors resolution;
  - o Capitalisation of income.
  
- Class 3 (EUR) Hedged Shares:
  - o Euro;
  - o Board of Directors and employees of the Sub-Fund A subject to the approval of the Board of Directors provided by means of a Board of Directors resolution;
  - o Capitalisation of income.
  
- Class 3 (HUF) Hedged Shares:
  - o HUF;
  - o Board of Directors and employees of the Sub-Fund A subject to the approval of the Board of Directors provided by means of a Board of Directors resolution;
  - o Capitalisation of income.

The following share classes of the Sub-Fund A are closed for subscriptions:

- Class A Shares:
  - o US Dollar;
  - o Eligible Investors;
  - o Capitalisation of income.
  
- Class B Shares:
  - o Euro;
  - o Eligible Investors;
  - o Capitalisation of income.
  
- Class C Shares:
  - o HUF;
  - o Eligible Investors;
  - o Capitalisation of income.

The reference currency of the Sub-Fund A is the US Dollar.

The Hedged Classes of Shares will use the method of the NAV Hedge, as detailed in the main part of the Investment Memorandum (section 4.1.3 *Issue of Shares*).

## 10. **Terms of the Sub-Fund A**

### a. **Subscriptions**

Within this Sub-Fund A, Class 1 (USD) Shares are available for subscription during the Initial Offering Period at an Initial Offering Price of USD 100.- per Share of Class 1 (USD) and after the Initial Offering Period at a price corresponding to the Net Asset Value per Class 1 (USD) Share of the relevant Valuation Day, plus any applicable subscription fee.

Within this Sub-Fund A, Class 1 (EUR) Hedged Shares are available for subscription during the Initial Offering Period at an Initial Offering Price of EUR 100.- per Hedged Share of Class 1 (EUR) and after the Initial Offering Period at a price corresponding to the Net Asset Value per Class 1 (EUR) Hedged Share of the relevant Valuation Day, plus any applicable subscription fee.

Within this Sub-Fund A, Class 1 (HUF) Shares are available for subscription during the Initial Offering Period at an Initial Offering Price of HUF 100.- per Hedged Share of Class 1 (HUF) and after the Initial Offering Period at a price corresponding to the Net Asset Value per Class 1 (HUF) Hedged Share of the relevant Valuation Day, plus any applicable subscription fee.

Within this Sub-Fund A, Class 2 (USD) Shares are available for subscription during the Initial Offering Period at an Initial Offering Price of USD 100.- per Share of Class 2 (USD) and after the Initial Offering Period at a price corresponding to the Net Asset Value per Class 2 (USD) Share of the relevant Valuation Day, plus any applicable subscription fee.

Within this Sub-Fund A, Class 2 (EUR) Hedged Shares are available for subscription during the Initial Offering Period at an Initial Offering Price of EUR 100.- per Hedged Share of Class 2 (EUR) and after the Initial Offering Period at a price corresponding to the Net Asset Value per Class 2 (EUR) Hedged Share of the relevant Valuation Day, plus any applicable subscription fee.

Within this Sub-Fund A, Class 3 (USD) Shares are available for subscription during the Initial Offering Period at an Initial Offering Price of USD 100.- per Share of Class 3 (USD) and after the Initial Offering Period at a price corresponding to the Net Asset Value per Class 3 (USD) Share of the relevant Valuation Day, plus any applicable subscription fee.

Within this Sub-Fund A, Class 3 (EUR) Hedged Shares are available for subscription during the Initial Offering Period at an Initial Offering Price of EUR 100.- per Hedged Share of Class 3 (EUR) and after the Initial Offering Period at a price corresponding to the Net Asset Value per Class 3 (EUR) Hedged Share of the relevant Valuation Day, plus any applicable subscription fee.

Within this Sub-Fund A, Class 3 (HUF) Hedged Shares are available for subscription during the Initial Offering Period at an Initial Offering Price of HUF 100.- per Hedged Share of Class 3 (HUF) and after the Initial Offering Period at a price corresponding to the Net Asset Value per Class 3 (HUF) Hedged Share of the relevant Valuation Day, plus any applicable subscription fee.

Within this Sub-Fund A, Class A Shares were available for subscription during the Initial Offering Period at an Initial Offering Price of USD 100.- per Share of Class A and after the Initial Offering Period at a price corresponding to the Net Asset Value per Class A Share of the relevant Valuation Day, plus any applicable subscription fee.

Within this Sub-Fund A, Class B Shares were available for subscription during the Initial Offering Period at an Initial Offering Price of EUR 100.- per Share of Class B and after the Initial Offering Period at a price corresponding to the Net Asset Value per Class B Share of the relevant Valuation Day, plus any applicable subscription fee.

Within this Sub-Fund A, Class C Shares were available for subscription during the Initial Offering Period at an Initial Offering Price of HUF 100.- per Share of Class C and after the Initial Offering Period at a price corresponding to the Net Asset Value per Class C Share of the relevant Valuation Day, plus any applicable subscription fee.

In order to ensure that subscription applications are processed as of any Valuation Day, the Subscription Application Forms, together with the necessary identification documents and the subscription monies payable, must be received by the Registrar and Transfer Agent together with the necessary identification documents by fax at the latest on 5.00 pm (Luxembourg time) at least five (5) Business Days before the last Business Day of the month with the originals of all documents to follow soon after by post. Subscription monies shall be remitted, at the latest on 5.00 pm (Luxembourg time) at least five (5) Business Days before the last Business Day of the month, by telegraphic transfer to the relevant subscription account specified for the relevant currency of payment in the Subscription Application Form. All bank collection or other charges imposed for such telegraphic transfer payments by an applicant shall be borne by and charged to that applicant.

In case subscription is made through clearing, subscription will be executed against payment with the clearing account after the Administrator has performed the eligibility controls.

The Shares will be allotted at a price corresponding to the Net Asset Value per Share of the relevant Valuation Day. For Subscription Application Forms or subscription amounts received by the Administrative, Domiciliary, Registrar and Transfer Agent after the aforesaid dates, the Shares will be allotted at a price corresponding to the next Valuation Day. The aforesaid periods for the submission of the Subscription Application Forms and the payment of the subscription amounts may be waived at the discretion of the Board of Directors. The Board of Directors in exercising its discretion will take due consideration of treating shareholders fairly and equally. The Shares will be issued as of the Subscription Day. The Shares will be issued in registered form.

Regarding Class 1 Shares, the minimum initial investment that will be accepted from a new investor will be the USD or HUF (as the case may be) equivalent of EUR 125,000; regarding Class 2 Shares the minimum initial investment that will be accepted from a new investor will be the USD equivalent of EUR 5,000,000 (such minimum initial investment could be lower than the USD equivalent of EUR 5,000,000 subject to Board of Directors approval, however it may not be lower than the USD equivalent of EUR 125,000); regarding Class 3 Shares, the minimum initial investment that will be accepted from a new investor will be the USD or HUF (as the case may be) equivalent of EUR 5,000,000 (such minimum initial investment could be lower than the USD or HUF equivalent of EUR 5,000,000 subject to Board of Directors approval, however it may not be lower than the USD or HUF equivalent of EUR 125,000).

All of the above provisions shall be subject however to the Board of Directors' right to reject any offer from Investors for any reason or to accept subscriptions in lesser amounts subject to the requirements of the Law of 2007 (being understood that, in such case, Well Informed Investors must provide a certificate delivered by a credit institution within the meaning of Directive 2006/48/EC, another investment company within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2001/107/EC stating that they are experienced enough to appreciate in an adequate manner an investment in a specialized investment fund).

Regarding Class A Shares, the minimum initial investment that was accepted from a new investor will be USD equivalent of EUR 125,000, regarding Class B Shares, the minimum initial investment that was accepted from a new investor was EUR 125,000, regarding Class C Shares, the minimum initial investment that was accepted from a new investor was HUF equivalent of EUR 125,000, subject however to the Board of Directors' right to reject any offer from Investors for any reason or to accept subscriptions in lesser amounts subject to the requirements of the Law of 2007 (being understood that, in such case, Well Informed Investors must provide a certificate delivered by a credit institution within the meaning of Directive 2006/48/EC, another investment company within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2001/107/EC stating that they are experienced enough to appreciate in an adequate manner an investment in a specialized investment fund).

**b. Redemption Day and Notice Period for Redemptions**

All Shares are redeemable at the option of the Shareholders on each Redemption Day. Redemption Forms must be received by the Fund by 5 p.m. (Luxembourg time) on a Business Day falling at least three (3) months before the relevant Valuation Day with the originals of all documents to follow soon after by post (failing which the redemption request will be held over until the next following Redemption Day and Shares will be redeemed at the price applicable on that Redemption Day).

In case redemption is made through clearing, redemption will be executed against payment with the clearing account after the Administrator has performed the eligibility controls.



The redemption proceeds will be paid out to the redeeming shareholder(s) as soon as possible following the Redemption Day on which Shares are redeemed but not after a period exceeding thirty (30) calendar days.

Subject to the Articles, the "Redemption Price" will be denominated in the applicable currency and will be equal to the Net Asset Value per Share of the relevant Class as at the relevant Redemption Day, after adjustment for:

- (i) Any accrual of Management and / or Distribution Fees due (if any);
- (ii) Any Redemption Fee (if any).

If Shares representing more than ten per cent (10%) of the Net Asset Value of the Sub-Fund A are tendered in a given Redemption Day, the excess may, at the entire discretion of the Board of Directors, be rolled forward to the next Redemption Day. In this event, the limitation will apply on a first in / first out basis, so that the redemption requests will be met in priority to later requests.

Furthermore, the Board of Directors may decide that part or all of the redemption requests in relation to Shares will be deferred for a period and in a manner that the Board of Directors considers to be in the best interest of the Sub-Fund. Following that period, with respect to the next relevant Valuation Day, these redemption requests will be met in priority to later requests.

The Sub-Fund A shall have the right, if the Board of Directors so determines, to satisfy payment of the Redemption Price to any Shareholder who agrees, in kind, by allocating to the Shareholder investments from the portfolio of assets of the Sub-Fund A equal to such Redemption Price. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders of the Sub-Fund A and the valuation used shall be confirmed by a special report of the Auditor of the Fund. The costs of any such transfers shall be borne by the redeeming Shareholder.

For the avoidance of doubt, in case of deferral of a redemption request, the Shareholder will remain a shareholder of the Sub-Fund A with all rights and obligations attached thereto until the day on which the redemption request has been carried out (i.e. the Redemption Day on which the shares are effectively redeemed).

### **c. Conversion**

Any Shareholder is entitled to request the conversion of whole or part of his/her/its Shares of one Class into Shares of another Class, if any, within this Sub-Fund or from this Sub-Fund to another Sub-Fund, provided that the conditions for accessing to shares in the relevant class are fulfilled, on the basis of their respective net asset values calculated for the relevant Valuation Day.

Conversion Forms must be received by the Registrar and Transfer Agent by fax at the latest at 5 p.m. (Luxembourg time) on a Business Day falling at least one (1) month before the relevant Valuation Day. The price for the conversion of Shares from one Class into another Class shall be computed by reference to the respective Net Asset Value of the two (2) Classes of Shares, calculated on the same Valuation Day. If there is no common Valuation Day for any two classes, the conversion will be made on the basis of the net asset value calculated for the next following Valuation Day of each of the two classes concerned. The conversion of Shares shall be suspended when the calculation of the Net Asset Value thereof is suspended.

A conversion of Shares shall be deemed equivalent to a redemption of Shares for the calculation of the Management Fee, as described below. In case of partial conversion, Shares shall be converted in their order of subscription (First-in / First-out) and the Management Fee shall be calculated accordingly.

If as a result of any request for conversion the number or the aggregate net asset value of the Shares held by any shareholder in any class of Shares would fall below the minimum investment set out herein, the Board of Directors may refuse on a discretionary basis to convert the Shares from one class to another class, if any.

In addition, the Board of Directors may decide that part or all of the conversion requests in relation to Shares will be deferred for a period and in a manner that the Board of Directors considers to be in the best interest of the Sub-Fund. Following that period, with respect to the next relevant Valuation Day, these conversions requests will be met in priority to later requests.

The Shares which have been converted into Shares of another class, if any, and/or of another Sub-Fund shall be cancelled on the relevant Subscription Day.

#### 11. **Prime Broker**

Saxo Bank, based in 15 Allée Philip Heymans, DK-2900 Hellerup, Denmark registered under number 15731249, will provide prime brokerage services to the Sub-Fund A under the terms of a Prime Brokerage Agreement. These services may include the provision to the Sub-Fund A of margin financing, clearing, settlement, stock borrowing and foreign exchange facilities. The Sub-Fund A may also utilise Saxo Bank and other brokers and dealers for the purposes of executing transactions for the Sub-Fund A.

Saxo Bank is appointed directly as a custodian by the Sub-Fund A and the Custodian under the Prime Brokerage Agreement dated 10 July 2015 and will therefore also provide a custody service for all the Sub-Fund A's investments, including documents of title or certificates evidencing title to investments, held on the books of the Prime Broker as part of its prime brokerage function in accordance with the terms of the Prime Brokerage Agreement. The Prime Broker may appoint sub-custodians.

**INTERACTIVE BROKERS GROUP, INC.** with its registered office at One Pickwick Plaza Greenwich, CT 06830, United States of America is appointed by the Sub-Fund A as Prime Broker under the Prime Brokerage Agreement dated 11 September 2017.

If another prime broker is appointed by the Fund, the Investment Memorandum and the relevant Annex will be updated accordingly.

#### 12. **Fees and other expenses**

##### a. **Management Fee and Distribution Fee**

- The Sub-Fund A shall pay to the Investment Manager and Distributor an overall fee, if it is not waived by it in whole or in part, as described below for each Class of Shares: **Class A Shares, Class B Shares and Class C Shares;**

- Two percent (2%) per annum of the Net Asset Value of the Sub-Fund A, calculated monthly and paid quarterly in arrears; and
  - Twenty-five percent (25%) per annum of any excess increase in the Net Asset Value in respect of each calendar year for the Class A Shares, the Class B Shares and the Class C Shares, which will have exceeded the Hurdle Rate, being understood that the yearly hurdle rate is 6 month USD LIBOR (the “**Variable Fee**”). The Variable fee is accrued for on a monthly basis but crystallised as at the year end of the company subject to the gross asset value of the fund exceeding the higher of, the Initial Offering Price and the High Water Mark, Each time a Variable Fee is earned, the Net Asset Value per Share at the time of payment is set as a High Water Mark net asset value (the “**High Water Mark**”). The High Water Mark is the higher of the Initial Offering Price and the highest Net Asset Value per Share of the relevant designation at the end of any previous calendar year. No Variable Fee will be payable during the period until the Class recoups the trading losses and achieves additional trading gains.
- Class 1 Shares:
    - Two percent (2%) per annum of the Net Asset Value of the Sub-Fund A, calculated monthly and paid quarterly in arrears; and
    - Twenty percent (20%) per annum of any excess increase in the Net Asset Value in respect of each calendar year for the Class 1 Shares, subject to the High Water Mark.
  - Class 2 Shares:
    - One point five percent (1.5%) per annum of the Net Asset Value of the Sub-Fund A, calculated monthly and paid quarterly in arrears; and
    - Fifteen percent (15%) per annum of any excess increase in the Net Asset Value in respect of each calendar year for the Class 2 Shares, subject to the High Water Mark.
  - Class 3 Shares:
    - Shall not be subject to any fees.

**b. Redemption fee**

All Shares shall levy a Redemption Fee as described below during the “**Redemption Charge Period**”.

For the Class A Shares, Class B Shares and Class C Shares the Redemption Fee is as follows:

- During the first year of investment: two percent (2%) of the Net Asset Value per Share to be redeemed; and
- During the second year of investment: one percent (1%) of the Net Asset Value per Share to be redeemed.

For the Class 1 Shares and Class 3 Shares the Redemption Fee is as follows:

- During the first year of investment: two percent (2%) of the Net Asset Value per Share to be redeemed; and
- During the second year of investment: one percent (1%) of the Net Asset Value per Share to be redeemed.

For the Class 2 Shares the Redemption Fee is as follows:

- During the first year of investment: five percent (5%) of the Net Asset Value per Share to be redeemed; and
- During the second year of investment: three percent (3%) of the Net Asset Value per Share to be redeemed.

A Redemption Charge Period means the period beginning on the day of subscription of the Shares and ending on the Redemption Day of such Shares, in case such redemption occurs before the end of the second year of investment. For

investors that have multiple subscriptions such period commences from the Subscription Day when Shares were allocated. Such Redemption Charge Period may be cancelled/shortened at the entire discretion of the Board of Directors.

No Redemption Fee will apply after the Redemption Charge Period.

Such Redemption Fee will be paid to the Investment Manager if it is not waived by it, at its entire discretion. At its entire discretion, the Investment Manager may also decide to retrocede such Redemption Fee to another entity or to the Sub-Fund A.

**c. Subscription fee**

A Subscription Fee of up to three percent (3%) of the Initial Offering Price or of the Net Asset Value per Share was due to all initial subscriptions and any subsequent subscriptions related to the Class A Shares, Class B Shares and Class C Shares.

The Subscription Fee for the Class 1 Shares, Class 2 Shares and Class 3 Shares of the Sub-Fund A is applicable as follows:

- A maximum of three percent (3%) of the Initial Offering Price or of the Net Asset Value per Share for all initial subscriptions and any subsequent subscriptions for the Class 1 Shares and Class 2 Shares;
- A maximum of ten per cent (10%) of the Initial Offering Price or of the Net Asset Value per Share for all initial subscriptions and any subsequent subscriptions for the Class 3 Shares.

Such Subscription fee will be paid to the Investment Manager if it is not waived by the Board of Directors, at its entire discretion.

**d. Brokerage fee and transaction fees**

A brokerage fee and transaction fees are payable to each Prime Broker on a monthly basis in arrears in accordance with the relevant Prime Brokerage Agreement.

**e. Other Fees**

The Sub-Fund A will be responsible for all fees, costs and expenses incurred by the Sub-Fund A, inter alia, the fees of Administrative, Domiciliary, Registrar and Transfer Agent, the Custodian and Paying Agent and related trading expenses, the Investment Manager the Directors and the Auditor and proportionally for the fees related to the Fund structure.

**13. Tax considerations**

Please refer to section "Taxation" of the Investment Memorandum.

## 14. Risk factors

### a) General provisions

Investors are advised to carefully consider the risks of the Sub-Fund A and should refer in relation thereto to the section "Risk Considerations" in the Investment Memorandum. Moreover, the Sub-Fund A's success depends solely on the AIFM's ability to identify eligible assets which will positively contribute to the Sub-Fund A's capital appreciation. There can be no assurance that the investing and/or trading methods employed by the AIFM or any duly appointed Sub-Investment Manager will produce profits. Moreover, each of the employees of the Investment Manager is dependent on the services of a limited number of key persons, and if the services of such persons were to become unavailable, this might have a serious impact on the Sub-Fund A's performance and continuity.

Although it will be the policy of the Sub-Fund A to diversify its investment portfolio, the Sub-Fund A may at certain times hold relatively few investments (but always within the limit set forth by Luxembourg laws, regulations and circulars issued by the Luxembourg regulatory authority, i.e. the CSSF). The Sub-Fund A could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

The Sub-Fund A may use leverage in its trading and investment activities. Borrowing money to purchase an instrument may provide the opportunity for greater capital appreciation but at the same time will increase the risk of loss with respect to the instrument. Although the use of leverage increases returns to the Sub-Fund A if it earns a greater return on the incremental positions purchased with the borrowed funds than it pays for such funds, the use of leverage decreases returns to the Sub-Fund A if it fails to earn as much on such incremental positions as it pays for such funds. The amount of borrowings outstanding at any time by the AIFM in respect of assets that they manage may be large in relation to such assets. In addition, the level of interest rates generally, and the rates at which the AIFM, on behalf of the Sub-Fund A, can borrow in particular, will ultimately affect the results of the Sub-Fund A.

An investment in Shares of the Sub-Fund A involves certain risks and there is no guarantee that the stated investment aims will be achieved. Therefore, the Sub-Fund A is aimed at Eligible Investors. Such Investors should make their own evaluation of the risks inherent in an investment in the Sub-Fund A and they should consider, amongst other things, the following matters before making a decision to invest:

- Substantial risks are involved in the trading of securities. Market movements can be volatile and are difficult to predict. Government policies, particularly those of the US Federal Reserve Board and the European Central Bank, can have a profound effect on interest rates which, in turn, substantially affect securities prices as well as the liquidity of such markets and therefore impact the Sub-Fund A.
- Politics, recession, inflation, employment levels, trade policies, international events, war and other unforeseen events can also have a significant impact on the price of securities. More particularly, like other bonds, the values of zero coupon bonds move inversely to the movement of interest rates; bond values will increase as interest rates decline; and bond values will decrease as interest rates increase
- Hedge funds, funds of funds and mutual funds may be exposed to the following risk: lack of liquidity, lack of diversification, high degree of risk strategy, greater volatility, lack of transparency, unregistered investments, etc. The foregoing is not exhaustive and other risks may be involved.
- Financial derivative instruments may be subject to wide and sudden fluctuations in market value with a resulting fluctuation in the amount of profits and losses. As a result, a relatively small price movement in an

instrument may result in immediate and substantial losses for the Sub-Fund A. In addition, trading securities on margin will result in interest charges to the Sub-Fund A which may be substantial. Thus, any purchase or sale on a leveraged security or derivative instrument may result in losses in excess of the amount invested.

- The AIFM may engage in trading currencies or commodities in which case the Sub-Fund A will be subject to a risk with respect to the credit worthiness of its counterparty
- No representation is or can be made as to the future operating performance of the Sub-Fund A. There is, therefore, no assurance that the Sub-Fund A will realize its investment objectives or achieve the targeted levels of performance;
- Investors are unable to participate in the day-to-day management of the underlying assets of the Sub-Fund A. As such, they will not be able to approve individual management or investment decisions;
- The net returns to Investors could be affected by a change in the tax treatment of the Sub-Fund A;
- Changes in landlord and tenant law, planning or corporate law could materially affect the forecast investment returns;
- The financial operations of the Sub-Fund A may be adversely affected by the impact of the general economic conditions, by conditions within the property market or by the particular financial condition of parties doing business with the Sub-Fund A;
- The Sub-Fund A will be responsible for paying the fees, charges and expenses referred to in this document regardless of the level of profitability;
- The foregoing risk factors are not exhaustive and do not purport to be a complete explanation of all the risks and considerations involved in investing in the Sub-Fund A.

**b) Specific risks in relation to Hedged Shares**

Attention is brought to the Investors regarding the Currency risk in respect of this type of Shares.

The Board of Directors may invest in assets denominated in a wide range of currencies. The Net Asset Value expressed in its respective unit currency will fluctuate in accordance with the changes in foreign exchange rate between the Reference Currency of the Sub-Fund A and the currencies in which the Sub-Fund A's investments are denominated. In case the Sub-Fund A invests in hard currency and provided that it has not hedged its foreign currency debt, it may be exposed to currency risk if it receives its income in local currency. Such currency risk exposure may affect the Sub-Fund A's position.

Investors should be aware that, while it is intended to systematically hedge in the Hedged Class of Shares there is no guarantee that the hedging will be totally successful. The Sub-Fund A may also invest in currency derivatives, with the aim of generating returns at the portfolio level. This is indicated in the Sub-Fund A's investment policy and only occurs where the Hedged Shares use NAV Hedge. Accordingly, whilst the hedging seeks to minimize the effect of exchange rate fluctuations between the Reference Currency of the Sub-Fund A and that of the Hedged Shares, there may be currency risk in the portfolio. Investors in the Hedged Classes of Shares may have exposure to currencies other than the currency of their Class of Shares and may also be exposed to the risks associated with the instruments used in the hedging process. As a result of currency hedging transactions, the Sub-Fund A may be required to transfer cash or other liquid assets as collateral to counterparties. Consequently, the Hedged Shares may be allocated a greater proportion of cash or other liquid assets than the other Share Classes and therefore may have less market exposure which could have a positive or negative impact on performance.