

**GLOBAL AIFM PLATFORM SICAV-SIF**

Investment Company with Variable Capital  
(*Société d'investissement à capital variable - SICAV*)

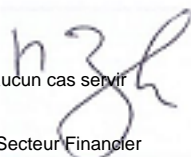
Specialised Investment Fund  
(*Fonds d'investissement spécialisé - SIF*)

**PROSPECTUS**

**March 2022**

VISA 2022/168481-8532-0-PC

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2022-03-10  
Commission de Surveillance du Secteur Financier



## IMPORTANT INFORMATION

### Reliance on Prospectus

The Shares are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Company. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof.

The information contained in this Prospectus will be supplemented by the financial statements and further information contained in the latest annual report of the Company, copies of which may be obtained free of charge from the registered office of the Company.

### Registration in Luxembourg

The Company is registered under the Luxembourg law of 13 February 2007 relating to specialised investment funds, as amended, as well as the Luxembourg law of 12 July 2013 relating to Alternative Investment Fund Managers, as amended.

### Restrictions on Distribution

The Company's Shares are restricted to Well-Informed Investors (as defined under "Definitions" below) and all restrictions on distributions in specific jurisdictions set forth below are to be construed accordingly.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus may come are required by the Company to inform themselves of and to observe any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

### United States:

This Prospectus shall not constitute an offer to sell or a solicitation of an offer to buy Shares in any US state, nor shall there be any sale of Shares in any jurisdiction in which such offer, solicitation or sale is not authorised or to any person to whom it is unlawful to make such offer, solicitation or sale. Generally, there will be no offering of Shares in the United States. Irrespective, however, the AIFM may, at their discretion, sell Shares to US Persons on a limited basis and subject to the condition that such purchasers make certain representations to the Company which are intended to satisfy the requirements imposed by US law on the Company which seek to limit the number of its Shareholders who are US Persons, and which ensure that the Company is not engaged in a public offering of its Shares in the United States of America.

The Shares have not been and will not be registered under the 1933 Act, including US state securities or blue-sky laws.

The Shares may not be transferred, pledged or resold to any US Person unless approved by the AIFM in their sole discretion and unless such Shares are registered or entitled to an exemption from the registration requirements of the 1933 Act and applicable US state securities laws. Except in a transaction which does not violate the 1933 Act nor cause the Company to register under the United States Investment Company Act, the Shares may not be directly or indirectly offered, sold or delivered in the United States or to or for the account or benefit of any US Person, or to any person purchasing the Shares for re-offer, re-sale, delivery or transfer in the United States or to any US Person as part of the distribution of such Shares except with the prior approval of the AIFM. Each applicant for Shares will be required to certify whether the applicant is a US Person.

The Company will not knowingly offer or sell Shares to any Investor to whom such offer or sale would be unlawful, or might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantages which the Company might not otherwise incur or suffer or would result in the Company being required to register under the Investment Company Act. Shares may not be held by any Person in breach of the law or requirements of any country or governmental authority including, without limitation, exchange control regulations. Each Investor must represent and warrant to the Company that, amongst other things, he is able to acquire Shares without violating applicable laws. Power is reserved in the Articles, to compulsorily redeem any Shares held directly or beneficially in contravention of these prohibitions.

### Shareholders rights against service providers

Shareholders will not have any direct contractual rights against the AIFM, the Investment Manager, the Investment Advisor, the Depositary, the Administrator, the Approved Statutory Auditor or any of the service providers appointed from time to time by the Company.

The above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make an application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

## Data Protection

Any information, including personal data, provided in connection with the investment in the Company may be processed, electronically or physically, by the Company and its service providers, e.g. the AIFM, the Investment Manager, the Investment Advisor, the Administrator and the Depositary (each as defined hereafter) or their delegates and sub-delegates (hereafter, jointly, the “**Service Providers**”), acting as data processors as appropriate, pursuant to the Luxembourg Data Protection law of 2002, as amended by the law of 1 August 2018 on the organisation of the *Commission Nationale pour la Protection des Données* (CNPD, the Luxembourg data protection supervisory authority) and the General Data Protection Regulation (Regulation UE 2016/679, hereafter “**GDPR**”).

Information may be processed, by the Company and/or the Service Providers, for the purposes of the (i) execution of contractual rights and obligations necessary and/or instrumental for the operations of the Company, (ii) compliance with applicable laws or regulations, e.g. anti-money laundering identification, CRS and FATCA, (iii) any other legitimate business interests pursued by the Company, the AIFM or a third party (e.g. the development of the business relationship).

Information shall be disclosed to third parties where necessary for legitimate business interests only in compliance with the applicable laws and regulations. Third parties may include, without limitation, auditors and the financial and tax authorities, administrative bodies, judicial bodies, law enforcers and agents, employees and/or representatives of the Company and the Service Providers processing the data (including personal data) for specific purposes, including without limitation, anti-money laundering purposes or for compliance with legal and regulatory requirements.

Investors hereby consent to the processing of their data (including personal data) and the disclosure of their information to the Company and the Service Providers including companies situated in countries outside of the European Economic Area. The transfer of data to the aforementioned entities may transit via and/or be processed in countries which may not have data protection requirements deemed equivalent to those prevailing in the European Economic Area. Investors may request access to, rectification of or deletion of any data provided to any of the parties above or stored by any of the parties above in accordance with applicable data protection legislation.

Reasonable measures have been taken to ensure the confidentiality and protection of the personal data processed by the Company and the Service Providers. The Company, the AIFM and the Service Providers shall not transfer personal data to a country outside of the EEA if this country does not offer an adequate level of data protection, thus not offer legal certainty. The Company and the Service Providers shall accept no liability with respect to any unauthorised third-party receiving knowledge of or having access to such personal data, except in the case of negligence or bad faith by the Company and the Service Providers. Personal data shall not be held for longer than necessary with regard to the purpose of the data processing.

The Company and the Service Providers may use telephone recording procedures to record any conversation. Investors are deemed to consent to the tape-recording of conversations with the Company and the Service Providers and to the use of such tape recordings by the Company and the Service Providers in legal proceedings or otherwise at their discretion.

Investors have the right to request from the Company and the AIFM access, rectification or erasure of their personal data or restriction of processing their personal data or to object to the processing of their personal data as well as the right to data portability, at any time and in compliance with the GDPR. Investors are entitled to withdraw the consent provided at any time when processing is based on their consent. Investors have the right to lodge a complaint with a supervisory authority (in Luxembourg, the CNPD) in case of an infringement of their rights under GDPR.

## Risk Factors

Investment in the Company carries substantial risk. There can be no assurance that the Company's investment objective will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in Shares is suitable to them in light of their circumstances and financial resources (see further under "General Risk Factors").

The attention of investors is drawn to the fact that the investment restrictions and risk-spreading requirements applicable to a specialised investment fund such as the Company are less restrictive than those applicable to an Undertakings for Collective Investment in transferable Securities ("UCITS") subject to part I of the law of 17 December 2010 on undertakings for collective investment and that therefore a specialised investment fund offers to its shareholders a level of protection which is not equivalent to the level of protection offered by a UCITS.

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## DEFINITIONS

"Administrator"	Amicorp Luxembourg S.A. acting as Administrative Agent, Registrar and Transfer Agent and Domiciliary Agent
"AIFM"	TMF Fund Management S.A., an Alternative Investment Fund Manager within the meaning of the AIFM Provisions
"AIFM Law"	The law of 12 July 2013 on alternative investment fund managers
"AIFM Provisions"	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (implemented into Luxembourg law by the law of 12 July 2013 relating to alternative investment fund managers), supplemented by its implementing provisions including Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
"Articles"	The articles of incorporation of the Company as amended from time to time
"Board of Directors"	The board of directors of the Company
"Business Day"	A weekday on which banks are normally open for business in Luxembourg
"Call Notice"	A notice issued by the AIFM to inform Investors of a Capital Call
"Capital Call"	A request that may be issued by the AIFM or the Company for the payment by an Investor of the whole or part of its Commitment.
"Commitment"	The total amount of capital committed by a Shareholder to subscribe for Shares pursuant to the Subscription Agreement.
"Class"	A class of Shares with a specific fee structure, reference currency, dividend policy or other specific feature
"Company"	Global AIFM Platform Sicav-SIF, a <i>société anonyme</i> qualifying as <i>société d'investissement à capital variable – fonds d'investissement spécialisé</i>
"CRS"	The OECD Common Reporting Standard
"Depositary"	Quintet Private Bank (Europe) S.A. acting as depositary and paying agent of the Company
"EUR"	The European currency unit (also referred to as the Euro)
"FATCA"	The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act enacted in March 2010.
"Independent Valuer"	Means any natural or legal person appointed by the AIFM from time to time acting as independent valuer providing valuations of assets to be acquired, sold or held by one or more Sub-Funds
"Investment Advisor"	Any investment advisor appointed by the AIFM from time to time acting as investment advisor for one or more Sub-Funds
"Investment Manager"	Any investment manager appointed by the AIFM from time to time acting as investment manager for one or more Sub-Funds
"Investor"	A subscriber for Shares who qualifies as Well-Informed Investor under article 2 of the SIF Law.
"KID"	Key information document as defined in the Regulation (EU) N° 1286/2014
"Net Asset Value per	The value per Share of any Class determined in accordance with the relevant provisions

<b>"Share"</b>	described under the heading "Calculation of Net Asset Value" as set out in Section 2.4
<b>"Prime Broker"</b>	Any prime broker appointed by the AIFM from time to time acting as prime broker for one or more Sub-Funds
<b>"Redemption Day"</b>	As defined in the Sub-Fund Particulars in relation to the relevant Sub-Fund
<b>"Regulated Market"</b>	A market which is regulated, operates regularly and is recognised and open to the public
<b>"Share"</b>	A Share of no-par value in any one Class in the capital of the Company
<b>"SFDR"</b>	The Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector
<b>"SFTR"</b>	The 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
<b>"SFT"</b>	A securities financing transaction, as defined under article 3 (11) SFTR
<b>"Shareholder"</b>	A holder of Shares
<b>"SIF Law"</b>	The law of 13 February 2007 relating to specialised investment funds, as amended
<b>"Sub-Fund"</b>	A specific portfolio of assets and liabilities within the Company having its own net asset value and represented by a separate Class or Classes of Shares
<b>"Sub-Fund Particulars"</b>	The appendices to this Prospectus containing information with respect to particular Sub-Funds
<b>"Subscription Agreement"</b>	The agreement for the subscription of Shares by which the Investor commits to subscribe for Shares of a Sub-Fund
<b>"Subscription Period"</b>	As defined in the Sub-Fund Particulars in relation to the relevant Sub-Fund.
<b>"United States Person"</b>	A citizen or resident of the United States, a corporation, partnership or other entity created in or under the laws of the United States or any person falling within the definition of the term "United States Person" under Regulation S promulgated under the 1933 Act
<b>"United States"</b>	The United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdictions
<b>"UCI"</b>	Shall mean any undertaking the sole objective of which is the collective investment in securities, financial instruments and other assets
<b>"Valuation Day"</b>	As defined in the Sub-Fund Particulars in relation to the relevant Sub-Fund
<b>"Well-Informed Investor"</b>	Any other Investor who (i) adhere in writing to the status of well-informed investors and (ii) either (a) invests a minimum Euro 125,000 in the Company or (b) has been the subject of an assessment made by a credit institution within the meaning of Directive 2006/48/EC or an investment firm within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2009/65/EC or any replacing Directive certifying his expertise, his experience and his knowledge in adequately appraising an investment in the Company

**All references herein to time are to Central European Time (CET) unless otherwise indicated. Words importing the singular shall, where the context permits, include the plural and vice versa. Words importing the masculine shall, where the context permits, include the feminine and vice versa.**

## ADMINISTRATION

### **Registered Office**

11-13 boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg

### **Board of Directors**

- **Robin Hoekjan**, Head of Fund Services, TMF Fund Management S.A.
- **Marco Cipolla**, Managing Director of TMF Fund Management S.A
- **Marco Lagona**, Head of Fund Services of Amicorp Luxembourg S.A.

### **AIFM**

TMF Fund Management S.A.  
46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### **Board of directors of the AIFM**

- **Marco Cipolla**, Managing Director of TMF Fund Management S.A.
- **Patrick De Graaf**, Chief Financial Officer, TMF Group
- **Franciscus Welman**, Head of International Markets, TMF Group
- **Marcus Peter**, Partner GSK Stockmann Luxembourg, Non-Executive Director

### **Investment Advisor (for the Quality & Value Fund sub-fund)**

QV26 Sagl, Via Cantonale 24, Rivera (Comune di Monteceneri) TI, Switzerland

### **Investment Advisor (for the Banca Profilo - Profilo East Germany Real Estate sub-fund)**

FRASTEMA Asset Management GmbH & Co. KG  
Am Mostpfehl 7g, 12529 Schönefeld, Germany

### **AIFM Investment Committee (for the Banca Profilo - Profilo East Germany Real Estate sub-fund)**

- **Andrea ARATA**, TMF Fund Management S.A.
- **Paolo Citelli**, Banca Profilo S.p.A.
- **Riccardo Lagorio Serra**, Banca Profilo S.p.A.
- **Massimiliano Raffuzzi**, Banca Profilo S.p.A.
- **Marco Bolandrina**, FRASTEMA Asset Management GmbH & Co. KG

### **Investment Manager (for the AlphaSTAR Equity Hedge sub-fund)**

Olympia Wealth Management Ltd.  
32 Ludgate Hill, London EC4M 7DR, United Kingdom

### **Depositary and Paying Agent**

Quintet Private Bank (Europe) S.A.  
43, boulevard Royal, L-2955 Luxembourg, Grand Duchy of Luxembourg

### **Administrative Agent, Registrar and Transfer Agent, Domiciliary Agent**

Amicorp Luxembourg S.A.  
11-13, boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg

### **Independent Valuer (for the Banca Profilo - Profilo East Germany Real Estate sub-fund)**

Duff & Phelps REAG GmbH  
Mainzer Landstrasse 36, 60325 Frankfurt am Main, Germany

### **Auditor**

Mazars Luxembourg S.A.  
5 Guillaume J. Kroll, 1882 Luxembourg, Grand Duchy of Luxembourg

### **Distributor (for the Banca Profilo - Profilo East Germany Real Estate sub-fund)**

Banca Profilo S.p.A.  
Via Cerva 28, Milano, Italy

## THE COMPANY

### 1.1 STRUCTURE

The Company is an investment company with variable capital organised as a *société anonyme* with multiple Sub-Funds under the laws of the Grand Duchy of Luxembourg. The Company is a specialised investment fund registered in the Grand Duchy of Luxembourg pursuant to the SIF Law and an externally managed alternative investment fund within the meaning of the AIFM Law. The Company may operate separate Sub-Funds, each of which is represented by one or more Classes of Shares. The Sub-Funds are distinguished by their specific investment policy or any other specific features.

The Company constitutes a single legal entity, but the assets of each Sub-Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Sub-Fund and the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The Shares may be listed on the Luxembourg Stock Exchange. The Board of Directors may decide to make an application to list such Shares on any other recognised stock exchange. The Shares are currently not listed.

The Board of Directors may at any time resolve to set up new Sub-Funds and/or create within each Sub-Fund one or more Classes of Shares. The Board of Directors may also at any time resolve to close a Sub-Fund, or one or more Classes of Shares within a Sub-Fund to further subscriptions or to liquidate such Fund or Classes of Shares.

### 1.2 INVESTMENT OBJECTIVES AND POLICIES

The exclusive objective of the Company is to place the funds available to it in assets of any kind with the purpose of affording its Shareholders the results of the management of its portfolios, in accordance with the SIF Law, CSSF circulars and any other regulations in force in Luxembourg.

The specific investment objective and policy of each Sub-Fund is described in the Sub-Fund Particulars.

### 1.3 INVESTMENT RESTRICTIONS

The Company is subject to and will conduct its investment operations in compliance with the following investment restrictions. Subject to the approval of the Board of Directors and other regulatory approvals or requirements, the investment policy of any Sub-Fund may be subject to different investment restrictions than those provided below, in which case such different restrictions are disclosed in the Sub-Fund Particulars.

- 1.3.1 No Sub-Fund may invest more than 30% of its assets in securities of the same kind issued by the same issuing body;
- 1.3.2 Short sales may not have as a consequence that a Sub-Fund holds a short position on securities of the same kind issued by the same issuing body representing more than 30% of its assets;
- 1.3.3 When making use of derivative instruments, a Sub-Fund must ensure a comparable risk diversification through an appropriate risk diversification of underlying assets;
- 1.3.4 The 30% limit of section 1.3.1 will not apply to securities issued or guaranteed by member states of the OECD or by one of its regional authorities or by global or regional institutions or public international bodies;
- 1.3.5 The 30% limit of section 1.3.1 will not apply to investments in other UCIs provided that such UCIs provide for at least a similar risk diversification as required by the SIF Law;
- 1.3.6 For the purpose of the application of the 30% limit of section 1.3.1, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments towards third parties is ensured.
- 1.3.7 Any Sub-Fund (the "Investing Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds (each, a "Target Fund") without the Company being subject to the requirements of the Law of 10<sup>th</sup> August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:
  - the Target Fund does not, in turn, invest in the Investing Fund invested in this Target Fund; and



- voting rights, if any, attaching to the Shares of the Target Fund are suspended for as long as they are held by the Investing Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these shares are held by the Investing Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the SIF Law.

In such case no subscription and/or management fees of the Target Fund shall be paid by the Shareholders of the Investing Fund.

1.3.8 Sub-Funds may acquire assets through Special Purpose Vehicles (“SPVs”) or through unlisted trading companies (together, the “Vehicles”), provided that such Vehicles respect the following conditions:

- The majority of shareholding of the Vehicle is held by the Sub-Fund;
- The majority of the board of the Vehicle is represented by members of the Board of Directors of the Company;
- The appointed auditors of the Vehicle are the same as the Auditor of the Company;
- A consolidated financial statement of assets and liabilities is prepared at the level of the Sub-Fund, OR the Vehicle will have the same financial year end as the Company.

#### **1.4 CLASSES OF SHARES**

The Board of Directors may decide to create within each Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but where a specific fee structure, currency of denomination or other specific feature may apply to each Class. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.

## SHARE DEALING

### 2.1 SUBSCRIPTION FOR SHARES

Shares may be issued on a direct subscription basis (i.e. delivery versus payment) and/or a Commitment and drawdown basis, as summarised below and specified in the relevant Sub-Fund Particulars.

In case of Commitment basis, as further specified in the relevant Sub-Fund Particulars a duly executed Subscription Agreement must be entered into between the Investor and the Company and/or the AIFM.

In relation to any uncalled Commitments, Capital Calls will be made pursuant to the terms of Call Notices issued by the AIFM, and Commitments of each Investor shall be called in proportion to the Commitments already paid in.

Where specified in the relevant Sub-Fund Particulars, the AIFM shall decide in its sole discretion the dates and frequency of such Capital Calls, the value date for the settlement of the Capital Call as well as the rules to be applied in order to enforce rights towards a Defaulting Shareholder pursuant to a Call Notice.

As per the Regulation (EU) N° 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 (the PRIIPS and the PRIIPS Regulation) and the CSSF Frequently Asked Questions dated 6 July 2017, the Company shall issue PRIIPS key information document to non-professional investors, as applicable and as detailed in each relevant Sub-Fund Particular. An investor pack containing e.g. a subscription form is available at the registered office of the Company.

Subscriptions of Shares in the Company shall respect any applicable laws and regulations as may be applicable to the Company and/or its Sub-Funds, including but not limited to Luxembourg laws and regulations, circulars, as well as any other rule of a relevant regulatory authority/ies within the territory(ies) where the Company or its Sub-Funds are offered and, especially, without limitation, all applicable laws or regulations governing the offering or distribution of shares of the Sub-Funds, in particular, without limitation, the Directive 2011/61/EU and the Directive 2014/65/UE, as applicable and supplemented and all other applicable laws, rules and regulations in force from time to time including, without limitation, in the jurisdiction where an Investor is domiciled or resides.

#### **Initial Offer Period**

Applications for subscription may be made during the Initial Offer Period specified for each Class in the Sub-Fund Particulars.

#### **Initial Issue Price**

During any Initial Offer Period, the issue price per Share of each Class is the price specified in the Sub-Fund Particulars plus any applicable subscription charge.

#### **Minimum Initial Subscription and Holding Amounts**

The Board of Directors will set and waive in its discretion a minimum initial subscription amount and a minimum ongoing holding amount per Class in each Sub-Fund for each registered Shareholder, to be specified in the Sub-Fund Particulars that cannot be lower than the amount provided by applicable laws and regulations for a Well-Informed Investor.

#### **Subsequent Subscriptions**

If the AIFM determines that it is in the interest of Shareholders of a Sub-Fund to accept subscriptions after the Initial Offer Period, applications for subscription may be made on or prior to any day that is a Valuation Day for the Sub-Fund or Class concerned (or on such other days as the Board of Directors may from time to time determine), subject to any prior notice requirements specified in the Sub-Fund Particulars. The Board of Directors may discontinue the issue of new Shares in any Sub-Fund or Class at any time in its discretion.

#### **Minimum Subsequent Subscription Amount**

The AIFM will set and waive in its absolute discretion a minimum subsequent subscription amount, to be specified in the Sub-Fund Particulars.

### **Prior Notice Requirements**

The AIFM may in its discretion refuse to accept any application for subscription received after the first day of any prior notice period specified for each Class in the Sub-Fund Particulars. Such applications will be dealt with as of the next Valuation Day.

### **Subscription Price per Share**

After any Initial Offer Period, the Subscription Price per Share of each Class is the Net Asset Value per Share of such Class determined as at the Valuation Day on which the application has been accepted, increased by any applicable subscription charge.

### **Subscriptions in kind**

The AIFM may decide to issue Shares against contribution in kind in accordance with Luxembourg law. In such case, the assets contributed shall, if required under applicable laws and regulations, be valued in a report issued by the Company's auditor. The costs relating to such report shall normally be borne by the relevant shareholder.

### **Subscription Charge**

Financial intermediaries and/or the AIFM and/or the Investment Manager and/or the Investment Advisor are entitled to the subscription charge, which can be partly or fully waived at the discretion of such intermediaries. The subscription charge attributed to each Class of Share is specified in the Sub-Fund Particulars.

### **Payment of Subscription Price**

The full purchase price of the Shares subscribed must be received in cleared funds by the Depositary or its agent in the reference currency of the Class concerned not later than the date specified in the Sub-Fund Particulars. Unless otherwise specified in the Sub-Fund Particulars, no interest will be paid on payments received prior to the closing date of any Initial Offer Period or prior to any Valuation Day.

### **Acceptance of Subscriptions**

The AIFM reserves the right to accept or refuse any application to subscribe Shares in whole or in part.

### **Suspension of Subscriptions**

The AIFM will suspend the issue of Shares of any Sub-Fund whenever the determination of the Net Asset Value of such Sub-Fund or Class is suspended.

### **Price Information**

The Net Asset Value per Share for a particular Valuation Day is available from the registered office of the Company before the following Valuation Day.

### **Types of Shares**

Shares will be issued in registered form. Registered Shares are in non-certificated form. Fractional entitlements to registered Shares will be rounded downwards to three decimal places. Fractions of Shares do not confer voting rights at any meeting of Shareholders but entitle the holder thereof to a correspondent amount in case of payment of dividend distribution or liquidation proceeds.

### **Anti-Money Laundering Procedures**

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of November 12, 2004 on the fight against money laundering and financing of terrorism, as amended) as well as circulars or regulations (i.e. CSSF Regulation N° 12-02 of 14 December 2012, as amended and supplemented) of the supervising authority, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Administrator may require subscribers to provide any document it deems necessary to effect such identification.

Subscribers are further informed that where the Shares are subscribed through an intermediary and/or nominee acting on the subscribers' behalf, the Administrator shall put in place enhanced customer due diligence measures, pursuant to the CSSF Regulation N° 12-02 of 14 December 2012, as amended and supplemented.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted. Neither the undertaking for collective investment nor the registrar agent have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

### **Well-Informed Investors**

The Company will not issue Shares to any investor who is not considered a Well-Informed Investor. The Company and/or the AIFM may, at its discretion, delay the acceptance of any subscription for Shares until such date as the Company has received sufficient evidence on the qualification of the relevant Investor as a Well-Informed Investor.

The application form requires each prospective applicant for Shares to represent and warrant to the Company that, among other things, he is a Well-Informed Investor and is able to acquire and hold Shares without violating applicable laws.

Shares may not be offered, issued or transferred to any person who is not a Well-Informed Investor or any person in circumstances which, in the opinion of the AIFM, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise incur or suffer, or would result in the Company being required to register under any applicable securities laws whether US or other.

The Company and/or the AIFM may require the compulsory redemption of Shares owned by investors in breach of the restrictions of this section.

## **2.2 REDEMPTION OF SHARES**

### **Redemption Procedure**

Subject to the restrictions provided in this Prospectus and the Sub-Fund Particulars, any Shareholder may apply for the redemption of some or all of his Shares or of a fixed amount. Shares will be redeemed at the Net Asset Value per Share determined as at the Valuation Day on which the redemption application has been accepted. If the value of a Shareholder's holding on the relevant Valuation Day is less than the fixed amount which the Shareholder has applied to redeem, the Shareholder will be deemed to have requested the redemption of all of his Shares.

### **Prior Notice Requirements**

The AIFM may at its sole discretion refuse to accept any application for redemption received after the first day of any prior notice period specified in the Sub-Fund Particulars. Such applications will be dealt with as of the next Valuation Day.

### **Minimum Holding Amount**

If as a result of a redemption, the value of a Shareholder's holding would become less than the minimum holding amount specified for each Class in the Sub-Fund Particulars, the AIFM may decide that the redeeming Shareholder shall be deemed to have requested the conversion of the rest of his Shares into Shares of the Class of the same Sub-Fund with a lower minimum holding amount (subject to the fulfilment of any requirements imposed on such Class) and, if the redeeming Shareholder was holding Shares of the Class with the lowest minimum holding amount, the AIFM may decide that the redeeming Shareholder shall be deemed to have requested the redemption of all of his Shares. The AIFM may also at any time decide to compulsorily redeem all Shares from any Shareholder whose holding is less than the minimum holding amount specified for each Class in the Sub-Fund Particulars. Before any such compulsory redemption or conversion, each Shareholder concerned will receive one month's prior notice to increase his holding above the applicable minimum holding amount at the applicable Net Asset Value per Share.

### **Redemption Charge**

In each Class of each Sub-Fund, a redemption charge may be charged or waived in whole or in part, as specified in the Sub-Fund Particulars.

### **Redemption Price per Share**

The Redemption Price per Share of each Class is the Net Asset Value per Share of such Class determined as at the Valuation Day on which the redemption application has been accepted, reduced by any applicable redemption charge.

## **Payment of Redemption Proceeds**

Redemption proceeds, net of any applicable redemption charge, are paid in the reference currency of the relevant Sub-Fund or Class by or on behalf of the Depositary on the date specified in the Sub-Fund Particulars.

## **Redemptions in kind**

In exceptional circumstances the AIFM may request in accordance with the provisions of the Articles, that a Shareholder accepts 'redemption in kind' i.e. receives a portfolio of assets from the relevant Class of equivalent value to the appropriate cash redemption payment. In such circumstances the Shareholder must specifically accept the redemption in kind. He may always request a cash redemption payment in the reference currency of the Class. Where the Shareholder agrees to accept redemption in kind he will, as far as possible, receive a representative selection of the Class' holdings pro rata to the number of Shares redeemed and the AIFM will make sure that the remaining Shareholders do not suffer any loss therefrom. The value of the redemption in kind will be valued in accordance with the requirements of Luxembourg law, the costs of which will be borne by the Shareholder except if otherwise decided by the AIFM at its entire discretion.

## **Compulsory Redemption of Shares**

If the AIFM becomes aware that a Shareholder of record is holding Shares for the account of a person who does not meet the Shareholder eligibility requirements specified in this Prospectus, or is holding Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Company or a majority of its Shareholders, or otherwise be detrimental to the interests of the Company, the AIFM may compulsorily redeem such Shares in accordance with the provisions of the Articles. Shareholders are required to notify the Company and the Administrator immediately if they cease to meet the Shareholder eligibility requirements specified in "Subscription for Shares" above or in the Sub-Fund Particulars, or hold Shares for the account or benefit of any person who does not or has ceased to meet such requirements, or hold Shares in breach of any law or regulation or otherwise in circumstances having, or which may either have adverse regulatory, tax or fiscal consequences for the Company or be detrimental to the interests of the Company.

If the AIFM becomes aware that a Shareholder has failed to provide any information or declaration required by the AIFM within ten days of being requested to do so, the AIFM may compulsorily redeem the relevant Shares in accordance with the provisions of the Articles.

## **Large Redemptions**

If applications for the redemption of a number of Shares more than 10 per cent of the total net assets of any Sub-Fund are received in respect of any Valuation Day, the AIFM may decide to defer redemption requests on a pro rata basis so that the 10 per cent limit is not exceeded. Under these circumstances, the balance of redemptions may be deferred to a next following Valuation Day, as the AIFM may decide. Any redemption requests in respect of the relevant Valuation Day so reduced will be given priority over subsequent redemption requests received for the succeeding Valuation Day, subject always to the 10 per cent limit.

## **Suspension of Redemptions**

Redemption of Shares of any Sub-Fund or Class will be suspended whenever the determination of the Net Asset Value of such Sub-Fund or Class is suspended.

## **Irrevocability of Redemption Requests**

In normal circumstances, except in the event of a suspension of the determination of the Net Asset Value of the relevant Sub-Fund, applications for redemptions of Shares are irrevocable and may not be withdrawn by any Shareholder. In the event of such a suspension, the Shareholders of the relevant Sub-Fund, who have made an application for redemption of their Shares, may give written notice to the Company before the end of such suspension that they wish to withdraw their application for redemption. Notwithstanding the foregoing, the AIFM may at its discretion, taking due account of the principle of equal treatment between Shareholders and the interest of the relevant Sub-Fund, decide to accept any withdrawal of an application for redemption. After the end of such period of suspension, the Company will process the redemption requests that have not been withdrawn on the first applicable Valuation Day following the end of the period of suspension.

## **2.3 CONVERSION OF SHARES**

Conversions between Sub-Funds will only be accepted if specifically mentioned in the Sub-Fund Particulars. The provisions contained in this section 2.3 shall therefore only apply subject thereto.

No conversion of Shares into Shares of another existing Class within the same or a different Sub-Fund may be made at any time when issues and redemptions of Shares in either or both of the relevant Classes are suspended.

### **Irrevocability of Conversion Requests**

Any request for conversions shall be irrevocable and may not be withdrawn by any Shareholder in any circumstances, except in the event of a suspension of the determination of the Net Asset Value of the relevant Sub-Fund or Class. In such case, the Shareholders having requested conversion of shares may give written notice to the Company before the end of such suspension that they wish to withdraw their application. In the event of a suspension, the Company will process the conversion requests that have not been withdrawn on the first applicable Valuation Day following the end of the period of suspension.

### **Conditions**

Acceptance of any application for conversion is contingent upon the satisfaction of any conditions (including any minimum subscription and prior notice requirements) applicable to the Class into which the conversion is to be effected. If as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than any minimum holding amount specified in the Sub-Fund Particulars, the AIFM may decide not to accept the conversion request. If as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the minimum subscription amount specified for each Class in the Sub-Fund Particulars, the AIFM may decide that such Shareholder shall be deemed to have requested the conversion of all of his Shares.

### **Prior Notice Requirements**

Unless specifically otherwise provided, the prior notice requirements for redemptions as specified for a given Sub-Fund in the Sub-Fund Particulars shall be applicable to conversion requests.

### **Conversion Value**

The number of full and fractional Shares issued upon conversion is determined on the basis of the Net Asset Value per Share of each Class concerned on the common Valuation Day on which the conversion request is affected. If there is no common Valuation Day for any two Classes, the conversion is made on the basis of the Net Asset Value calculated on the next following Valuation Day of the Class to be converted and on the following Valuation Day of the Class into which conversion is requested, or on such other days as the AIFM may reasonably determine.

### **Compulsory Conversions**

If the Shareholder of a given Class accumulates a number of Shares of that Class with an aggregate Net Asset Value equal to or in excess of the minimum subscription amount of a parallel Class within the same Sub-Fund and such parallel Class is subject to a lower fee structure, the AIFM may in its discretion convert the Shareholder's Shares into Shares of the parallel Class with such lower fee structure. A "parallel class" within a Sub-Fund is a Class that is identical in all material respects (including investment objective and policy) save for the minimum subscription amount and fee structure applicable to it.

### **Conversion Fee**

To cover any transaction costs which may arise from the conversion, the AIFM may charge, for the benefit of the original Class, a conversion fee of up to the amount of the Redemption Charge applicable to the Shares to be converted.

In addition, the subscription charge of the Class or Sub-Fund in which the conversion is effected may be levied as if the investor were subscribing in that Class or Sub-Fund.

## **2.4 CALCULATION OF NET ASSET VALUE**

### **Calculation of the Net Asset Value per Share**

- (A) The Net Asset Value per Share of each Class will be calculated as of each Valuation Day as specified in the Sub-Fund Particulars in the currency of the relevant Class and at least once a year. It will be calculated by dividing the net asset value attributable to each Class, being the proportionate value of its assets less its liabilities, by the number of Shares of such Class then in issue. The resulting sum shall be rounded downwards to the nearest two decimal places.

- (B) The AIFM reserves the right to allow the Net Asset Value per Share of each Class to be calculated more frequently than specified in the Sub-Fund Particulars, or to otherwise alter dealing arrangements on a permanent or a temporary basis, for example, where the AIFM considers that a material change to the market value of the investments in one or more Sub-Funds so demands. The Prospectus will be amended, following any such permanent alteration, and Shareholders will be informed accordingly.
- (C) In valuing assets held by a Class, the following rules will apply at each Valuation Date on the basis of the fair value:
- (1) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be 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 shall be arrived at after making such discount as the AIFM may consider appropriate in such case to reflect the true value thereof.
  - (2) The value of any securities, money market instruments and derivative instruments will be determined on the basis of the last available price on the stock exchange or any other Regulated Market as aforesaid on which these securities, money market instruments or derivative instruments are traded or admitted for trading unless otherwise mentioned in the Sub-Fund Particulars. Where such securities, money market instruments or derivative instruments are quoted or dealt in one or by more than one stock exchange or any other Regulated Market, the AIFM shall make regulations for the order of priority in which stock exchanges or other Regulated Markets shall be used for the provision of prices of securities, money market or derivative instruments.
  - (3) Securities, money market instruments, derivative instruments or any other assets which are not traded or admitted on any official stock exchange or any Regulated Market will be valued at the last reported "bid" price (in case of a security or asset held long) and the last reported "asked" price (in the case of a security sold short) on the relevant Valuation Date or, if no such prices were quoted on such date, on the most immediate prior date on which such prices were quoted.
  - (4) Swaps contracts will be valued at the market value fixed in good faith by the AIFM and according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts will be valued by reference to the market value of the underlying assets. Cash flow-based swap contracts will be valued by reference to the net present value of the underlying future cash flows.
  - (5) Each share or unit in an open-ended investment fund will be valued at the last available net asset value (or bid price for dual priced investment funds) whether estimated or final, which is computed for such unit or shares on the same Valuation Day, failing which, it shall be the last net asset value (or bid price for dual priced investment funds) computed prior to the Valuation Day on which the Net Asset Value of the Shares in the Company is determined. In respect of shares or units of an investment fund held by the Company, for which issues and redemptions are restricted and a secondary market trading is effected between dealers who, as main market makers, offer prices in response to market conditions, the AIFM may decide to value such shares or units in line with the prices so established. If, since the day on which the latest net asset value was calculated, events have occurred which may have resulted in a material change of the net asset value of shares or units in other investment funds held by the Company, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the AIFM, such change of value. Investment funds held by the Company shall have an audited annual report.
  - (6) Trade and export finance transactions are valued at their nominal value or at net present value as appropriate plus accrued interest, if any, until such transactions are realised/unwound. However, if such value is not representative of fair market value, the value will be determined prudently and in good faith by the AIFM, based, *inter alia*, on recommendations of the Investment Manager, if any.
  - (7) The value of any security which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price.
  - (8) The value of any private equity investment, including investments in early stage ventures, management buyouts, management buyins, infrastructure, mezzanine debt and similar transactions and growth or development capital, shall be determined in compliance with the International Private Equity and Venture Capital (IPEV) valuation guidelines.
  - (9) If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the AIFM may fix different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.
  - (10) Any assets or liabilities in currencies other than the reference currency of the Sub-Funds will be converted using the relevant spot rate quoted by a bank or other responsible financial institution.

- (11) In circumstances where the interests of the Company or its Shareholders so justify (avoidance of market timing practices, for example), the AIFM may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets, as further described below under 2.6 "Market Timing and Frequent Trading Policy".
  - (12) Any Sub-Fund investing in UCIs will determine its Net Asset Value primarily on the basis of the value of its interests in such UCI, as reported or provided by such UCI, their respective administrators, sub-managers, market-makers, or other sources believed to be reliable. The calculation of the Net Asset Value may be based upon an estimate of the net asset value of one or more UCIs as calculated by the relevant UCI(s) or their agents. The Company and its AIFM, acting upon the recommendations provided by the Investment Manager (if any), and/or any other duly appointed Agent and under the supervision of the AIFM, will make all reasonable efforts to correctly assess the value of all portfolio securities based on the information made available to them, and such valuations will be binding upon the Company and its Shareholders in the absence of manifest error. Neither the Company, nor its AIFM nor the Investment Manager have any control over the valuation methods and accounting rules adopted by the UCIs in which a Sub-Fund may invest and no assurance can be given that such methods and rules will at all times allow the Company to correctly assess the value of its assets and investments. If the value of a Sub-Fund's assets is adjusted after any Valuation Day (as a consequence, for instance, of any adjustment made by a UCI to the value of its own assets), the AIFM will not be required to revise or recalculate the Net Asset Value on the basis of which subscriptions, redemptions or conversions of Shares of that Sub-Fund may have been previously accepted. In any Sub-Fund, the AIFM may determine to establish reserves which may be caused by revaluation of assets and make provisions for contingencies.
- (D) The liabilities of the Company shall be deemed to include:
- (1) all borrowings, bills and other amounts due (including accrued interest on borrowings);
  - (2) all administrative and other operating expenses due or accrued including all fees payable to the Depositary and any other representatives and agents of the Company, including but not limited to any appointed alternative investment fund manager and/or investment manager;
  - (3) all known liabilities due or not yet due, including the amount of dividends declared but unpaid;
  - (4) an appropriate amount set aside for taxes due on the date of valuation and other provisions or reserves authorised and approved by the AIFM covering among others liquidation expenses; and
  - (5) all other liabilities of the Company of whatsoever kind and nature except liabilities represented by shares in the Company. In determining the amount of such liabilities, the AIFM shall take into account all expenses payable by the Company which shall comprise formation expenses, all operating expenses, including, but not limited to, administrative expenses (including the fees and expenses of any administrator), printing expenses, the costs of any documents made available to shareholders, legal expenses, expenses associated with its investment program (including, without limitation, consulting and other professional fees relating to particular investments or contemplated investments, brokerage or other transaction costs, and clearing and settlement charges), insurance expenses, including costs of any liability insurance obtained on behalf of any Sub-Fund, internal and external accounting, audit and tax preparation expenses, registration with regulatory authorities, licensing (including certain research databases and software and certain administrative software), research-related expenses (including market data and quotation services), governmental filing fees, directors' fees and expenses, mailing costs for investor reports, interest, taxes, costs associated with any litigation or investigation involving any Sub-Fund's activities, indemnification expenses, any interest expense on any Sub-Fund borrowings (including, without limitation, borrowings of securities and borrowings to satisfy requests for redemptions by shareholders), portfolio management and risk management fees, any extraordinary expenses, and costs and other expenses associated with the operation of any Sub-Fund.
  - (6) for the purposes of the valuation of its liabilities, the AIFM may take into account all administrative and other expenses of a regular or periodical character by valuing them for the entire year or any other period and by dividing the amount concerned proportionately for the relevant fractions of such period.
  - (7) if any asset or liability of the Company cannot be considered as being attributable to a particular Sub-Fund or Class, such asset or liability will be allocated to all the Sub-Funds or Classes pro rata to their respective Net Asset Values, or in such other manner as the AIFM, acting in good faith, may decide.

## **2.5 SUSPENSIONS OR DEFERRALS**

- (A) The AIFM reserves the right to extend the period of payment of redemption proceeds to such period as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of the Company are invested or in exceptional circumstances



where the liquidity of the Company is not sufficient to meet the redemption requests. During such a period, a Shareholder may withdraw his request in respect of any Shares not redeemed or converted, by notice in writing received by the Company before the end of such period.

- (B) The AIFM may suspend or defer the calculation of the Net Asset Value of any Class in any Sub-Fund and the issue and redemption of any Class in such Sub-Fund, as well as the right to convert Shares of any Class in any Sub-Fund into Shares of the same Class of the same Sub-Fund or any other Sub-Fund:
- (a) during any period when any of the principal stock exchanges or any other Regulated Market on which any substantial portion of the Company's investments of the relevant Sub-Fund for the time being are quoted, is closed, or during which dealings are restricted or suspended; or
  - (b) during any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the AIFM, or the existence of any state of affairs which constitutes an emergency in the opinion of the AIFM, disposal or valuation of the assets held by a Sub-Fund is not reasonably practicable without this being seriously detrimental to the interests of shareholders, or if in the opinion of the AIFM the issue and, if applicable, redemption prices cannot fairly be calculated; or
  - (c) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of a Sub-Fund or the current prices or values on any stock exchanges or other markets in respect of the assets attributable to such Sub-Fund; or
  - (d) during any period when a Sub-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 realisation or acquisition of investments or payments due on redemption of shares of such Sub-Fund cannot, in the opinion of the AIFM, be effected at normal rates of exchange; or
  - (e) during any period when in the opinion of the AIFM there exist unusual circumstances where it would be impracticable or unfair towards the shareholders to continue dealing with shares of a Sub-Fund or any other circumstance or circumstances where a failure to do so might result in the shareholders of the Company, a Sub-Fund or a Class incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the shareholders of the Company, a Sub-Fund or a Class might not otherwise have suffered; or
  - (f) if the Company, a Sub-Fund or a Class is being or may be wound-up, on or following the date on which the decision to wind up one or more Sub-Funds or Classes is taken by the AIFM or notice is given to Shareholders of a general meeting of shareholders at which a resolution to wind-up the Company, a Sub-Fund or a Class is to be proposed; or
  - (g) in the case of a merger of the Company or a Sub-Fund, if the AIFM deems this to be necessary and in the best interest of shareholders; or
  - (h) in the case of a suspension of the calculation of the net asset value of one or several funds in which the Company has invested a substantial portion of assets.
- (C) The suspension of the calculation of the Net Asset Value of any Sub-Fund or Class shall not affect the valuation of other Sub-Funds or Classes, unless these Sub-Funds or Classes are also affected.

Shareholders and applicants for Shares will be informed of any suspension or deferral as appropriate.

## **2.6 MARKET TIMING AND FREQUENT TRADING POLICY**

The AIFM does not knowingly allow investments which are associated with market timing or frequent trading practices, as such practices may adversely affect the interests of all Shareholders.

For the purposes of this section, market timing is held to mean subscriptions into, conversions between or redemptions from the various Classes of Shares (whether such acts are performed singly or severally at any time by one or several persons) that seek or could reasonably be considered to appear to seek profits through arbitrage or market timing opportunities. Frequent trading is held to mean subscriptions into, conversions between or redemptions from the various Classes of Shares (whether such acts are performed singly or severally at any time by one or several persons) that by virtue of their frequency or size cause any Company's operational expenses to increase to an extent that could reasonably be considered detrimental to the interests of the Company's other Shareholders.

## **2.7. RIGHT OF REDEMPTION IN CASE OF MATERIAL CHANGES**

Any amendments, qualifying as "material changes" as such term is defined in Circular 14/591 of the CSSF dated 22 July 2014, to the investment policy set out in this Offering Memorandum or any amendments that reduce the rights given to Shareholders or impose burdens upon them, may only come into force one month after the intended amendments have been announced to the Shareholders [via registered mail]. During this period, Shareholders must be able to redeem their Shares free of charge under the usual conditions. Amendments that improve the rights of Shareholders can be implemented immediately.

## GENERAL INFORMATION

### 3.1 ADMINISTRATION DETAILS, CHARGES AND EXPENSES

#### AIFM

The Board of Directors has appointed TMF Fund Management S.A. as AIFM of the Company under the AIFM Law.

The AIFM is responsible for the investment management and the risk management of the Company, as well as other investment management related functions, as described in the relevant AIFM Agreement. The AIFM may delegate its functions to third parties, totally or partially. Subject to its overall responsibility, control, and supervision, the AIFM may in particular appoint Investment Advisor(s) to provide day-to-day investment recommendations for decisions, for instance, relating to the asset allocation between the permitted investment instruments regarding the Sub-Funds' transactions. The Board of Directors or the AIFM is not obliged to follow these recommendations.

The AIFM was established on 16 July 2013 for an indefinite period, and it has a paid-up capital of EUR 430,500.00 (four hundred thirty thousand and five hundred Euro). It is registered under number B179345 in the Luxembourg commercial and companies' register.

TMF Fund Management S.A. is authorized under Chapter 15 of the Luxembourg law of 17 December 2010 as AIFM and under Chapter 2 of the Luxembourg law of 12 July 2013 as AIFM, subject to the supervision of the *Commission de Surveillance du Secteur Financier* (the "CSSF"), the Luxembourg supervisory authority.

The AIFM is entitled to receive remuneration in accordance with the Sub-Funds' Particulars of the present Prospectus, as part of the Management Fee of each Sub-Fund. The AIFM may appoint from time-to-time external consultants for the purpose of providing strategic insight or recommendations to the AIFM in the context of the management, administration and/or marketing or commercialisation of the Company (including, e.g., in the context of the valuation of the Company's assets). For the avoidance of doubt, no such consultant will have any power to act on behalf of the Company or to otherwise take any investment decision for the Company.

The AIFM may establish an investment committee (the "AIFM Investment Committee") to take investment/divestment decisions in relation to the assets of a sub-fund. The members of the AIFM Investment Committee are appointed by the AIFM. Moreover, at least one member of the Committee and in all cases the Chairman, having a veto right, is an employee or an officer (generally the conducting person in charge of the portfolio management function) of the AIFM. The AIFM Investment Committee is subject to the supervision of the board of directors of the AIFM and will also report to the management body of the Fund.

Decisions of the AIFM Investment Committee are taken by a simple majority, subject to the Chairman voting in favour of the relevant decision.

The AIFM has additional own funds which are appropriate to cover potential liability risks arising from professional negligence.

#### Investment Manager

The AIFM may from time to time delegate the day-to-day management functions of one or more Sub-Funds to an investment manager, as indicated in the Sub-Funds' Particulars.

The Investment Manager is entitled to receive remuneration in accordance with the Sub-Funds' Particulars.

#### Investment Advisor

The AIFM may appoint one or more Investment Advisor(s) to provide investment advices without discretionary management powers over the investments of the Fund.

The Investment Advisor, subject to the AIFM's prior written approval, is authorised to subcontract or delegate, at its own expenses, to third parties the execution of all or part of its duties on condition that the delegated party (if any) shall remain responsible for any duties which have been delegated.

The Investment Advisor receive a compensation from the Sub-Fund as specified in the relevant Sub-Fund Particulars.

The AIFM has appointed QV26 Sagl to act as Investment Advisor of the Sub-Fund Quality & Value Fund.

QV26 Sagl was established on 17 November 2014 and it is registered under number CHE-409.340.993 in the Swiss commercial and companies' register.

QV26 Sagl will act as Investment Advisor to the AIFM, which will be the sole entity responsible for the management of the Sub-Fund Quality and Value Fund.

The AIFM has appointed FRASTEMA Asset Management GmbH & Co. KG to act as Investment Advisor of the Sub-Fund Banca Profilo - Profilo East Germany Real Estate.

FRASTEMA Asset Management GmbH & Co. KG was established on November 2016 and it is registered under number HRA 3284 CB in the German commercial and companies' register.

FRASTEMA Asset Management GmbH & Co. KG shall act as Investment Advisor to the AIFM, which will be the sole entity responsible for the management of the Sub-Fund Banca Profilo - Profilo East Germany Real Estate. FRASTEMA Asset Management GmbH & Co. KG may appoint external service suppliers, which will support the Investment Advisor in the performance of its advisory services.

### **Administrator**

Amicorp Luxembourg S.A. is the appointed administrative agent, registrar and transfer agent and domiciliary agent of the Company. As central administrative agent and registrar and transfer agent, Amicorp Luxembourg S.A. will be responsible *inter alia* for the calculation of the Net Asset Value per Share, the issue and redemption of Shares as well as for monitoring the compliance of each investor with the criteria for Well-Informed Investor as set out in section 2.1 of the Prospectus.

The Administrator will determine the Net Asset Value per Share subject to the overall supervision of the AIFM.

The Administrator will have no decision-making discretion relating to the Company's investments. The Administrator is a service provider to the Company and the AIFM and is not responsible for the preparation of the Prospectus and therefore accepts no responsibility for the accuracy of any information contained in the Prospectus.

The Administrator will receive from the Company such fees and commissions as are in accordance with usual practice in Luxembourg. They will be composed of a fee calculated as an annual budget and of transaction-based commissions.

The amounts paid to the Administrator will be shown in the Company's financial statements.

### **Depository and Paying Agent**

The Company has appointed Quintet Private Bank (Europe) S.A. as Depository and Paying Agent. The Depository carries out its duties and assumes the responsibilities resulting from the SIF Law, the AIFM Law as well as from the Depository Agreement and the Paying Agent Agreement which contains specific provisions regarding the duties and liability of the Depository. Pursuant to the SIF Law, the AIFM Law and the Depository Agreement, the Depository is responsible for the safekeeping of the assets to the extent such assets are entrusted and effectively held by the Depository as well as for the day-to-day administration of such assets. The entrusted assets will be held either directly or through correspondents, nominees, agents or delegates of the Depository.

All cash, securities and other assets constituting the assets of the Company shall be held under the control of the Depository on behalf of the Company and its Shareholders. The Depository shall perform its functions and assume its responsibilities in accordance with the SIF Law.

The Depository will have no decision-making discretion relating to the Company's investments. The Depository is a service provider to the Company and is not responsible for the preparation of the Prospectus and therefore accepts no responsibility for the accuracy of any information contained in the Prospectus.

The Depository will receive from the Company 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 Sub-Fund's net assets and of transaction-based commissions.

Fiduciary fees, custody safekeeping and transaction fees, may be subject to review by the Depository and the Company from time to time. In addition, the Depository is entitled to any reasonable expenses properly incurred in carrying out its duties. The amounts paid to the Depository will be shown in the Company's financial statements.

## Distributors

The Company and/or AIFM may appoint from time to time one or more suitable persons as distributor (each, a Distributor). The role of any such Distributor is to market and promote the Company's Shares in each Sub-fund. Distributors may conclude contractual arrangements with dealers as its agents for the distribution of Shares.

The Distributor or any of their agents may be involved in the collection of subscription, conversion and redemption orders on behalf of the Company and any of the Sub-funds and may, in that case, provide a nominee service for investors purchasing Shares through it. Investors may elect to make use of such nominee service pursuant to which the nominee will hold the Shares in its name for and on behalf of the investors who shall be entitled at any time to claim direct title to the Shares and who, in order to empower the nominee to vote at any general meeting of Shareholders, shall provide the nominee with specific or general voting instructions to that effect.

Nominee must be professionals of the financial sector, domiciled in countries in which financial intermediaries are subject to obligations of identification similar to those set out by the Luxembourg law.

Pursuant to the provisions set forth in FATCA, nominee must be a participating FFI, registered deemed compliant FFI, non-registering local bank or restricted distributor in accordance with the definition set out by FATCA.

Nominee are subject to contractual arrangements which includes among others an explicit obligation to comply with the Prospectus of the Company and the obligation to notify the Company within 90 days in case of change of its Chapter 4 status / FATCA Regulations in accordance with the definition set out by FATCA.

## Auditors

The Company has appointed Mazars Luxembourg S.A. to act as auditor of the Company.

## Other Charges and Expenses

The Company will pay all charges and expenses incurred in the operation of the Company including, without limitation, taxes, expenses for legal and auditing services, brokerage, investment, risk and compliance management software service, governmental duties and charges, settlement costs and bank charges, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the Shares of the Company may be marketed in different countries; expenses incurred in the issue and redemption of Shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of Share prices (including costs of any agent appointed to assist in the valuation of assets) and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing proxies, statements, Share certificates or confirmations of transactions, Shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation.

The Company shall bear its incorporation expenses, including the costs of drawing up and printing the Prospectus, notary public fees, the filing costs with administrative and stock exchange authorities and any other costs pertaining to the setting up and launching of the Company.

These expenses will be amortised on a straight-line basis over 5 years from the date on which the Company commenced business. The Company and/or the AIFM may, in its absolute discretion, shorten the period over which such costs and expenses are amortised.

The expenses incurred by the Company in relation to the launch of additional Sub-Funds may be borne by, and payable out of the assets of, those Sub-Funds and will be amortised on a straight-line basis over 5 years from the launch date.

## 3.2 COMPANY INFORMATION

The Company was incorporated on March 12<sup>th</sup> 2015. The Company is an umbrella investment company with variable capital (SICAV) organised as a *société anonyme* and qualifies as a *Société d'Investissement à Capital Variable – Fonds d'Investissement Spécialisé* under the SIF Law. The Company has been established for an unlimited duration. The Company is registered under Number B195406 with the *Registre de Commerce et des Sociétés*, where the Articles of the Company have been filed and are available for inspection. The Articles were published in the *Mémorial* on March 25<sup>th</sup> 2015.

The minimum capital of the Company required by Luxembourg law is EUR 1.250.000 which must be reached within 12 months of its launch. The share capital of the Company is represented by fully paid Shares of no-par value and is at any time equal to its Net Asset Value. Should the capital of the Company fall below two thirds of the minimum capital, an extraordinary general meeting of Shareholders must be convened to consider the dissolution of the Company. Any decision to liquidate the Company must then be taken by a majority of the Shares present or represented at the meeting. Where the share capital falls below one quarter of the minimum capital, the Board of Directors must convene an extraordinary general meeting of Shareholders to decide upon the liquidation

of the Company. At that Meeting, the decision to liquidate the Company may be taken by Shareholders holding together one quarter of the Shares present or represented.

The reference currency of the Company is the EUR.

### **Documents and information under article 21 AIFM Law**

The AIFM shall make available, free of charge and upon request, the documents and information under article 21 AIFM Law, SFDR and SFTR.

### **3.3 DIVIDEND POLICY**

Unless otherwise stated in the Sub-Fund Particulars, the AIFM may decide, in any given accounting year, to propose to the Shareholders of any Sub-Fund or Class the payment of a dividend out of all or part of that Sub-Fund's or Class's net income, capital gains or capital.

Distributions are restricted by law in that they may not reduce the net assets of the Company below the required minimum capital imposed by Luxembourg law.

Interim dividends may be distributed as the AIFM may determine in compliance with applicable laws.

### **3.4 ANTI-MONEY LAUNDERING AND TERRORIST FINANCING REQUIREMENTS**

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, the "AML Law", the law of 27 October 2010, enhancing the anti-money laundering and counter terrorist financing legal framework, the Grand-Duchy Regulation dated 1 February 2010 providing details on certain provisions of the AML Law, law of 13 February 2018 amending among others the AML Law, the law of 13 January 2019 creating a register of beneficial owners, and the regulation and circulars of the CSSF on the matter, and notably CSSF Regulation 12-02), obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must ascertain the identity of the Investors, and the investment manager of a Luxembourg undertaking for collective investment must perform, on a risk based approach, anti-money laundering and financing of terrorism controls on the investments of the latter.

Accordingly, the Administrator has the obligation to require, pursuant to its risks-based approach, Investors to provide proof of identity. In any case, the Administrator reserves the right to request, at any time, additional documentation to comply with applicable legal and regulatory requirements. Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons.

In case of delay or failure by an Investor to provide the documents required, the application for subscription may not be accepted and in case of redemption request, the payment of the redemption proceeds and/or dividends may not be processed. Neither the Company nor the Administrator have any liability for delays or failure to process deals as a result of the Investor providing no or only incomplete documentation. Investors may be requested, pursuant to the Administrator's risk-based approach, to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

### **3.5 TAXATION IN LUXEMBOURG**

The following summary is based on the law and practice currently in force in the Grand Duchy of Luxembourg. It is subject to future changes.

#### **Taxation of the Company**

The Company is not subject to any taxes in Luxembourg on income or capital gains. In addition, the only tax to which the Company is subject, is the "*taxe d'abonnement*" at a rate of 0.01% per annum based on the net asset value of each Sub-Fund at the end of the relevant quarter, calculated and paid quarterly. No stamp duty or other tax will be payable in Luxembourg on the issue of the Shares of the Company, except a fixed registration duty on capital of EUR 75 at the time of its incorporation and any subsequent amendment of the Articles.

Income and gains, if any, received or realized by the Company may be subject to taxation in the State of source. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the State of source.

## **Taxation of Shareholders**

Shareholders are not normally subject to any capital gains, income, withholding, gift, estate, inheritance or other taxes in Luxembourg except for Shareholders resident or having a permanent establishment in Luxembourg.

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

## **European Union Tax Considerations**

The Council of the European Union adopted, on 3 June 2003, Council Directive 2003/48/EC on the taxation of savings income (the "Directive"). Under this Directive, Member States of the European Union ("Member States") are required to provide tax authorities of another Member State with details of payments of interest or other similar income paid by a paying agent (as defined by the Directive) within its jurisdiction to an individual resident in that other member state, subject to the right of certain Member State (Austria and Luxembourg) to opt instead for a withholding tax system for a transitional period in relation to such payments. The applicable withholding tax is at a rate of 35%, unless the recipient has opted for the exchange of information disclosure procedure. Pursuant to current legislation, redemptions of Shares and distributions by the Company are not within the scope of the Directive. A proposal for amendments to the Directive has been published, including a number of suggested changes which, if implemented would broaden the scope of the Directive. If these amendments were adopted and assuming the paying agent is established in Luxembourg, a Luxembourg withholding tax of 35% would apply.

The Directive was implemented in Luxembourg by a law dated 21 June 2005.

## **Foreign Account Tax Compliance Act ("FATCA")**

The Hiring Incentives to Restore Employment Act (the "Hire Act"), known as FATCA generally impose a reporting to the US Internal Revenue Service of US persons direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

The basic terms of FATCA currently appear to include the Company as a "Financial Institution", such that in order to comply, the Company may require all Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above-mentioned legislation.

Despite anything else herein contained and as far as permitted by Luxembourg law, the Company shall have the right to:

- Withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the Company;
- Require any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Company in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- Divulge any such personal information to any tax or regulatory authority, as may be required by law or such authority.

Withhold the payment of any dividend or redemption proceeds to a Shareholder until the Company holds sufficient information to enable it to determine the correct amount to be withheld.

On 28 March 2014 Luxembourg entered into a Model I Intergovernmental Agreement with the United States. Under the terms of the Intergovernmental Agreement ("IGA"), the Company will be obliged to comply with the provisions of FATCA under the terms of the IGA and under the terms of Luxembourg legislation implementing the IGA (the "Luxembourg IGA Legislation"), rather than under the US Treasury Regulations implementing FATCA.

Under the Luxembourg IGA, the Company will be required to report to the Luxembourg tax authorities certain holdings by and payments made to (a) certain US investors, (b) certain US controlled foreign entity investors and (c) non-US financial institution investors that do not comply with the terms of the Luxembourg IGA Legislation. Under the Luxembourg IGA, such information will be onward reported by the Luxembourg tax authorities to the US Internal Revenue Service under the general information exchange provisions of the US-Luxembourg Income Tax Treaty. The first report to the Luxembourg tax authorities is anticipated to occur in 2015, in respect of 2013 and 2014. Additional intergovernmental agreements similar to the IGA have been entered into or are under discussion by other jurisdictions with the United States. Investors holding investments via distributors or custodians that are not in Luxembourg or another IGA country should check with such distributor or custodian as to the distributor's or custodian's intention to

comply with FATCA. Additional information may be required by the Company, custodians or Distributors from certain investors in order to comply with their obligations under FATCA or under applicable IGA.

FATCA rules being particularly complex and as well as the model IGA: rules governing their implementation for Luxembourg funds are still uncertain, the Company cannot at this time accurately assess the extent of the requirements that FATCA provisions will place upon it.

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the 30% withholding tax, no assurance can be currently given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of FATCA, the value of Shares held by all Shareholders may be materially affected.

The Company 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 Company satisfies with its own FATCA obligations.

The scope and application of FATCA Withholding and information reporting pursuant to the terms of FATCA and the IGAs is subject to review by the US, Luxembourg and other IGA governments, and the rules may change. Investors should contact their own tax advisers regarding the application of FATCA to their particular circumstances.

### **Common Reporting Standard (“CRS”)**

The OECD Common Reporting Standard (the “CRS”) builds upon other legislations such as FATCA aiming the sharing of information in taxation field and its aim is the mandatory automatic exchange of information in such field.

The CRS has been implemented in Luxembourg through Bill of Law no. 6858 on the Automatic Exchange of Information and the transposition into national law of the Council Directive 2014/107/UE of 9th December 2014 adopted by the Luxembourg Parliament on December 18th 2015 (the “CRS Law”) and it is the single global standard for the collection, reporting and exchange of financial account information on tax residents.

The CRS requires reporting on investment income, account balances, and sales proceeds from financial assets, whether held by individuals or entities (the “Financial Account Holders”). Financial institutions that must report under the CRS include banks, custodians, brokers, and certain collective investment vehicles and insurance companies (the “Financial Institutions”). Such Financial Institutions must identify the Financial Account Holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement (the “Foreign Financial Account Holders”). If this is the case, then Financial Institutions shall report the financial account information of the Foreign Financial Account Holders to the Luxembourg Tax Authority which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis (first reporting being operated by 30th September 2017).

In parallel, considering that in the framework of CRS Law, each CRS participating tax authority (the “Participating Authority”) will exchange the tax-related information with the Participating Authorities of their non tax-resident Financial Account Holders, Luxembourg will also receive financial account information on its own tax-residents from other Participating Authorities. This will help ensure that each participating country’s tax-residents with financial accounts in other countries are complying with such participating country’s tax law, consequently acting as a deterrent to tax evasion.

Luxembourg has committed to apply the automatic exchange as from 2017 for the period relating to 2016. Starting from 1st January 2016, all Luxembourgish entities qualifying as Financial Institutions under CRS shall collect, and report to Luxembourg Tax Authorities as from June 30th 2017 (for taxation period 2016), all the financial account information on non-Luxembourg tax-resident Financial Account Holders including, but not limited to, interests, dividends, other incomes, and proceeds from sales and redemptions.

Accordingly, the Company may require its investors to provide information in relation to the identity and tax residence of Financial Account Holders (including certain entities and their controlling persons), in order to determine their CRS status and report information regarding a shareholder and its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is considered a CRS reportable account under CRS Law. The Company shall communicate any information to the investor according to which (i) the Company is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will only be used for the purposes of CRS; (iii) the personal data may be communicated to the Luxembourg tax authorities; (iv) the response to CRS-related questions is mandatory and respectively the potential consequences in case of no response; and (v) the investor has, at any time, a right of access to and rectification of its personal data communicated to the Luxembourg tax authorities.

In addition, Luxembourg signed the OECD’s multilateral competent authority agreement (“Multilateral Agreement”) to automatically exchange information under CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

In accordance with the provisions of the CRS Law, the Fund qualifies itself, as of the date of this Prospectus, as a Luxembourg Financial Institution and therefore shall be governed by such aforesaid provisions, and any other provisions that shall be applicable

on the matter, in order to comply with the CRS legislation. The Company reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law. Shareholders should consult their professional advisors on the possible tax and other consequences with respect to the implementation of CRS.

### **3.6 Transparency of Securities Financing Transactions**

The 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 has entered into force in Luxembourg on 12<sup>th</sup> January 2016. The impact of this Regulation on the Company is detailed in each Sub-Fund particulars.

#### **General**

The foregoing is based on the AIFM<sup>1</sup> understanding of the law and practice in force at the date of this Prospectus and applies to Investors acquiring Shares in the Company as an investment. Investors should, however, consult their financial or other professional advisers on the possible tax or other consequences of buying, holding, transferring, converting, redeeming or otherwise dealing in the Company's Shares under the laws of their countries of citizenship, residence and domicile.

### **3.6 MEETINGS AND REPORTS**

#### **Meetings**

The Annual General Meeting of Shareholders of the Company is held in Luxembourg on the third Wednesday of May in each year at 11.00 a.m. or, if such day is not a Business Day in Luxembourg, on the next Business Day. The first such meeting shall take place in 2016. For all General Meetings of Shareholders notices are sent to Shareholders in accordance with Luxembourg law. Notices will be published in the *Mémorial* and in a Luxembourg newspaper (if legally required) and in such other newspapers as the Board of Directors may decide. Such notices will include the agenda and specify the place of the meeting. The requirements as to notice, quorum and voting at all General and Sub-Fund or Class Meetings are determined in accordance with Luxembourg law. Meetings of Shareholders of any given Sub-Fund or Class shall decide upon matters relating to that Sub-Fund or Class only.

If permitted and at the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of Shareholders may provide that the quorum and the majority at this general meeting shall be determined according to the Shares issued and outstanding at a certain date and time preceding the general meeting (the "Record Date"), whereas the right of a Shareholder to attend a general meeting of Shareholders and to exercise the voting rights attaching to his/its/her Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

#### **Reports**

The financial year of the Company shall begin on the first day of January of each year and shall terminate on the last day of December of the same year.

An audited annual report will be prepared in accordance with the Luxembourg GAAP (the Luxembourg accepted accounting principles) and made available to Shareholders in respect of each financial year. The accounts of the Company are in EUR.

Copies of the Company's latest annual report will be sent free of charge on request.

In accordance with the AIFM Law (to the extent not indicated in this Prospectus), the following information will also be made available to Investors by means of the disclosure in the Company's annual report:

- all relevant information regarding conflicts of interest in order to identify, prevent, manage and monitor the potential conflicts of interests which may be detrimental to the Investors' interests;
- the maximum amount of the fees that may be paid annually by the Company and its Sub-Funds;
- a description of the way the AIFM complies with the requirements set out in Article 8, paragraph 7 (professional liability insurance) of the AIFM Law and Article 24(2) (information on remunerations, commissions and other granted inducements of the Commission Delegated Regulation (EU) No 231/2013;
- if applicable, a description of any right to reuse collateral and granted guarantee;
- the historical performance of each Sub-Fund;
- the risk profile of each Sub-Fund;



- if applicable, details of any arrangements for the contract and discharge of the Depositary's liability. Should such an arrangement be entered into, affected Shareholders will be informed without undue delay;
- the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;
- any new arrangements for managing the liquidity of the Company;
- any changes to the risk profile of the Fund or the systems employed by the AIFM to manage such risks;
- any changes to the maximum level of leverage which the AIFM may employ on behalf of the Company as well as any right of the reuse of collateral or any guarantee granted under any leveraging arrangement; and
- the total amount of leverage employed by the Company.

In addition, the above-mentioned information will be available to Investors any time at the registered office of the Company.

### **3.7 DETAILS OF SHARES**

#### **Shareholder rights**

Subject to any holding restrictions applicable in relation to any specific class, the Shares issued by the Company are freely transferable to Well-Informed Investors and entitled to participate equally in the profits, and dividends of the Classes to which they relate, and in the net assets of such Class upon liquidation. The Shares carry no preferential and pre-emptive rights.

#### **Voting**

At General Meetings, each Shareholder has the right to one vote for each whole Share held.

A Shareholder of any particular Sub-Fund or Class will be entitled at any separate meeting of the Shareholders of that Sub-Fund or Class to one vote for each whole Share of that Sub-Fund or Class held.

In the case of a joint holding, only the first named Shareholder may vote.

#### **Transfers**

The transfer of registered Shares may be effected by delivery to the Registrar and Transfer Agent of a duly signed share transfer form. Any new investors in receipt of stock transfers need to comply with section 2.1 under "Subscription for Shares".

#### **Rights on a winding-up**

The Company has been established for an unlimited period. However, the Company may be liquidated at any time by a resolution adopted by an Extraordinary General Meeting of Shareholders, at which meeting one or several liquidators will be named and their powers defined. Such meetings must be convened if the value of the net assets of the Company falls below the respective levels of two thirds or one quarter of the minimum capital prescribed by Luxembourg law. At such meetings convened in such circumstances, decisions to dissolve the Company will be taken in accordance with the requirements of the SIF Law. Liquidation will be carried out in accordance with the provisions of Luxembourg law. The net proceeds of liquidation corresponding to each Sub-Fund shall be distributed by the liquidators to the Shareholders of the relevant Sub-Fund in proportion to the value of their holding of Shares.

If and when the net assets of all Classes in a Sub-Fund are less than EUR 5,000,000 or its equivalent, or if any economic or political situation would constitute a compelling reason therefore, or if required in the interest of the Shareholders of the relevant Sub-Fund, the Board of Directors may decide to redeem all the Shares of that Sub-Fund. In any such event Shareholders will be notified by redemption notice published in such newspapers determined by the Board of Directors in accordance with Luxembourg law at least one calendar month prior to compulsory redemption and will be paid the Net Asset Value of the Shares of the relevant Class held as at the redemption date.

Under the same circumstances as described above, the Board of Directors may decide to merge any Sub-Fund with one or more other Sub-Funds or merge any Sub-Fund into other collective investment undertakings governed by Luxembourg law or reorganise the Shares of a Fund into two or more classes or combine two or more Classes of Shares into a single Class providing in each case it is in the interests of Shareholders of the relevant Sub-Funds. Publication of the decision will be made as described above including details of the merger and will be made at least one calendar month prior to the merger taking effect during which time Shareholders of the Sub-Funds or Classes of Shares to be merged may request redemption of their Shares free of charge. The decision to merge or liquidate a Sub-Fund may also be made at a meeting of Shareholders of the particular Sub-Fund concerned.

Under the same circumstances as described above, the Board of Directors may also decide upon the reorganisation of any Sub-Fund by means of a division into two or more separate Sub-Funds. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the two or more separate Sub-Funds resulting from the reorganisation. Such publication will be made at least one month before the date on which the reorganisation becomes effective in order to enable Shareholders to request redemption or conversion of their Shares, free of charge, before the reorganisation becomes effective.

Should the Sub-Fund be liquidated, its liquidation will be carried out in accordance with the provisions of the SIF Law which specifies the steps to be taken to enable shareholders to participate in the liquidation distribution(s) and in this connection provides for deposit in escrow at the *Caisse des Consignations* of any amounts which have not been claimed by shareholders at the close of liquidation. Amounts not claimed from escrow within the prescription period are liable to be forfeited in accordance with the provisions of Luxembourg law.

### **3.8 GENERAL RISK FACTORS**

The nature of the Company's investments involves certain risks and the Company may utilise investment techniques which may carry additional risks. An investment in Shares therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment. Prospective investors should consider, among others, the following factors before subscribing for Shares as well as the risks described in the section "Particular Risks" in the Sub-Fund Particulars:

#### **Business Risk**

There can be no assurance that the Sub-Funds will achieve their investment objective. There is no operating history by which to evaluate its likely future performance. The investment results of the Sub-Funds are reliant upon the success of the Investment Manager and the performance of the markets the Sub-Funds invest in.

#### **Concentration of Investments**

Although it will be the policy of the Company to diversify its investment portfolio, the Company may at certain times hold relatively few investments. The Company 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.

#### **Conflicts of Interests**

The AIFM, the Investment Manager, the Depositary and the Administrator may from time to time act as management company, investment manager, custodian, administrative agent to, or be otherwise involved in, other collective investment schemes which have similar investment objectives to those of the Company or may otherwise provide discretionary fund management services to investors with similar investment objectives to those of the Company. This includes in particular the management of other funds, the management of investments in other compartments, the purchase and sale of securities, brokerage service, custody of securities and the fact of acting as a member of the board, director, consultant or representative with power of attorney of other funds or companies in which the Company may invest. The foregoing considerations are given on a non-exhaustive basis.

It is, therefore, possible that any of them may, in the course of their business, have potential conflicts of interests with the Company. Each will at all times have regard in such event to its obligations to act in the best interests of the Shareholders as far as practicable, while having regard to its obligations to its other clients. When undertaking any investments where conflicts of interests may arise and each will endeavour to resolve such conflicts fairly. Conflicts of interests may arise between the Company and the persons or entities involved as management company/investment manager(s) of the Company and/or with any related parties which may exist from time to time. The Investment Manager normally manages the assets and/or advises other clients that make investments similar to those made on behalf of the undertakings in which the Company invests. Such clients could thus compete for the same trades or investments and whilst available investments or investment opportunities will generally be allocated in a manner believed to be equitable to each client, some of those allocation procedures may adversely affect the price the Company pays or receives for such investments or the size of positions the Company is able to obtain or dispose of. Should conflicts of interest arise, a fair solution for all parties will be sought and such potential conflicts will be resolved on an arm's length basis within a reasonable period of time and in the interests of the Shareholders of the Company. In the event of a conflict of interest arises and it is not possible to properly manage, the AIFM shall promptly inform the Shareholders of the Company and the related communication will be stored at the AIFM's conflict of interest register.

#### **Counterparty Risk**

The Company may have credit exposure to one or more counterparties by virtue of its investment positions. To the extent that a counterparty defaults on its obligation and the Company is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Such risks will increase where the Company uses only a limited number of counterparties.

#### **Borrowing**

The Company may use borrowings for the purpose of making investments. The use of borrowing creates special risks and may significantly increase the Company's investment risk. Borrowing creates an opportunity for greater yield and total return but, at the same time, will increase the Company's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of borrowings that are in excess of the interest costs associated therewith may cause the Net Asset Value of the Shares to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the Shares may decrease more rapidly than would otherwise be the case.

## **Liquidity and Market Characteristics**

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Company's ability to respond to market movements may be impaired and the Company may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

## **Net Asset Value Considerations**

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Company's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder. It should be remembered that the value of the Shares and the income (if any) derived from them can go down as well as up.

## **Currency Exposure**

Certain of the assets of the Company may be invested in securities and other investments which are denominated in other currencies than the reference currency of the Company. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Company will be subject to foreign exchange risks. The Company may engage in currency hedging but there can be no guarantee that such a strategy will prevent losses. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the EUR and such other currencies.

## **Profit Sharing**

In addition to receiving a management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the performance fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a performance fee may be paid on unrealised gains which may subsequently never be realised.

## **Illiquid Assets**

The investment policies either generally or in respect of a specific Class of Share may involve the acquisition and holding of assets for which there is no or only a very limited market so that their valuation may be uncertain and the ability to realise at that valuation or at all or within a reasonable period may be restricted.

## **Restriction on Redemption**

The policies in respect of one or more Sub-Funds may restrict the redemption at the request of holders thereof generally or as to the number or value of shares at any one time or over a specific period this may prevent a holder of such Sub-Fund from realising their investment at all or only at a substantial discount to NAV through a secondary sale.

## SUB-FUND PARTICULARS

<b>QUALITY &amp; VALUE FUND</b>
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### **1. Specific Investment Objective and Policy**

Quality & Value Fund invests in the equity and equity related securities of publicly listed high-quality businesses in North America and/or Europe, when they are available at an attractive price. The Sub-Fund invests with a long-term time horizon.

The Sub-Fund looks for securities of outstanding, high-quality businesses temporarily priced below their intrinsic value, *i.e.*, below what a knowledgeable and well-informed buyer would be willing to pay for the business in a private transaction. An outstanding, high-quality business is one that (a) sells hard-to-substitute products or services that satisfy fundamental business or consumer needs, (b) employs assets that are intangible and difficult to replicate, (c) has recurring and predictable revenues, (d) has the ability to raise prices ahead of inflation (pricing power), (e) has an operating history of high margins, high cash returns on invested capital, and virtually no debt, over multiple economic cycles, (f) is run by honest, capable and shareholder friendly managers.

Due to the market's short-term volatility, even securities of outstanding, high-quality businesses may temporarily get priced well below their intrinsic value. Over the long-term, however, market prices tend to revolve around the intrinsic value of the underlying businesses. In this respect, the Sub-Fund does not view short-term volatility as a risk, but rather as an opportunity. The Sub-Fund defines risk as the probability of permanently losing its capital. Risk is managed by (i) purchasing a business with a large enough margin of safety (*i.e.*, at a large enough price discount to what it believes is its intrinsic value), and (ii) continuously assessing the underlying, long-term value of such businesses. If the Sub-Fund cannot purchase a business with a large enough margin of safety, it will hold cash until the opportunity to do so comes along.

The combination of an outstanding, high-quality business and it being priced well below its intrinsic value is – by nature – a *rare anomaly*. The Sub-Fund looks for such anomalies, analyzes them with rigor and discipline, and decides whether it should invest at least 5% of its capital in a single position. The Sub-Fund's portfolio will be concentrated on its best investment opportunities: 10-20 positions with very little or no turnover.

The businesses that the Sub-Fund looks for are such that they should be owned for a very long time. However, the Sub-Fund will exit a position if and when it believes that (i) the business is priced in line with its intrinsic value, based on its current and reasonably predictable fundamentals, and (ii) a more interesting opportunity becomes available at the right price.

In order to facilitate purchases and sales, the Sub-Fund invests only in highly liquid securities, with a market capitalization generally higher than EUR 1 (one) billion.

To achieve its investment objective, the Sub-Fund may invest its assets in listed options on equities via puts and calls. The Sub-Fund may also use currency futures for hedging purposes.

The Sub-Fund will not use borrowing.

To achieve its investment objective, the Sub-Fund will not use securities financing transactions (including securities lending and repurchase agreements) and will not invest in total return swaps. Should the Sub-Fund start using securities financing transactions or investing in total return swaps the Prospectus will be amended beforehand.

The above mentioned investments will be allocated in respect of the principle of diversification set by the CSSF Circular n. 07/309, within a period of 12 months from the end of the Initial subscription period, as defined in paragraph 5 below.

QV26 Sagl will act as Investment Advisor to the AIFM, which will be the sole entity responsible for the management of the Sub-Fund Quality and Value Fund.

### **Leverage**

In accordance with the investment objective and policy of the Sub-Fund and in particular considering that the latter may invest in financial derivatives named listed options on equities and currency futures, the maximum level of leverage permitted in respect of this Sub-Fund is equal to:

- a) 200% of the Sub-Fund's net assets under the gross method; and
- b) 200% of the Sub-Fund's net assets under the commitment method.

## 2. Investment restrictions

The general rules concerning investment restrictions will be by default those as described in Section 1.3 of the Prospectus.

## 3. Reference Currency

The reference currency of the Sub-Fund is EUR.

## 4. Shares and fees

The following table indicates the fees related to the Shares Classes of the Sub-Fund:

Share Class	Class A	Class B1	Class B2	Class C
Subscription Fee	Up to 1.00%	Up to 1.00%	Up to 1.00%	Up to 1.00%
Redemption Fee	Up to 1.00%	Up to 1.00%	Up to 1.00%	Up to 1.00%
Management Fee	Up to 0.21% with a minimum of EUR 30.000 per annum per sub-fund	Up to 0.21% with a minimum of EUR 30.000 per annum per sub-fund	Up to 0.21% with a minimum of EUR 30.000 per annum per sub-fund	Up to 0.21% with a minimum of EUR 30.000 per annum per sub-fund
Advisory Fee	0.50% per annum	0.50% per annum	0.50% per annum	0.50% per annum
Performance Fee	25% HWM upon hurdle rate	0%	0%	0%
Dividend Policy	Capitalisation	Capitalisation	Capitalisation	Capitalisation
NAV Currency	EUR	EUR	EUR	EUR
Distribution	Open to all Well-Informed Investors	Restricted	Restricted	Restricted

Share Class A is available for subscription to all Well-Informed Investors, with a minimum subscription and a minimum holding amount of EUR 125,000.00.

Share Classes B1, B2 and C are available for subscription to a restricted category of Investors defined at the absolute discretion of the AIFM. In particular, Share Classes B1 and B2 are reserved to the initiators of the Sub-Fund, being the AIFM and the Investment Advisor, including their partners, directors and officers. The difference between such aforesaid Classes is the entitlement to receipt of extra value from the Performance Fee charged to Share Class A as described below.

The Subscription Charge is paid to the AIFM and/or the Investment Advisor, and may be waived in part or in full and the application of the same is at the discretion of the AIFM. The Redemption Charge is paid in favour of the Sub-Fund.

The Management Fee is calculated and paid at the end of each month to the AIFM, based on the Net Asset Value of the relevant Share Class at the Valuation Day.

The Advisory Fee is calculated and paid at the end of each month to the Investment Advisor, based on the Net Asset Value of the relevant Share Class at the Valuation Day. The Advisory Fee may be charged at different rates for individual Share Classes or may be waived in part or in full.

The Sub-Fund is subject to a Performance Fee of 25% upon Hurdle Rate defined as 5% per year with High Water Mark, taking subscriptions and redemptions into account and payable monthly by way of a transfer of value from Class A Shares to Class B1 and Class B2 Shares.

In particular, each of the Class B1 and Class B2 Shares is entitled to receive 50% of the total value of the Performance Fee accrued on Class A Shares for each Performance Period.

Classes C Shares are not entitled to receive the aforesaid value of the Performance Fee accrued for each Performance Period.

The Performance Fee amounts to 25% of any positive difference between the percentage change in the Net Asset Value per Share of the relevant Share Class and the reference Hurdle Rate 5% per year.

The Performance Fee is calculated and accrued in the calculation of the Net Asset Value per Share for each Performance Period (defined as a calendar month), on the basis of the number of Shares currently in issue, including Shares which fall to be redeemed and excluding Shares which fall to be issued. The difference in yield between the percentage change in the Net Asset Value per Share and the percentage change in the reference Hurdle Rate is calculated as follows:

$$(1+\text{yield of Net Asset Value per Share}) - (1+\text{yield of reference Hurdle Rate}) = \text{yield difference}$$

The calculation of the Performance Fee entails a mechanism that ensures the Performance Fee to be due only if the cumulative difference since the Sub-Fund's launch date, calculated pursuant to the aforementioned method, has reached a new high (High Water Mark principle). The Performance Fee will then be payable for the difference between the cumulative prior high (before withdrawal of the Performance Fee) and the new high.

The Performance Fee is not subject to refund, even if the Net Asset Value per Share falls down again after the Performance Fee has been paid.

Where a Performance Fee is payable out of the Sub-Fund, it shall be calculated upon the increase in the Net Asset Value per Share calculated at the end of the relevant Performance Period. Net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the relevant Performance Period will be taken into consideration. As a result, the Performance Fee may be paid on unrealised gains which may subsequently never be realised.

## **5. Offering period**

### *Initial subscription period*

The Initial Offering Period will last from March 2<sup>nd</sup> 2015 to March 31<sup>st</sup> 2015.

The initial Subscription Price: EUR 100.-.

The payment date of the initial Subscription Price was fixed at March 31<sup>st</sup> 2015.

### *Subsequent subscriptions*

Applications for subscriptions must be received by the AIFM no later than two Business Days prior to the relevant Valuation Day.

Payment of the Subscription Price must be made in cleared funds within the Valuation Day.

Any taxes and duties levied in connection with the subscription of Shares of the Sub-Fund in certain countries (if any) shall be charged to the concerned investors.

## **6. Valuation Day**

The Net Asset Value per Share shall be determined as of the last Business Day of each month (a "**Valuation Day**")

## **7. Redemptions**

Applications for redemptions must be received by the AIFM no later than ten Business Days prior to the relevant Valuation Day.

Payment of the Redemption Price shall be made in cleared funds within fifteen days after the calculation of the Net Asset Value at the relevant Valuation Day.

Any taxes and duties levied in connection with the redemption of Shares of the Sub-Fund in certain countries (if any) shall be charged to the concerned investors.

## **8. Conversions**

Conversions are not allowed.

## **9. Transfers**

The AIFM may accept transfer of Shares. Transfers of the Shares are conditional upon the proposed transferee qualifying as a Well-Informed Investor and qualifying according to the conditions set forth under Section 4 of this Sub-Fund Particulars. Where the transferee does not comply with the conditions set forth under Section 4 of this Sub-Fund Particulars, the AIFM may decide to accept the transfer of Shares to another Share Class of the Sub-Fund in which the transferee is eligible for investment.

Transfers should be in the form prescribed by the AIFM and should be completed by both the transferor and the transferee and delivered to the AIFM within fifteen Business Days prior to the relevant Valuation Day (unless the AIFM decides otherwise).

When the transferee is not an existing shareholder, the transferee will be required to additionally complete a subscription form and to comply with the requirements set out in the Share Dealing chapter of this Prospectus.

In any circumstances whatsoever, the relevant applicable minimum subscription amount as defined herein shall be satisfied. Should the transfer request lead to holding a number of Shares that falls below the minimum subscription amount as required herein, the AIFM shall regard such request as a transfer request for all the Shares of such Shareholder.

## **10. Particular Risks**

The Shares of the Sub-Fund are suitable for purchase only by Well-Informed Investors for which an investment in the Sub-Fund would not constitute a complete investment program and which fully understand, are willing to assume and have the financial resources necessary to withstand the risks involved in the Sub-Fund's investment program, and which are able to bear the potential loss of their entire investment. Prospective investors should maintain investment holdings with risk characteristics different than those of the Sub-Fund. Each prospective investor is urged to consult with its own professional advisors to determine the suitability of an investment in the Sub-Fund and the relationship of such an investment to the prospective investor's overall investment program and financial and tax position. There can be no assurance that the investment objective of the Sub-Fund will be achieved.

There are certain risks to be considered that are common to an investment fund of this nature. These include but are not limited to:

### **New Sub-Fund**

The Sub-Fund has no operating history and an indeterminate amount of time may be required to achieve operating efficiency and profitable operations. No assurance can be given that the Sub-Fund will achieve its investment objectives and thus investment in the Sub-Fund entails a certain degree of risk.

### **Changes in Applicable Law**

The Company must comply with various regulatory and legal requirements as imposed by the jurisdictions under which it operates. Should any of those laws change over the life of the Company or the Sub-Fund, the regulatory and legal requirements to which the Company and the Shareholders may be subject, could differ materially from current requirements.

### **Reliance on Management**

The Sub-Fund depends significantly on the efforts and abilities of the members of the Board of Directors of the Company, of the members of the Board of Directors of the AIFM and of the Investment Advisor. The loss of these persons' services could have a materially adverse effect on the Sub-Fund.

### **Equity risk**

The value of the Sub-Fund which invest in equity and equity related securities will be affected by economic, political, market and issuer specific changes. Such changes may adversely affect securities, regardless of Sub-Fund specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of the Sub-Fund's value are often exacerbated in the short-term as well. The risk that one or more companies in the Sub-Fund's portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period.

### **Foreign Currency risk**

Since the Company values the portfolio holdings of the Sub-Fund in EUR, changes in currency exchange rates adverse to this currency may affect the value of such holdings and each respective Sub-Fund's yield thereon. Since the securities held by the Sub-Fund may be denominated in currencies different from its base currency, the Sub-Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between such reference currency and other currencies. Changes in currency exchange rates may influence the value of the Sub-Fund's Shares, and also may affect the value of dividends and interests earned by the Sub-Fund and gains and losses realised by said Sub-Fund. If the currency in which a security is denominated appreciates against the base currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security. To the extent that the Sub-Fund or any Share Class seeks to use any strategies or instruments to hedge or to protect against currency exchange risk, there is no guarantee that hedging or protection will be achieved. Unless otherwise stated in any Sub-Fund's investment policy, there is no requirement that the Sub-Fund seeks to hedge or to protect against currency exchange risk in connection with any transaction.

### **Growth Stocks risk**

The Sub-Fund investing in growth stocks can be more volatile and may react differently to economic, political, market and issuer



specific developments than the overall market. Historically, the prices of growth stocks have been more volatile than other securities, especially over short-term periods of time. Growth stocks may also be more expensive, relative to their earnings, than the market in general. As such, growth stocks can experience greater volatility in reaction to changes in earnings growth.

### **Liquidity risk**

Reduced liquidity may have an adverse impact on market price and the Sub-Fund's ability to sell particular securities when necessary to meet the Sub-Fund's liquidity needs or in response to a specific economic event such as the deterioration in the creditworthiness of an issuer. The AIFM will make its best effort to ensure the overall liquidity of the securities held in the portfolio.

### **Market risk**

This is a general risk which affects all types of investment. Price trends are determined mainly by financial market trends and by the economic development of the issuers, who are themselves affected by the overall situation of the global economy and by the economic and political conditions prevailing in each country. Because the securities the Sub-Fund holds fluctuate in price, the value of your investment in the Sub-Fund will go up and down. You may not get back the amount you invested.

### **Small and mid-sized companies risk**

The stock prices of small and mid-sized companies can perform differently than larger, more recognised companies and have the potential to be more volatile. A lower degree of liquidity in their securities, a greater sensitivity to changes in economic conditions and interest rates, and uncertainty over future growth prospects may all contribute to such increased price volatility. Additionally, smaller companies may be unable to generate new funds for growth and development, may lack depth in management, and may be developing products in new and uncertain markets all of which are risks to consider when investing in such companies. These risks are typically increased for securities issued by smaller companies registered or performing a significant part of their activities in developing countries and Emerging Markets, especially as the liquidity of securities issued by companies in Emerging Markets may be substantially smaller than with comparable securities in industrialised countries.

### **Risks associated with transactions in Listed Options**

Listed Options are options which are traded on an exchange and are therefore more liquid than Over the Counter (OTC) Options. Listed Options are categorized as leverage products. The high degree of leverage is a particular feature of Options. This stems from the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the client's trade. If the underlying market movement is in the client's favour, the client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the clients' entire deposit but may also expose the client to a large additional loss. Writing options have undefined risk as maximum loss is unknown at order entry. Depending on how the underlying price goes during the option's lifetime, the client maximum loss could theoretically be unlimited. The client may be called upon to deposit a substantial additional margin, at short notice, to maintain his investment. If the client does not provide such additional funds within the time required, his investment position may be closed at a loss and he will be liable for any resulting deficit. Information of the previous performance of a listed option does not guarantee its current and/or future performance as well as a performance of the underlying instrument. Use of historical data does not constitute safe forecast as to the corresponding future performance of the listed option and underlying instrument to which that information refers. The prices of an option may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions which cannot be controlled by the client or by the exchange on which the option is traded. The prices of listed options will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

## **11. SFDR Classification**

The Sub-Fund does not consider the adverse impacts of investment decisions on sustainability factors in line with Article 4 (1) b of the SFDR. The Sub-Fund considers sustainability risks and principal adverse impacts as not relevant according to the following points:

- The list of prohibited investments will likely have already integrated the key environmental, social and governance (ESG) impacts according to the Sub-Fund's ESG risk appetite;
- Most of the investments are made in countries covered by the SFDR or equivalent regulation.

The Sub-Fund is neither in scope of Article 8 nor of Article 9 of the SFDR. As a consequence, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **PRIIPS / KID**

PRIIPS KID is issued and available for the Sub-Fund.

**1. Specific Investment Objective and Policy:**

The objective of the Sub-Fund is to generate a stable and robust return for its shareholders, leveraging on the following strategic pillars:

- stable income generating steady and sustainable positive cash flows;
- high potential underlying assets, achieving along the investment lifecycle contextual capital protection and overall net asset value growth; and
- yields with limited correlation with market cycles and macro-economic events.

The Sub-Fund will have a primary focus on real estate properties located in Germany in the city of Berlin and in the main cities of former East Germany (DDR). At least the 60% of the assets of the Sub-Fund will be invested in Berlin. The Sub-Fund will invest mainly in residential real estate, although investments in commercial real estate assets may also be considered (hereinafter collectively referred to as the "Real Estate Investments").

The Sub-Fund will predominantly invest in properties which require active management and which will fit the objective of creating a real estate portfolio with a durable cash flow generation.

The Sub-Fund shall predominantly invest directly or indirectly through one or more target companies and, residually, through real estate funds.

On an ancillary basis the Sub-Fund may also invest in money market instruments or may hold other types of financial assets including securities listed or non-listed on regulated markets, credits and securities representing these credits, as well as other assets for which a market exist and the valuation of which can be established certainly and at least every year.

The Sub-Fund shall typically acquire assets through Special Purpose Vehicles ("SPVs") or through unlisted trading companies (together, the "Vehicles") or may hold assets directly.

The Sub-Fund may not invest directly or indirectly (through direct or indirect Vehicles) more than 30% (thirty per cent) of its Assets or Commitments in a single underlying investment. Investments whose economic viability is linked to another investment is not considered a separate item of investment for this purpose.

This 30% (thirty per cent) rule does not apply during a start-up period, which may not extend beyond twenty-four (24) months after the closing date of the Offering Period of the Sub-Fund.

The general rules concerning investment restrictions will be by default those as described in Section 1.3 of the Prospectus.

All the above-mentioned investment will be disposed in respect of the principle of diversification set by the CSSF Circular n. 07/309. For the avoidance of doubt the Sub-fund shall not invest as a feeder fund in a master fund.

To achieve its investment objective, the Sub-Fund will not use securities financing transactions (including securities lending and repurchase agreements) and will not invest in total return swaps. Should the Sub-Fund start using securities financing transactions or investing in total return swaps the Prospectus will be amended beforehand.

The Sub-Fund will not enter into, or invest in, options, futures or other derivative transactions for speculative purposes. The AIFM may enter at its own discretion in transactions aimed at hedging the Sub-Fund's exposure to adverse movements in interest rates and currencies as it deems appropriate and cost effective. Such transactions could expose the Sub-Fund to the risk that counterparties to such transactions could default and cause the Sub-Fund to lose the anticipated benefits.

The cost of such hedging activities shall be an expense for the Sub-Funds.

The maximum level of leverage permitted in respect of this Sub-Fund is equal to:

- 100% of the Sub-Fund's net assets under the gross method; and
- 100% of the Sub-Fund's net assets under the commitment method.

For the avoidance of doubt, the maximum level of leverage at the level of the SPV(s) shall be 300% of the SPV's net assets. The leverage at the level of the SPV(s) shall qualify as "non-recourse leverage", thus do not have to bear losses beyond its investment in the SPV(s).

## **2. Reference Currency**

The reference currency of the Sub-Fund is EUR.

## **3. Investment Process**

The AIFM decided to appoint an Investment Advisor and to establish an AIFM investment committee of the Sub-Fund (the "AIFM Investment Committee"). Both bodies will play an important role in the investment process, nevertheless the AIFM Investment Committee will have sole and discretionary power to take decision on all aspects relating to the management of assets of the Sub-Fund.

### *Investment Advisor*

The Investment Advisor will perform its services within the parameters of the Investment Advisory Agreement and subject to the AIFM's overall responsibility. The services will typically include without limitation the following: proposing allocation of the Sub-Fund's assets in different target investments, monitoring of the target investments, advising in respect of liquidity and cash management, advising in respect of borrowings and coordination of the overall investment process.

The AIFM appointed FRASTEMA Asset Management GmbH & Co. KG as Investment Advisor for the purpose of the Sub-Fund. The Investment Advisor may appoint external service suppliers, which will support the Investment Advisor in the performance of its advisory services. The external suppliers will be paid out of the advisory fees.

### *Investment Process*

Investment and disinvestment proposals will be identified and submitted to the AIFM Investment Committee by the Investment Advisor.

Once an investment proposal is preliminary approved by the AIFM Investment Committee, the Investment Advisor will be asked to carry out a detailed due diligence of the investment proposal (i.e. technical and legal due diligence) through the potential use of third external experts which will be charged to the Sub-Fund and will negotiate the proposed financial terms.

The Investment Advisor will report to the AIFM Investment Committee on the result of the detailed due diligence and render its advice as to the investment proposal. After a positive assessment of the AIFM Investment Committee, the AIFM shall initiate the execution of its decision.

### *Operation of the AIFM Investment Committee*

The meetings of the AIFM Investment Committee will take place in Luxembourg. The AIFM Investment Committee will meet at least quarterly and more often if required. However, meetings can take place via conference calls or video-conference. The members of the AIFM Investment Committee shall be invited by the AIFM to attend meetings upon a not less than 24 (twenty-four) hours prior written notice. The convening notice to be delivered – also by e-mail or fax – to each member shall indicate the day and time of the meeting and all other items deemed appropriate in order for each member to take a duly informed decision on any relevant matter.

The AIFM Investment Committee can deliberate or act validly only if at least a majority of the members are present or represented at a meeting of the AIFM Investment Committee. Decisions shall be taken by a majority of the votes of the members present or represented at such meeting provided that the AIFM's representative acting as the Chairman of the AIFM Investment Committee has approved the decision (veto right). In the event that in any meeting the number of votes for and against a resolution shall be equal, the Chairman shall have a casting vote.

Each member of the AIFM Investment Committee may be represented at a meeting by another member of the AIFM Investment Committee appointed for such purposes by a simple written power of attorney.

Minutes of the meetings will be prepared, signed and kept by the AIFM. Copy of the Minutes is available to the Company, the Investment Advisor, and the Depositary of the Company, as well as the Company's auditor. The Company's annual report will disclose, inter alia, the composition of the AIFM Investment Committee and contain information on appointments or removals of members of the AIFM Investment Committee that will have occurred during the relevant fiscal year.

### *Remuneration*

The members of the AIFM Investment Committee shall not be remunerated but shall be reimbursed for all reasonable out-of-pocket costs and expenses incurred in attending meetings.

#### 4. Share Classes and Fees

The following table indicates which Classes are available for the Sub-Fund and the fees related thereto:

Class	Subscription Charge	Redemption Charge	Investment Advisory Fee	AIFM Fee	Minimum Investment
A	Up to 4,5%	Up to 2,0%	Up to 1,00% p.a.	Up to 0.125% with an annual minimum of EUR 42.000 for the sub-fund	EUR 250.000,00
B	Up to 3,0%	--	Up to 1,00% p.a.	Up to 0.625% with an annual minimum of EUR 42.000 for the sub-fund	EUR 125.000,00
C	--	--	--	Up to 0.125% with an annual minimum of EUR 42.000 for the sub-fund	EUR 125.000,00

The Subscription Charge is calculated on the subscription amount and is paid to the AIFM and/or to the Distributor and may be waived in part or in full at the discretion of the AIFM.

As per Chapter 10 below, Investors have no right to redeem shares, but the AIFM and/or the Company has the right to make distribution to Investors, as per Chapter 13 below. A Redemption Charge is applied at the discretion of the AIFM and/or the Company at each distribution, calculated on the distribution amount to each Investor, in accordance with the principle of equal treatment of Investors. The Redemption Charge is paid to the AIFM and/or to the Distributor and may be waived in part or in full at the discretion of the AIFM provided that the equal treatment of the investors is ensured.

The AIFM Fee is expressed as a percentage of the gross asset value of the relevant Class and is calculated and payable quarterly in arrears out of the gross assets of the Sub-Fund to the AIFM.

The Investment Advisory Fee is expressed as a percentage of the gross asset value of the relevant Class (the "GAV") and is calculated and payable quarterly in arrears out of the gross assets of the Sub-Fund.

The GAV of the Sub-Fund will be:

- the sum of the cash balance of the Sub-Fund; plus
- the cash balance of all special purpose vehicles owned by the Sub-Fund; plus
- the sum of the last available valuation by an Independent Valuer of each of the Properties directly or indirectly owned by the Sub-Fund or, in the absence of such independent valuation, the purchase price of the Property; plus
- the sum of the value of any other investment of the Sub-Fund or, in the absence of such value, the costs of the relevant investments.

The Share Class A and Share Class B of the Sub-Fund are subject to a Performance Fee calculated and accrued at every Valuation Day in arrears to the Share Class C, as detailed at following point 6.

The Performance Fee will be calculated as 20% of the performance in excess of the Hurdle Rate defined as 5% p.a., the performance being calculated as percentage appreciation of the Net Asset Value per Share in the valuation period (taking also into account profit distributions in the valuation period, if the case). Net realised and unrealised capital gains plus net realised and unrealised capital losses will be taken into consideration.

The Performance Fee will be accrued at every Valuation Day but will only be paid out upon the final liquidation of the Sub-Fund.

Accrued Performance Fee shall be adjusted at every Valuation Day in order to guarantee that the cumulative amount of the total accrued Performance Fee, at the end of any valuation period, is equal to 20% of the performance in excess of the Hurdle Rate calculated from the beginning of the first valuation period. For sake of clarity, if at the liquidation of the Sub-Fund the total performance is below the Hurdle Rate calculated from the beginning of the first valuation period, no Performance Fee shall be due.

##### 4.1 Other Fees

- a) Central Administration, Registrar and Transfer Agent fees, in accordance with the related agreement signed on March 12<sup>th</sup>, 2015;
- b) Domiciliary Agency fees, in accordance with the related agreement signed on March 12<sup>th</sup>, 2015;
- c) Depository fees, in accordance with the related agreement signed on March 12<sup>th</sup>, 2015.

For the other applicable fees please refer to the Section named "Other Charges and Expenses" in this Prospectus.

## **5. Duration**

The duration of Sub-Fund is established at 5 (five) years starting from the first closing as defined below (the "First Closing"). However, the AIFM may decide to extend the duration of the Sub-Fund for additional two (2) years.

The investment period of the Sub-Fund (the "Investment Period") in accordance with the provisions of the Investment Objective and Policy shall start from the end of the Offering Period and lasts for the next three (3) years.

## **6. Minimum Initial Subscription and Holding Amounts**

The minimum initial subscription amount and minimum ongoing holding amount for Shares in the Sub-Fund is EUR 125.000,00 (one hundred twenty five thousand) for the above-mentioned Shares Classes.

The AIFM may waive in its discretion the minimum initial subscription amount and the minimum ongoing holding amount.

Share Class C is available for subscription exclusively to the Investment Advisor of the Sub-Fund, including any other company affiliated or associated to the Investment Advisor, subject to the prior approval of the AIFM. The AIFM may accept subscriptions of Class C Shares from other institutional investors, up to 30% of the total number of Class C Shares, at its sole discretion.

Share Class C is available only for the entire duration of the Offering Period.

Share Class C is entitled to receive the total value of the Performance Fee accrued on Share Class A and Share Class B by way of a transfer of value from Class Shares A and Class Shares B to Class Shares C.

## **7. Offering Period and Price**

The Offering Period will take place from April 1<sup>st</sup>, 2017 until September 30<sup>th</sup>, 2017, and is divided into different closings established at the sole discretion of the AIFM.

The Issue Price per share is EUR 100. The Issue Price must be received by the Depositary no later than three (3) Business Days after the relevant Valuation Day.

The AIFM reserves the right at its sole discretion to extend the Offering Period for additional three months from the last closing. Moreover, the AIFM reserves the right at its sole discretion to end such Offering Period beforehand, provided that Investors are informed in appropriate manner.

## **8. Capital Call**

As the case may be, the Company or the AIFM may issue Capital Calls to Investors who have entered into a Subscription Agreement in respect of the uncalled Commitments. The Company or the AIFM shall decide in its sole discretion the dates and frequency of such Capital Calls as will be dictated by the Sub-Fund's investment opportunities or any other obligations faced by the Sub-Fund, such as the payment of expenses or services rendered by the service providers of the Sub-Fund.

Capital Calls will be made pursuant to the terms of Call Notices issued by the Company or the AIFM, and Commitments of each Investor shall be called in proportion to the Commitments already paid in.

The Subscription Price for each Capital Call will be equal to the Subscription Price of the Initial Offering Period during which the Subscription Agreement has been issued, and the value date for the settlement of the Capital Call will be defined by the Company or the AIFM.

If any Investor fails to make any payment required to be made pursuant to a Call Notice by the date required for payment in such Call Notice, the Company or the AIFM may declare such Investor to be a Defaulting Shareholder.

In any cases, the Company or the AIFM may enforce its rights towards a Defaulting Shareholder pursuant to a Call Notice by the appropriate judicial or extra-judicial means allowed by Luxembourg laws and this Prospectus.

In particular, the Defaulting Shareholder would be immediately deprived of its voting and dividend rights and a debit interest of 5% p.a. shall be applied and paid in favour of the Sub-Fund. Moreover, in case of missing payment after two written reminders, the Company or the AIFM reserves itself the right to compulsorily redeem the existing shares of the Defaulting Shareholder at a price defined by the AIFM. The proceeds of the redemption of shares will be paid to the Defaulting Shareholder, reduced of a penalty equal to 50% of the paid in Commitment of the Defaulting Shareholder, plus any additional penalty the Company or the AIFM may deem appropriate in the best interest of the Sub-Fund's Shareholders.

## **9. Valuation Day**

The Net Asset Value per Share shall be determined as of the last calendar day of December (a "Valuation Day").

Valuation of assets of the Sub-Fund will be performed by an Independent Valuer on an annual basis, with additional interventions on other Valuation Days where relevant market conditions impact the annual valuation of the asset. The AIFM liability toward the Sub-Fund and its Investors shall not be affected by the appointment of the Independent Valuer.

## **10. Redemptions**

The Sub-Fund is a closed-ended fund, as a consequence Shareholders cannot redeem their shares during the life of the Sub-Fund.

## **11. Conversions**

The Shares of the Sub-Fund cannot be exchanged for or converted into Shares of another Class or Sub-Fund of the Fund.

## **12. Transfers**

The AIFM may accept transfer of Shares. Transfers of the Shares are conditional upon the proposed transferee qualifying as a Well-Informed Investor.

Transfers should be in the form prescribed by the AIFM and should be completed by both the Transferor and the Transferee and delivered to the Administrative Agent first by fax and then the duly signed original by post at the latest by 5pm CET (Central European Time) ten (10) Business Days prior to the relevant Valuation Day (unless the AIFM decides otherwise).

When the Transferee is not an existing shareholder, the Transferee will be required to additionally complete a Subscription form and to comply with the requirements set out in the Share Dealing chapter of this Prospectus.

In any circumstances whatsoever, the relevant applicable minimum subscription amount as defined herein must be satisfied. Should the transfer request lead to holding a number of Shares that falls below the minimum subscription amount as required herein, the AIFM shall regard such request as a transfer request for all the Shares of such Shareholder.

## **13. Distribution and dividend Policy**

The Company reserves the right to pay distributions, in the form of cash where available, at its discretion and at any time.

Payments, if any, will be made by bank transfers in Euro.

Income, profit, interest and realisation proceeds of the Sub-Fund will be distributed after satisfying expenses and liabilities of the Sub-Fund, as soon as practicable after receipt by the Sub-Fund.

The allocation of funds available for distribution among the Shareholders will take place in accordance with the following sums and priorities:

1. Reimbursement of subscriptions: in the first place, the Shareholders will have the right to receive a sum equal to their subscriptions in proportion to their respective holdings;
2. Distributions: the remaining available funds will be distributed to the Shareholders in proportion to their subscriptions.

The amount of dividend to be allocated to each Shareholder will be determined by the Company and paid within 20 Business Days following the calculation of the Net Asset Value per Share of any distribution.

The Sub-Fund will have the right either to:

- buy back a proportion of the Shares from Shareholders as distributions pro rata to the Shares allocated to them. As a result, the number of Shares held by each Shareholder will be reduced in accordance with the distributions payable to it;
- pay a dividend equal to a proportion of the Net Asset Value per Share. As a result, the number of Shares will remain unchanged and the Net Asset Value per Share will be decreased by the distribution paid to Shareholders.

#### **14. Particular Risks**

The Shares of the Sub-Fund are suitable for purchase only by Well-Informed Investors for which an investment in the Sub-Fund would not constitute a complete investment program and which fully understand, are willing to assume and have the financial resources necessary to withstand the risks involved in the Sub-Fund's investment program, and which are able to bear the potential loss of their entire investment. Prospective investors should maintain investment holdings with risk characteristics different than those of the Sub-Fund. Each prospective investor is urged to consult with its own professional advisors to determine the suitability of an investment in the Sub-Fund and the relationship of such an investment to the prospective investor's overall investment program and financial and tax position. There can be no assurance that the investment objective of the Sub-Fund will be achieved.

There are certain risks to be considered that are common to an investment fund of this nature. These include but are not limited to:

##### **General considerations**

The value of the Shares may go down as well as up and involves various risks and investment considerations as highlighted below. Prior to making an investment in the Sub-Fund, prospective Investors should carefully consider all the information contained in this Prospectus and the Subscription Agreement. The investments to be made by the Sub-Fund are speculative by nature and there is a possibility of partial or total loss of capital. In particular they should evaluate the risk factors discussed below which, individually or in aggregate, could have a material adverse effect on the Sub-Fund or its assets.

The Sub-Fund's investments may be adversely affected by the domestic and international general economic climate; local real-estate market conditions; changes in the supply of or demand for competing properties in a given area, whether as a result of over-building, delocalisation of commercial business or otherwise; the financial condition of buyers and sellers of properties and of tenants; energy and other supply shortages; changes in local road or rail networks; natural disasters and other "force majeure" events; various uninsured or uninsurable risks; government regulation (such as land-use and zoning restrictions, environmental protection and occupational safety) and bureaucratic inertia; increases in taxes associated with the direct or indirect ownership of property; interest rate fluctuations and the lack of availability of real-estate financing.

##### **Future performance is difficult to predict**

The Sub-Fund's investment strategies are based, in part, upon the premise that the properties will be available for purchase by the Sub-Fund at prices and upon terms and conditions (including financing) which the AIFM considers favourable to the Sub-Fund. No assurance is given that the properties will be available for purchase by the Sub-Fund at prices and upon terms and conditions which the AIFM considers favourable.

##### **Regulatory risks**

Changes in treaties, laws and regulations (or in the interpretation thereof) occurring from time to time in the jurisdiction in which the Sub-Fund will invest may worsen the legal and tax constraints within which the Sub-Fund will operate and, as a result, may require structuring and financing alternatives to be identified and implemented and lead to increased legal costs and reduced returns. Changes occurring in one jurisdiction may be significant, and it should also be noted that any change in law that originates from EU legislation or the United States of America is likely to affect the law and regulations of the country in which the Sub-Fund plans to invest.

##### **Lack of liquidity in investments**

Real Estate investments are generally illiquid and it is unlikely that there will be a public market for many of these assets. The eventual liquidity of all investments of the Sub-Fund will be dependent upon the success of the realisation strategy proposed for each investment which could be adversely affected by a variety of risk factors. Realisation of the Sub-Fund's assets on termination or otherwise could be a process of uncertain duration and no assurances can be given that all the Sub-Fund's assets will be able to be liquidated prior to the scheduled expiration of the term of the Sub-Fund.

##### **Lack of liquidity of Shares**

Investments in the Sub-Fund are reserved to Investors able to commit their investments at least for the term of the Sub-Fund as described in this Sub-Fund Particulars or for an indefinite period of time. There is no public market for the Shares.

##### **Possible lack of Diversification**

While pursuant to its Prospectus, the Company intends to make investments in a diversified range of real estate assets, opportunities for the Sub-Funds to effectively achieve the diversification objective might be difficult and there can be no assurances concerning the diversification of the Sub-Fund's assets either by geographic region or asset type. A limited degree of diversification increases risk

because, as a consequence, the aggregate return of the Sub-Fund may be substantially adversely affected by the unfavourable performance of a single investment.

### **Risk of investment through unlisted real estate investment vehicles and subsidiaries or SPVs**

Investments in assets may be made through unlisted real estate investment vehicles and/or subsidiaries or SPVs in order to catch opportunities in form of share-deals, to facilitate future sales of assets and for other purposes pursuing the interests of the relevant Sub-Funds.

The interposition of these investment vehicles entails additional risks which would not have been incurred if investments were made directly by a Sub-Fund given that these investment vehicles are also subject to the risks mentioned in this section and additional risks. These investment vehicles may be subject to less stringent regulatory rules than the Sub-Fund or even not be subject to any regulatory oversight. In particular these investment vehicles may be subject to no risk-diversification requirement. In that case investment through unlisted real estate investment vehicles and subsidiaries or SPVs would be subject to higher illiquidity risk and default risk.

The Prospectus, the applicable law, and more generally all rules governing the unlisted real estate investment vehicles and the subsidiaries or the SPVs may limit the possibility of the transfer to the relevant Sub-Fund of the return of its investment. In particular when the unlisted real estate investment vehicles and the Subsidiaries or the SPVs are foreign law entities the maintenance of a Sub-Fund's investment and distributions may be subject to the compliance with registration and declaration obligations with local tax and/or regulatory authorities. Compliance with these obligations would burden the relevant Sub-Fund with additional costs.

The participation in investment vehicles with other investors requires a certain level of cooperation between investors which does not allow to direct the investment vehicle in the sole interest of the relevant Sub-Fund.

### **Risk of leverage**

Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also substantially increase the risk of loss. The use of leverage will subject the Sub-Fund to risks normally associated with debt financing, including the risk that the Sub-Fund's cash flow may be insufficient to meet required payments of principal and interest, the risk that indebtedness on the properties may not be able to be refinanced and the risk that the terms of such refinancing may not be as favourable as the terms of the existing indebtedness. The Sub-Fund cannot borrow.

### **Hedging**

The Sub-Fund may engage in transactions to hedge its exposure to adverse movements in interest rates as it deems appropriate and cost effective, which transactions could expose the Sub-Fund to the risk that counterparties to such transactions, may not perform and cause the Sub-Fund to lose the anticipated benefits.

### **Currency Risk**

The Sub-Fund's assets generally will be denominated in the currency of the jurisdiction in which the assets are located. Any fluctuation in currency exchange rates or costs of conversion and any changes in exchange control regulations will affect the value of investments in foreign assets.

The Sub-Fund will maintain their books and pay distributions in its applicable currency. Fluctuations in exchange rates between the Euro and the relevant local currencies may directly or indirectly affect the value of the Sub-Fund's portfolio and the ultimate rate of return realised by the Shareholders.

### **Tax Considerations**

In addition to risks related to changes in treaties, laws and regulations that may occur during the life of the Sub-Fund, and therefore increase costs and reduce returns, Shareholders might bear significant tax risks related to the Sub-Fund structure or to their specific situation. Each potential Investor should therefore conduct and exclusively rely in their decision to invest on their own independent examination and due diligence investigation of the tax situation of their investment in the Sub-Fund.

### **Insurance and Uninsured Losses**

The Sub-Fund will carry comprehensive liability, fire, flood (where appropriate), extended coverage and rental loss insurance with respect to properties within their assets, in each case on such terms and with such insured limits as are customary for similar properties. Certain types of risk (such as wars, nuclear accidents, civil disturbances, earthquakes and environmental matters) may be either uninsurable or not economically insurable. In the event of an uninsured loss, or of a loss in excess of insured limits, the Sub-



Fund may lose both its capital invested in, and the return expected from, the assets concerned while remaining obligated with respect to indebtedness and other obligations incurred in connection with such assets.

### **Environmental Factors**

Under various laws and regulations, an owner of property may have significant liability for any contamination found on such property including being liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability as to any property may not be limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the real estate or to borrow using such property as collateral and may have a significant adverse effect on the value and returns from such property.

Properties within the Sub-Fund's assets may be affected by deleterious substances and other environmental problems. The Sub-Funds will therefore be subject to all the risks arising under applicable environmental laws and regulations from the acquisition, holding and disposal of contaminated properties, including loss and reduced returns resulting from environmental claims, related occupational safety issues and claims and the performance of requisite clean-up work. In addition to liability issues, environmental problems affecting the Sub-Fund's properties may limit the Sub-Fund's ability to raise or maintain debt financing secured by such properties or to sell such properties.

### **Reliance on the Key Personnel**

The successful investment and disposal of the Sub-Fund's assets will depend, in part, upon the skill of, and the investment recommendations made by, appointed investment advisor and/or property managers and its key personnel. The Investors will not make any decisions with respect to the acquisition, disposition or other realisation of any investment or, except under certain limited circumstances, any other decisions regarding the Sub-Fund's business and affairs. The past performance of the investment advisor and/or property manager(s) with respect to prior investments is not necessarily indicative of future results. Although the professionals of appointed investment advisor and/or property managers have worked together for many years, there can be no assurance that such professionals will remain with the investment advisor and/or property manager throughout the life of the Sub-Fund. Loss of any key personnel could have a material adverse effect on the potential performance of the Sub-Fund.

### **Competitive Market**

The Sub-Fund and the appointed investment advisor and/or property managers will compete for the acquisition of investments with other investors. Over the past several years, an increasing number of funds have been formed for the purpose of investing in real estate assets. Other unrelated parties may form additional funds with similar investment objectives of the Sub-Fund. There may be competition for investments of the type of which the Sub-Fund intends to invest, and such competition may lead to the Sub-Fund obtaining less favourable investment terms than would otherwise be the case, there can therefore be no assurance that the investment ultimately acquired will meet all the investment objectives of the Sub-Fund or that the Sub-Fund will be able to invest all of its available committed capital.

### **Risk of Undiscovered Liabilities in Target Companies**

When the Sub-Fund invests in real estate assets it may furthermore invest in real estate companies or real estate funds (listed or non-listed), which have significant operating histories. Although it is intended that participations in such companies would be acquired through privately negotiated transactions in which adequate protection would be sought through negotiated covenants and due diligence investigations, the Sub-Fund could encounter a situation where it invests in companies that carry significant undiscovered liabilities from prior operations, which could have a material adverse effect on the value of such investments.

### **Suitability Standards**

Because of the risks involved, investment in the 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 Sub-Fund, it is advisable that only part of the sums which such an investor intends for long-term investment should be so invested.

### **Counterparty Credit Risk / Creditworthiness**

Due to economic and/or legal developments applicable to the Sub-Fund, its investments and its service providers, a counterparty of the Sub-Fund may become subject to insolvency or bankruptcy proceedings, which may result in a partial or total loss of the Sub-Fund's assets and therefore also the Investors' assets in the Sub-Fund.

## **15. SFDR Classification**

The Sub-Fund does not consider the adverse impacts of investment decisions on sustainability factors in line with Article 4 (1) b of the SFDR. The Sub-Fund considers sustainability risks and principal adverse impacts as not relevant according to the following points:

- The list of prohibited investments will likely have already integrated the key environmental, social and governance (ESG) impacts according to the Sub-Fund's ESG risk appetite;
- Most of the investments are made in countries covered by the SFDR or equivalent regulation.

The Sub-Fund is neither in scope of Article 8 nor of Article 9 of the SFDR. As a consequence, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **PRIIPS / KID**

No PRIIPS KID is issued for the Sub-Fund.

## ALPHASTAR EQUITY HEDGE FUND

### 1. Specific Investment Objective and Policy

The investment objective of “Global AIFM Platform SICAV-SIF - AlphaSTAR Equity Hedge Fund” (the “**Sub-Fund**”) is to deliver consistent capital appreciation of the value of its assets by investing in a diversified portfolio of transferable securities and financial instruments, including derivatives. The Sub-Fund may also hold, on an ancillary basis, cash and cash equivalents subject to the restrictions described in Section 1.3 of the Prospectus, unless otherwise established in Section 2 of this Sub-Fund Particulars.

By investing in the aforementioned transferable securities, financial instruments and derivatives the Sub-Fund aims at implementing an alternative investment strategy while focusing on equities arbitrage opportunities. Equity hedge typically consists of a core holding of long equities hedged with short sales of stocks or stock index options. Long and short equities positions may be taken with ordinary securities and derivatives on these securities and/or index derivatives.

### 2. Financial techniques and instruments

#### General provisions related to SFTs and TRS

To achieve its investment objective, the Sub-Fund may, under the conditions and within the limits laid down by law (in particular SFTR), regulation and administrative practice and as described below, employ SFTs and derivative instruments relating to transferable securities and money market instruments. The Sub-Fund may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. The Sub-Fund may also invest, if allowed by its investment policy, in financial derivative instruments including but not limited to non-deliverable forwards, total return swaps (“**TRS**”), interest rate swaps, currency swaps, credit default swaps, and credit linked note for either investment or for hedging purposes. In doing so, the Sub-Fund shall comply with applicable restrictions and SFTR.

Any use of SFTs for investment purposes will be in line with the risk profile and risk diversification rules applicable to the Company.

The assets that may be subject to SFTs and TRS arrangements are limited to:

- short term bank certificates or money market instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions;
- bonds issued or guaranteed by a Member State of the OECD or by their local public authorities; or by supranational institutions and undertakings with EU, regional or world-wide scope;
- shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- bonds issued by non-governmental issuers offering an adequate liquidity;
- shares quoted or negotiated on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

The maximum proportion of assets under management that can be subject to SFTs and TRS is as follows:

<b>Securities or commodities lending</b>	10%
<b>Securities or commodities borrowing</b>	20%
<b>Repurchase agreements</b>	10%
<b>Buy-sell back transactions</b>	10%
<b>Sell-buy back transactions</b>	10%
<b>Margin lending transactions</b>	10%
<b>TRS</b>	50%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

<b>Securities or commodities lending</b>	0%
<b>Securities or commodities borrowing</b>	20%
<b>Repurchase agreements</b>	0%
<b>Buy-sell back transactions</b>	0%
<b>Sell-buy back transactions</b>	0%
<b>Margin lending transactions</b>	10%
<b>TRS</b>	20%

The counterparties to the SFTs and TRS will be selected on the basis of very specific criteria taking into account notably their legal status, country of origin, and minimum credit rating. The Sub-Fund will therefore only enter into SFTs and TRS with such financial counterparties defined in article 3(3) SFTR. Further such financial and non-financial counterparties have to be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the Board of Directors and/or the AIFM and/or the Investment Manager, and who are based on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD.

The Sub-Fund will collateralize its SFTs and TRS pursuant to the provisions set forth hereunder in section "Management of collateral and collateral policy".

The risks linked to the use of SFTs and TRS as well as risks linked to collateral management, such as operational, liquidity, counterparty, custody and legal risks and, where applicable, the risks arising from its reuse are further described hereunder in section "Particular Risk" and in section 3.8 of the Prospectus.

Assets subject to SFTs and TRS and any collateral received will be safekept by the Depositary.

#### Policy on sharing of return generated by SFTs and TRS

All revenues arising from SFTs and TRS, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary – will be available in the annual report of the Company.

#### Disclosure to Investors

In connection with the use of techniques and instruments the Company, with respect to the Sub-Fund, will, in its financial reports, disclose the following information:

- the exposure obtained through efficient portfolio management techniques;
- the identity of the counterparty(ies) to these efficient portfolio management techniques;
- the type and amount of collateral received by the Company, with respect to the Sub-Fund, to reduce counterparty exposure;
- the use of TRS and SFTs pursuant to the SFTR.
- the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

### **3. Management of collateral and collateral policy**

#### General

In the context of SFTs and OTC financial derivatives transactions, the Sub-Fund may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Sub-Fund in such case.

#### Eligible collateral

Collateral received by the Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability:

- (a) Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.
- (b) Valuation – collateral received should be valued on at least on a monthly basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- (c) Correlation – the collateral received should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- (d) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the its net asset value. When the Sub-Fund is exposed

to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, the Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's net asset value.

- (e) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- (f) Where there is a title transfer, the collateral received should be held by the depositary of the Sub-Fund. For other types of collateral arrangement, the collateral can be held by a third-party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (g) Collateral received should be capable of being fully enforced by the Sub-Fund at any time without reference to or approval from the counterparty. Subject to the abovementioned conditions, collateral received by the Sub-Fund may consist of:
  - a. Cash and cash equivalents, including short-term bank certificates and money market instruments;
  - b. Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
  - c. Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
  - d. Shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;
  - e. Bonds issued or guaranteed by first class issuers offering adequate liquidity;
  - f. Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

Notwithstanding the previous paragraphs collateral will only be accepted if received as:

- Cash and cash equivalents, including short-term bank certificates and money market instruments;
- Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope.

#### Level of collateral required

The level of collateral received in the context of securities lending transactions, shall be equal, at least equivalent, to 90% of the global valuation (taking into account any haircut policy, interests, dividends and other eventual rights included) of the securities lent, during the lifetime of the lending agreement.

For any other efficient portfolio management techniques or OTC derivatives, the level of collateral required will be at least 100% of the exposure to the relevant counterparty. This will be achieved by applying the haircut policy set out below.

#### Haircut policy

Collateral will be valued on a monthly basis, using available market prices and taking into account appropriate discounts which will be determined by the Sub-Fund for each asset class based on its haircut policy. This policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Sub-Fund under normal and exceptional liquidity conditions. No haircut will generally be applied to cash collateral.

In case of non-cash collateral, a haircut will be applied. The Board of Directors and/or the AIFM and/or the Investment Manager will only accept non-cash collateral which does not exhibit high price volatility. The non-cash collateral received on behalf of the Sub-Fund will typically be government debts and supranational debt securities.

For non-cash collateral, a haircut of 1% to 10% will be applied as follows:

Type of collateral	Haircut applied
Government bonds up to 1 year	Between 1 and 2%
Government bonds more than 1 year	Between 2 and 5%
Corporate bonds	Between 6 and 10%

## Reinvestment of collateral

If the collateral received is the form of cash, the collateral should only be:

- placed on deposit with first class financial institutions subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by the EU Law and specializing in this type of transaction;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company, with respect to the Sub-Fund, is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

The Investor should note that the Sub-Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty at the conclusion of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

Non-cash collateral received by the Sub-Fund may not be sold, re-invested or pledged.

## Securities lending and borrowing

The techniques and instruments mentioned in this section are further only allowable provided (i) they are economically appropriate in that they are realised in a cost-effective manner, (ii) they are entered into to reduce risks, reduce costs and/or generate additional capital or income for a Sub-Fund in consistence with the risk profile and risk diversification rules applying to such Sub-Fund, and (iii) their risks are adequately captured by the risk management process of the Company and/or the AIFM and/or the Investment Manager.

The Sub-Fund will respect all rules established by the SFTR and any additional laws, regulations and provisions which may apply to such transactions.

- i The Sub-Fund may only lend or borrow securities through a standardised system organised by a recognised clearing institution or through a first-class financial institution specialised in this type of transactions.
- ii As part of lending transactions, the Company, with respect to the Sub-Fund, must in principle receive an appropriate collateral, the value of which at the conclusion of the contract must be at least equal to the global valuation of the securities lent. At maturity of the securities lending transaction, the appropriate collateral will be remitted simultaneously or subsequently to the restitution of the securities lent.
- iii All assets received by the Company, with respect to the Sub-Fund, in the context of efficient portfolio management techniques should be considered as collateral. The collateral must comply with the conditions set forth in this section "Management of Collateral and Collateral Policy"
- iv In case of a standardized securities lending system organized by a recognized clearing institution or in case of a lending system organized by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and specialized in this type of transactions, securities lent may be transferred before the receipt of the guarantee if the intermediary in question assures the proper completion of the transaction. Such intermediary may, instead of the borrower, provide to the Company, with respect to the Sub-Fund, a guarantee which the value at conclusion of the contract must be at least equal to the total value of the securities lent.
- v Securities lending and borrowing transactions may not extend beyond a period of 30 days nor exceed 20% of the total valuation of the securities portfolio of the Sub-Fund. These limitations do not apply where the Sub-Fund is entitled at all times to the termination of the contract and the immediate restitution of the securities lent provided that the provisions of the securities lending agreement do not render such cancellation and restitution costly.
- vi The company must ensure it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardize the management of Sub-Fund's assets in accordance with its investment policy.

- vii The securities borrowed by the Sub-Fund may not be disposed of during the time they are held by the Sub-Fund, unless they are covered by sufficient financial instruments which enable Sub-Fund to reinstate the borrowed securities at the close of the transaction.
- viii The Sub-Fund may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period when the securities have been sent out for reregistration; (b) when the securities have been lent and not returned in time; (c) to avoid a failed settlement when the custodian fails to make delivery and (d) in order to comply with an obligation to deliver the securities that are the object of repurchase agreements when the counterparty exercises his right to redeem the securities, to the extent that these securities have previously been redeemed by Sub-Fund.

#### Total Return Swaps (TRS)

The Sub-Fund may invest in TRS and/or other derivative financial instruments that display similar characteristics.

When entering into TRS arrangements, which for sake of clarity, also need to comply with the provisions applicable to TRS under the SFTR, the Sub-Fund must respect the limits of diversification referred to in the 2007 Law.

Such total return swaps and other derivative financial instruments that display the same characteristics may have underlyings such as currencies, interest rates, transferable securities, a basket of transferable securities, indexes, or undertakings for collective investment.

The Sub-Fund may not enter into swap transactions unless it ensures that the level of its exposure to the swaps is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions

The counterparties will be leading financial institutions specialised in this type of transaction and subject to prudential supervision. These counterparties do not have discretionary power over the composition or management of the investment portfolio of the Sub-Fund or over the underlying assets of the derivative financial instruments.

The rebalancing frequency for an index that is the underlying asset for a financial derivative is determined by the provider of the index in question. The rebalancing of said index shall not give rise to any costs for the Sub-Fund in question.

The total return swaps and other derivative financial instruments that display the same characteristics shall not confer to the Sub-Fund a right of action against the counterparty in the swap or in the derivative financial instrument, and any eventual insolvency of the counterparty may make it impossible for the payments envisioned to be received.

The net exposure of total return swap transactions in conjunction with all exposures resulting from the use of options, interest rate swaps and financial futures may not in respect of the Sub-Fund exceed at any time the Net Asset Value of the Sub-Fund.

The total return swap transactions to be entered into will be marked to market monthly using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement.

Typically, investments in total return swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

TRS will typically be divided into two categories, namely "funded" and "unfunded", depending on whether or not the credit protection seller makes an initial principal payment in respect of the reference asset.

#### Repurchase Agreement transactions

The Sub-Fund may enter into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the purchaser the securities sold at a price and term specified by the two parties in a contractual arrangement.

The Sub-Fund can act either as purchaser or seller in repurchase agreement transactions. Its involvement in such transactions is, however, subject to the following rules.

The Sub-Fund may not buy or sell securities using a repurchase agreement transaction unless the counterparty in such transactions is a first-class financial institution, subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European law and specialised in this type of transaction.

For the duration of the repurchase agreement contract, the Sub-Fund cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired.

Where the Sub-Fund is exposed to redemptions of its own Shares, it must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.

The Sub-Fund must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement must be used for the calculation of the Net Asset Value of the Sub-Fund.

The Sub-Fund must further ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

Repurchase agreement and reverse repurchase agreements will generally be collateralized as further described in this section "Management of Collateral and Policy", at any time during the lifetime of the agreement, at least their notional amount.

The securities purchased with a repurchase option or through a reverse repurchase agreement transaction must, together with the other securities that it holds in its portfolio, globally comply with the investment restrictions. To achieve its investment objective, the Sub-Fund will not use securities financing transactions (including securities lending and repurchase agreements) and will not invest in total return swaps.

#### **4. Investment restrictions**

Unless otherwise provided herein, the general rules concerning investment restrictions will be by default those as described in Section 1.3 of the Prospectus.

No investment in any transferable securities of the same kind or money market instruments issued by the same entity can exceed twenty percent (20%) of the Sub-Fund's total assets. Any position exceeding the twenty percent (20%) limit due to an appreciation of the initial investment or a depreciation of any other investments has to be readjusted accordingly as soon as possible and by taking due account of the interests of the holders of Shares within the Sub-Fund.

No more than twenty percent (20%) of the total assets of the Sub-Fund may be invested in other fund of funds.

The Sub-Fund's maximum level of leverage is limited to 400% when using the gross method and to 300% when using the commitment method.

#### **5. Investment Manager**

Pursuant to an investment management agreement, the AIFM has, with the consent of the Board of Directors, expressly delegated to the Investment Manager the discretion, on a daily basis but subject to the overall control and responsibility of the AIFM and the Company, to purchase and sell securities as agent for the Sub-Fund and otherwise to manage the portfolios of the Sub-Fund.

Pursuant to the relevant investment management agreement, the AIFM has appointed Olympia Wealth Management Ltd to manage the assets of the Sub-Fund. Olympia Wealth Management Ltd is a limited company incorporated under the laws of the United Kingdom, having its registered office at 32 Ludgate Hill, London EC4M 7DR, United Kingdom.

Olympia Wealth Management Ltd is licensed by the UK Financial Conduct Authority (FCA) to act as an Investment Manager.

#### **6. Reference Currency**

The reference currency of the Sub-Fund is EUR.

#### **7. Prime Broker**

No Prime Broker is appointed for the Sub-Fund.

#### **8. Shares**

For the time being, there exist the following Classes of Shares in the Sub-Fund:

- Class A Shares: EUR capitalisation shares.
- Class B Shares: EUR capitalisation shares.



The Reference Currency of both classes of the Sub-Fund is Euro.

The Class A Shares will be closed to subscriptions, effective from the “Initial Offering Period of the Class B Shares” (the “Effective Date”), except for any existing Shareholder at the Effective Date, who may continue to issue subscription requests into Class A Shares.

## **9. Subscription of Shares**

The launching of the Sub-Fund is the result of acquiring, by a merger, Alpha Fund, S.C.A. SICAV-SIF – STAR 4 - Equity Hedge Fund.

On the date of launching of the Sub-Fund, it will receive all assets and liabilities of Alpha Fund, S.C.A. SICAV-SIF – STAR 4 - Equity Hedge Fund, which will cease to exist as a result.

Accordingly, the Sub-Fund has no initial offering period. Instead, on the date of launching of the Sub-Fund, shareholders of Alpha Fund, S.C.A. SICAV-SIF – STAR 4 - Equity Hedge Fund shall receive a number of newly launched Class A shares in the Sub-Fund with an initial net asset value per share equal to the net asset value per share of the relevant shares of Alpha Fund, S.C.A. SICAV-SIF – STAR 4 - Equity Hedge Fund.

### **Subsequent subscriptions**

#### Share Class A:

Subscriptions forms must, subject to the discretion of the Board of Directors to determine otherwise, be received by the Administrator no later than 12:00 noon (Luxembourg time) five (5) Business Days before the applicable Valuation Day.

Applications for subscription shall be accepted on the basis of subscription amounts only. Applications for subscription issued on the basis of number of shares to be subscribed shall no longer be accepted.

Subscription monies are payable in the Reference Currency and must reach the Company no later than three (3) Business Days before the applicable Valuation Day.

#### Share Class B:

Share Class B is currently dormant and shall remain so upon completion of the merger. Class B Shares will be issued only a) if a new large subscription is requested or b) when NAV reaches a level which is significantly below the relevant High Watermark.

### **Minimum Initial Investment and Minimum Holding Requirements**

The Shares of the Sub-Fund are suitable for purchase only by Well-Informed Investors. The minimum initial investment as well as the minimum holding requirements per investor in this Sub-Fund for the Class A and Class B Shares is the equivalent of one hundred twenty-five thousand Euro (EUR 125,000.-).

## **10. Redemption of Shares**

For both Classes of Shares in this Sub-Fund, shares may be redeemed with reference to each Valuation Day.

Redemption requests must, subject to the discretion of the Board of Directors to determine otherwise, be received by the Administrator by 12:00 noon (Luxembourg time) fifteen (15) calendar days before the applicable Valuation Day. Requests received after this deadline will take effect on the next following Valuation Day.

Redemption proceeds shall be paid in the Reference Currency within ten (10) Business Days after the applicable Dealing Day (as defined in section “Valuation Day” below). However, in the case of significant redemption applications or in the case of a lack of liquidity of a significant portion of the assets of the Sub-Fund, the Board of Directors reserves the right to finalize the Net Asset Value of the Shares only after carrying out the sales of securities required, on behalf of the Company. In that case, the redeeming investor may receive a partial payment of its redemption proceeds, to be considered as an advance on the final redemption amount that will be determined once the relevant sales of securities will have been finalized.

## **11. Conversion of Shares**

Conversions of the Sub-Fund’s Shares into shares of other sub-fund of the Company are not allowed.

## **12. Duration**

The Sub-Fund is established for an unlimited duration.

## **13. Fees**

### **Fees borne by Shareholders:**

Subscription fee: for both Share Classes A and B, up to four percent (4%) of the Net Asset Value might be included on the aggregate amount invested.

### **Fees borne by the Sub-Fund:**

#### AIFM Fee:

The AIFM shall receive from the Sub-Fund a remuneration up to 6 bps plus fixed fees, as detailed in the AIFM agreement.

#### Performance Fee:

For both Share Classes A and B, a performance fee is calculated on the Sub-Fund over-performance per Share (as defined below) with an historical high-water mark and adjusted to take account of all subscriptions and redemptions during the reference period. The reference period is equal to the whole life of the Sub-Fund and cannot be reset.

The performance fee operates a high-water mark ("High Water Mark") principle which is a mechanism that ensures that the performance fee can only be charged if the Net Asset Value per Share is higher than the Net Asset Value per Share at which a performance fee was last paid ("crystallized"). The High Water Mark cannot be reset.

For the first performance fee calculation, the High Water Mark will be the price at launch date and the first crystallization will be calculated as of the Valuation Day corresponding to 30 April 2023. Thereafter, the crystallization frequency will correspond to each Valuation Day. If a redemption occurs on a date other than that on which a performance fee is paid ("crystallization") while an accrual has been made for performance fee, the performance fee for which an accrual has been made and which is attributable to the Shares redeemed will be paid at the next crystallization even if the accrual for performance fee is no longer made at that date.

The performance fee is based on the following formula:

- Over-performance per Share = [Net Asset Value per Share, adjusted for subscriptions and redemptions] – [High Water Mark]
- Performance fee = 20%
- Performance fee per Share payable= [Performance fee] x [Over-performance per Share].

#### Investment Manager Fee:

The Investment Manager shall receive from the Sub-Fund the following remuneration:

- 2% of the assets under management of the Sub-Fund;
- 20%, as performance fee, as described above.

## **14. Valuation Day**

In this Sub-Fund, the term "Dealing Day" will mean any day on which (i) the Net Asset Value per Share of each Class is calculated/finalized with reference to a specific Valuation Day and (ii) Shares may be issued, converted and redeemed.

The Valuation Day of both Classes of the Sub-Fund shall be monthly on the last Business Day of each month (the "Valuation Day").

Dealing Days of both Classes shall occur monthly, on the second Business Day following the applicable Valuation Day.

## **15. Tolerance threshold applicable for the Net Asset Valuation calculation error**

The tolerance threshold applicable for the Net Asset Value calculation error shall be, subject to the Administrator's prior approval, one percent (1%).

## **16. Particular Risks**

Investing in the Sub-Fund involves a degree of risk. The attention of the Shareholders should be drawn to the fact that the risks described below are not the only risks faced by this Sub-Fund nor are they listed in any order of priority and there may be additional risks, in particular the ones described in section 3.8 of the Prospectus.

Additional risks and uncertainties not currently known to the Board of Directors and/or the AIFM and/or the Investment Manager may also have an adverse effect on the Sub-Fund's business and the information set out in the Prospectus does not purport to be an exhaustive summary of the risks affecting the Sub-Fund.

Short Sales: The potential losses resulting from short sales on transferable securities differ from the possible losses resulting from the investment of liquid assets in such transferable securities. In the first case, the loss may be unlimited whereas, in the second case, the loss is limited to the amount of liquid assets invested in the transferable securities concerned.

Special Investment Techniques: The general use of currency hedging techniques and instruments, compared to traditional forms of investment may involve greater risks.

Risks of Options Trading: In seeking to enhance performance or hedge assets, the Sub-Fund may use options. Both the purchase and sale of call and put options entail risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to a greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying security may fall below the exercise price.

Investment in Futures: Futures markets are highly volatile markets. The profitability of the Sub-Fund will partially depend on the ability of the investment manager to make a correct analysis of the market trends, influenced by governmental policies and plans, international political and economic events, changing supply and demand relationships, acts of governments and changes in interest rates. In addition, governments may from time to time intervene on certain markets, particularly currency markets. Such interventions may directly or indirectly influence the market. Given that only a small amount of margin is required to trade on futures markets, the operations of the managed futures portion of the Sub-Fund shall be characterized by a high degree of leverage. As a consequence, a relatively small variation of the price of a futures contract may result in substantial losses for the Sub-Fund and a correlated reduction of the Net Asset Value of the Shares of the Sub-Fund.

Options on Futures: The Sub-Fund may engage in the management of options, in particular options on futures contracts. Such management carries risks similar to those inherent to the uncovered management of futures contracts on commodities as far as such options are volatile and imply a high degree of leverage. The specific movements of the commodities and futures contracts markets, which represent the underlying assets of the options may not be predicted with precision. The buyer of an option may lose the entire purchase price of the option. The seller of an option may lose the difference between the premium received for the option and the price of the commodity or of the futures contract underlying the option that the seller must buy or deliver, upon the exercise of the option.

Market Participant Risk: The institutions, including brokerage firms and banks, with which the Sub-Fund or the target investment funds execute trades, may encounter financial difficulties that impair the operational capabilities or the capital position of such counterpart. The Sub-Fund will have no control whatsoever over the counterparties or brokers used by the target investment funds.

Equity Market Neutral: A market neutral strategy requires both a long and short position. To the extent the Sub-Fund is unable to maintain a balanced position because of trade execution delays, forced liquidations of short or leveraged positions due to losses or failure to "match" long and short positions, the strategy will not be market neutral. In addition, to the extent that long and short positions are not matched by industry sectors, a sector-wide but not market-wide price move may result in market, as opposed to stock picking, losses.

Long/Short Strategies: The Sub-Fund, within the limits set forth in the investment restrictions, will routinely sell securities short. Since the borrowed securities sold short must later be replaced by market purchases, any appreciation in the market price of these securities (which is potentially unlimited) results in a loss. Purchasing securities to close out the short position can itself cause their market price to rise, further increasing losses. Furthermore, the Sub-Fund may be prematurely forced to close out a short position if a counterpart from which the Sub-Fund has borrowed such security demands its return.

## **17. Listing on the Luxembourg Stock Exchange**

There is no intention to apply for the listing of the Shares of the Sub-Fund on the Luxembourg Stock Exchange or any other stock exchange.

## **18. SFDR Classification**

The Sub-Fund does not consider the adverse impacts of investment decisions on sustainability factors in line with Article 4 (1) b of the SFDR. The Sub-Fund considers sustainability risks and principal adverse impacts as not relevant according to the following points:

- The list of prohibited investments will likely have already integrated the key environmental, social and governance (ESG) impacts according to the Sub-Fund's ESG risk appetite;
- Most of the investments are made in countries covered by the SFDR or equivalent regulation.

The Sub-Fund is neither in scope of Article 8 nor of Article 9 of the SFDR. As a consequence, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## **19. PRIIPS / KID**

To prospective Well Informed Investors in the Sub-Fund considered as retail investors according to the PRIIPS Regulation, a KID will be available sufficiently prior to their purchase of Sub-Fund's Shares decision, or without delay after the purchase of Sub-Fund's Shares when circumstances of Art 13.3. of the PRIIPs Regulation are met.