

# Offering Memorandum

February 2023

## SELECTION HOLDINGS S.A., SICAV-FIAR

an investment company with variable capital - a reserved alternative investment fund ("*société d'investissement à capital variable – fonds d'investissement alternatif réservé*" – SICAV-FIAR) governed by the 2016 Act under the form of a Luxembourg public limited liability company ("*société anonyme*")

THE COMPANY IS NOT SUBJECT TO THE SUPERVISION OF THE COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER.

APPLICATIONS FOR SUBSCRIPTION WILL BE RESERVED TO WELL-INFORMED INVESTORS WHO/WHICH ARE NOT RESTRICTED PERSONS. MARKETING OF SHARES IN THE EU UNDER THE PASSPORT IN ACCORDANCE ART. 43 OF DECRETO LEGISLATIVO 24 FEBRAURY 1998 N. 58 AND ARTT 28 BIS AND 28 TER OF REGOLAMENTO CONSOB DELIBERA N. 11971 OF 14 MAY 1999 IS LIMITED TO PROFESSIONAL INVESTORS. EACH INVESTOR WILL HAVE TO MAKE HIS/HER OWN ASSESSMENT OF THE CONDITIONS OF HIS/HER PARTICIPATION IN

**THE COMPANY. IT IS THE RESPONSIBILITY OF THE INVESTORS TO DETERMINE WHETHER A PARTICIPATION IN THE COMPANY IS SUITABLE FOR THEM OR NOT.**

By accepting this offering memorandum (the **Offering Memorandum**) the recipient agrees to be bound by the following:

**Offering Memorandum – Articles – Subscription Agreement**

This Offering Memorandum is confidential and intended solely for the use of the person to whom it has been delivered for the purpose of enabling the recipient to evaluate an investment in different Compartments and Classes as set out herein.

This Offering Memorandum is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective Investor receiving this document from the Company) without the prior written consent of the Board or AIF Manager. All recipients agree they will keep confidential all information contained herein. Notwithstanding the foregoing, each Investor (and each employee, representative or other agent of the Investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Company and all materials of any kind (including opinions or other tax analyses) that are provided to the Investor relating to such tax treatment and tax structure. Acceptance of this document by a recipient constitutes an agreement to be bound by the foregoing terms.

Investors are not to construe the contents of this Offering Memorandum as legal, business, tax, investment or other advice. Each Investor should consult his own professional advisors as to the legal, business, tax, investment or other related matters concerning an investment in the Company.

In making an investment decision, Investors must rely on their own examination of the Company and the terms of this offering, including the merits and risks involved. Shares have not been recommended by any securities commission or regulatory authority. Any representation to the contrary may be a criminal offence. No person is authorized to give any information or to make any representations concerning the Company or the offering of the Shares which are inconsistent with those contained in this Offering Memorandum.

An investment in Shares involves significant risks. Investors should pay particular attention to the information in Section 23. Investment in the Company is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks inherent in an investment in the Company. No assurance can be given that the relevant Compartment's investment objectives will be achieved or that Investors will receive a return of their capital. Investors should note that not all the protections provided under their relevant regulatory regime may apply and there may be no right to compensation under such regulatory regime, if such scheme exists.

This Offering Memorandum does not purport to be, and should not be construed as, a complete description of the Articles and the other documents referred to herein, copies of which will be provided to each Investor upon request. To the extent of any inconsistency between this Offering Memorandum and the Articles or such other documents, the terms of the Articles and such other documents, rather than the terms of this Offering Memorandum, shall prevail.

Certain information contained in this Offering Memorandum constitute "forward-looking statements", which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "estimate" or "intend", or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those described in Section 23, actual events or results or the actual performance of

the Company may differ materially from those reflected or contemplated in such forward-looking statements.

Save as provided below with respect to marketing in the EU, neither this Offering Memorandum nor the Shares have been qualified for offer, sale or distribution under the laws of any jurisdiction governing the offer or sale of shares or other securities, and this Offering Memorandum shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Shares, in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of the Offering Memorandum and any person wishing to apply for Shares pursuant to the Offering Memorandum to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Investors for Shares should inform themselves as to the possible tax consequences, the legal and regulatory requirements and any foreign exchange restrictions or any applicable exchange control regulations which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding, conversion or sale of Shares.

## **Marketing in the EU**

### *General information*

Shares can be marketed to Professional Investors in the EU in accordance with the AIFMD Rules.

Marketing of Shares in the EU to Eligible Investors other than Professional Investors must comply with applicable national private placement regimes. Those Eligible Investors are required to inform themselves of the conditions imposed by their local requirements before investing in the Company and to assess the impact and the risks to which they may be exposed when investing into the Company. This Offering Memorandum has been provided to those Eligible Investors upon their own request and the Company disclaims any liability for damages caused by any restriction imposed on such Eligible Investors.

Shares are generally not marketed to Investors in the EU other than to Professional Investors. However, in the instances where Shares are marketed to Investors other than Professional Investors, a key information document will have to be provided to these Investors in accordance with PRIIPs.

### *Marketing in the EU through distributors*

Distributors that are subject to the requirements of MiFID are required to have in place adequate arrangements to obtain all appropriate information on the products they distribute and their identified target markets. To assist such distributors information has been or may be provided to such distributors (as relevant) on what is considered to be the potential target market for the Company.

A summary of such information is as follows: Shares may be appropriate for Professional Investors and eligible counterparties (as defined in MiFID) and certain Eligible Investors other than Professional Investors and eligible counterparties (as defined in MiFID) and who intend to invest in the Company with an objective of the type outlined in the investment objective and policy. The Company may not be appropriate for investors outside the target market and responsibility for compliance with any applicable distribution requirements under MiFID rests with the relevant distributor.

### *Specific information for marketing in Italy*

In Italy, according to art. 43 of the Italian Legislative Decree n. 58/98 and with the notification performed by the AIF Manager, Shares can be marketed to Investors other than Professional Investors, provided they qualify as Eligible Investors and they subscribe at least EUR 500,000 in the Company (or an equivalent amount denominated in a different currency).

According to the Decree No. 19 of 13 January 2022 of the Ministry of Economy and Finance (MEF) concerning the "Regulations on amendments to Decree No. 30 of 5 March 2015, implementing Article 39 of Legislative Decree No. 58 of 24 February 1998 (TUF), concerning the determination of the general criteria with which Italian Undertakings for Collective Investment in Savings (OICR) must comply" the minimum amount mentioned above may be lowered to EUR 100,000 in the following cases:

- The non-professional investors who, in connection with the provision of investment advisory services, subscribe or purchase Shares for an initial amount of not less than EUR 100,000 provided that, as a result of this subscription or purchase, the aggregate amount of their investments in reserved AIFs does not exceed 10% of their financial portfolios. The minimum initial holding is not divisible; or
- Persons authorised to provide portfolio management services who, in the course of providing such services, subscribe or purchase Shares for an initial amount of not less than EUR 100,000 on behalf of non-professional investors.

### **Restrictions for US Investors**

Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or under the securities laws of the District of Columbia or any state or political subdivision of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico.

The Company has not been and will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended, or any similar law, rule or regulation in any other jurisdiction. The AIF Manager and the Investment Manager have not been and will not be registered under the U.S. Investment Advisers Act of 1940, as amended, or any similar law, rule or regulation in any other jurisdiction.

Shares may not be directly or indirectly offered or sold in the U.S. or to or for the benefit of any U.S. Person (as defined in the following paragraph). In this context, a U.S. Person is a person who is in either of the following two categories: (a) a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the Securities Act or (b) a person excluded from the definition of a "Non-United States person" as used in the U.S. Commodity Futures Trading Commission Rule 4.7. This definition may be amended from time to time so as to include any U.S. person as defined under U.S. securities and tax laws and/or regulations.

For purposes of the applicable prohibitions against ownership and transfer of Shares, the term U.S. Person means:

- (1) A resident or citizen of the United States;
- (2) A partnership or corporation organized under the laws of the United States;
- (3) Any entity not organized under U.S. laws that (a) is organised principally for passive investment (such as an investment company, a commodity pool or other similar vehicle); and (b) (i) in which the amount of units of participation held by U.S. Persons (other than "qualified eligible persons" as defined in Rule 4.7 under the U.S. Commodity Exchange Act) represents in the aggregate 10% or more of the beneficial interest in the entity; (ii) that was formed for the purpose of facilitating investment by U.S. Persons in

the Company, or in any other commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the U.S. Commodity Futures Trading Commission by virtue of its participants being non-U.S. Persons; or (iii) that was formed by U.S. Persons principally for the purpose of investing in securities not registered under the Securities Act, unless it is formed and owned by "accredited investors" (as defined in Rule 501 (a) under the Securities Act) who are not individuals, estates or trusts;

- (4) An estate or trust: of which an executor, administrator or trustee is a U.S. person, unless (i) an executor, administrator or trustee who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate or trust and (ii) (A) in the case of an estate, it is governed by non-U.S. or (B) in the case of a trust, no beneficiary (and no settlor if the trust is revocable) is a U.S. Person; or (C) the income of which is subject to U.S. income tax regardless of source;
- (5) Any agency or branch of a foreign entity located in the United States;
- (6) Any non-discretionary account or similar account (other than an estate or trust) held for the benefit or account of one or more U.S. Persons;
- (7) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States, unless it is held by a dealer or other professional fiduciary exclusively for the benefit or account of one or more non-U.S. Persons; and
- (8) To the extent not already reflected in the foregoing, any person treated as a "United States person" under the IRS Code (and the Treasury Regulations thereunder), or that is treated as a "U.S. Person" as defined in the IGA between Luxembourg and the United States.

Persons requiring details regarding other terms used in the foregoing definition (such as "qualified eligible participant" and "accredited investor") should contact their legal or taxation advisor.

#### **Notice to Investors in Hong Kong SAR**

**Warning – The contents of this Offering Memorandum have not been reviewed nor endorsed by any regulatory authority in Hong Kong. Hong Kong residents are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Offering Memorandum, you should obtain independent professional advice.**

The contents of this Offering Memorandum have not been reviewed nor endorsed by any regulatory authority in Hong Kong. Hong Kong residents are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Offering Memorandum, you should obtain independent professional advice.

The Company is not authorised by the Securities and Futures Commission (**SFC**) in Hong Kong pursuant to Section 104 of the Securities and Futures Ordinance (**SFO**). This Offering Memorandum has not been approved by the SFC in Hong Kong, nor has a copy of it been registered with the Registrar of Companies in Hong Kong.

Accordingly:

- (1) Shares may not be offered or sold in Hong Kong by means of this Offering Memorandum or any other document other than to "professional investors" within the meaning of Part I of Schedule 1 to the SFO and any rules made under the SFO, or in

other circumstances which do not result in the document being a "prospectus" as defined in the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (**CWUMPO**) or which do not constitute an offer or invitation to the public for the purposes of the CWUMPO or the SFO; and

- (2) No person shall issue or possess for the purpose of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so in (a) above or under the laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors".

This Offering Memorandum is distributed on a confidential basis and may not be reproduced in any form or transmitted to any person other than the person to whom it is addressed. No Shares in the Company will be issued to any person other than the person to whom this Offering Memorandum has been addressed and no person other than such addressee may treat the same as constituting an invitation for him to invest.

### **Notice to residents of Singapore**

This Offering Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

The contents of this Offering Memorandum is for informational purposes only, and does not constitute or form financial advice to buy Shares. This Offering Memorandum was prepared without regard to the specific investment objectives, financial situation or particular needs of any particular person.

The Company and the offer of the Shares which are the subjects of this Offering Memorandum do not relate to a collective investment scheme which is authorised by the Monetary Authority of Singapore (**MAS**) under section 286 of the Securities and Futures Act (Cap. 289) (the **SFA**) or recognised by the MAS under section 287 of the SFA.

This Offering Memorandum (as well as any other document issued in connection with the offer or sale of Shares) is not a prospectus as defined in the SFA, nor will it be lodged or registered as a prospectus with the MAS and, accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply, and potential Investors should carefully consider whether an investment in the Company is suitable for them. The MAS assumes no responsibility for the contents of this Offering Memorandum (nor any other document issued in connection with the offer or sale of the Shares).

The Shares are being offered in Singapore strictly in accordance with section 302C of the SFA, which, among other things, imposes limitations on the number of persons to whom the offer can be made. This Offering Memorandum as well as any other document in connection with the offer or sale of the Shares is intended only for the person to whom the Offering Memorandum or other document has been given (the **Addressee**), and the Shares are not being offered or sold, nor to be made the subject of an invitation for subscription or purchase, to any person in Singapore except the Addressee. Accordingly, without the prior written consent of the Board or the AIF Manager, this Offering Memorandum as well as any document in connection with any offer or sale of the Shares is not to and must not be issued, circulated or distributed in Singapore, to any other person in Singapore except the Addressee.

Where the Shares are subscribed for or purchased, the restrictions imposed by section 302C of the SFA can affect their subsequent transferability or resale, and accordingly any subsequent transfer or resale of the Shares would have to be in accordance with such restrictions. In particular, the Shares are not presently being offered by the Company or any of its agents to the Addressee with a view to the Addressee subsequently offering them for sale to another person.

## **Notice to Investors in Switzerland**

### *Limitation to Qualified Investors*

The offer and marketing of Shares of the Company in Switzerland will be exclusively made to, and directed at, qualified investors (the **Qualified Investors**), as defined in Article 10(3) and (3ter) of the Swiss Collective Investment Schemes Act (**CISA**) and its implementing ordinance. Accordingly, the Company has not been and will not be registered with the Swiss Financial Market Supervisory Authority (**FINMA**). This Offering Memorandum and/or any other offering or marketing materials relating to the Shares of the Company may be made available in Switzerland solely to Qualified Investors.

### *Swiss representative and paying agent – Availability of legal documents and the Annual Report*

In respect of its offer and marketing in Switzerland to Qualified Investors with an opting-out pursuant to Art. 5(1) of the Swiss Federal Law on Financial Services (**FinSA**) and without any portfolio management or advisory relationship with a financial intermediary pursuant to Article 10(3ter) CISA, the Company has appointed as Swiss representative and paying agent BANCA DEL CERESIO SA.

BANCA DEL CERESIO SA has its registered office in Via della Posta 7, CH-6901 Lugano and is authorized by the FINMA to act as the Swiss representative agent of collective investment schemes.

The legal documents as well as the latest Annual Report and semi-annual financial reports, if any, of the Company may be obtained free of charge from the Swiss representative.

### *Payment of retrocessions and rebates*

The Company or the AIF Manager and/or any of their agents may pay retrocessions as remuneration for distribution activity in respect of Shares in or from Switzerland.

This remuneration may be deemed payment for the following services in particular:

- introduction of Investors;
- marketing and promotion;
- presence on investment platforms;
- training for distributors and business introducers;
- marketing and promotional material preparation, and delivery of such material to Investors;
- provision to Investors of official company documentation; and/or
- general and specific support and reporting to Investors.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the Investors.

The recipients of the retrocessions must ensure transparent disclosure and inform Investors, unsolicited and free of charge, about the amount of remuneration they may receive for

distribution. Upon request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the Investors concerned. In the case of distribution activity in or from Switzerland, the Company or the AIF Manager and or their agents may, upon request, pay rebates directly to Investors. The purpose of rebates is to reduce the fees or costs incurred by the Investor in question. Rebates are permitted provided that:

- they are paid from fees received by the Company or the AIF Manager and therefore do not represent an additional charge on the Company's assets;
- they are granted on the basis of objective criteria;
- all Investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Company are as follows:

- the volume subscribed by the Investor or the total volume the Investor hold in the Company or, where applicable, in the product range of investment schemes managed, co-managed or advised by affiliated entities of the AIF manager's financial group;
- the investment behaviour shown by the Investor (e.g. expected investment period).
- At the request of the Investor, the Company must disclose the amounts of such rebates free of charge.

#### *Place of performance and jurisdiction*

In respect of the Shares distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the Swiss representative.

#### **Notice to residents in the United Kingdom**

For the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (**FSMA**), the Company is an AIF and a collective investment scheme but not a recognised scheme. The AIF Manager intends to qualify the Company for marketing in the United Kingdom under the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom (the UK AIFM Regulations). The marketing and sale of Shares and the communication of this Offering Memorandum and any other invitation or inducement to acquire Shares in the United Kingdom are otherwise restricted by law. Accordingly, Shares are only available for investment by, and this Offering Memorandum is directed only at, persons in the United Kingdom who qualify as "professional investors", as defined under the UK AIFM Regulations. Investment in the Company is not available to any persons in the United Kingdom who would qualify as "retail investors" within the meaning of the UK AIFM Regulations or the PRIIPs, as incorporated into the laws of the United Kingdom, and such persons may not act or rely on the information in this Offering Memorandum.



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## GENERAL INFORMATION

<p><b>Registered office of the Company</b></p> <p>20, Rue de la Poste L-2346 Luxembourg Grand Duchy of Luxembourg</p>	<p><b>Board of Directors</b></p> <p>Mr Serge d'Orazio, Director and Chairman, Luxembourg Mr Mattia Nocera, Director, London Mr Raffaele Martinelli, Director, Lugano</p>
<p><b>AIF Manager</b></p> <p>Global Selection SGR S.P.A. Via Pietro Tamburini 13 20123 Milano Italy</p>	<p><b>Investment Manager</b></p> <p>Belgrave Capital Management Ltd. 1 Old Queen Street London SW1H 9JA United Kingdom</p>
<p><b>Depositary</b></p> <p>Citco Bank Nederland N.V. Luxembourg Branch 20, rue de la Poste L-2346 Luxembourg Grand Duchy of Luxembourg</p>	<p><b>Administrator</b></p> <p>Citco Fund Services (Luxembourg) S.A. 20, rue de la Poste L-2346 Luxembourg Grand Duchy of Luxembourg</p>
<p><b>Auditor</b></p> <p>PricewaterhouseCoopers, SC 2, Rue Gerhard Mercator L-2182 Luxembourg Grand Duchy of Luxembourg</p>	<p><b>Legal adviser as to Luxembourg Law</b></p> <p>Dechert (Luxembourg) LLP 1, Allée Scheffer L-2017 Luxembourg Grand Duchy of Luxembourg</p>
<p><b>Legal adviser as to Italian Law</b></p> <p>Annunziata &amp; Conso Piazza Santa Maria delle Grazie 1, 20123 Milano Italy</p>	<p><b>Legal adviser as to English law</b></p> <p>Dechert LLP 160 Queen Victoria Street London EC4V 4QQ United Kingdom</p>

## DEFINITIONS

In this Memorandum, the following terms have the following meanings:

**1915 Act** means the Luxembourg act of 10 August 1915 on commercial companies, as amended from time to time;

**1993 Act** means the Luxembourg act of 5 April 1993 on the financial sector, as amended;

**2010 Act** means the Luxembourg act of 17 December 2010 on undertakings for collective investment, as amended from time to time;

**2013 Act** means the Luxembourg act of 12 July 2013 on AIFMs, as amended from time to time;

**2016 Act** means the Luxembourg act of 23 July 2016 relating to RAIFs; as amended from time to time;

**Accounting Year** means a 12 months period ending on 31 December;

**Administrator** means Citco Fund Services (Luxembourg) S.A., in its capacity as domiciliary agent, administrative agent and registrar and transfer agent of the Company;

**Administration Agreement** means the administration agreement between the Company, the Administrator and the AIF Manager with effective date of 26 April 2017 and which may be amended from time to time;

**Affiliate** means

- a) in the case of a company:
  - any company which is its direct or indirect holding company or subsidiary or a direct or indirect subsidiary of that holding company; or
  - a company (or a direct or indirect subsidiary of a company) or other legal entity which controls or is controlled by the person concerned;
- b) in the case of an individual, the spouse or direct descendant and ascendants of any kind, and any company directly or indirectly controlled by such person and his associates within the meaning of paragraph a) of this definition; or
- c) in the case of an entity other than a company, the members and any company directly or indirectly controlled by such person and his associates within the meaning of paragraph a) of this definition.

**Annual Report** means the annual report in the meaning of article 38 of the 2016 Act;

**AIF** means an alternative investment fund in the meaning of the AIFMD;

**AIF Manager** means Global Selection SGR S.P.A. in its capacity as the AIFM of the Company or any successor appointed by the Company to replace Global Selection SGR S.P.A.;

**AIFM** is any legal person whose regular business is managing one or more AIFs;

**AIFM Agreement** means the AIFM agreement between the Company and the AIF Manager effective as of 1<sup>st</sup> January 2021 and which may be amended from time to time;

**AIFMD** means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on AIFMs;

**AIFMD Delegated Regulation** means European Commission Delegated Regulation (EU) No 231/2013 supplementing AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;

**AIFMD Rules** means the provisions of (i) the AIFMD Delegated Regulation and any other directly applicable European Commission regulation made under AIFMD, (ii) Italian Law applicable to the AIF Manager in respect of its duties and obligations under the AIFM Agreement, (iii) the 2013 Act and (iv) where applicable, the laws and regulations of a member state of the EU other than Italy and the Grand Duchy of Luxembourg which apply by reason of the Shares being marketed in such member state of the EU;

**Annual Report** means the annual report under article 38 of the 2016 Act;

**Articles** means the articles of incorporation of the Company, as amended from time to time;

**Auditor** means the auditor (*réviseur d'entreprises agréé*) of the Company which is PricewaterhouseCoopers, SC;

**Bid NAV** has the meaning set forth in Section 11.5.1 of the General Section;

**Board** means the board of directors (*conseil d'administration*) of the Company;

**Business Day** means a full day on which banks are generally open for business in Luxembourg (excluding Saturdays and Sundays and public holidays);

**Chairman** means the chairman of the Board;

**Claims and Expenses** means, with respect to the relevant person, any and all liabilities, obligations, losses, damages, fines, taxes and interest and penalties thereon, claims, demands, actions, suits, proceedings (whether civil, criminal, administrative, investigative or otherwise), costs, expenses and disbursements (including legal and accounting fees and expenses, costs of investigation and sums paid in settlement) of any kind or nature whatsoever, which may be imposed on, incurred by, or asserted at any time against that person in any way related to or arising out of this Memorandum, the Articles, the Subscription Agreement, the Company for the account of the relevant Compartment(s), the Investments or the management, administration, or activities of any Indemnified Person on behalf of the Company for the account of the relevant Compartment(s) or the relevant Investments;

**Class** means a class of Shares within a relevant Compartment (*catégorie d'actions*) as this term is understood under the 1915 Act;

**CIS** means investment funds or discretionary investment accounts managed by investment managers;

**Company** means Selection Holdings SA, SICAV-FIAR;

**Company's Consent** means the written consent (which shall include electronic mail or other electronic communication and may consist of one or more documents (including "pdf" type electronic mail attachments) in similar form each signed by one or more of the Investors) of the Investors who together exceed 50% of the voting rights of the Company at the relevant time whereby the Board is entitled to consider that a Company's Consent is given if only less than 50% of the voting rights expressed their opposition to the relevant resolution within the

period of time indicated in the notice of the Board and which cannot be shorter than ten (10) Business Days;

**Conflicted Person** means any conflicted person determined in Section 14.1 of the General Section;

**Compartment** means a separate portfolio of assets established for one or more Classes of the Company which is invested in accordance with a specific investment objective. The features of each Compartment will be described in their relevant Special Section;

**Compartment's Consent** means, in relation to each Compartment, or Class thereof, and unless otherwise provided for in the applicable Special Section, the written consent (which shall include electronic mail or other electronic communication and may consist of one or more documents (including "pdf" type electronic mail attachments) in similar form each signed by one or more of the Investors) of the Investors who together exceed 50% of the voting rights of the relevant Compartment, or Class thereof, at the relevant time whereby the Board is entitled to consider that a Compartment's Consent is given if only less than 50% of the voting rights expressed their opposition to the relevant resolution within the period of time indicated in the notice of the Board and which cannot be shorter than ten (10) Business Days;

**CSSF** means the *Commission de surveillance du secteur financier*, the Luxembourg regulator for the financial sector;

**Data Protection Legislation** means GDPR and any other applicable national laws and regulations;

**Depository** means Citco Bank Nederland N.V. Luxembourg Branch in its capacity as depository and paying agent of the Company;

**Depository Agreement** means the depository agreement between the Depository, the Company and the AIF Manager with effective date of 26 April 2017 and which may be amended from time to time;

**Director** means any director of the Company;

**Eligible Investor** means an Institutional Investor, a Professional Investor or any other person that the Company may admit to the Company, provided that the person qualifies as a Well-Informed Investor;

**EU** means European Union – Iceland, Liechtenstein and Norway as member states of the European Economic Association (EEA) assimilated to the EU member states within the limits of the treaties and agreements between the EU and the EEA;

**EUR** means the single currency of the member states of the Economic and Monetary Union;

**Expenses** has the meaning set out in Section 22 of the General Section;

**Experienced Investor** means any investor who (i) adheres in writing to the status of Well-Informed Investor and (ii) either (a) commits to invest a minimum of EUR 125,000 in the Company or (b) has been the subject of an assessment made by a credit institution within the meaning of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, by an investment firm within the meaning of MiFID or by a management company within the meaning of UCITSD, or by an authorised AIFM certifying his

expertise, his experience and his knowledge in adequately apprising an investment in the Company;

**FATCA** means the U.S. Foreign Account Tax Compliance Act which was enacted as part of the U.S. Hiring Incentives to Restore Employment Act of 2010;

**External Valuer** means an independent external valuer in the meaning of the AIFMD Rules;

**FCA** means the UK Financial Conduct Authority;

**Financial Instruments** means any financial instruments in the meaning of MiFID;

**General Meeting** means the general meeting of the Shareholders or, as the case may be, of relevant Compartment or of a relevant Class;

**General Section** means the general section of the Offering Memorandum that sets out the general terms and conditions applicable to all Compartments of the Company, unless otherwise provided in any of the Special Sections;

**GDPR** means Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC;

**Initial Subscription Period** means the initial subscription period during which Shares may be subscribed for at an issuing price determined for the relevant Compartment in the applicable Special Section;

**Indemnified Person** has the meaning given in Section 20.1 of the General Section;

**Institutional Investors** means investors which/who qualify as institutional investors according to the regulatory practice of the CSSF;

**Investment** means any investment of the Compartment (whether directly or through an Intermediary Vehicle) including shares, bonds, convertible loan stocks, options, warrants or other type of securities or instruments, loans (whether secured or unsecured), rights or interests issued by any type of CIS, Liquid Assets and open positions in financial derivative instruments;

**Investment Manager** means Belgrave Capital Management Ltd. in its capacity as investment manager and delegate of the AIF Manager responsible for the portfolio management function of the Company, or any successor appointed by the AIF Manager to replace Belgrave Capital Management Ltd.;

**Investment Management Agreement** means the investment management agreement between the Investment Manager, the AIF Manager and the Company effective as of 1<sup>st</sup> January 2021 and which may be amended from time;

**Investment Management Fee** means the investment management fee paid by the Company out of the relevant Compartment to the Investment Manager under the supervision of the AIF Manager in accordance with the Investment Management Agreement;

**Investor** means any person contemplating to subscribe Shares and, where the context requires, shall include that person as a Shareholder;

**Intermediary Vehicle** means any subsidiary or other company, entity or arrangement (such as a limited partnership, unit trust or trust) in which the Company holds for the account of a relevant Compartment a direct or indirect participation or interest (whether characterised as



equity, debt or otherwise, including a co-investment or fractional interest) to gain an exposure on one or more Investments;

**IOSCO** means the International Organization of Securities Commissions which is the association of organisations that regulate the world's securities and futures markets;

**Italian Law** means the applicable laws and regulations in Italy;

**Kick-off Period** means the transitional period during which the Compartment's portfolio is being scaled up and during which risk spreading requirements are not yet fulfilled, as further described for a relevant Compartment in the applicable Special Section;

**Liquid Assets** means cash or cash equivalents, including, inter alia and without limitation, investments in units of money market funds, time deposits and regularly negotiated money market instruments the remaining maturity of which is less than twelve (12) months, treasury bills and bonds issued by OECD member countries or their local authorities or by supranational institutions and organisations with European Union, regional or worldwide scope as well as bonds admitted to official listing on a stock exchange or dealt on a Regulated Market, issued by first-class issuers and highly liquid;

**Luxembourg Law** means the applicable laws and regulations in the Grand Duchy of Luxembourg;

**Management Fee** means the management fee paid by the Company out of the relevant Compartment to the AIF Manager in accordance with the AIFM Agreement;

**MiFID** means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, the Markets in Financial Instruments Regulation (EU) No 600/2014 (MiFIR) and related legislation;

**NAV** means the net asset value of the Company, of each Compartment or Class and of each Share as determined in accordance with Section 11 of the General Section;

**OECD** means the Organisation for Economic Co-operation and Development;

**Offering Date** is the first Business Day of each month;

**Offered NAV** has the meaning set forth in Section 11.5.1 of the General Section;

**Offering Memorandum** means this offering memorandum, as amended or supplemented from time to time;

**Operational Currency** means in relation to the Company the EUR and in relation to each Compartment or Class, the currency in which the NAV of such Compartment or such Class is calculated;

**PRIIPs** means Regulation (EU) N°1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products;

**Professional Investors** means an Investor who qualifies as a professional client within MiFID;

**Quarterly Redemption Date** is the last Business Day of each quarter;

**RAIF** means any reserved alternative investment fund under the 2016 Act;

**RCSL** means the *Registre du Commerce et des Sociétés Luxembourg*, the trade and companies' register of Luxembourg;

**Redemption Date** is the last Business Day of each month;

**Register** means the register of Shareholders of a relevant Compartment;

**Regulated Market** means a market which operates regularly, is open to the public and is recognised by IOSCO;

**RESA** means *Recueil Electronique des Sociétés et Associations*, the official gazette of Luxembourg;

**Section** means any section of this Offering Memorandum;

**SFDR** means 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, as amended;

**SFT** means repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transaction or sell-buy back transaction or a margin lending transactions in accordance with Regulation 2015/2365;

**Side Pocket Class** means a specific Class created by the Board to transfer Side Pocket Investments with the sole purpose to be realized as further described under Section 10 of the General Section;

**Side Pocket Investments** means any Investment that the Board transfers to Side Pocket Class in accordance with under Section 10 of the General Section;

**Side Pocket Shares** means Shares which are issued by the Side Pocket Class;

**SICAV-FIAR** means *société d'investissement à capital variable – fonds d'investissement alternatif réservé*, i.e., investment company with variable company – reserved alternative investment fund under chapter 3 of the 2016 Act;

**Service Agreements** means any contractual arrangement between the Company and any Service Provider including the AIF Manager or any contractual arrangement between the AIF Manager and any Service Provider, provided the services are provided to the Company;

**Service Providers** means the AIF Manager, the Investment Manager, the Depositary, the Administrator or any other person providing services to the Company from time to time;

**Special Section** means each and every supplement to this Offering Memorandum describing the specific features of a Compartment. Each such supplement is to be regarded as an integral part of the Offering Memorandum;

**Shareholder** means an owner of Shares;

**Share** means any share issued by the Company (i.e., by any Compartment or Class);

**Subscription Agreement** means the subscription agreement entered into by an Eligible Investor and the Company to subscribe Shares of the relevant Compartment and Class;

**Sustainability Factors** means, as defined in article 2(24) of SFDR, environmental, social and employee matters respect for human rights, anti-corruption and anti-bribery matters;

**Sustainability Risk** means, as defined in article 2(22) of SFDR, an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;

**Taxonomy Regulation** means Regulation (EU) 202/852 on the establishment of a framework to facilitate sustainability investment and amending SFDR;

**Temporary Investments** means holding of cash and highly liquid placements or investments which are made on a temporary basis pending further use including distribution to Shareholders or reinvestment in accordance with the investment policy of the relevant Compartment;

**Total Return Swaps** means a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012 in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty;

**Transfer** means the sale, assignment, transfer, grant of a participation in, pledge, hypothecation, encumbrance or other disposal of Shares other than redemption of the Shares by the Company for the account of the relevant Compartment;

**UCITS** means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on certain undertakings for collective investment in transferable securities (UCITS);

**U.S.** means United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

**USD** means the United State Dollar, the currency of the U.S.;

**Valuation Date** has the meaning set out in each Special Section; and

**Valuation Policy** means the valuation policy adopted by the Company with the consent of the AIF Manager; and

**Well-Informed Investors** means any well-informed investors within the meaning of article 2 of the 2016 Act. There exist three categories of well-informed investors, Institutional Investors, Professional Investors and Experienced Investors. For the avoidance of doubt, Directors and members of an investment committee, if any, are regarded as Well-Informed Investors for the purpose of article 2 of the 2016 Act.

## GENERAL SECTION

The General Section applies to all Compartments of the Company. The specific features of each Compartment are set forth in the applicable Special Sections.

### 1. COMPANY

#### Formation – Conversion and amendments of Articles – Legal form

- 1.1 The Company was incorporated as a limited liability company (*naamloze vennootschap*) under the laws of the Netherlands Antilles on 21 December 1999. As from 10 October 2010 until effectuation of the Conversion (as defined below), the Company was existing as a limited liability company (*naamloze vennootschap*) under the laws of Curaçao.
- 1.2 At the extraordinary general meeting of shareholders of the Company held in Curaçao on 24 April 2017, it was resolved, on the proposal of the board of managing directors of the Company, to convert the Company into, and to continue the Company as, an investment company with variable capital – reserved alternative investment fund (*société d'investissement à capital variable – fonds d'investissement réservé*, SICAV-FIAR) adopting the form of a public limited liability company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg (the **Conversion**). Furthermore, by written resolutions of the sole managing director of the Company adopted on 13 February 2017, as well as by resolutions adopted at the aforementioned extraordinary general meeting of shareholders held in Curaçao on 24 April 2017 and at the extraordinary General Meeting, held in front of a notary in Luxembourg on 26 April 2017, it was resolved to transfer the registered office, the principal establishment and the place of effective management of the Company from Curaçao to the City of Luxembourg (Grand Duchy of Luxembourg) without the Company being dissolved but with full corporate and legal continuance. All formalities required under the laws of Curaçao to give effect to these resolutions were duly performed. The aforementioned extraordinary General Meeting of 26 April 2017 held in front of a notary in Luxembourg converted the Company into an investment company with variable capital – reserved alternative investment fund (SICAV-FIAR) adopting the form of public limited liability company (*société anonyme*) under the 2016 Act, the 1915 Act and the Articles. The minutes of the extraordinary General Meeting of 26 April 2017 were published in RESA on 9 May 2017.
- 1.3 Through the extraordinary General Meeting of 30 March 2020, the Company amended the Articles to avail the possibility to create compartments and changed its denomination from "European Selection Holdings S.A., SICAV-FIAR" into "Selection Holdings S.A., SICAV-FIAR". The minutes of the extraordinary General Meeting of 30 March 2020 were published in RESA on 9 April 2020 under number RESA\_2020\_081.400.
- 1.4 The Company adopted the form of a public limited liability company (*société anonyme*).
- 1.5 The Company is registered with the RCSL under number B214518.

#### Umbrella structure - Compartments and Classes

##### *Compartments*

- 1.6 The Company has an umbrella structure consisting of one or several Compartments. A separate portfolio of assets is maintained for each Compartment and is invested in accordance with the investment objective and policy applicable to that Compartment. The investment objectives, policy, as well as the other specific features of each Compartment are set forth in the relevant Special Section.
- 1.7 The Company is one single legal entity. However, in accordance with article 49 of the 2016 Act, the rights of the Investors and creditors relating to a Compartment or arising from the setting-up, operation and liquidation of a Compartment are limited to the assets of that Compartment. The assets of a Compartment are exclusively dedicated to the satisfaction of the rights of the Investors relating to that Compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that Compartment.
- 1.8 Each Compartment is treated as a separate entity and operates independently, each portfolio of assets being invested for the exclusive benefit of this Compartment. A purchase of Shares relating to one particular Compartment does not give the holder of such Shares any rights with respect to any other Compartment.

#### Classes

- 1.9 Within each Compartment, the Board may decide to issue one or more Classes the assets of which will be commonly invested but subject to different fee structures, allocation of income, distribution, marketing targets, currency or other specific features as determined by the Board. A separate NAV per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.
- 1.10 The Company may, at any time, create additional Classes whose features may differ from the existing Classes. Upon creation of new Classes, the Offering Memorandum will be updated, if necessary.

#### **Term of the Company – Term of the Compartments**

- 1.11 The Company has been incorporated with an unlimited period of time provided that the Company will however be automatically put into liquidation upon the termination of a Compartment if no further Compartment is active at that time.
- 1.12 Compartments may be created for an unlimited or a limited period of time. If a Compartment is created for a limited period of time, it will be dissolved at the termination date as determined in the relevant Special Section.

#### **Listing**

- 1.13 It is not intended to list the Shares on a stock exchange or on a Regulated Market.

## **2. MANAGEMENT AND ADMINISTRATION**

#### **Board**

- 2.1 The Company is managed by its board of directors (the **Board**). The Board is composed by at least three (3) Directors. The Board is entitled to take all decisions of the Company which are not entrusted to the General Meeting or assumed by one of the Service Providers.

2.2 As of the date of this Offering Memorandum, the following persons have been nominated as Directors:

2.2.1 Serge d'Orazio, Chairman of the Board, Luxembourg,

2.2.2 Mattia Nocera, Director, London, and

2.2.3 Raffaele Martinelli, Director, Lugano.

### **AIF Manager**

#### *Appointment – Legal information*

2.3 The Company has appointed Global Selection SGR S.P.A, (the **AIF Manager**) as its AIFM. Global Selection SGR S.P.A, is a company incorporated under Italian Law, having its registered office at Via Pietro Tamburini, 13, 20123 Milano and authorised by Banca d'Italia as an alternative investment fund management company. The relationship between the Company and the AIF Manager is subject to the terms of the AIFM Agreement. The Company and the AIF Manager may terminate the AIFM Agreement upon 90 days' prior written notice given by one party to the other. The AIF Manager is authorised as an AIFM under Italian Law.

#### *Capital – Own funds – Professional insurance coverage*

2.4 Information on the AIF Manager on capital, own funds and professional insurance coverage are available free of charge at the registered office of the AIF Manager during normal opening hours at any Business Day.

#### *Functions - Delegations*

2.5 The AIF Manager fulfils the following functions:

2.5.1 Supervision of portfolio management which is delegated to the Investment Manager as further described in Sections 2.16 to 2.21;

2.5.2 Risk management;

2.5.3 Valuation and pricing (where applicable);

2.5.4 Marketing in the EU and checking compliance of the investors' status under the 2016 Act and this Offering Memorandum (whereby the Company may delegate marketing outside the EU to other parties authorised for this purpose in accordance with applicable laws and regulations); and

2.5.5 Other tasks as may be determined from time to time in the AIFM Agreement or any other contractual arrangement with the AIF Manager.

2.6 In addition to the delegation of portfolio management, the AIF Manager may delegate to third parties one or more of its functions, provided the AIF Manager does not fail to meet the letter box test and within the conditions of applicable laws and regulations. The AIF Manager will monitor on a continued basis the activities of the third parties to which it has delegated functions, under the supervision of the Company. The agreements entered between the Company, the AIF Manager and

the relevant third parties provide that the AIF Manager can give notice at any time to withdraw their mandate under certain circumstances. The AIF Manager's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

2.7 Under the AIFMD Rules, the AIF Manager must ensure that the valuation of assets of each Compartment is performed in accordance with applicable laws and regulations either by the AIF Manager and/or by one or more External Valuers. The AIF Manager has furthermore certain responsibilities in connection with the calculation and the publication of the NAV. Pursuant to arrangements agreed between the AIF Manager, the Company and the Administrator, the Administrator calculates the NAV under the overall supervision of the AIF Manager and in accordance with the valuation policies and procedures from time to time approved by the AIF Manager.

2.8 In addition, certain personnel at the AIF Manager or its delegate involved in the portfolio management function may provide input into the valuation function, as well as the risk management function, although the latter functions are ultimately segregated from the portfolio management function.

#### *Remuneration*

2.9 The AIF Manager will receive a Management Fee paid out of the assets of each Compartment in accordance with the AIFM Agreement.

2.10 The AIF Manager adopted a remuneration policy in accordance with AIFMD Rules. The AIF Manager has not established a remuneration committee.

#### *AIFMD Rules – Preferential treatment*

2.11 The AIF Manager provides its services in accordance with general principles as determined in the AIFMD Rules.

2.12 Shareholders of the same Class and who participate on substantially similar conditions in the relevant Class must be treated fairly by the AIF Manager.

2.13 Criteria and type of preferential treatments are determined in the Articles. In particular, the Company and/or the AIF Manager may enter into side letters in relation to the relevant Compartment with an individual Investor covering, inter alia, capacity, fee rebates or restrictions, provision of additional information, most favoured investor commitments, individual investor approval requirements, transfer rights and confirmations of how expenses will be borne. Unless it is a personal matter for the AIF Manager, side letters with Investors have to be entered into with the Company and are subject to the explicit approval of the Board. A description of the material terms of such side letters, the type of investors who obtain such preferential treatment and (if relevant) their legal or economic links with the Company and/or the AIF Manager is available to any Investor upon request to the AIF Manager.

#### *Principal adverse impact statement of the AIF Manager*

2.14 The AIF Manager does not currently evaluate the principal adverse impacts (**PAIs**) of investment decisions made on a uniform set of Sustainability Factors with respect to the AIFs managed by the AIF Manager. This is principally because of certain constraints in obtaining the necessary information and level of portfolio transparency required from CIS invested in by the relevant Compartment.

- 2.15 If the AIF Manager decides to evaluate PAIs on Sustainability Factors for a Compartment, such PAIs will be disclosed in the Special Section of the relevant Compartment.

### **Investment Manager**

#### *Legal information*

- 2.16 Pursuant to the Investment Management Agreement and with the prior approval of the Company, the AIF Manager delegated portfolio management to Belgrave Capital Management Ltd. (the **Investment Manager**). Unless otherwise stated for a specific Compartment in its applicable Special Section, the Investment Manager will manage the assets of each Compartment in accordance with the relevant Compartments' investment objectives and restrictions as set out in the applicable Special Section. The relationship between the Investment Manager, the AIF Manager and the Company is subject to the terms of the Investment Management Agreement which may generally be terminated upon 90 days' prior written notice given by one party to the other parties.
- 2.17 The Investment Manager is a London based investment firm authorised and regulated by the FCA. The Investment Manager is a sister company to the AIF Manager and a subsidiary of Banca del Ceresio, a Swiss based private banking organisation. The Investment Manager also manages Vitruvius SICAV, a Luxembourg undertaking for collective investment in transferable securities (UCITS) under part I of 2010 Act and established in 1999.
- 2.18 The Investment Manager is exempt from CPO registration with respect to the Company pursuant to CFTC Regulation 3.10(c).

#### *Remuneration*

- 2.19 The Investment Manager will receive an Investment Management Fee paid out of the assets of each Compartment in accordance with the Investment Management Agreement.
- 2.20 The Investment Manager adopted a remuneration policy. The Investment Manager has not established a remuneration committee.
- 2.21 When a Compartment invests in the units or shares of another UCI managed, directly or indirectly, by the AIF Manager or the Investment Manager (or any other legal entity connected to the AIF Manager) or by a company with which it (or any other legal entity connected to the AIF Manager) is linked by common management or control, or by a substantial direct or indirect holding (each, a **Related Fund**), no subscription, redemption or conversion fees may be charged to the relevant Compartment with respect to the units or shares subscribed or redeemed with the Related Fund. If a Compartment invests a substantial proportion of its assets in Related Funds, the Company will indicate in the Annual Report the maximum proportion of management fees charged to the relevant Compartment and to the relevant Related Funds in which the Compartment is invested during the relevant period.



## **Depositary – Paying agent**

### *Legal information*

- 2.22 Citco Bank Nederland N.V. Luxembourg Branch is appointed as the Depositary under the Depositary Agreement. The Depositary Agreement contains provisions exempting, limiting or transferring the Depositary's liability under certain conditions.
- 2.23 The Depositary provides its service in accordance with article 19 of the 2013 Act and chapter IV of the AIFMD Delegated Regulation.

### *Obligations*

- 2.24 The Depositary will for each Compartment:
- 2.24.1 Ensure that cash flows are properly monitored, and in particular that all payments made by or on behalf of Shareholders when subscribing for Shares have been received and that all cash of the Compartment has been booked in cash accounts as permitted under article 19 (7) of the 2013 Act.
  - 2.24.2 Safe-keep Investments which are financial instruments that can be held in custody in accordance with article 19(8)(a) of the 2013 Act;
  - 2.24.3 Verify the ownership of Investments which cannot be held in custody and maintain a record of those Investments for which it is satisfied that the Company holds the ownership of those Investments for the account of the relevant Compartment as further determined in article 19(8)(b) of the 2013 Act;
- 2.25 Furthermore, the Depositary will for each Compartment:
- 2.25.1 Ensure that the sale, issue, re-purchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg Law and the Articles;
  - 2.25.2 Ensure that the value of the Shares is calculated in accordance with Luxembourg Law, the Articles and with Section 11 of the Offering Memorandum;
  - 2.25.3 carry out the instructions of the Management Company, unless they conflict with Luxembourg Law, the Articles and this Offering Memorandum;
  - 2.25.4 Ensure that in transactions involving Investments any consideration is remitted to the Company for the account of the relevant Compartment within the usual time limits; and
  - 2.25.5 Ensure that a Compartment's income is applied in accordance with Luxembourg Law, the Articles and this Offering Memorandum.
- 2.26 The Depositary will use the services of correspondents which are selected in good faith and duly authorised to provide the required services.

2.27 Where the law of a third country requires that certain Financial Instruments are held in custody by a local entity and there are no local entities that satisfy the delegation requirements under article 19(11)(d)(ii) of the 2013 Act, the Depositary can discharge itself of its liability provided that:

2.27.1 The Company instructed the Depositary to delegate the custody of these Financial Instruments to the relevant local entity;

2.27.2 There is a written contract between the Depositary and the Company which expressly allows this discharge; and

2.27.3 There is a written contract between the Depositary and the third party that expressly transfers the liability of the Depositary to that local entity and makes it possible for the Company to make a claim against that local entity in respect of the loss of Financial Instruments or for the Depositary to make such a claim on their behalf.

#### *Remuneration*

2.28 The fees and costs of the Depositary for the above functions are met by the Company out of the net assets of the relevant Compartment in accordance with the Depositary Agreement.

#### **Administrator**

##### *Appointment – Legal information*

2.29 The Company with the consent of the AIF Manager has appointed Citco Fund Services (Luxembourg) S.A., as the domiciliary agent, administrative agent and registrar and transfer agent of the Company (the **Administrator**).

2.30 The relationship between the AIF Manager, the Company and the Administrator is subject to the terms of the Administration Agreement. The AIF Manager, the Company and the Administrator may terminate the Administration Agreement upon 90 days prior written notice given by one party to the other.

##### *Functions*

2.31 The Administrator will have as its principal function among other things

2.31.1 The calculation of the NAV of the Company, each Compartment, Class and Shares;

2.31.2 The safekeeping of the Register;

2.31.3 The domiciliation of the Company and will, in particular, allow the Company to establish its registered office at its registered office and provide facilities necessary for the meetings of the Board and General Meetings.

2.32 The Administrator will not provide any investment advisory or management service to the Company and therefore will not be in any way responsible for the Company's performance. The Administrator will not be responsible for monitoring any

investment restrictions or compliance with the investment restrictions and therefore will not be liable for any breach thereof.

*Remuneration*

- 2.33 The fees and costs of the Administrator for the above functions are met by the Company out of the net assets of the relevant Compartment under the supervision of the AIF Manager in accordance with the Administration Agreement.

*Data protection*

- 2.34 Notwithstanding Section 17, each Investor is notified that for purposes of article 41 (2 bis) of the 1993 Act, for the duration of the Investor's participation in the Company and for the period prescribed under the applicable laws and regulations thereafter that:

2.34.1 Confidential and personal information submitted and/or provided to the Company, the AIF Manager, the Administrator and/or their Affiliates in connection with the Investor's participation in the Company and details of such Investor's Shares may be disclosed to and processed by the Administrator and/or its Affiliates in order for the Administrator and/or its Affiliates to comply with their respective contractual, legal and regulatory obligations in connection with the services the Administrator is engaged to provide to the Company. The categories of each Investor's confidential and personal data the Administrator and/or its Affiliates may transfer and process in connection with such Investor's investment in the Company may include without limitation all anti-money laundering, counter-finance terrorism, know-your-customer identification and verification documents, including (i) names, dates of birth, citizenship, location of residence and birth place, passport, driver's licence; (ii) contact details and professional addresses (including physical address, email address and telephone number); (iii) account data, financial data, payment instructions and other information contained in any document the investor provides the Company; (iv) information regarding the Investor's status under various laws and regulations, including social security number, tax status, income and assets; (v) information regarding the Investor's interest and holdings in other funds or other investment vehicles managed and/or advised by the AIF Manager or the Investment Manager and/or their respective Affiliates; (vi) source of funds used to make the investment in the Company or other investment vehicle; (vii) data relating to any individual regarded as a politically exposed person; and (viii) criminal offences data (where relevant) ((i) to (vii) above for the purpose of this Section 2.34 together, **Data**); and

2.34.2 The Data may be disclosed to and processed by the Administrator and/or its Affiliates subject to and in accordance with the terms of the Administration Agreement and/or other terms of engagement with or in respect of the Company (which engagement includes the ability for the Administrator and/or its Affiliates, to delegate and/or

outsource to its group members and/or third parties certain of the services (including without limitation anti-money laundering checks, fund accounting, investor relations, tax, middle-office, company secretarial, treasury services) the Administrator has agreed to provide, which necessitate the transfer of the Investor's Data to such persons) and such other parties which intervene in the process of the business relationship (e.g., external processing centres, dispatch or payment agents), in each case including without limitation companies or other entities based in countries outside Luxembourg (including without limitation the Administrator's Affiliates located in Canada, Cayman Islands, Curacao, India, Ireland, Lithuania, the Netherlands, the Philippines, Singapore, Switzerland and the United States of America).

- 2.35 In addition, in certain circumstances, the Administrator and its Affiliates, as service providers to the Company, may act as Data Controller for purposes of GDPR, and further information can be accessed at: <https://citco.com/footer/privacy-policy/>.

**Auditor**

- 2.36 In accordance with article 43(1) of the 2016 Act, PricewaterhouseCoopers, SC (the **Auditor**) has been appointed as the auditor (*réviseur d'entreprises agréé*).
- 2.37 The Auditor shall fulfil the duties prescribed under the 2016 Act.

**3. INVESTMENT OBJECTIVE, STRATEGY AND RESTRICTIONS**

**Investment objective and strategy**

- 3.1 The investment objective and strategy of each Compartment is as set out in respect of that Compartment in the relevant Special Section.
- 3.2 There can be no guarantee that the investment objectives of any Compartment will be met.
- 3.3 In principle, any Compartment may invest (directly or indirectly) in any kind of assets (including derivatives).

**Investment Restrictions**

- 3.4 Unless otherwise provided for in the relevant Special Section in relation to a particular Compartment:

*General*

- 3.5 A Compartment shall at latest after the Kick-Off Period not be invested for more than 30% of its NAV in a single Investment. This restriction ceases to be applicable when a Compartment is divesting with a view to be dissolved.
- 3.6 The restriction set out under Section 3.5 above is not applicable to the acquisition of:
- 3.6.1 Units, shares or interests of UCIs if the latter are subject to risk diversification requirements comparable to those of the 2016 Act; and

- 3.6.2 Securities issued or guaranteed by a member state of the OECD or by its local authority or by supranational institutions and organisations with European, regional or worldwide scope.
- 3.7 Each compartment of a target UCI with multiple compartments is considered as a distinct target fund for the purpose of the Investment Restrictions and limits set out under Sections 3.5 and 3.6 above provided that the principle of segregation of the assets and liabilities of the different compartments is ensured.

*Leverage – Borrowing of funds*

- 3.8 Leveraging refers to a variety of techniques utilized to obtain an exposure to the benefits of potential gain on an investment position without paying the full purchase price for the entire investment position with portfolio assets. These techniques include borrowing funds (typically using portfolio assets as collateral to secure the obligation to repay the lender) that are in turn invested with the ultimate objective of obtaining a higher return than might otherwise have been possible. However, if income and appreciation from the investment of the borrowed amounts do not exceed the required interest payments, or if the securities purchased with those funds should decrease in value, the net assets of the related fund may decline to a greater extent than would have been the case if the assets had not been leveraged.
- 3.9 Unless otherwise stated for a relevant Compartment in the applicable Special Section,
  - 3.9.1 The Company has the ability for the account of any Compartment to borrow and to pledge the assets of this Compartment as collateral for any reason, including without limitation to fund settlement timing differences, to fund redemptions and to purchase investments ahead of expected subscriptions; and
  - 3.9.2 Each Compartment's leveraging capacity is limited to a maximum amount equal of the NAV determined in accordance with the commitment method under article 8 of AIFMD Delegated Regulation and in accordance with the gross method under article 7 of AIFMD Delegated Regulation. The applicable maximum thresholds are determined for each Compartment in the applicable Special Section.
- 3.10 The calculation and disclosure of maximum leverage limits under Section 3.9.2 is required to satisfy the requirements of AIFMD Delegated Regulation. However, the Board and the Investment Manager expect the typical leverage level to be lower than the maximum thresholds stated in this regard for the relevant Compartment in its applicable Special Section. The Board may provide its consent to the AIF Manager and the Investment Manager to exceed the maximum leverage thresholds, provided (i) the Board considers the increased leverage to be appropriate in light of the Compartment's portfolio and the perceived investment opportunities and (ii) the increased leverage has been subject to the relevant Compartment's Consent.
- 3.11 The Company may for the account of any Compartment pledge, offer as security or otherwise provide guarantees on its investments in the context of its object. In

particular, the Company may for the account of any Compartment enter into a pledge agreement with a third party to hedge certain exposures of the Compartment including exposures to foreign currencies.

#### *Use of SFTs and Total Return Swaps*

- 3.12 The Investment Manager may use for the account of or on behalf of each Compartment SFTs and Total Return Swaps. A general description of the SFTs and Total Return Swaps used for the relevant Compartment, including the rationale for their use, their return, their risk management and safe-keeping, the criteria for the counterparty selection, a description and evaluation of the collateral accepted are available for Investors at the registered office of the Investment Manager.

#### *Investment through Intermediary Vehicles*

- 3.13 Investments may be made for the account of a Compartment through one or more Intermediary Vehicles. The Company will seek to fully control any such Intermediary Vehicles, but may also hold Investments through co-investment arrangements where the Company does not keep control over the relevant Intermediary Vehicle.
- 3.14 The participation in an Intermediary Vehicle should be ignored for the purpose of assessing the Investment Restrictions, provided the Company controls the Intermediary Vehicle for the account of the Compartment. In this case, the Investment Restrictions are assessed on a look-through basis on the underlying investments of the Intermediary Vehicle as if these underlying investments were directly made by the Company for the relevant Compartment.

#### *Kick-off Period*

- 3.15 The Investment Restrictions may not be complied with during the Kick-off Period, i.e., during a transitional period as will be set out in respect of each Compartment in that Compartment's Special Section.

#### *Investments by Compartments into other Compartments*

- 3.16 A Compartment (the **Investing Compartment**) may, subject to the conditions provided for in the Special Section for this Investing Compartment, subscribe, acquire and/or hold Shares to be issued or issued by another Compartment (a **Receiving Compartment**), provided that:
- 3.16.1 The Receiving Compartment does not invest in the Shares issued by the Investing Compartment; and
  - 3.16.2 The voting rights attached to the relevant Shares held by the Investing Compartment will be suspended for as long as they are held by the Investing Compartment and without prejudice to the appropriate accounting as well as the periodic reports; and
  - 3.16.3 In any event, for as long as these Shares are held by the Investing Compartment, their value will not be considered for the calculation of the net assets for the verification of the minimum threshold of the net assets pursuant to the 2016 Act.

## **4. SHARE CAPITAL AND SHARES**

### **Investment by Well-Informed Investors**

- 4.1 Shares are exclusively reserved for Well-Informed Investors. The Company will not issue Shares to any Investor who is not a Well-Informed Investor and will not give effect to any Transfer if the transferee is not a Well-Informed Investor.
- 4.2 The Company and the AIF Manager (as well as any of their agents) reserve the right to request such information as is necessary to verify the identity of an Investor and its status in regard to the qualification as a Well-Informed Investor.
- 4.3 If Shares are held by a nominee on behalf of an Investor, the Investor must be a Well-Informed Investor. For the avoidance of doubt, Shares subscribed by a bank or an investment firm for the account of clients managed under a discretionary portfolio management mandate are not deemed nominees in the meaning of this Section 4.3.

### **Description of the Shares**

#### *Capital*

- 4.4 The Company is an investment company with variable capital where the share capital is at all times equal to the value of its net assets.

#### *Form of the Shares – Register*

- 4.5 Shares are issued and will remain in registered form (*actions nominatives*) only. Shares are not represented by certificates.
- 4.6 The Register will be kept by the Administrator on behalf of the Company. The Register of a relevant Compartment (and the Shareholders' personal data contained in this Register) will be available for inspection by Shareholders of that Compartment only. The Register will contain the name of each owner of registered Shares, his/her/its residence or elected domicile as indicated in the Subscription Agreement and the number of Shares, Class or series, if any, held by it and, where applicable, the Transfer of Shares and the dates of the Transfer. The ownership of Shares is established by the entry in the Register.
- 4.7 Each Shareholder must provide an address and email address. All notices and announcements will be sent by postal mail. Any changes in the address and email address must be notified to the Company or the Administrator.
- 4.8 The Company will recognise only one holder per Share. In case a Share is held by more than one person, the Company has the right to suspend the exercise of all rights attached to that Share until one person has been appointed as sole owner in relation to the Company. The same rule shall apply in the case of conflict between a usufruct holder (*usufruitier*) and a bare owner (*nu-propritaire*) or between a pledgor and a pledgee.
- 4.9 Without prejudice to Section 8 of this General Section, title to Shares in registered form is transferred upon registration of the name of the transferee in the Register.
- 4.10 Fractional Shares will be issued to the nearest thousandth of a Share, and such fractional Shares will not be entitled to vote (except where their number is so that they represent a whole Share, in which case they confer a voting right) but will be

entitled to a participation in the net results and in the proceeds of liquidation attributable to the relevant Class on a pro rata basis.

#### *Voting rights*

- 4.11 Each Share is entitled to one vote at any General Meeting unless the Company decided to issue Shares without voting rights as further described in the applicable Special Section. Shares shall have no pre-emptive subscription rights. This vote can be exercised in person or by power of attorney.

## **5. SUBSCRIPTION OF SHARES**

### **Legal implications when investing into the Company**

- 5.1 Investors are legally bound by the terms of their Subscription Agreement, the Articles and this Offering Memorandum.
- 5.2 The relationship between the Investors and the Company shall be governed and construed in all respects in accordance with Luxembourg Law.
- 5.3 Any dispute or controversy between an Investor and the Company shall be submitted to the exclusive jurisdiction of the Courts of Luxembourg City. In as far as applicable, the recognition and enforcement of a judgment given by the courts of an EU member state within the scope of Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast) (the **Regulation 1215/2012**) will be refused by the Luxembourg courts if on the application of (i) any interested party (in case of recognition) or (ii) the person against whom enforcement is sought (in case of enforcement), the Luxembourg courts find that any of the circumstances set out in articles 45 or 46 of Regulation 1215/2012 exist. No re-examination of the merits of any claim resulting in such foreign judgment would be made, save for the examination of the compliance of such judgment with Luxembourg public order (*ordre public*).
- 5.4 Unless otherwise provided for under Luxembourg Law, a relevant Investor as an individual shareholder of the Company does in principle not have a direct right against any of the Service Providers including the AIF Manager, the Investment Manager or the Depositary unless the damage suffered by the Investor was personal and confirmed by a decision of a Luxembourg court in accordance with general principles of civil liability as applicable in Luxembourg. The Company represented by its Board is in principle entitled (and to a certain extent obliged) to claim against the relevant Service Provider.

### **Issuance of Shares – General**

- 5.5 The Company may issue fully paid Shares within each Compartment at any time as stated in the applicable Special Section. Each Investor subscribing for Shares must enter with the Company into the Subscription Agreement, unless otherwise stated in the relevant Special Section or accepted by the Board.
- 5.6 The payment for subscriptions of Shares or otherwise shall be made in whole as of the date as determined by the Company and as indicated in the relevant Special Section or in the Subscription Agreement.
- 5.7 The Company may determine any other subscription conditions such as default interests or restrictions on ownership. Such other conditions shall be disclosed and



more fully described in the relevant Special Section. The Company may also impose restrictions on the frequency at which Shares shall be issued. The Company may, in particular, decide that Shares shall only be issued during one or more Initial Subscription Periods or at such other frequency as provided for in the Special Section.

- 5.8 The Company may, in its absolute discretion, accept or reject (in whole or in part) any request for subscription for Shares. In the event that the Company decides to reject any application to subscribe for, or the purchase of Shares, the monies transferred by a relevant applicant will be returned to the Investor without undue delay (unless provided for by law or regulations).
- 5.9 The Company is entitled to levy a sales premium. The applicable sales premium will be stipulated in the relevant Special Section and/or the Subscription Agreement.
- 5.10 Cancellation of a request to subscribe for Shares is subject to the decision of the Board.

#### **Subscription in kind**

- 5.11 The Board may accept subscription by way of an in-kind transfer of assets, provided that the conditions under article 38(6) of the 2016 Act are fulfilled. In particular, the contribution in kind is subject to a report drawn up by a statutory auditor (*réviseur d'entreprises agréé*). In exercising its discretion, the Board, in consultation with the AIF Manager and the Investment Manager, will take into account the nature of the proposed assets and whether they would fulfil the investment objectives for the relevant Compartment.
- 5.12 Such assets will be valued in accordance with the valuation provisions adopted by the Company and the AIF Manager as further described in Section 11.6, at the date on which the contribution in kind is effected and will only be accepted on receipt of satisfactory determination of proof of title by the Company for the relevant Compartment.
- 5.13 Costs related to the contribution in kind are borne by the relevant Investor subscribing for Shares by way of a contribution in kind.

### **6. CONVERSION OF SHARES**

- 6.1 Unless otherwise stated for a Compartment in the relevant Special Section,
  - 6.1.1 Shares of one Class of a relevant Compartment can be converted into Shares of another Class of the same Compartment or of another Compartment as of the applicable Valuation Date, provided the conditions for the admission to the relevant Class (including, for instance, the minimum required investment amount) as determined in the applicable Special Section are fulfilled;
  - 6.1.2 Requests for conversion of Shares within a Compartment, assuming such Shares carry the same redemption terms, must in principle be received by 16:00 (Luxembourg time) at least five (5) Business Days prior to the proposed conversion date or on a shorter notice as the Board or AIF Manager may accept; and

- 6.1.3 Requests for conversion of Shares between two Compartments must in principle be received in accordance to the applicable redemption cut-off time for the relevant Class of the relevant Compartment as determined in the applicable Special Section or on a shorter notice as the Board or AIF Manager may accept.
- 6.1.4 Requests for conversion between Shares with different redemption terms must in principle be received within the following notice periods:
- (a) requests for conversion of Shares with a monthly Redemption Date to Shares with a Quarterly Redemption Date must in principle be received by 16:00 (Luxembourg time) at least five (5) Business Days prior to the proposed conversion date or on a shorter notice as the Board or AIF Manager may accept; and
- (b) requests for conversion of Shares with a Quarterly Redemption Date to Shares with a monthly Redemption Date must in principle be received by 16:00 (Luxembourg time) at least sixty-five (65) days prior to the proposed conversion date or on a shorter notice as the Board or AIF Manager may accept.

6.2 A conversion involves the redemption of the existing Shares and the application of the proceeds thereof towards the subscription for new Shares as of the applicable Valuation Date.

6.3 The basis of conversion is determined as follows:  $NNS = (NES \times PES \times EXR) / PNS$

NNS	the number of new Shares to be issued
NES	the number of existing Shares redeemed
PES	for conversion of Shares within Compartments: redemption price of existing Shares redeemed valued at the Offered NAV  for conversion of Shares between Compartments: redemption price of existing Shares redeemed valued at the Bid NAV
EXR	exchange rate in effect at such time (only applicable where conversions are being made between different currencies)
PNS	Share price of new Shares valued at the Offered Net Asset Value

6.4 The Board may, in its sole and absolute discretion, allow for an early transfer of a portion of the estimated value of the Shares being redeemed, the proceeds to be applied towards the subscription for new Shares to be issued.

6.5 The Board may, in its sole and absolute discretion, fully or partially waive, reduce or alter any of the terms of conversion set in this Section 6.

6.6 Each Shareholder is urged to consult its own tax adviser to understand fully the tax consequences of such a conversion of Shares in its particular situation.

6.7 Cancellation of a request to convert Shares is subject to the decision of the Board.

## **7. REDEMPTION OF SHARES**

### **Redemption of Shares upon the request of an Investor**

- 7.1 Unless otherwise provided for a relevant Compartment in the applicable Special Section, an Investor may request the partial or entire redemption of its Shares as further determined in the applicable Special Section.
- 7.2 The Administrator will process redemption requests which are initially received by facsimile or email, but the Administrator reserves the right to withhold payment of the redemption proceeds until the Administrator has received the original redemption request signed by the redeeming Investor or by an authorized signatory of the redeeming Investor. Neither the Company nor the Administrator shall be responsible for any wrong delivery or non-receipt of any facsimile, email or mail. Instructions sent to the Administrator shall only be effective when actually acknowledged by the Company. In the event that no acknowledgement is received from the Administrator within seven days of submission of the redemption request, the Investor should contact the Administrator to confirm receipt by the Administrator of the request. The foregoing shall also apply to any redemption request made by using the short form of the application form which is available at the Administrator.
- 7.3 Redemption of Shares will be settled in the currency of the relevant Class unless otherwise agreed with the Company.
- 7.4 Generally, payment will be remitted by wire transfer to the bank account from which the subscription amount was originally received and, in any event, to an account owned by the redeeming Investor (and not a third party).
- 7.5 Settlements in cash will be made as soon as possible and generally within 45 days as of the Redemption Date, save that this period of time may be extended by the Board where deemed necessary, inter alia, to enable the collection of funds from underlying investments. Redemption of Shares may also be funded by the Compartment with short-term borrowings.
- 7.6 Cancellation of a request to redeem Shares is subject to the decision of the Board.

### **Compulsory redemption of Shares by the Board**

- 7.7 The Company is entitled compulsorily to redeem all Shares of any Compartment at such times and in such number and in such manner as the Board may from time to time determine.
- 7.8 Without prejudice to the generality of the foregoing, the Company is entitled compulsorily to redeem Shares owned directly or beneficially by any person or persons who or which, by virtue of the holding concerned, gives rise to a breach of any applicable laws (including article 2 of the 2016 Act), the Articles, this Offering Memorandum or any requirement in any jurisdiction or may, either alone or together with other Shareholders, in the sole and conclusive opinion of the Board if the holding:
- 7.8.1 Prejudices the tax status or residence of the Company or any Compartment;

- 7.8.2 Causes the Company or any Compartment to suffer any regulatory, pecuniary, legal, taxation or material administrative disadvantage; or
- 7.8.3 Causes the Company or any Compartment to be required to comply with any registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply.

#### **Redemption in kind**

- 7.9 The Company may proceed for a relevant Compartment with a redemption in kind, provided that the Board considers that the redemption in kind is not in disfavour of the remaining Investors.

#### **Specific case of large redemption requests**

- 7.10 If, on any Valuation Date, aggregate redemption requests exceed 15% of the NAV of the relevant Compartment (or any other threshold indicated for a relevant Compartment or Class in the applicable Special Section), the Board in consultation with the AIF Manager may decide that the redemption requests that exceed 15% will be deferred on a pro-rata basis until the next applicable Valuation Date.
- 7.11 Any such deferred amount will be met in aggregate, and without regard to priority to requests received subsequently subject always to the 15% threshold mentioned in Section 7.10.

#### **Suspension of redemption of Shares**

- 7.12 The right of a Shareholder to require the Company to redeem Shares may be suspended in whole or in part at the discretion of the Board:
  - 7.12.1 During any state of affairs when, in the opinion of the Board in consultation with the AIF Manager, disposition of the Investments would not be reasonably practicable or might seriously prejudice the Shareholders;
  - 7.12.2 When for any reason, including a breakdown in the means of communication normally employed in determining the value of the Investments, such value cannot be promptly and accurately ascertained; or
  - 7.12.3 When notices to convene a General Meeting to submit the dissolution of the Company to the vote of the General Meeting have been or will be sent within five (5) Business Days from the date where the redemption request has been received by the Administrator.
- 7.13 Notice of any suspension will be given to any Shareholder who has submitted a redemption request. If a redemption request is not rescinded by a Shareholder following notification of a suspension, the redemption will be effected as of the last day of the calendar month in which the suspension is lifted on the basis of the NAV at that time unless otherwise stated for a relevant Compartment in the applicable Special Section.

## **8. TRANSFER RESTRICTIONS**

### **Prior approval of the Board**

- 8.1 In accordance with clause 10 of the Articles, the Transfer requires the prior approval of the Board. Any transfer requests must be received by the Administrator at least ten (10) Business Days before the applicable Offering Date. Following the receipt of this approval, Transfers are effected using a written agreement signed by or on behalf of the transferring Shareholder and the transferee(s). A copy of this agreement is provided to the Company which will then update the Register accordingly.
- 8.2 Prior to the Board consenting to the Transfer, the transferee will be required to furnish the same information which would be required in connection with a direct subscription. Violation of any applicable ownership and restrictions on Transfer may result in compulsory redemption of the Shares at the cost of the transferee.

### **Implicit approval of the Board**

- 8.3 The Board implicitly grants its approval under Clause 8.1 in the following two instances:
- 8.3.1 To enable the settlement of Shares through a trading platform (e.g., Euroclear) whereby the Board will take the necessary steps to comply with article 2 of the 2016 Act and be entitled to proceed with the compulsory redemption of Shares held by Restricted Persons in accordance with Articles and this Memorandum; or
  - 8.3.2 To enable the Transfer from one nominee to another nominee, provided that the beneficial owner of the Shares remains the same and the nominee is located in a jurisdiction considered by the Board, the AIF Manager and the Administrator as eligible for the Company.
- 8.4 In the eventuality of instances under Clause 8.3, the AIF Manager and the Administrator shall be notified at least five (5) Business Days in advance of the applicable Offering Date.

## **9. PREVENTION OF MONEY LAUNDERING AND OF TERRORIST FINANCING**

### **General**

- 9.1 Measures aimed towards the prevention of money laundering and terrorism financing require a detailed verification of an Investor's identity in accordance with the applicable laws and regulations in Luxembourg including the 2004 Act, the Grand Ducal Regulation of 1 February 2010, the Luxembourg act of 27 October 2010 enhancing the anti-money laundering and counter terrorist financing legal framework, the Grand Ducal Regulation of 29 October 2010 implementing the latter, the CSSF Regulation n°12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, other regulations and circulars released by CSSF (including CSSF circular 19/730 and CSSF circular 19/732) as well as other applicable laws and regulations in this context.

### **Delegation to the Administrator**

9.2 Measures aimed at the prevention of money laundering and of terrorist financing under Luxembourg Law are under the responsibility of the Company and have been delegated (under its supervision) to the Administrator. Each of the AIF Manager, the Administrator and the Depositary will be itself subject to and will comply with its obligations under the applicable laws on the prevention of money laundering and of terrorist financing in the context of the performance of their functions in respect of the Company.

#### **Investors' identification process**

9.3 The Company has delegated the identification of Investors to the Administrator which verifies the identity of each Investor in accordance with CSSF circular 19/732, which provides guidance in relation to the legal requirements applicable to the identification and verification of the identity of the Investors and, *inter alia*, which is referring to the FATF Egmont group report of July 2018.

9.4 These measures require, amongst others, that the Administrator requests the verification of the identity of any Investor. By way of example, a natural person will be required to provide a copy of his/her passport or identification card duly certified by a competent authority (e.g., embassy, consulate, notary, police officer, financial institution domiciled in a country imposing equivalent identification requirements or any other competent authority) and a corporate applicant will be required *inter alia* to provide a certified copy of the certificate of incorporation (and any change of name), the Investor's memorandum (if any) and its articles of association (or equivalent), a recent list of its shareholders showing a recent stake in its capital, printed on the letterhead of the Investor duly dated and signed, an authorised signature list, an excerpt of the trade register as well as a certified true copy for any natural person who qualifies as its beneficial owner or legal representative. It should be noted that the above list is not exhaustive and that the Investors may be required to provide further information to the Company or the Administrator to ensure the identification of the Investor and the final beneficial owner of the Shares. Documents on Investors will be reviewed and safe-kept by the Administrator. Each Investor will be granted access to his/her documents upon request to the Company.

9.5 Until satisfactory proof of identity is provided by an Investor or transferee as determined by the Company, it reserves the right to withhold issue or approval of registration of transfers of Shares. Similarly, redemption proceeds will not be paid unless compliance with these requirements has been made in full. In any such event, neither the Company, nor Administrator will be liable for any interest, costs or compensation.

9.6 In case of a delay or failure to provide satisfactory proof of identity, the Company or the Administrator will take such action as it thinks fit.

9.7 Depending on the circumstances of each application for subscription or registration of a transfer of Shares, a detailed verification of the applicant's identity might not be required where the application is made through a financial institution or intermediary located in a country that is considered by the Company or the Administrator as imposing identification requirements equivalent to those in place in Luxembourg, provided that any such financial institution or intermediary will perform appropriate anti-money laundering and counter-terrorist financing checks on any such applicant in accordance with the laws and regulations applicable in its home jurisdiction.

- 9.8 A list of documents to be provided by an Investor for the purpose of the prevention of money laundering as provided by Luxembourg Law can be provided by the Company or the Administrator upon request.
- 9.9 The Company's measures in connection with the prevention of money laundering and of terrorist financing under Luxembourg Law will include not only the verification of the identity of Investors and their beneficial owners, but also appropriate due diligence on Investments from an anti-money laundering and counter-terrorist financing perspective. In addition to the initial anti-money laundering and counter-terrorist financing due diligence on Investors and Investments, such measures will also be applied, as appropriate, on an ongoing basis.

#### **Register of beneficial owners (RBE)**

- 9.10 Luxembourg has implemented the transparency register required by the Directive (EU) 2015/849 of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing with the law of Luxembourg act of 13 January 2019 establishing a transparency register named "register of beneficial owners" (RBE) (the **RBE Act**). The Company falls in the scope of the RBE Act and must report some details of its beneficial owners where they qualify as beneficial owners. The term "beneficial owners" refers to the legal definition used under the 2004 Act, whereby a direct or indirect shareholding of 25% plus one share or an ownership interest of more than 25% held by an individual shall be an indication of beneficial ownership. The RBE may be accessed not only by certain national authorities (including the public prosecutor, Financial Intelligence Unit, tax authorities and the CSSF) but also by the public. While the relevant Luxembourg national authorities will have full access to all the information filed regarding beneficial owners, the address and national identification number of the beneficial owners will not be available to the public.

#### **10. CREATION OF A SIDE POCKET CLASS**

- 10.1 Unless otherwise stated for a relevant Compartment in the applicable Special Section, the Board may decide to create within each Compartment a Side Pocket Class and designate one or more Investments as Side Pocket Investments if the relevant Investment lacks a readily assessable market value or became hard to value.
- 10.2 After Investors have duly been informed, the Board is entitled to compulsorily convert on a pro rata portion a part of the outstanding Shares of the relevant Class into Side Pocket Shares. The issue price of a Side Pocket Share will be based on the latest Net Asset Value of the Share which is converted into a Side Pocket Share and which takes into account the latest value as retained for the Side Pocket Investments net of any costs and deferred fees attributable to the Side Pocket Class.
- 10.3 Side Pocket Shares cannot be redeemed upon request of an Investor.
- 10.4 The priority objective of the Board is to realise or dispose Side Pocket Investments in the best interest of the Investors and within a reasonable period of time. No new investments will be made for the account of the Side Pocket Class. Any net proceeds collected from the realisation or the disposal of Side Pockets Investments are used to redeem Side Pocket Shares.
- 10.5 Assets and liabilities allocated to the Side Pocket Class are separate from other assets and liabilities of other Classes. The Side Pocket Class has its own accounting

and its NAV will be calculated at least once per year. By derogation to Section 11, the value of Side Pockets Investments can be set at the value retained when the relevant Side Pocket Investment has been transferred to the Side Pocket Class less any impairment or write-off decided in good faith and with the prudent care of a salaried agent. Investors should be aware that the Net Asset Value of the Side Pocket Class is not determined with the same degree of certainty as the Net Asset Value of any other Class and that the Net Asset Value of the Side Pocket Class is for information purpose only.

- 10.6 If a Side Pocket Class is created by the Board, the AIF Manager or the Investment Manager on its behalf will periodically disclose to the Investors the percentage of Investments allocated by the Compartment to the Side Pocket Class in accordance with the AIFMD Rules.

## 11. CALCULATION OF THE NAV – VALUATION OF INVESTMENTS

### General Information – Valuation Dates

- 11.1 The Company, each Compartment and each Class in a Compartment have a NAV determined in accordance with Luxembourg Law, subject to any adjustment required to ensure that Shareholders are treated fairly and in accordance with the Articles.
- 11.2 The NAV is determined as of each Valuation Date. Valuation Dates are indicated for each Compartment in the applicable Special Section and shall always be business days in Luxembourg.
- 11.3 The Board may decide to set additional Valuation Dates to those indicated for a Compartment in the applicable Special Section.

### Calculation of the NAV

- 11.4 Pursuant to arrangements agreed among the AIF Manager, the Company and the Administrator, the Administrator has been appointed to calculate the NAV.
- 11.5 Unless otherwise stated for a relevant Compartment in the applicable Special Section,
- 11.5.1 The NAV per Share for each Class within the relevant Compartment is constituted by the offered NAV per Share (the **Offered NAV**) and the redemption NAV per Share (the **Bid NAV**) as set out below in section 11.6.2;
  - 11.5.2 The NAV of each Class within a relevant Compartment at any date is computed by subtracting from the total value of the assets attributable to each Class an amount equal to all accrued debts, liabilities and obligations attributable to that Class (including tax and any contingencies for which the Administrator determines that an accrual should be made); and
  - 11.5.3 The NAV per Share of each Class on any Valuation Date is equal to the total net assets attributable to each Class divided by the total number of Shares of that Class outstanding as of the applicable Valuation Date adjusted for the related foreign



currency hedging profit or loss, if denominated in a currency other than the Operational Currency of the Compartment.

### **Valuation of the Investments**

11.6 Unless otherwise stated for a relevant Compartment in the applicable Special Section,

11.6.1 The value of Investments (other than CIS) will be determined as follows:

- (a) Securities traded on a Regulated Market are valued generally at the price of the last reported trade quoted on such exchange or, if not available, at the last available "bid" price for long positions and the last reported "offered" price for short positions;
- (b) Unlisted securities are valued initially at cost and thereafter with any reduction or increase in value (as the case may be) in a manner determined by the AIF Manager, in consultation with the Investment Manager, to reflect the true value thereof.
- (c) Short-term securities having a maturity of 60 days or less are valued at cost, plus any accrued interest or discount earned;
- (d) The value of forwards, contracts for differences, futures, options, swaps and any other derivative instruments held for the account of a relevant Compartment and traded on a Regulated Market are valued at the last reported trading price. Where such instruments are traded over-the-counter they will be valued in a manner determined from time to time by the AIF Manager, in consultation with the Investment Manager, to reflect the estimated realisable value thereof; and
- (e) The value of any cash in hand or on deposit and accounts receivable, prepaid expenses and cash dividends accrued and not yet received will be deemed to be the full amount thereof, unless it is unlikely to be paid or received in full or in time, in which case the value thereof shall be arrived at after making such discount as the AIF Manager, in consultation with the Investment Manager, may consider appropriate to reflect the true value thereof; and

11.6.2 The value of CIS will be determined as follows:

- (a) In relation to the Bid NAV: the value of the CIS is the latest price at which these assets may be disposed of, either by redemption or by a sale in the market (where redemption is prohibited, impractical or a sale is more convenient). Such price is generally based on the net asset value of the CIS less any market discount (or plus any market premium); other costs potentially charged by the CIS (such as redemption fees, penalties, taxes, etc.) will be considered by the determination of the Bid NAV of the Shares; and

- (b) In relation to the Offered NAV: the value of the CIS is the latest price at which these assets may be acquired, either by subscription or by a purchase in the market (where subscription is prohibited, impractical or a purchase is more convenient). Such price is generally based on the net asset value of the CIS plus any market premium (or less any market discount); other costs potentially charged by the CIS (such as subscription fees, taxes, etc.) will be considered by the determination of the Offered NAV of the Shares.
- 11.6.3 The value of assets will be in the currency of denomination and converted into the relevant Operational Currency at the foreign exchange rate prevailing at 16:00 Greenwich Mean Time as of the applicable Valuation Date and the pricing source utilised will be Bloomberg (BFIX).
- 11.6.4 In valuing the assets and liabilities of the relevant Compartment, the AIF Manager may, in consultation with the Investment Manager and the Administrator, adopt any other reasonable method of valuation if it considers that in the applicable circumstances such other method will reflect more fairly the value of the Investments.
- 11.6.5 Investors should be aware that the NAV determined for purposes of the issuance or the redemption of Shares may be based on estimates and incomplete information (resulting, for example, from delays in the publication of the audited net asset values or other official valuation of a CIS in which a relevant Compartment is invested). In these circumstances, the AIF Manager, in consultation with the Investment Manager, will have the right to instruct subsequent adjustments, where feasible, if it is subsequently determined that the calculated NAVs were inaccurate, but it will be under no obligation to do so unless the difference between the calculated NAV and the revised NAV is greater than 0.5%.
- 11.6.6 Investors should also be aware that situations involving uncertainties as to the valuation of portfolio positions may have an adverse effect on the relevant Compartment's net assets if the AIF Manager and the Board's assessment regarding the appropriate valuations turns out to be incorrect. In the absence of bad faith or manifest error, the NAV as determined by the Administrator are conclusive and binding on all Shareholders.

#### **Information on the performance of a relevant Compartment**

- 11.7 Unless otherwise stated for a relevant Compartment in the applicable Special Section, information on the performance of a relevant Compartment for the preceding five years will be made available by such means as are determined by the AIF Manager, in consultation with the Investment Manager, from time to time and notified to Investors and prospective investors of that Compartment. Such information will be updated periodically in accordance with the AIFMD Rules. Typically, without prejudice to the AIF Manager's right to elect a different method

with consent of the Investment Manager, this will be done by means of a periodic report sent to the Investors of the relevant Compartment by the Administrator.

## **12. TEMPORARY SUSPENSION OF CALCULATION OF THE NAV AND/OR OF SUBSCRIPTION, REDEMPTION AND CONVERSION**

12.1 The Company may at any time instruct the Administrator to suspend the determination of the NAV of the Company, of a Compartment, of a Class or series:

12.1.1 When one or more Regulated Markets or markets other than a Regulated Market, which provide the basis for valuing a substantial portion of the Investments, or when one or more foreign exchange markets in the currency in which a substantial portion of the Investments are denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;

12.1.2 When, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Company, disposal of the Investments is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;

12.1.3 In the case of a breakdown in the normal means of communication used for the valuation of any Investment or if, for any reason beyond the responsibility of the Company, the value of any Investment may not be determined as rapidly and accurately as required;

12.1.4 If, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Company are rendered impracticable or if purchases and sales of the Company's assets cannot be effected at normal rates of exchange;

12.1.5 When for any other reason, the prices of any Investments within a Compartment cannot be accurately determined;

12.1.6 Where a significant part of the Investments are CIS:

(a) When the net asset valuation calculation of the majority of the CIS held has been suspended or the net asset value is not available or considered as not reliable;

(b) When the acceptance or execution of the redemption request by the majority of CIS or any of its agents has been suspended or postponed in accordance with applicable laws and regulations and/or the constitutive documents of the CIS;

(c) When the payment of the redemption proceeds from the majority of CIS has been suspended or postponed; or

(d) When any other event occurred at the level of the majority of CIS disabling the Company

- 12.1.7 Upon the publication of a notice convening a General Meeting for the purpose of winding-up the Company or any Compartment;
  - 12.1.8 When the suspension is required by law or legal process; and/or
  - 12.1.9 When for any reason the Board determines that such suspension is in the best interests of Shareholders.
- 12.2 Any such suspension may be notified by the Board, the AIF Manager or the Administrator in such manner as it may deem appropriate to the persons likely to be affected thereby. Shareholders requesting redemption or conversion of their Shares shall be notified of such a suspension.
- 12.3 Such suspension as to any Compartment, Class or series may have no effect on the calculation of the NAV per Share, the issue, redemption and conversion of Shares of any other Compartment, Class or series.

### **13. GENERAL MEETING**

- 13.1 The General Meeting must be held within six months after the end of the Accounting Year.
- 13.2 Other General Meetings may be held at such place and time as may be specified in the respective convening notices of that General Meeting.
- 13.3 Notices for each General Meeting will be sent to the Shareholders in accordance with the 1915 Act at least eight calendar days prior to the relevant General Meeting at their addresses set out in the Register. Such notices will include the agenda and specify the time and place of the meeting and the conditions of admission and will refer to the requirements of Luxembourg Law with regard to the necessary quorum and majorities required for the relevant General Meeting. If all Shareholders meet and declare having had notice of the General Meeting or waiving the notice, the General Meeting may be validly held despite the accomplishment of the afore set formalities. The requirements as to attendance, quorum and majorities at all General Meetings are those set in the 1915 Act and the Articles.
- 13.4 Except as otherwise required by the 1915 Act or as otherwise provided in the Articles, resolutions at a duly convened General Meeting will be passed by a simple majority of those present or represented.

### **14. CONFLICTS OF INTEREST**

#### **General description of conflicts of interest**

- 14.1 A Director, employee or officer of the AIF Manager or of any of the agents of the Company, the AIF Manager or the Investment Manager (the **Conflicted Person**) may be engaged in other business activities in addition to managing and providing directly or indirectly services to the Company. It is possible that companies with whom they are associated or which they manage or advise invest by way of co-investment or otherwise in the same issues, placements and investments as the Company and under the same or similar conditions. It is also possible that such associated companies may have already invested in these assets or may invest into such assets at a later stage. However, the Conflicted Person will be obliged to devote such part of their professional time and attention to the business of the

Company as is reasonably required in the best interest of the Company and its Shareholders to effectively manage the Company or to effectively provide services to the Company.

- 14.2 Certain Shareholders may, directly or indirectly through an Affiliate, hold shares in the AIF Manager or the Investment Manager and therefore have an incentive to take a decision which follows other interests to those of the Company.
- 14.3 Shareholders may have conflicting investment, tax, regulatory and other interests with respect to the Shares that they own. As a consequence, conflicts of interest may arise in connection with decisions made by the Company, by the AIF Manager or the Investment Manager, including with respect to the nature or structuring of Investments that may be more beneficial for one Shareholder than for another Shareholder.

**Rules of Conduct adopted by the AIF Manager and the Investment Manager to minimise conflicts of interest**

- 14.4 The AIF Manager and the Investment Manager have adopted rules of conduct to minimise conflicts of interests in accordance with the AIFMD Rules.
- 14.5 Each director, employee or officer of the AIF Manager and the Investment Manager are required to follow these Rules of Conduct.
- 14.6 The AIF Manager or the Investment Manager may share with any other person (including, but not limited to, any Investor or any person introducing investors) any fees and other benefits to which it may be entitled, directly or indirectly, from the Company.
- 14.7 The AIF Manager or the Investment Manager may continue to manage or advise the accounts of clients other than the Company, employing different advisory strategies for those other accounts. There can be no assurance that these management services and strategies will not be different from or opposite to advice and services provided to the Company. Although the AIF Manager and the Investment Manager will be expected to manage potential and actual conflicts of interest issues in good faith by seeking to determine the existence of conflicts, there can be no assurance that such conflicts of interest may be resolved in the best interests of the Company should they arise.
- 14.8 The AIF Manager will take the necessary steps to ensure that rules of conduct to minimize conflicts of interest are also implemented at any delegate appointed by the AIF Manager, including the Investment Manager.

**Allocation of trading opportunities by the Investment Manager**

- 14.9 The Investment Manager also manages, and may in the future manage, other funds and accounts, which make investments similar to those of the Company. Under the supervision of the AIF Manager, the Investment Manager will act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities to the Company but will not otherwise impose any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to the Company or any restrictions on the nature or timing of investments for the proprietary account of the Investment Manager, or for other accounts which the Investment Manager or its affiliates currently manage, or may in the future manage. The professionals of the Investment Manager are not obligated to devote any

specific amount of time to the affairs of the Company, and the Investment Manager is not required to accord exclusivity or priority to the Company in the event of limited investment opportunities.

- 14.10 When the Investment Manager determines that it would be appropriate for the Company and one or more other investment accounts to participate in an investment opportunity, the Investment Manager will seek to execute orders for all of the participating accounts on an equitable basis. If the Investment Manager has determined to invest at the same time for more than one of the investment accounts, the Investment Manager will generally place orders for all such accounts simultaneously to an order on behalf of more than one account cannot be fully executed under prevailing market conditions, the Investment Manager will allocate the investment among the different accounts on a basis that it considers equitable. Situations may occur where the Company could be disadvantaged because of the investment activities conducted by the Investment Manager for other investment accounts.

### **CIS**

- 14.11 Certain managers of the underlying CIS may engage in other forms of related and unrelated activities in addition to advising a CIS. They may also make investments in securities for their own account. Activities such as these could detract from the time a manager devotes to the affairs of a CIS. In addition, certain of the managers may engage affiliated entities to furnish brokerage services to a CIS and others may themselves provide market-making services, including without limitation those of counterparty in stock and over the counter transactions. As a result, in such instance the choice of broker, market-maker or counterparty and the level of commissions or other fees paid for such services (including the size of any mark-up imposed by a counterparty) may not have been made at arm's length.

### **Financial intermediaries**

- 14.12 Financial intermediaries that introduce shareholders to the Company may receive a fee from the AIF Manager, the Investment Manager or their Affiliates. The amount of fees paid to a financial intermediary with respect to a shareholder's investment in the Company may vary based on the size of that investment. The potential to receive compensation that is tied to the amount of assets invested and held by an Investor could cause the interests of the financial intermediary to conflict with those of the shareholder.

### **Third party research**

- 14.13 Although not generally applicable to the investment strategy of the Compartments, since they invest primarily in CIS, the Investment Manager may use full service execution brokers when implementing its investment decisions on behalf of a relevant Compartment. Such brokers may, in addition to routine order execution, facilitate the provision of research to the Investment Manager either from the broker itself or a third party research provider ("third party research"). The Investment Manager currently intends to pay for the costs of third party research, however the Investment Manager reserves the right, on prior notice to the Company and the AIF Manager, to allocate these costs instead on an equitable basis among its clients (or groups of its clients) including the Company.

## **15. ACCOUNTING YEAR – ANNUAL REPORT – DOCUMENTS AVAILABLE FOR INSPECTION TO INVESTORS**

### **Accounting Year**

- 15.1 The Accounting Year will begin on 1 January and terminate on 31 December of each year.

### **Annual Report**

- 15.2 The Company will establish an Annual Report in accordance with article 20 of the 2013 Act and article 38(4) of the 2016 Act.
- 15.3 The Annual Report will be made available to all Shareholders and will be submitted to the annual General Meeting for approval within six months after the end of the Accounting Year.
- 15.4 At the latest fifteen (15) days prior to the annual General Meeting, the balance sheet, the profit and loss account, the reports of the Board and of the Auditor and such other documents as may be required by law shall be deposited at the registered office of the Company where they will be available for inspection by the Shareholders during regular business hours.

### **Documents available for Investors**

- 15.5 Documents available for inspection by Investors free of charge, during usual business hours at the registered office of the Company in Luxembourg or the AIF Manager in Milan:
- 15.5.1 Articles
  - 15.5.2 Depositary Agreement;
  - 15.5.3 AIFM Agreement;
  - 15.5.4 Investment Management Agreement;
  - 15.5.5 Administration Agreement;
  - 15.5.6 Valuation Policy;
  - 15.5.7 Policy on Conversion of Shares;
  - 15.5.8 Risk profile of the Company and the risk management systems used by the AIF Manager for the Company;
  - 15.5.9 Remuneration policy adopted by the AIF Manager; and
  - 15.5.10 Latest available Annual Report.
- 15.6 Regular and periodic disclosure
- 15.6.1 The following information will be disclosed to Investors at the same time as the Annual Report and may be provided at other times by way of monthly newsletters provided to the Investors:

- (a) The percentage of the assets of the relevant Compartment that is subject to special arrangements arising from their illiquid nature;
  - (b) Any new arrangements for managing the liquidity of the relevant Compartment;
  - (c) The current risk profile of relevant Compartment and the risk management systems employed by the AIF Manager to manage those risks; and
  - (d) The total amount of leverage employed for the relevant Compartment.
- 15.6.2 Any changes to the following information will be provided by the AIF Manager to Investors without undue delay and may be provided by email:
- (a) The maximum level of leverage which the Investment Manager may employ for the relevant Compartment; and
  - (b) The right of re-use of collateral or any changes to any guarantee granted under any leveraging arrangement.
- 15.6.3 The AIF Manager will immediately notify Shareholders where the Company activates gates, side pockets or similar special arrangements or where it decides to suspend redemptions. Such notification may be provided by email.

**Disclosure under SFDR and Taxonomy Regulation**

- 15.7 Unless otherwise stated for a relevant Compartment in its Special Section, the AIF Manager and the Investment Manager are not systematically integrating Sustainability Risks in their investment decisions for the relevant Compartment based on the last paragraph of article 6.1 of SFDR.
- 15.8 As the Compartments are investing in diversified portfolios of other CIS, the occurrence of a Sustainability Risk at the level of an investment held in the portfolio of an underlying CIS invested by the relevant Compartment is expected to have a limited impact on the overall performance of the Compartment due to the double level of risk spreading of the Compartment.
- 15.9 It should furthermore be noted that the composition of the underlying portfolio of a CIS invested by one of the Compartments and the approach taken by the manager of such a CIS toward Sustainability Risks may in practice only be assessed in the context of the due-diligence of this manager whereby the on-going monitoring of the management of the Sustainability Risks by the manager of the relevant CIS may only be achieved on an ex-post basis and on the basis of the information provided by the manager which may be outdated or incomplete.
- 15.10 Unless otherwise stated for a relevant Compartment in its Special Section, article 7 of Taxonomy Regulation applies to the Compartments. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.



## 16. DISSOLUTION/LIQUIDATION

### Dissolution and liquidation of the Company

- 16.1 The Company may at any time be dissolved by a resolution taken by the General Meeting subject to the quorum and majority requirements set out in the 1915 Act unless otherwise determined in the Articles.
- 16.2 In the event of a voluntary liquidation, the Company shall, upon its dissolution, be deemed to continue to exist for the purposes of the liquidation. The operations of the Company shall be conducted by one or several liquidators, who shall be appointed by a General Meeting which also determines their powers and compensation.
- 16.3 Should the Company be voluntarily liquidated, then its liquidation will be carried out in accordance with the provisions of the 2016 Act and the 1915 Act.
- 16.4 If the Company were to be compulsorily liquidated, the provision of the 2016 Act will be exclusively applicable.
- 16.5 The issue of new Shares by the Company shall cease on the date of publication of the notice of the General Meeting, to which the dissolution and liquidation of the Company shall be proposed. The proceeds of the liquidation of the Company, net of all liquidation expenses, shall be distributed by the liquidators among the holders of Shares in each Class in accordance with their respective rights. The amounts not claimed by Shareholders at the end of the liquidation process shall be deposited, in accordance with Luxembourg Law, with the *Caisse de Consignation* in Luxembourg until the statutory limitation period has lapsed.

### Termination of a Compartment or Class

- 16.6 In the event that, for any reason:
- 16.6.1 The value of the total net assets in any Compartment or the value of the net assets of any Class within a Compartment has decreased to, or has not reached, an amount determined by the Board or its delegate to be the minimum level for such Compartment, or such Class of Shares, to be operated in an economically efficient manner; or
  - 16.6.2 In case of a substantial modification in the political, economic or monetary situation; or
  - 16.6.3 As a matter of economic rationalisation; or
  - 16.6.4 A situation arises, where the Board may not, despite all reasonable efforts, manage the assets of a Compartment in compliance with the investment restriction set out in Section 3.5 of this General Section;

the Board may decide to offer to the Shareholders of such Compartment the conversion of their Shares into Shares of another Compartment under terms determined by the Board or to redeem all the Shares at the NAV per Share (taking into account actual realisation prices of Investments and realisation expenses) calculated on the Valuation Date at which such decision shall take effect. The Board shall serve a notice to the relevant Shareholders prior to the effective date for

the compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations.

- 16.7 Notwithstanding the powers conferred to the Board under Section 16.6, the General Meeting of any Compartment or Class will, in any other circumstances, have the power, upon proposal from the Board, to redeem all the Shares of the relevant Compartment or Class and refund to the Shareholders the NAV of their Shares (taking into account actual realisation prices of Investments and realisation expenses) calculated on the Valuation Date, at which such decision will take effect. There will be no quorum requirements for such General Meeting, which will decide by resolution taken by simple majority of those present or represented and voting at such General Meeting. Such resolution will however be subject to the Board's consent.
- 16.8 Any request for subscription shall be suspended as from the moment of the announcement of the termination, the merger or the transfer of the relevant Compartment.
- 16.9 Assets which may not be distributed upon the implementation of the redemption will be deposited with the *Caisse de Consignation* in Luxembourg on behalf of the persons entitled thereto within the applicable time period.
- 16.10 All redeemed Shares will be cancelled.

#### **Amalgamation, division or transfer of Compartments or Classes**

- 16.11 Under the same circumstances as provided under Section 16.6 of this General Section, the Board may decide to allocate the assets of any Compartment to those of another existing Compartment within the Company or to another undertaking for collective investment organised under the provisions the 2016 Act, the act of 13 February 2007 on specialised investment funds, as amended or of part II of the 2010 Act or to another compartment within such other undertaking for collective investment (the **New Compartment**) and to re-designate the Shares of the relevant Compartment as Shares of another Compartment (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to the relevant Shareholders). Such decision will be notified in the same manner as described under Section 16.6 of this General Section one month before its effectiveness (and, in addition, the publication will contain information in relation to the New Compartment), in order to enable Shareholders to request redemption of their Shares, free of charge, during such period.
- 16.12 Notwithstanding the powers conferred to the Board by Section 16.11, a contribution of assets and liabilities attributable to any Compartment to another Compartment within the Company may, in any other circumstances, be decided upon by a General Meeting of the Compartment or Class concerned for which there will be no quorum requirements and which will decide upon such an amalgamation by resolution taken by simple majority of those present or represented and voting at such General Meeting. Such resolution will however be subject to the Board's consent.
- 16.13 Furthermore, in other circumstances than those described in Section 16.6 of this General Section, a contribution of the assets and of the liabilities attributable to any Compartment to another undertaking for collective investment referred to in Section 16.11 of this General Section or to another compartment within such other undertaking for collective investment will require a resolution of the Shareholders of

the Class or Compartment concerned taken with 50% quorum requirement of the Shares in issue and adopted at a 2/3 majority of the Shares present or represented and voting, except when such an amalgamation is to be implemented with a Luxembourg undertaking for collective investment of the contractual type (*fonds commun de placement*) or a foreign based undertaking for collective investment, in which case resolutions will be binding only on such Shareholders who have voted in favour of such amalgamation. Any General Meeting resolution taken in accordance with this Section 16.13 is subject to the Board's consent.

## 17. DATA PROTECTION

- 17.1 The personal data or information given in an application form or otherwise collected, provided to or obtained by the Company, acting as data controller (the **Data Controller**), in connection with an application to subscribe for, or for the holding of, one or more Shares, or at any other time, as well as details of the investor's holding of Shares (the **Personal Data**), will be stored in digital form or otherwise and collected, used, stored, retained, transferred and/or otherwise processed for the purposes described below (the **Processing**), in compliance with the provisions of GDPR together with any applicable national laws, the **Data Protection Law**).
- 17.2 The Data Controller will collect, use, store, retain, transfer and/or otherwise process the Personal Data: (i) on the basis of the investor's consent; (ii) where necessary to perform any services resulting from the application form, including the holding of one or more Shares in general; (iii) where necessary to comply with a legal or regulatory obligation of the Data Controller; (iv) where necessary for the purposes of the legitimate interests pursued by the Data Controller, the AIF Manager, the Investment Manager, the Administrator, the Depositary, other service providers to the Company (including without limitation its auditors and information technology providers), any lender to the Data Controller or related entities (including without limitation their respective general partner or management company/investment manager and service providers) in or through which the Data Controller intend to invest, and any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns generally (together the **Data Processors** and each a **Data Processor**), which mainly consist in the provision of the services in connection with the Subscription Agreement to the investor or compliance with foreign laws and regulations and/or any order of a foreign court, government, regulatory or tax authority, including when providing such services in connection with the Subscription Agreement to the investor, and to any beneficial owner(s) and any person holding a direct or indirect interest in the investor and/or any beneficial owner who has not directly entered into the Subscription Agreement (the **Relevant Persons**), except where such legitimate interests are overridden by the interest or fundamental rights and freedoms of the investor or any Relevant Persons. Should the investor refuse to communicate its Personal Data or the collection, use, storage, retention, transfer and/or any other processing of its Personal Data as described herein, the Administrator may refuse the subscription of Shares.
- 17.3 The Processing includes, without limitation, the collection, use, storage, retention, transfer and/or any other processing of Personal Data for any of the following purposes:
- 17.3.1 To process, manage and administer the Shares and any related accounts on an on-going basis;

- 17.3.2 For any specific purpose(s) to which the investor has consented in addition to its consent in the Subscription Agreement in compliance with the Data Protection Law;
  - 17.3.3 To comply with legal or regulatory requirements applicable to the Data Controller, a Data Processor and/or the investor;
  - 17.3.4 Where necessary for the purposes of tax reporting to one or more relevant authorities; and
  - 17.3.5 To fulfil the terms and conditions of, and any services required by, the investor in relation to the Subscription Agreement and the holding of the Shares and to execute all tasks that are carried out under the Subscription Agreement and in relation to the Investor's Shares.
- 17.4 The Personal Data that will be collected, used, retained, stored, transferred and/or otherwise processed includes without limitation: (i) the name, address, email address, telephone numbers, business contact information, current employment, career history, current investments, historic investments, investment preferences, and credit history of the investor and of related individuals of the investor (including without limitation the investor's directors, officers, individual representatives, legal representatives, trustees, settlors, signatories, shareholders, unitholders, investors, nominees, employees and/or any Relevant Persons); (ii) any other data required by the Data Controller to perform services in connection with or resulting from the Subscription Agreement, the Investor's Shares, and/or any contract with any Data Processor; and (iii) any data required by the Data Controller to comply with any legal and/or regulatory obligations. The Personal Data will be directly collected from the investor or, as the case may be, through public sources, social media, subscription services, other third-party data sources or, through the investor's authorised intermediaries, directors, officers, individual representatives (including, without limitation, legal representatives), trustees, settlors, signatories, shareholders, unitholders, investors, nominees or employees.
- 17.5 Each investor is required to:
- 17.5.1 Have duly and completely informed all natural persons (including, without limitation, the subscriber's directors, officers, individual representatives, legal representatives, trustees, settlors, signatories, shareholders, unitholders, investors, nominees, employees, any Relevant Persons and representatives of legal persons) and other data subjects whose Personal Data will be processed in the context of the investor holding of Shares about the collection, use, storage and/or transfer and/or any other processing of their Personal Data and their rights as described in this section in accordance with the information requirements under the Data Protection Law; and
  - 17.5.2 Where necessary and appropriate, have obtained any consent that may be required for the Processing of said Personal Data in accordance with the requirements of the Data Protection Law.

- 17.6 The Data Controller shall be entitled to assume that those persons have, where necessary, given any such consent and have been informed of all information relating to the collection, use, storage and/or transfer and/or processing of their Personal Data and of their rights as described in this section.
- 17.7 Each Investor acknowledges, understands and, to the extent necessary, consents that for purposes of and in connection with the Processing:
- 17.7.1 The Data Processors may collect, use, retain, store transfer and/or otherwise process Personal Data on behalf of the Data Controller in accordance with Data Protection Law; and
  - 17.7.2 Personal Data may also be shared, transferred and disclosed, out of the context of any delegation, to any Data Processors and to third parties, acting as data controllers, including the investor's professional and financial advisers, any Data Processor's auditors, technology providers, board of managers or directors, delegates, duly appointed agents and related, associated or affiliated companies, in each case which may be located in a jurisdiction that does not have equivalent data protection laws to those of the EU, including the Data Protection Law and the 1993 Act which provides for a professional secrecy obligation, or that are not subject to an adequacy decision of the European Commission, for their own purposes, including, without limitation, developing and processing the business relationship with any shareholders and/or any Relevant Persons;
- 17.8 Furthermore each Investor acknowledges, understands and, to the extent necessary, will be asked to consent:
- 17.8.1 To the collection, use, processing, storage and retention of Personal Data by a Service Provider, acting as a data processor, for the provision of the services to be provided under the applicable Services Agreement and for other related purposes for which it acts as a data controller and also acknowledges and consents: (i) to the transfer of such Personal Data to other companies or entities within the Administrator's group, including its offices outside Luxembourg and the EU; and (ii) to the transfer of such Personal Data to third party companies or entities including their offices outside the EU where the transfer is necessary for the maintenance of records, for administration or other services which may leverage operational and technological capabilities located outside Luxembourg and the EU. Personal Data including the identity of the Investor and the values of its Share will therefore be accessible to other companies or entities within the Service Provider's group. Personal Data may be transferred to a jurisdiction which does not maintain a legal and regulatory framework to protect confidentiality of personal data (including, without limitation, Personal Data) equivalent to that of Luxembourg and the EU.
  - 17.8.2 To the collection, use, storage, retention and/or other processing of Personal Data by the concerned Data

Processors, for the provision of services under the relevant distribution or sub-distribution agreements including the promotion and marketing of Shares, the transfer of information requested by any Data Processors to comply with any law, regulation or recommendation from supervisory or tax authorities applicable to it or them (including without limitation anti-money laundering rules and regulations), process complaints and assist in relation to facilitating the subscription process and preparation and contents of the investor's due diligence questionnaires. In particular, each investor (i) will be asked to consent to the transfer of such Personal Data to any Data Processor, which may be established in a jurisdiction which does not ensure an adequate protection of personal data, and/or in other countries which may or not maintain a legal and regulatory framework to protect confidentiality of Personal Data equivalent to that of Luxembourg and the EU and (ii) will be asked to acknowledge and consent to the fact that the transfer of such Personal Data is necessary for the purposes described hereinabove and more generally, the admittance of the Investor as a shareholder of the relevant Compartment.

17.8.3 To the fact that Personal Data the Investor is supplying or that is collected will enable the Company and any of the Data Processors to process, manage and administer the Investor's Shares and any related accounts on an on-going basis, and to provide appropriate services to the Investor as a shareholder of the Company. Any of the Data Processors may collect, use, store, retain or otherwise process the Personal Data for the purposes described in the Subscription Agreement, this Offering Document, the relevant Services Agreements and for the purposes of the Investor's (and any Relevant Person's) anti-money laundering identification and tax identification in this context, and in order to comply with their applicable legal obligations including without limitation the prevention of terrorism financing, the prevention and detection of crime, tax reporting obligations including compliance with FATCA and CRS.

17.8.4 To the fact that the Data Controller and the Data Processors may be required by applicable laws and regulations to transfer, disclose and/or provide Personal Data in compliance with applicable laws and regulations, in particular article 48 of the GDPR, to supervisory, tax or other authorities in various jurisdictions.

17.9 By investing, each Investor acknowledges, understands, and to the extent necessary, will be asked to consent to the fact that the transfer of the investor's data, including Personal Data, may be transferred to a country that does not have equivalent data protection laws to those of the EU, as described above, or that are not subject to an adequacy decision of the European Commission, including the Data Protection Law and the 1993 Act which provides for a professional secrecy obligation. The Data Controller will transfer the Personal Data (i) on the basis of any adequacy decision of the European Commission with respect to the protection of personal data; (ii) on the basis of appropriate safeguards listed by and subject to

the provisions of article 46 of the GDPR, such as standard contractual clauses, binding corporate rules, an approved code of conduct, or an approved certification mechanism; (iii) on the basis of the consent; (iv) where necessary for the performance of the services resulting from the application form; (v) where necessary for the performance of services by the Data Processors provided in connection with the application form; (vi) where necessary for important reasons of public interest; (vii) where necessary for the establishment, exercise or defence of legal claims; (viii) where the transfer is made from a register which is legally intended to provide information to the public and which is open to consultation, in accordance with applicable laws and regulations, provided that the transfer does not involve the entirety of the personal data or entire categories of the personal data contained in the Register; or (ix) subject to the provisions of article 49.1 of the GDPR, where the transfer is necessary for the purposes of compelling legitimate interests pursued by the Data Controller which are not overridden by the interests or rights and freedoms of the relevant data subjects.

- 17.10 Each Investor has the right to request a copy of Personal Data held in relation to it, and to request that they be amended, updated, completed or deleted as appropriate, if incorrect, and to request a limitation to a processing of its Personal Data and the portability of any Personal Data processed by the Data Controller in the manner and subject to the limitations prescribed in the Data Protection Law.
- 17.11 Each Investor is entitled to address any claim relating to the processing of its Personal Data to a data protection supervisory authority; in Luxembourg, the *Commission Nationale pour la Protection des Données*.
- 17.12 The Personal Data will be held until the Investor ceases to be invested in the Company and a period of 10 (ten) years thereafter where necessary to comply with applicable laws and regulation or to establish, exercise or defend actual or potential legal claims, subject to the applicable statutes of limitation, unless a longer period is required by applicable laws and regulations.
- 17.13 The Data Controller and the Data Processors processing the Personal Data on its behalf will accept no liability with respect to an unauthorised third-party receiving knowledge of, or having access to, its Personal Data, except in the case of proven negligence or serious misconduct by the Data Controller and/or any Data Processor that processes the Personal Data on its behalf or by any of their respective employees, officers, affiliates, agents and sub-contractors. In any event, the liability of the Data Controller with respect to the processing of Personal Data remains strictly limited to what is imposed by the Data Protection Law.

## **18. DISTRIBUTION**

- 18.1 The Board is entitled to determine the payment of dividends in accordance with the 2016 Act and as determined for the relevant Compartment in its Special Section.
- 18.2 Payments will be made in the Operational Currency of the relevant Compartment and/or Class.
- 18.3 Dividends remaining unclaimed for five (5) years after their declaration will be forfeited and revert to the relevant Compartment.
- 18.4 The Board shall not be obliged to cause any Compartment to make any distribution:
  - 18.4.1 If there is not enough cash available for the distribution;

- 18.4.2 If it would render the Company or the relevant Compartment insolvent;
- 18.4.3 If, in the reasonable opinion of the Board, would or might leave the Company with a subscribed share capital (increased by the share premium, if any) of less than EUR 1,250,000 (or the equivalent amount in any other currency);
- 18.4.4 If, in the reasonable opinion of the Board, insufficient funds to meet any future contemplated obligations, expenses, liabilities or contingencies, including obligations to the Company, the Indemnified Persons or an Investment.
- 18.5 Distributions shall be made only to Shareholders who are recorded in the Register as at the date a distribution is made and no sums shall be treated as accruing due prior to actual payment. Neither the Company, nor the AIF Manager or any other agent of the Company or of the AIF Manager shall incur any liability for distributions made in good faith to any Shareholder at the last address provided by it prior to the registration of any Transfer of all or any of its Shares in the Company.

## **19. TAXATION**

### **General**

- 19.1 The following is an overview of certain tax consequences of purchasing, owning and disposing of the Shares. It does not purport to be a comprehensive description of all of the tax considerations that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of certain tax consequences for individual taxpayers with respect to the Shares and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to Shareholders. This overview is based on the laws in force on the date of this Offering Memorandum and is subject to any change in law that may take effect after such date. Investors should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

### **Taxation in Luxembourg**

- 19.2 Under current law and practice, the Company is exempt from Luxembourg corporation taxes and net wealth tax. However, interest, dividend and capital gains received by the Company may be subject to irrecoverable withholding taxes or other taxes in the country where such interest, dividends or gains originate.
- 19.3 The Company is liable to an annual subscription tax (*taxe d'abonnement*) which is presently set at 0.01% of the Net Asset Value of the Company. This subscription tax is payable quarterly based on the Net Asset Value calculated at the end of each quarter.
- 19.4 No ad valorem duty or tax is payable in Luxembourg in connection with the issue of Shares by the Company. A fixed registration duty of EUR 75 will be due by the Company upon its incorporation and each amendment of its Articles.



- 19.5 Under current legislation, dividend payments made by the Company to its Luxembourg resident and non-Luxembourg resident Shareholders, are not subject to any withholding taxes in Luxembourg.

#### **FATCA**

- 19.6 The Foreign Account Tax Compliance Act are provisions of the US Hiring Incentives to Restore Employment Act of 2010 (the **Hire Act**) representing an expansive information reporting regime enacted by the US which aims at ensuring that US Investors holding financial assets outside the US will be reported by financial institutions to the US Internal Revenue Service (the **IRS**), as a safeguard against US tax evasion. As a result of the Hire Act, and to discourage non-US financial institutions from staying outside this regime, all US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income (the **FATCA Withholding**). This regime has become effective in phases, starting on 1 July 2014.
- 19.7 The 2014 Luxembourg IGA has been ratified in Luxembourg by the 2015 Luxembourg FATCA Act. Luxembourg domiciled financial institutions that comply with the 2014 Luxembourg IGA requirements are not subject to the FATCA Withholding. The Company is a Luxembourg-domiciled financial institution that has to comply with the requirements of the 2015 Luxembourg FATCA Act and, as a result of such compliance the Company should not be subject to FATCA Withholding. .
- 19.8 Under the 2015 Luxembourg FATCA Act, the Company via the AIF Manager will be required to report to the Luxembourg tax authorities the value held by, and related payments made to
- 19.8.1 Certain US Investors;
  - 19.8.2 Certain US controlled (as defined by the 2015 Luxembourg FATCA Act) foreign entity investors; and
  - 19.8.3 Non-US financial institution investors that do not comply with the terms of the 2015 Luxembourg FATCA Act.
- 19.9 Under to the 2015 Luxembourg FATCA Act, such information will be onward reported by the Luxembourg tax authorities to the IRS.
- 19.10 Additional intergovernmental agreements similar to the IGA have been entered into or are under discussion by other jurisdictions with the US. Investors holding investments via distributors that are not in Luxembourg or in another IGA country should check with such distributor as to the distributor's intention to comply with FATCA. Additional information may be required by the AIF Manager or distributors from certain investors in order to comply with their obligations under FATCA or under an applicable IGA.
- 19.11 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 advisors regarding the application of FATCA to their particular circumstances.

#### **CRS**

- 19.12 Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the CRS to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures.
- 19.13 The Grand Duchy of Luxembourg has implemented the CRS. As a result the Company is required to comply with the CRS due diligence and reporting requirements, as adopted by the Grand Duchy of Luxembourg. Investors may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the Company.
- 19.14 The Company may take such action as it considers necessary in accordance with applicable law in relation to an investor's holding to ensure that any withholding tax payable by the Company, and any related costs, interest, penalties and other losses and liabilities suffered by the Company, the Administrator, the AIF Manager, the Investment Manager or any other investor, or any agent, delegate, employee, director, officer or affiliate of any of the foregoing persons, arising from such investor's failure to provide the requested information to the Company, is economically borne by such investor.

#### **Future changes in applicable law**

- 19.15 The foregoing description of tax consequences of an investment in and the operations of, the Company is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Company to income taxes or subject Investors to increased income taxes.
- 19.16 THE TAX AND OTHER MATTERS DESCRIBED IN THIS OFFERING MEMORANDUM DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO INVESTORS WHO SHOULD CONSULT THEIR OWN COUNSEL REGARDING TAX LAWS AND REGULATIONS OF ANY JURISDICTION WHICH MAY BE APPLICABLE TO THEM. TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE US INTERNAL REVENUE SERVICE, WE INFORM YOU THAT ANY US FEDERAL INCOME TAX ADVICE CONTAINED IN THIS COMMUNICATION WAS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF (I) AVOIDING US FEDERAL TAX-RELATED PENALTIES UNDER THE US INTERNAL REVENUE CODE OR (II) PROMOTING, MARKETING OR RECOMMENDING TO ANOTHER PARTY ANY US FEDERAL INCOME TAX-RELATED MATTERS ADDRESSED HEREIN.

## **20. INDEMNITY**

- 20.1 The Company may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favour. Such indemnity shall be given in favour by reason of the fact that such person is or was a Director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a Director, officer, employee or agent of another corporation,

partnership, joint venture, trust or other enterprise (the **Indemnified Person**) against expenses (including legal fees) actually and reasonably incurred by it in connection with the defence or settlement of such action or suit if such Indemnified Person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company and except that no such indemnification shall be made in respect of any claim, issue or matter as to which such Indemnified Person shall have been adjudged to be liable for gross negligence or wilful misconduct in the performance of his duty to the Company unless and only to the extent that a court of competent jurisdiction in Luxembourg or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. To the extent that an Indemnified Person has been successful on the merits or otherwise in defence of any action, suit or proceeding referred to herein or in defence of any claim, issue or matter therein, the Indemnified Person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by it in connection therewith. Any indemnification under this paragraph (unless ordered by a court) shall be made by the Company only as authorised in the specific case upon a determination that indemnification of the Indemnified Person is proper in the circumstances because it has met the applicable standard of conduct set forth herein. Such determination shall be made by either: (i) the Board, (ii) an independent legal counsel in a written opinion, or (iii) the Shareholders. Expenses incurred in defending any such suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding as authorised by the Board in the manner provided herein above upon receipt of an undertaking by or on behalf of the Indemnified Person to repay such amount, if it shall ultimately be determined that he is not entitled to be indemnified by the Company as authorised in this Section 20.

- 20.2 The indemnification provided in this Section 20 shall not be deemed exclusive of any other right to which those indemnified may be entitled under any agreement, vote of the General Meeting or otherwise, both in relation to his official capacity and as in relation to any other capacity while holding such office, and shall continue as to a person who has ceased to be an officer, employee or agent. The indemnification shall inure to the benefit of the heirs, executors and administrators of those persons indemnified.

## **21. ANNOUNCEMENTS AND CONFIDENTIALITY**

### **Announcements**

- 21.1 All public disclosure or announcement of the existence or the subject matter of this Offering Memorandum shall be subject to the approval of the Board or its delegate. This shall not affect any announcement or disclosure by an Investor under Section 0 but the Investor required to make an announcement or disclosure shall consult with the Board or its delegate insofar as is reasonably practicable before complying with such an obligation.

### **Confidentiality obligation of Investors**

- 21.2 Each Investor shall and shall procure that its directors, managers, employees, officers, partners, Investors, agents, consultants and advisers and any Affiliate (and their directors, employees, officers, partners, Investors, agents, consultants and advisers) keep confidential and shall not disclose any information provided to it by or on behalf of the Company or otherwise obtained by or in connection with this

Offering Memorandum or which may come to its knowledge concerning the affairs of the Company or any investment made or proposed by the Company, save to the extent that:

- 21.2.1 Disclosure is required by any applicable law or any court of law or any relevant regulator or tax authority;
- 21.2.2 Disclosure is necessary in order for an Investor to enforce its rights under the terms of this Offering Memorandum;
- 21.2.3 Disclosure is made by the initiators to its own shareholders and to the regulatory, supervisory or other authority to which it is subject;
- 21.2.4 Relevant information is already in the public domain prior to disclosure (other than as a result of a breach of any obligation by any Investor);
- 21.2.5 Disclosure is made to an Investor's bona fide legal, tax or accountancy advisers or auditors, provided that such disclosure is made on a confidential basis and such advisers or auditors undertake an equivalent duty of confidentiality to that set out in this Section; or
- 21.2.6 Disclosure is required in good faith and only where reasonably necessary to any Affiliate of that Investor, provided that such disclosure is made on a confidential basis and such Affiliate undertakes an equivalent duty of confidentiality to that set out in this Section.

### **Confidentiality obligation of Service Providers**

- 21.3 While Service Providers are generally subject to confidentiality obligations in accordance with applicable laws and contractual arrangements, the latter may include provisions which enable them to share information within their group of companies across different jurisdictions. For instance, the Depositary and the Administrator, which are subject to the confidentiality obligations under the 1993 Act, are permitted, both contractually and within the limits set by applicable laws including the 1993 Act, to share confidential information within their group of companies.

## **22. EXPENSES**

- 22.1 The Company shall pay out of the assets of the relevant Compartment all expenses incurred by it (the **Expenses**), which include:
  - 22.1.1 Management Fee as determined in the AIFM Agreement and Investment Management Fee as determined in the Investment Management Agreement as well as reasonable out-of-pocket expenses and disbursements of the AIF Manager and the Investment Manager as approved by the Board;
  - 22.1.2 Fees and reasonable out-of-pockets expenses paid to any Service Provider appointed by the Company and/or by the AIF Manager or the Investment Manager that are directly charged to the Company which includes fees paid to the

Depository, the Administrator, the AIF Manager and the Investment Manager;

- 22.1.3 Any fees, costs and expenses incurred in connection with making any filings with any government body or regulatory authority as well as statutory or regulatory fees, if any, levied against or in respect of the Company together with the costs incurred in preparing any submission required by any tax, statutory or regulatory authority;
- 22.1.4 Remuneration, reasonable out-of-pocket expenses and insurance coverage of the Directors and the members of any committee, if any, including reasonable travelling costs in connection with meetings of the Directors and those members, if any;
- 22.1.5 Any costs and expenses relating to investor relationship including the drafting, printing and mailing of reports and information to Investors and Shareholders;
- 22.1.6 Any fees, costs and expenses relating to valuations of Investments including the fees paid to External Valuers or other agents involved in the valuation of Investments;
- 22.1.7 Any expenses incurred in connection with legal proceedings involving the Company or any other person in relation to its function for the Company;
- 22.1.8 The fees, costs and expenses required to be paid in connection with any credit or overdraft facility or other type of borrowing arrangement, pledges, guarantees or other form of securities, including the legal fees, costs and expenses of the lawyers for the lender(s), the fees, costs and expenses of the Company's counsel, lender's assumption or transfer fees and required reserves;
- 22.1.9 Any other third party costs and expenses disbursed in connection with the day-to-day management of the Company and the operations of the Company and its Investments;
- 22.1.10 Any expenses incurred in connection with obtaining legal, tax and accounting advice and the advice of other experts and consultants;
- 22.1.11 Insurance premia, litigation, arbitration and indemnification expenses, including any Claims and Expenses and governmental fees and charges associated therewith;
- 22.1.12 Audit expenses;
- 22.1.13 Bank charges and interest;
- 22.1.14 Taxes (including the subscription tax) and other governmental charges;

- 22.1.15 Fees, costs and expenses incurred in connection with hedging any interest rate, foreign exchange or other risks associated with the business and affairs of the Company, including any Investments;
  - 22.1.16 Winding-up costs;
  - 22.1.17 Legal or other professional fees, costs and expenses for the negotiation, structuring, financing and documentation in relation to the acquisition, ownership, financing, refinancing, hedging and realisation of any Investment, (whether or not completed or realised), any investment-related fees and other fees (including any out-of-pocket costs or expenses incurred by any third party advisers or accountants), unless reimbursed by another person;
  - 22.1.18 All third party costs and expenses incurred in connection with the performance of all due diligence investigations in relation to the acquisition, ownership or realisation of any Investment (whether or not completed or realised);
  - 22.1.19 Transactional fees and expenses in connection with Investments and divestments including, fees and expenses of brokers, traders or other intermediaries (irrespective if those fees or expenses have been incurred in connection with a consummated or an unconsummated transaction).
  - 22.1.20 The Investment Manager may, in its sole and absolute discretion, choose to absorb any such fees, costs and expenses incurred on behalf of the Company.
  - 22.1.21 The Company will not have its own separate employees or office. The AIF Manager and the Investment Manager are responsible for their own general operating and overhead costs.
- 22.2 Expenses specific to a Compartment or Class will be borne by that Compartment or Class. Charges that are not specifically attributable to a particular Compartment or Class may be allocated among the relevant Compartments or Classes based on their respective net assets or any other reasonable basis given the nature of the charges.

#### **Set-up costs of new Compartment**

- 22.3 Expenses incurred in connection with the creation of any additional Compartment will be borne by the relevant Compartment and will be written off over a maximum period of five (5) years. Hence, the additional Compartments will not bear a pro rata proportion of the costs and expenses incurred in connection with the creation of the Company and the initial issue of Shares which have already been written off or amortised at the time of the creation of the new Compartments.

### **23. RISK FACTORS**

#### **Introduction**

- 23.1 Investors should carefully consider the information set out in this Offering

Memorandum and should in particular consider the following risk factors before purchasing Shares. As a result of these specific risks, as well as other risks inherent in any investment, an investment in the Company is not appropriate for all types of Investors. The Company intends to invest in CIS, but may also invest directly in underlying Investments. Accordingly, the risks set out below may also apply, as the context requires, to the direct investment activity of the Company.

- 23.2 The foregoing risks do not purport to be a complete explanation of all the risks involved in acquiring Shares.
- 23.3 Investors should read this entire Offering Memorandum as well as the Articles before making a determination whether to subscribe for Shares.

#### **Investment risk generally**

- 23.4 All investments risk the loss of capital. The nature of the securities to be purchased by CIS and the investment techniques and strategies to be employed in an effort to increase profits may increase this risk. The Company's performance may be affected by legal, regulatory and tax requirements in the countries in which the Company invests.
- 23.5 No guarantee, assurance or representation is made that the Company's investment program will be successful, will meet its investment objective nor that investors will receive a return of their capital. An investment in the Company does not constitute a complete investment program. The price of Shares may go down as well as up and an investor may not get back the amount invested. Past performance is not necessarily a guide to future performance.
- 23.6 Before making any investment decision, an Investor should consult its own stockbroker, bank manager, lawyer, solicitor, accountant or financial adviser and carefully review and consider the investment decision in the light of the foregoing and the Investor's personal circumstances.

#### **Structural risk factors**

##### *Key persons*

- 23.7 The success of the Company will largely depend on the experience, relationships and expertise of the key persons – in particular, the Directors and the directors, employees and agents of the Investment Manager – which have experience in the respective area of investment. The performance of the Company may be negatively affected if any of the key persons would for any reason cease to be involved.
- 23.8 Key persons might also be involved in other businesses, including similar investments as the one undertaken for the account of a relevant Compartment, and not be able to devote all of their time to the Company. Such involvement may additionally be source for potential conflicts of interest.

##### *Restrictions on Transfer*

- 23.9 Shares are subject to restrictions on Transfer.

### *Distributions*

- 23.10 There can be no assurance that the operations of any Compartment will be profitable, that the Compartment will be able to avoid losses or that cash from its operations will be available for distribution to the Shareholders. A Compartment does in general have no other source of funds from which to pay distributions to the Shareholders than income and gains received from Investments.

### *Lack of operating history*

- 23.11 The Company will be a newly formed entity, with no significant operating history upon which to evaluate the Company's likely performance.
- 23.12 Each Compartment has recently been created and has therefore no significant operating history.

### *Cross Class liability*

- 23.13 A Compartment may have several Classes and further Classes may be created in the future. However, all of the assets of a relevant Compartment may be available to meet the Compartment's liabilities. In practice, cross class liability will usually only arise where any one Class becomes insolvent or exhausts its assets and is unable to meet all of its liabilities. In this case, all of the assets of the Compartment attributable to the other Classes may be applied to cover the liabilities of the insolvent Class.

## **Risks related to markets**

### *Illiquidity of Investments and markets*

- 23.14 The investments made by the Company or a CIS may occasionally be illiquid, and consequently the Company or CIS may not be able to sell such investments at prices that reflect the Company's or a CIS's assessment of their value or the amount paid for such an investment.
- 23.15 Illiquidity may result from the absence of an established market for the Investments as well as legal, contractual or other restrictions on their resale by the Company or a CIS amongst other factors. Consequently, a manager of a CIS in which the Company has invested can be locked into a large position against which the market is moving and may be unable to liquidate the position or control losses on the investment for several days. In addition, despite heavy volume of trading in securities, derivatives and commodities, the markets for some securities, derivatives and commodities have limited liquidity and depth. This lack of depth could be a disadvantage to a CIS, both in the realisation of the prices which are quoted and in the execution of orders at desired prices.
- 23.16 Investments may be converted on Side Pocket Investments. It is uncertain if and when any proceeds may be distributed by the disposal of Side Pocket Investments.

### *Risks related to market regulations and suspension of trading*

- 23.17 The Company may trade on exchanges and markets that are less regulated than those in more established jurisdictions. In these markets the Company may not obtain the same level of assurances of the integrity (financial and otherwise) from a marketplace and its participants where participant may not be afforded an equal opportunity to execute certain trades or could be subject to a variety of political influences and the possibility of direct government intervention.



- 23.18 Separately, certain securities and commodities exchanges typically have the right to suspend or limit trading in all securities or commodities which they list. Such a suspension would render it impossible for a CIS to liquidate positions and, accordingly, expose such CIS, and by extension the Company, to losses.

#### **Risks related to general economic conditions**

- 23.19 General economic conditions may affect the level and volatility of markets and the extent and timing of investor participation in such markets. Unexpected volatility or illiquidity in the markets in which a CIS directly or indirectly holds positions could impair the CIS's ability to carry out its strategy or cause it to incur losses.
- 23.20 As at the date of the Offering Memorandum, global financial markets have seen disruptions and significant instability which has led to governmental intervention and the implementation, or the proposal, of emergency measures in order to try to restore market confidence.
- 23.21 However, some of these interventions have not been clear in scope and application resulting in uncertainty which in itself has been detrimental to the efficient functioning of financial markets. In addition, it is not possible to accurately predict what further interim or permanent restrictions may be imposed on the markets and/or the effect of such restrictions on the Company and the underlying CIS or their ability to implement their respective investment objectives.

#### **Risks related to emerging markets and sovereign debt**

- 23.22 The Company may invest in CIS that invest in emerging markets securities. Investments in emerging markets securities are inherently more volatile than investments in more mature markets as a result of lower degrees of liquidity, lower market capitalisation, or taxation, foreign exchange controls, nationalisation, or political risks. In addition, environmental factors, such as political instability, the possible imposition of exchange controls or other restrictions on investments have greater impact on security pricing in emerging markets than in mature markets.
- 23.23 The Company may also invest in CIS that invest in emerging market sovereign debt. Certain emerging market countries and governments are major debtors of commercial banks and other governments. Trading in sovereign debt obligations issued or guaranteed by emerging markets governments or their agencies and instrumentalities involves a high degree of risk. The governmental entity that controls the repayment of sovereign debt may be unwilling or unable to repay the principal of and/or interest on such obligations when due.
- 23.24 This may depend on, among other factors, cash flow, total indebtedness, relations with the International Monetary Fund and political constraints. Holders of sovereign debt have often been requested to participate in the rescheduling of such debt and to extend further loans. Bankruptcy laws that permit the collection of defaulted obligations are generally not applicable to sovereign debt.

#### **Currency risks**

- 23.25 Since securities transactions often are denominated in different currencies, the value of these securities may be affected favourably or not by subsequent changes in currency exchange rates and exchange control regulations. Currency exchange rates may fluctuate significantly over short periods of time. The Company and the CIS may engage in currency exchange transactions (using spot, forward, futures or

options contracts) either to speculate or to protect against adverse changes in currency exchange rates, and it is possible that such transactions could be unsuccessful or increase the effect of an adverse change.

- 23.26 Furthermore, the Company and the CIS may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell a currency to a buyer at one rate, while offering a lesser rate of exchange should the buyer wish to resell that currency to the dealer. The Company and the CIS will normally conduct their currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell currencies. These currency exchange transactions may not occur at the same time securities are purchased and may be executed through a local broker, custodian or bank acting for the Company or the CIS, as applicable.

#### **Leverage and financing risk**

- 23.27 Although the Company will generally use little, if any, leverage for its own securities investments, a CIS may trade on margin, engage in other forms of borrowing to finance their operations and use other forms of financial leverage. A CIS may pledge its assets in order to borrow additional funds for investment purposes, or it may leverage its investment return with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings which a CIS may have outstanding at any time may be substantial in relation to its capital.
- 23.28 While leverage presents opportunities for increasing a CIS's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by a CIS would be magnified to the extent the CIS is leveraged. The cumulative effect of the use of leverage by a CIS in a market that moves adversely to the CIS's investments could result in a substantial loss to the CIS and thus to the Company, which would be greater than if the CIS were not leveraged.
- 23.29 The anticipated use of short-term margin borrowings results in certain additional risks to a CIS. For example, should the securities pledged to brokers to secure the CIS's margin accounts decline in value, the CIS could be subject to a "margin call," in which case the CIS must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value.
- 23.30 In the event of a sudden drop in the value of a CIS's assets, the CIS might not be able to liquidate assets quickly enough to satisfy its margin requirements. Furthermore, when the Company's or a CIS's assets are pledged to a broker they may not be recoverable in the event of such broker's bankruptcy.

#### **Risks related to the use specific techniques**

##### *Risks related to short selling*

- 23.31 Managers of CIS in which the Company invests may engage in selling securities short. Short-selling exposes the seller to unlimited risk with respect to that security due

to the lack of an upper limit on price to which the security can rise.

- 23.32 Short sales and credit default swaps are subject to the provisions of the EU Regulation on Short Selling and certain aspects of Credit Default Swaps (the **Short Selling Regulation**). The Short Selling Regulation introduces restrictions and disclosure requirements for persons taking short positions in EU shares and sovereign bonds and prohibits entering into uncovered credit default swaps in relation to EU sovereign debt (i.e., where the investor does not have an exposure that it is seeking to hedge either to the sovereign debt itself or to assets or liabilities whose value is correlated to the sovereign debt). In addition, the Short Selling Regulation permits the competent authorities of EU member states to prohibit or restrict short sales, limit sovereign credit default swaps and impose emergency disclosure requirements, among other things, during times of stressed markets. Competent authorities may also restrict short sales of individual financial instruments which have suffered a significant fall in price in a single day.
- 23.33 Provisions of the U.S. Dodd Frank Wall Street Reform and Consumer Protection Act (the **Dodd-Frank Act**) and new rules promulgated by the U.S. Securities and Exchange Commission (the **SEC**) may increase the costs of short selling, make interactions with the issuers of securities being sold short more difficult and alter the prices or timing of short sales. The Dodd-Frank Act requires broker-dealers to provide notices to their customers that inform them of their right to opt out of allowing broker-dealers to use their fully paid securities for short sales. In the event that many broker-dealer customers opt out of allowing their fully paid shares to be used in short selling, locating shares for pre-borrowing may become more expensive, especially after the adoption of short selling rules by the SEC in 2008, which were targeted at preventing “naked short selling”. Moreover, a recently adopted SEC rule, the “Circuit Breaker Uptick Rule,” will limit the Company’s or a CIS’ ability to sell securities short during the day a stock has declined 10% on its listing market and the following day, except for transactions that are at a price that are above the last national best bid.
- 23.34 The provisions of the SEC rules and the Short Selling Regulation may hinder the Company’s or a CIS’ investment program by preventing it from taking positions that the Manager or the relevant manager of a CIS considers favourable. They may also result in overvaluations of certain financial instruments due to restrictions on market efficiency. In addition, the SEC’s “Circuit Breaker Uptick Rule” and the emergency powers granted under the Short Selling Regulation to competent authorities during times of stressed markets and with respect to individual financial instruments, may adversely affect the Company or a CIS by preventing it from taking hedging positions or other positions that the Investment Manager or a manager of a CIS considers to be in its best interests. The imposition of emergency measures under the Short Selling Regulation could, therefore, result in substantial losses to the Company or a CIS.

*Risks related to repurchase and reverse repurchase agreements*

- 23.35 The financing used by a CIS to leverage its portfolio will be extended by securities brokers and dealers in the marketplace in which the CIS invests. While a CIS may attempt to negotiate the terms of these financing arrangements with such brokers and dealers, its ability to do so will be limited. CIS are therefore subject to changes in the value that the broker-dealer ascribes to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such broker-dealer’s willingness to continue to provide any such credit to the CIS. Because the CIS may have no alternative credit facility which could be used to finance their portfolios in the

absence of financing from broker-dealers, they could be forced to liquidate their portfolios on short notice to meet their financing obligations. The forced liquidation of all or a portion of a CIS's portfolio at distressed prices could result in significant losses to the CIS and thus to the Company.

- 23.36 The level of interest rates and the rates at which CIS can borrow will affect the operating results of those CIS. Fluctuations in the market value of the portfolio of a heavily leveraged CIS can have a disproportionately large effect in relation to the capital of that CIS. Any event which may adversely affect the value of positions held by a CIS could significantly affect the asset value of the Company.

*Risks related to hedging transactions*

- 23.37 The Company and the CIS may utilise financial instruments, both for investment purposes and for risk management purposes, in order to: (a) protect against possible changes in the market value of the Company's or an CIS's portfolio resulting from fluctuations in the securities markets and changes in interest rates; (b) protect the Company's or a CIS's unrealized gains in the value of such CIS's portfolio; (c) facilitate the sale of any such investments; (d) enhance or preserve returns, spreads or gains on any investment in the Company's or a CIS's portfolio; (e) hedge the interest rate or foreign currency exchange rate on the Company's or n CIS's liabilities or assets; (f) protect against any increase in the price of any securities the Company or a CIS anticipates purchasing at a later date; or (g) for any other reason that the Company or a CIS deems appropriate.

- 23.38 The success of the Company's or a CIS's hedging strategy will depend, in part, upon the ability of the Investment Manager or the manager of that CIS to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Furthermore, hedging strategies may not be possible or practicable in certain markets. Since the characteristics of many securities change as markets change or time passes, the success of the Company's or a CIS's hedging strategy will also be subject to the Company's or the CIS's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner.

- 23.39 While the Company or a CIS may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Company or the CIS than if it had not engaged in such hedging transactions. For a variety of reasons, the Company or the CIS may not establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Company or a CIS from achieving the intended hedge or expose the Company or the CIS to risk of loss.

- 23.40 The Company or the CIS may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Company's or a CIS's portfolio holdings.

**Risks related to derivatives**

*Options and Futures*

- 23.41 The Company or the CIS may engage in options and futures transactions as part of

their investment strategy. Whilst often unlisted to hedge investments, these are specialised transactions that entail greater than ordinary investment risks. These instruments are highly volatile and expose investors to a high risk of loss. The low initial margin deposit is normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or loss that is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited.

#### *OTC contracts*

- 23.42 EU Regulation No 648/2012 on over-the-counter (**OTC**) derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or **EMIR**) which is now in force, introduces requirements in respect of derivative contracts by requiring certain “eligible” OTC derivative contracts to be submitted for clearing to regulated central clearing counterparties (the clearing obligation) and by mandating the reporting of certain details of OTC and exchange-traded (**ETD**) derivative contracts to registered trade repositories (the reporting obligation). In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivative contracts which are not subject to mandatory clearing (the risk mitigation requirements) including the posting of collateral in respect of uncleared OTC trades. The Company or the CIS may be a “Financial Counterparty” for the purposes of EMIR and will be subject to the clearing obligation, the reporting obligation and the risk mitigation requirements. The clearing obligation and the requirement to post collateral in respect of uncleared OTC trades are being phased in over a period of several years and, while it is difficult to predict their long term impact, may well result in an increase in the overall costs of entering into and maintaining OTC and ETD derivative contracts.
- 23.43 Cleared derivative arrangements may expose the Company and/or the CIS to costs and risks. For example, as a party to a cleared derivatives transaction, the Company or the relevant CIS may be subject to the credit risk of the clearing house and the clearing member through which it holds its cleared position. The credit risk of market participants with respect to such centrally cleared derivatives is concentrated in a few clearing houses, and it is not clear what impact an insolvency of a clearing house would have on the financial system. To the extent the Company or the CIS enters into a derivatives transaction that is required to be cleared, the Company or the relevant CIS runs the risk that no clearing member is willing or able to clear the transaction, or that a clearing member used by the Company or the relevant CIS to hold a cleared derivatives contract will be unable or unwilling to make timely settlement payments, return the margin, or otherwise honour its obligations.
- 23.44 The documentation governing the relationship between the Company or the relevant CIS with the clearing members is drafted by the clearing members and generally less favourable to the Company or the CIS than typical bilateral derivatives documentation.
- 23.45 The Dodd-Frank Act also includes provisions that comprehensively regulate the OTC derivatives markets for the first time. The Dodd-Frank Act will require that a substantial portion of OTC derivatives must be executed in regulated markets and submitted for clearing to regulated clearinghouses. OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible margin requirements mandated by the SEC or the CFTC. The regulators also have broad discretion to impose margin

requirements on non-cleared OTC derivatives. Although the Dodd-Frank Act includes limited exemptions from the clearing and margin requirements for so-called "end-users", the Investment Manager does not expect either the Company or any CIS to be able to rely on such exemptions. In addition, the OTC derivative dealers with which the Company or any CIS executes its OTC derivatives may not be able to rely on the end-user exemptions under the Dodd-Frank Act and therefore such dealers will be subject to clearing and margin requirements notwithstanding whether the Company or the relevant CIS is subject to such requirements. OTC derivative dealers also will be required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations, as is currently permitted. This will increase the OTC derivative dealers' costs, and these increased costs are expected to be passed through to other market participants in the form of higher upfront and mark-to-market margin, less favourable trade pricing, and possible new or increased fees.

23.46 The SEC and CFTC may also require a substantial portion of derivatives transactions that are currently executed on a bi-lateral basis in the OTC markets to be executed through a regulated securities, futures, or swap exchange or execution facility.

23.47 Such requirements may make it more difficult and costly for investment funds to enter into highly tailored or customized transactions. They may also render certain strategies in which the Company or a CIS might otherwise engage impossible or so costly that they will no longer be economical to implement. OTC derivative dealers and major OTC derivatives market participants will be required to register with the SEC and/or CFTC. The Company or a CIS may be required to register as a major participant in the OTC derivatives markets. Dealers and major participants will be subject to minimum capital and margin requirements. These requirements may apply irrespective of whether the OTC derivatives in question are exchange-traded or cleared. OTC derivatives dealers will also be subject to new business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest, and other regulatory burdens. These requirements may increase the overall costs for OTC derivative dealers, which are likely to be passed along, at least partially, to market participants in the form of higher fees or less advantageous dealer marks. The overall impact of the Dodd-Frank Act on the Company and the CIS is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

#### **Counterparty and institutional risk**

23.48 The Company will, in certain circumstances, be fully subject to the default of a counterparty. The ability of the Company to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Company. The institutions (such as brokerage and trading firms and banks) with which the Company and the CIS do business, or to which securities have been entrusted for custodial purposes or pledged, could encounter financial difficulties. This could impair the operational capabilities or the capital position of the Company and/or the CIS or create unanticipated trading risks. Due to the oligopolistic nature of the market for certain investment services, the Company may end up having, directly or through CIS, a substantial counterparty risk with a limited number of investment brokers.

#### **Specific risks related to investments in CIS**

### *General risks*

- 23.49 The Company will invest in CIS that may be subject to broad market movements with the success of the Company's investment program depending upon the ability of the CIS managers to assess correctly the future course of price movements. There can be no assurance that these managers will accurately predict such movements. A failure to predict market movements accurately may adversely affect the ability of such managers to execute trade orders at desired prices.
- 23.50 Separately, while each CIS manager generally has a performance record reflecting prior experience in using the strategies that will be applied to trading for the CIS, this performance cannot be used to predict future profitability. The Company may also invest in CIS with little or no performance record.
- 23.51 There can be no assurance that the past performance of Investments, which may constitute a substantial component of the basis on which the Investment Manager selects the CIS in which the Company invests, will be in any respect indicative or predictive of how such investments will perform (either in terms of profitability or correlation) in the future. In view of the combination of risks associated with investing in North America and investing in CIS that use leveraged investment strategies, in the acquisition of the Shares should be regarded as a speculative investment.

### *Absence of regulation concerning CIS*

- 23.52 CIS and their respective managers may be subject to little or no regulation, if any. Moreover, the Company generally will have no control over the selection of the counterparties, custodians or brokers of the assets of such CIS, which also may be subject to a lesser degree of governmental supervision or regulation than commercial banks, trust companies or securities dealers.

### *Business and regulatory risks of CIS*

- 23.53 Legal, tax and regulatory changes could occur during the life of the Company that may adversely affect the Company. The regulatory environment for alternative investment funds is evolving, and changes in the regulation of alternative investment funds may adversely affect the value of investments held by the CIS and the ability of the CIS to obtain the leverage they might otherwise obtain or to pursue their trading strategies. In addition, the securities, derivatives and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organisations and exchanges may be authorised to take extraordinary actions in the event of market emergencies.
- 23.54 The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of future regulatory changes on the CIS and/or the Company may be substantial and adverse.
- 23.55 The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the Company's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Company. The Company or CIS and the enterprises in which they invest may be or may become subject to unduly burdensome and restrictive regulation. Investors should note that the regulatory protections provided by their local regulatory authorities may also differ

or may not apply. Investors should consult their financial or other professional advisers for further information.

*Availability of investment strategies and changing the investment program*

- 23.56 The success of the Company's investment activities will depend on the Investment Manager's ability to identify investment opportunities, including CIS, as well as to assess the importance of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Company involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable CIS in which to deploy all of the Company's assets.
- 23.57 The AIF Manager and the Investment Manager will seek to engage in the investment activities described in this Offering Memorandum. Nonetheless, the Compartment's portfolio may be altered at any time in the sole and absolute discretion of the Board and the Investment Manager and without the approval of any shareholders subject to any applicable law, rule or regulation.

*Portfolio turnover*

- 23.58 The Company will not be restricted in effecting transactions by any specific limitations with regard to its portfolio turnover rate. The Company's investment policies may result in substantial portfolio turnover. Company investments may be sold for a variety of reasons, such as a more favourable investment opportunity or other circumstances bearing on the desirability of a continued position in such investments. In addition, the Company's activities will include the allocation of the Company's assets to CIS which may invest on the basis of short-term market considerations. The portfolio turnover rate of those CIS may be significant. A high rate of portfolio turnover by the Company or CIS involves correspondingly greater brokerage commission and custody expenses, which must be borne by the Company.

*Use of multiple CIS is no assurance of success*

- 23.59 No assurance is given that the collective performance of the CIS will result in profitable returns for the Company as a whole under all or any conditions. The possibility exists that good performance achieved by one or more CIS may be more than neutralised by poor performance experienced by other CIS.

*Assets may not be diversified*

- 23.60 The Investment Manager has broad discretion over the Company's investment program and may choose to allocate substantial portions of the Company's assets to a particular CIS or security. The Investment Manager may allocate the capital of the Company in a manner that will provide for diversification among investment strategies, managers and securities. There can be no assurance, however, that the managers of selected CIS will not take substantial positions in the same market or securities at the same time. Such an occurrence may tend to result in more rapid changes in the Company's portfolio, upward or downward, than would be the case with greater diversification, with the result that a loss in any such position could have a material adverse impact on the Company. Such managers may also make similar market timing decisions and asset allocation decisions between securities, cash equivalents and other assets or some combination of these and other strategies.



23.61 In addition, some CIS may compete with each other from time to time for the same positions in the markets. Conversely, the Company could hold at one time opposite positions in the same security in different CIS. Each such position could cause the Company transactional expenses but might not generate any recognised investment gain or loss. There is no assurance that selection of multiple CIS will be more successful than the selection of a single fund. The Company may reallocate its assets among the CIS at any time. Any such reallocation could adversely affect the performance of the Company.

*Lack of publicly available information regarding CIS*

23.62 Generally there is little publicly available information about CIS and accordingly there is no guarantee that the Investment Manager will be able to obtain sufficient information about CIS from them or their Managers to assess the Company's investments effectively.

*Valuation risks of CIS*

23.63 The Administrator consults with the AIF Manager with respect to determining the net asset values of the Company's Shares. In determining the net asset values of the Company's Shares, the Administrator will need to primarily rely on financial information provided by CIS or their service providers and will not make independent valuation judgments. The valuations may be provided by the manager of a CIS based on interim unaudited financial records of the CIS and, therefore, may be subject to adjustment (upward or downward) upon completion of the audit of such CIS's financial records. In the event a CIS has a subsequent adjustment to its net asset value, the Company will not adjust the redemption proceeds that have already been determined with respect to redeeming Company investors unless the difference between the originally determined net asset value and the revised net asset value is greater than 1% of the originally determined redemption amount. Any negative adjustment to the value of the CIS will therefore be at the risk of the investors remaining in the Company.

*Limited redemption rights of CIS*

23.64 Many CIS have fixed holding periods or the ability to impose charges for early redemption. In addition, some of these CIS may also have redemption notice periods of three months or more. Investments in CIS generally are illiquid due to: (i) lock-ups imposed on subscriptions or redemptions by such CIS; (ii) fees, expenses and potentially penalties resulting from redemptions; (iii) the potential inability to dispose of a position due to a gate or side pocket restriction on redemptions; (iv) quarterly or less frequent redemption dates combined with long redemption notice periods, sometimes over three months. As a result, although the Company and its agents will attempt to ensure that proceeds from the redemption of any shareholder's investment will be paid as quickly as possible, it cannot guarantee payment will be paid within the time frames stated below. Redemptions by shareholders may need to be suspended or delayed if the Company is unable to dispose of its interests or shares in the CIS in a timely manner.

*Effect of substantial redemptions of Shares*

23.65 Substantial redemptions of Shares could require the Company to redeem or liquidate its investments in CIS more rapidly than otherwise desired in order to raise the cash necessary to fund the redemptions. Illiquidity in certain securities or markets could make it difficult for the CIS to liquidate positions on favourable terms, which

could result in losses or a decrease in the net asset value of the Company. In addition, restrictions on the Company's ability to redeem its investments in CIS may be a factor in the Company's ability to fund redemptions of Shares. In certain circumstances the Company may suspend redemption of the Shares. The Company is permitted to borrow cash necessary to make payments in connection with redemptions of Shares. The Company is also authorized to pledge portfolio assets as collateral security for the repayment of such loans. In these circumstances, the continuing investors in the Company will bear the risk of any subsequent decline in the value of the Company's assets.

#### *Performance based compensation of managers of underlying CIS*

- 23.66 The managers of the underlying CIS selected by the Investment Manager normally will be entitled to a performance fee (generally around 15 to 30% of net profits, including unrealized gains on such CIS). The performance fee may create an incentive for the CIS's manager to make investments that are riskier or more speculative than would be the case in the absence of such a performance fee.
- 23.67 Performance or incentive fees payable to CIS may be based on realised and unrealised gains and losses as of the end of an applicable period. As a result, such fees could be paid on unrealised gains, which may never be realised. The Company may be obligated to pay performance or incentive fees based on individual CIS's performances even if the Company as a whole generated no net trading profits or suffered losses during a particular period.

#### *Duplication of fees*

- 23.68 By investing in the Company, which in turn invests in CIS, an investor will, in effect, incur the costs of two forms of investment management services, the Investment Management Fee paid to the Investment Manager, as well as the fees charged by the managers of the underlying CIS invested by the Company.
- 23.69 The Company may be obligated to pay incentive fees based on the performance of individual managers of CIS even if the Company as a whole generated no net trading profits or lost money during a particular period. Returns to investors will therefore be reduced accordingly.

### **Operational risks**

#### *Financial failure of intermediaries*

- 23.70 There is always the possibility that the institutions, including brokerage firms and banks, with which the Company or any of their agents do business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair their operational capabilities or result in losses to the Company or any of its Compartment.

#### *Counterparty risk*

- 23.71 The Company or any of their agents may have an exposure to one or more counterparties by virtue of its Investments. To the extent that the counterparty defaults on its obligation and the Company or any of their agents is delayed or prevented from exercising its rights the Company may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. These risks will increase where the Company or any of their agents uses only a limited number of counterparties.

### *Suspensions of trading*

- 23.72 Each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible for the account of the relevant Compartment to liquidate its positions and thereby expose it to losses. In addition, there is no guarantee that non-exchange markets will remain liquid enough for a Compartment to close out positions.

### *Cyber Crime and security breaches*

- 23.73 With the increasing use of the internet and technology in connection with the Compartment's operations, the AIF Manager, the Investment Manager or any Service Provider are susceptible to greater operational and information security risks through breaches in cyber security. Cyber security breaches include, without limitation, infection by computer viruses and gaining unauthorised access to the systems through "hacking" or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operations to be disrupted. Cyber security breaches may also occur in a manner that does not require gaining unauthorised access, such as denial-of-service attacks or situations where authorised individuals intentionally or unintentionally release confidential information stored on the systems. A cyber security breach may cause disruptions and impact the business operations, which could potentially result in financial losses, inability to determine the Compartment's NAV, violation of applicable law, regulatory penalties and/or fines, compliance and other costs. The Compartment and its investors could be negatively impacted as a result. In addition, because the Company, the AIF Manager, the Investment Manager or any Service Provider work closely with third-party service providers, indirect cyber security breaches at such third-party service providers may subject any Compartment to the same risks associated with direct cyber security breaches.

### **Legal, regulatory and tax risks**

#### *Prevention on money laundering and terrorist financing*

- 23.74 The Company or any Service Provider may be required by law, regulation or government authority to suspend the account of an Investor or take other anti-money laundering steps. Where the Company or any Service Provider is required to take such an action, the relevant Investor must indemnify the Company or the relevant Service Provider against any loss suffered by it.

#### *Change of laws and regulations*

- 23.75 Laws and regulations including in tax may also be subject to changes which may impact adversely on the accuracy of statements contained in this Offering Memorandum which are given only as at the date specified in the Offering Memorandum and in the way in which the Company is operated.

#### *Litigation risks*

- 23.76 The AIF Manager, the Investment Manager and/or their affiliates as well as the managers of the underlying CIS and other Service Providers of the Company may be parties to litigation or other adversarial proceedings. Any such litigation or proceeding, even if without merit, could prove detrimental to the Company.
- 23.77 An investment in the Company is suitable only for certain sophisticated investors who have no need for immediate liquidity in their investment.

23.78 There are significant restrictions on transfers and redemptions of Shares (which may be suspended or settled in securities or other assets rather or in addition to cash). In the event distributions of securities or other assets in kind are made, such securities or other assets could be illiquid or subject to legal, contractual and other restrictions on transfer. Consequently, shareholders may not be able to liquidate their investment readily in the event of emergency or for any other reason.

*OECD Action Plan on Base Erosion and Profit Shifting (BEPS)*

23.79 At a meeting in Paris on 29 May 2013, the OECD Council at Ministerial Level adopted a declaration on base erosion and profit shifting urging the OECD's Committee on Fiscal Affairs to develop an action plan to address base erosion and profit shifting in a comprehensive manner. In July 2013, the OECD launched an Action Plan on Base Erosion and Profit Shifting, identifying 15 specific actions to achieve this.

23.80 One of the action points (Action 6) is to prevent treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. On 14 March 2014, the Committee on Fiscal Affairs published a public discussion draft which recommended that tax treaties should include a specific anti-abuse rule based on the "limitation on benefits" provisions included in treaties concluded by certain countries such as the United States.

23.81 BEPS was finalized by Finance Ministers and Central Bank Governors during the G20 summit in November 2015 in Turkey. On 28 January 2016, the European Commission has announced an integrated plan to implement BEPS into the European legal framework. On Action 6 it is recommended EU member states introduce a general anti-abuse rule in their treaties in an EU-compliant way.

23.82 The implementation of the Action Plan could result in any company or other entity owned in whole or in part by the Company being denied the benefit of certain tax treaties and/or being subject to other adverse tax consequences, which may reduce returns for Investors.

23.83 Investors which are resident in jurisdictions which do not have wide tax treaty networks should be aware that in certain cases the costs of the denial of treaty benefits referred to above could be apportioned to such Investor.

*DAC 6*

23.84 DAC 6 stands for the Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (**DAC 6**) which aims to: (i) increase transparency on transactions that cross EU borders, (ii) reduce the scope for harmful tax competition within the EU and (iii) to deter taxpayers from entering into a particular scheme if it has to be disclosed.

23.85 DAC 6 imposes mandatory disclosure requirements on intermediaries and taxpayers in respect of reportable cross-border arrangements (in short, transactions that meet one of the hallmarks set out in DAC6).

23.86 Luxembourg has transposed DAC 6 into Luxembourg law by the act of 25 March 2020 on reportable cross-border arrangements. The first reportable arrangements which first step occurred on 1 July 2020 and 31 December 2020 have been reported by 31 January 2021.

23.87 The scope of DAC 6 is very wide-reaching and, while some of the hallmarks target arrangements that provide a tax advantage as the main benefit, there are other hallmarks not linked to this “main benefit test” meaning that there may not be a safe harbour for common commercial arrangements. The Company or other intermediaries who design, market, organise, make available for implementation or manage the implementation of potentially aggressive cross-border tax-planning arrangements, as defined in DAC 6, could be legally obliged to file information in respect of arrangements qualifying as reportable under DAC 6 and involving the Company's investments with the competent Luxembourg tax authorities which will in turn automatically exchange such information with other relevant EU member states. If the intermediary is located outside the European Union or is bound by legal professional privilege which has been confirmed by the relevant implementation of DAC 6 into domestic law, the obligation to report passes to the taxpayer. As long as the Company or any intermediary complies with its reporting requirements, DAC 6 is not expected to have a material impact on the Fund or its investments. Findings from the DAC 6 disclosures may subsequently determine future tax policy across the EU.

*ATAD 1, ATAD 2 and ATAD 3*

23.88 As part of its anti-tax avoidance package the EU Commission has issued two anti-tax avoidance directives, Council Directives EU 2016/1164 and EU 2017/952 (**ATAD 1** and **ATAD 2** respectively). Luxembourg has implemented both Directives into its domestic law. ATAD 1 was implemented with effect from 1 January 2019. This includes rules to limit tax deductions in respect of interest payments as well as other anti-avoidance measures such as intra-EU anti-hybrid rules. ATAD 2 was implemented largely with effect from 1 January 2020 and extends the anti-hybrid rules to cover hybrid mismatches involving non-EU countries. In addition, ATAD 2 includes specific provisions which could have adverse tax implications for “reverse hybrid entities” which will take effect from 1 January 2022. A reverse hybrid entity is an entity treated as tax transparent in its country of incorporation but considered to be non-transparent in the country of residence of its partners. However, various exemptions exist to exclude certain types of collective investment schemes from the definition of a reverse hybrid entity.

23.89 On 22 December 2021, the European Commission issued a draft Directive laying down rules to prevent the misuse of shell entities for tax purposes (**ATAD 3**). If an undertaking qualifies as a shell for tax purposes, access to double tax treaties or EU Directives will be disallowed. Transparency is further increased through possible automatic exchange of information. Ultimately, ATAD 3 will have to be transposed into EU member states' national laws by 30 June 2023 for the rules to come into effect as of 1 January 2024. It should be noted that the final implications of ATAD 3 remain to be assessed, when applicable.

23.90 Another legislative proposal by the European Commission was published on 22 December 2021 for another EU Directive setting forth rules to ensure a global minimum level of taxation for multinational groups (the **Pillar II**). The Pillar II aims at implementing among all 27 EU member states the “Model Rules” published on 20 December 2021, that are consistent with the agreement reached by “Inclusive Framework” on BEPS on 8 October 2021 (the **Inclusive Framework**) and include an “Income Inclusion Rule” (**IIR**) and an Under Taxed Payments Rule (**UTPR**; collectively GloBE rules). In addition, Pillar II makes use of an option contemplated by the Inclusive Framework whereby the EU member state of a constituent entity applying the IIR is required to ensure effective taxation at the minimum agreed level not only for foreign subsidiaries but also for all constituent entities resident in that EU member

state. The agreed Pillar II design also includes the “Subject to Tax Rule” (**STTR**), which is to be implemented through bilateral tax treaties and is not included in Pillar II. The European Commission proposed that EU member states should transpose Pillar II into their national laws by 31 December 2022 for the rules to come into effect as of 1 January 2023, except for the UTPR, for which the application will be deferred until 1 January 2024. It is not expected that the Company will make investment in “low tax jurisdictions” that can trigger the application of Pillar II.

- 23.91 The above-mentioned legislative developments could affect the returns and reporting obligations of the Company within any of its Compartments and consequently the return for the Investors.

### **Sustainability Risks**

- 23.92 Unless otherwise stated for a relevant Compartment in its Special Section, the AIF Manager and the Investment Manager are currently not integrating Sustainability Risks in their investment decisions, and the Company is not currently taxonomy aligned with respect to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment.

- 23.93 The return and the performance of underlying CIS may be impacted by Sustainability Risks embedded in their investments. Many industries, regions and/or countries in which a CIS (and indirectly a Compartment) may invest are subject to a general transition to a more sustainable economy. Factors driving this transition include changes in laws, regulations and industry standards, evolving consumer preferences and influences of non-governmental organizations.

- 23.94 Changes in laws, regulations and industry standards, such as stricter environmental or health and safety rules, can have a material impact on the operations, costs and profitability of the investments of an underlying CIS. This may also result in measures being taken in respect of prior failings which were not identifiable when an investment was made by a CIS, whilst non-compliance with such changes going forward can increase the litigation risk associated with such an investment.

- 23.95 Pressures caused by evolving consumer preferences can also have a material impact on the reputation of an investment of a relevant CIS (and indirectly on this CIS and the Compartment invested in this CIS) and require substantial changes in the operations of this investment reducing its return for the CIS (and indirectly for the Compartment invested in this CIS). Such pressures, as well as the influences of non-governmental organizations and other third parties, may require businesses in which a CIS is invested to comply with new standards which may lead to significant costs being incurred and ultimately affect profitability negatively.

### **Economic risks, political risks, and other uncertainties**

#### *Inflation/deflation risk*

- 23.96 Inflation risk is the risk that the value of certain assets or income from the Investments will be worth less in the future as inflation decreases the value of money. In addition, where inflation is accompanied by associated increases in core interest rates, this may have an adverse effect on the creditworthiness of issuers and may make issuer defaults more likely.

- 23.97 Deflation risk is the risk that prices throughout the economy decline over time - the opposite of inflation. Deflation may have an adverse effect on the creditworthiness

of issuers (especially where this inhibits their ability to raise selling prices) and may make issuer defaults more likely.

*Risks related to EUR*

- 23.98 One or more member states within the Eurozone may not be able to meet their debt obligations or funding requirements. Were a sovereign default to occur, it would likely have adverse consequences for the economy of the member state and that of Europe and the wider world economy. The effect on creditors of a sovereign default is likely to be adverse.
- 23.99 The possibility of member states that have adopted the euro abandoning or being forced to withdraw from the euro remains. It is difficult to predict the precise nature of the consequences of a member state leaving the Eurozone as there has been no well-defined legal framework put in place in preparation for such an event. However, it is likely that any euro-denominated assets or obligations that the Company or a Compartment acquired that are converted into a new national currency will suffer a significant reduction in value if the new national currency falls in value against the EUR or other currencies.
- 23.100 Events affecting the EUR could result in either separate new national currencies, or a new single European currency, and consequently the redenomination of assets and liabilities currently denominated in EUR. In such circumstances, there would be a risk of the euro-denominated investments of a Compartment becoming difficult to value, which could potentially result in negative consequences for the Company or the relevant Compartment. If the redenomination of accounts, contracts and obligations becomes litigious, difficult conflict of laws questions are likely to arise.
- 23.101 Adverse developments of this nature may significantly affect the value of the Compartments' investments. They may also affect the ability of the Company to transact business including with financial counterparties, to manage investment risk and to hedge currency and other risks affecting a Compartment's portfolio. Fluctuations in the exchange rate between the EUR and US dollar or other currencies could have a negative effect upon the performance of investments.

*General political risks*

- 23.102 Investment's returns could suffer because of political changes or instability in a country or a region. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers or military control. Political risk is also known as "geopolitical risk" and becomes more of a factor as the time horizon of an investment gets longer. Political risks are hard to quantify because there are limited sample sizes or case studies when discussing an individual nation or a region.
- 23.103 The rise of populist political parties and economic nationalist sentiments has led to increasing political uncertainty and unpredictability throughout the world that may adversely affect the price, validity, or liquidity of the Investments.

*Russia-Ukraine war*

- 23.104 There is an ongoing military conflict between Russia and the Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the

activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Company or any industry, business or investee country to which a Compartment may directly or indirectly be exposed to and the duration and severity of those effects, is impossible to predict, and could have a significant adverse impact and result in significant losses to the affected Compartments. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. Developing and further governmental actions (military or otherwise) may have the potential to cause additional disruption and constrain or alter existing financial, legal, and regulatory frameworks and systems, all of which could adversely affect the relevant Compartments' ability to fulfil its investment objectives.

*Risks related to health epidemic/pandemic*

- 23.105 In 2019, an outbreak of a contagious respiratory virus now known as COVID-19 occurred and it has since spread globally which has resulted in major disruption to businesses, both regionally and globally, substantial market volatility, exchange trading suspensions and closures. Such events will generally have a material adverse effect on the global economic conditions and market liquidity.
- 23.106 This may in turn cause material disruptions to business operations of Service Providers on which the Company relies on, including the AIF Manager and the Investment Manager. It may also adversely impact the Investments, the ability of the AIF Manager to access markets or implement the Compartments' investment policies in the manner originally contemplated, the NAV and therefore the Investors.
- 23.107 The impact of a health crisis such as the COVID-19 pandemic, and other epidemics and pandemics that may arise in the future, could affect the global economy in ways that cannot necessarily be foreseen at the present time. A health crisis may exacerbate other pre-existing political, social, and economic risks. Any such impact could adversely affect the Company's performance, resulting in losses to Investors.

**24. AMENDMENTS TO THE GENERAL SECTION**

- 24.1 The Board may amend the provisions of this General Section in accordance with the 2016 Act as follows:
  - 24.1.1 Where the change is determined by the Board not to be material, upon decision of the Board; or
  - 24.1.2 Where the change is determined by the Board to be material, only a Company's Consent.
- 24.2 Amendment of the investment objective, strategy or restrictions is a material change in the meaning of Section 24.1.1.
- 24.3 Shareholders will be notified by the Company (or by any of its Service Providers) of all amendments that are adopted without their consent in accordance with Section 24.1.1. Shareholders will be notified in advance of any proposed material change to the Offering Memorandum to ensure that they are able to make an informed judgment in respect of the expected amendments pursuant to Section 24.1.2.
- 24.4 No variation may be made to this Section 24 without unanimous consent of all Shareholders and of the initiators. Any amendment to this General Section that



would result in a discrepancy between the terms and provisions of the Articles and those of this Offering Memorandum shall be subject to the prior amendment of the Articles, in accordance with the provisions of the 1915 Act and the Articles.

## SPECIAL SECTION I

### SELECTION HOLDINGS – ATLANTIC SELECTION

This Special Section is valid only if accompanied by the General Section of the Offering Memorandum. This Special Section refers only to Selection Holdings – Atlantic Selection (the **Compartment**).

The Company may contain other Compartments, the relevant Special Sections of which shall not be disclosed to Investors in this Compartment, unless they are also directly or indirectly Investors in such other Compartments.

#### 1. INVESTMENT POLICY

##### **Investment objective and strategy**

- 1.1 The primary objective of the Compartment is to achieve long-term capital appreciation by allocating its assets among portfolio managers that utilize a range of investment strategies, including but not limited to long-short equity, long-only equity, global macro and event driven.
- 1.2 The Compartment seeks to achieve its objective by investing most of its assets either in AIFs or other investment funds or through discretionary investment accounts managed by investment managers (together the **Collective Investment Schemes**, hereinafter **CIS**) investing globally. Such CIS may not be subject to restrictions on the types of securities or geographic regions in which they may invest. The Compartment may also invest directly in securities and other Financial Instruments, including derivatives, providing exposure to equity markets, interest rates and currencies.
- 1.3 Under the general supervision of the AIF Manager, the Investment Manager will be responsible for developing, implementing and monitoring the Investments. The Compartment will invest primarily in CIS on the basis of the Investment Manager's assessment of the ability of the underlying investment managers in managing such CIS. The Compartment's multi-manager approach focuses on absolute return-oriented portfolio managers who are typically independent, have proven performance record and whose interests are aligned with investors through co-investment in the CIS alongside their investors' capital.
- 1.4 Preference will be given to investment managers with absolute return objectives. The Investment Manager may also establish or recommend guidelines for the CIS in line with the Compartment's overall investment objective and policy.
- 1.5 The Investment Manager is authorized to negotiate the fees to be paid to any portfolio manager of a discretionary account managed for the Compartment or on investments made in a CIS in which the Compartment invests. Such fees are typically comprised of a fee based on the value of assets under management and a performance-based fee.
- 1.6 To the extent that the Compartment's assets are not fully allocated among CIS, the Investment Manager is authorized at its discretion to actively manage the Compartment's assets or to invest in short term deposits, certificates of deposit or other money-market instruments.

## **Borrowing – Leverage**

- 1.7 The Company may borrow funds for the account of the Compartment and upon the decision of the Investment Manager in accordance with Sections 3.8 to 3.11 of the General Section.
- 1.8 The maximum leverage of the Compartment determined in accordance with the commitment method under article 8 of AIFMD Delegated Regulation is 150% of the NAV. The maximum leverage of the Compartment determined in accordance with the gross method under article 9 of AIFMD Delegated Regulation is 200% of the NAV.

## **Financial derivative instruments**

- 1.9 The Compartment may use – without being obliged – financial derivative instruments to hedge its exposure to various risks including risks related to financial markets or to a specific issuer, to changes in interest rates or in currency exchange rates. There is however no assurance or guarantee that such hedging will be effective.

## **Temporary Investments**

- 1.10 The Compartment may hold Liquid Assets as Temporary Investments or for cash management purposes.

## **2. OPERATIONAL CURRENCY**

The Operational Currency of the Compartment is EUR.

## **3. TERM OF THE COMPARTMENT**

The Compartment has been created for an unlimited period of time.

## **4. CLASSES OF SHARES**

- 4.1 As of the date of this Offering Memorandum, Shares are issued within the following Classes:
- 4.1.1 Shares of Class A-USD and Class A-EUR (the **Class A Shares**) may be subscribed for by any Eligible Investor subject to the general restrictions contained in the General Section;
  - 4.1.2 Shares of Class B-USD and Class B-EUR (the **Class B Shares**) may be subscribed for by any Eligible Investor subject to the general restrictions contained in the General Section and with the prior consent of the Board or the AIF Manager;
  - 4.1.3 Shares of Class IM-USD and Class IM-EUR (the **Class IM Shares**) may be subscribed for by any Institutional Investor subject to the general restrictions contained in the General Section;
  - 4.1.4 Shares of Class IQ-USD and Class IQ-EUR (the **Class IQ Shares**) may be subscribed for by any Institutional Investor subject to the general restrictions contained in the General Section;
  - 4.1.5 Shares of Class F-USD and Class F-EUR (the **Class F Shares**) may only be subscribed by an AIF (a) acting as a feeder fund to the

Compartment and (b) that is managed by the AIF Manager or any of its Affiliates.

#### 4.2 Available Classes

<b>Class</b>	<b>Currency</b>	<b>ISIN Code</b>	<b>NV</b>
A-USD	USD	LU2133387576	53388726
B-USD	USD	LU2133387659	53389506
IM-USD	USD	LU2133387733	53389656
IQ-USD	USD	LU2133387816	53389781
F-USD	USD	LU2133387907	53390075
A-EUR	EUR	LU1612334398	36569729
B-EUR	EUR	LU1612334471	36569732
IM-EUR	EUR	LU2133388038	53327956
IQ-EUR	EUR	LU2133388111	53327973
F-EUR	EUR	LU2133388202	53327975

4.3 The Company may issue additional Classes within the Compartment. In this case, this Special Section will be updated accordingly.

## 5. OFFERING OF SHARES

### Offering Date – Issuance price

5.1 Shares generally may be purchased as of the Offering Date.

5.2 All Classes of Shares are offered at a price based on their respective Offered NAVs as of the last Business Day of each month.

5.3 Where the Shares will be offered in another currency than the Operating Currency, the Shares will be based on the Offered NAV multiplied by the relevant exchange rate in effect at the applicable issuance date.

### Minimum initial and additional subscription amount

5.4 Subject to article 2 of the 2016 Act, the minimum initial subscription amount is:

5.4.1 For Class A Shares EUR 50,000 (or the equivalent amount in USD);

5.4.2 For Class B Shares EUR 10,000,000 (or the equivalent amount in USD);

- 5.4.3 For Class IM and IQ Shares EUR 5,000,000 (or the equivalent amount in USD);
- 5.4.4 For Class F shares EUR 1,000,000 (or the equivalent amount in USD);

The minimum additional subscription amount is EUR 10,000 for all EUR denominated Classes and USD 10,000 for all USD denominated Classes.

The Board or the AIF Manager may waive the application of the minimum initial or minimum additional subscription amount, provided that the minimum initial amount is not below EUR 50,000 (or the equivalent amount in USD).

#### **Cut-off dates**

- 5.5 Subscription Agreements must be received by the Administrator before 16:00 (Luxembourg time) five (5) Business Days prior to the relevant Offering Date.
- 5.6 Cleared funds must be received before 17:00 (Luxembourg time) at least four (4) Business Days prior to the relevant Offering Date.
- 5.7 If a completed Subscription Agreement and/or cleared funds are not received by the above-mentioned cut-off times, the subscription may, at the discretion of the Board or the AIF Manager, be kept suspended until the following Offering Date. No interest will be payable on funds received during such time and no escrow account is used in processing subscriptions.

#### **Sales premium**

- 5.8 A sales premium of up to 3% may be charged by the Company or the relevant Service Provider on a fully disclosed basis on a subscription for Shares and may be paid to institutions or persons responsible for this subscription.
- 5.9 The sales premium may be imposed or waived in whole or in part upon the decision of the Board or of the AIF Manager.

### **6. REDEMPTION AND CONVERSION OF SHARES**

#### **Redemption process – Cut-off time**

- 6.1 Shareholders in Class A Shares, Class IM Shares and Class F shares have the right to redeem all or a portion of their Shares on the last Business Day of every month (or at such other times as the Board or the AIF Manager may determine from time to time) (each, a **Redemption Date**).
- 6.2 Shareholders in Class B Shares and Class IQ Shares have the right to redeem all or a portion of their Shares on the last Business Day of every quarter (or at such other times as the Board or the AIF Manager may determine from time to time) (each, a **Quarterly Redemption Date**).
- 6.3 For Class A Shares, Class IM Shares and Class F Shares, written notice of any redemption must be given to the Administrator before 16:00 (Luxembourg time) at least 35 calendar days prior to the Redemption Date (or on such shorter notice as the Board or the AIF Manager may from time to time accept).

- 6.4 For Class B Shares and Class IQ Shares, written notice of any redemption must be given to the Administrator before 16:00 (Luxembourg time) at least 65 calendar days prior to the Quarterly Redemption Date (or on such shorter notice as the Board or the AIF Manager may from time to time accept).

#### **Minimum holding amount requirement**

- 6.5 Partial redemptions are permitted, provided that immediately following the execution of the redemption of Shares, the redeeming Shareholder has at least the following amount invested in the Compartment:

6.5.1 For Class A Shares EUR 50,000 (or the equivalent amount in USD);

6.5.2 For Class B Shares, Class IM Shares, Class IQ Shares and Class F Shares EUR 1,000,000 (or the equivalent amount in USD).

#### **Redemption charge**

- 6.6 The Company (after having liaised with the AIF Manager) may charge up to 1% redemption charge on the Bid NAV of the Shares to be redeemed. This redemption charge, where applied, will be retained from the redemption proceeds for the benefit of the relevant Compartment.

#### **Conversion of Shares**

- 6.7 Shares of any Class can be converted into Shares of another Class, provided the conditions required to be invested in a relevant Class are fulfilled.

- 6.8 Shares of a relevant Class are converted into another Class in accordance with Section 6 of the General Section.

### **7. VALUATION DATE**

The NAV is calculated as of the last Business Day of each calendar month or at such other times as the Board shall determine (the **Valuation Date**).

### **8. REMUNERATION OF SERVICE PROVIDERS**

#### **Remuneration of the AIF Manager and of the Investment Manager**

- 8.1 The Management Fee is off-set against the Investment Management Fee. Costs and expenses related to additional services provided by the AIF Manager will be charged directly to the Company as set out in the AIFM Agreement which is available for inspection in accordance with Section 15.5 of the General Section.

- 8.2 The Investment Manager is entitled to be remunerated at an annual rate equal to:

8.2.1 1.5% per annum of the Offered NAV of Class A Shares;

8.2.2 0.5% per annum of the Offered NAV of Class B Shares;

8.2.3 1.1% per annum of the Offered NAV of Class IM Shares;

8.2.4 0.85% per annum of the Offered NAV of Class IQ Shares;

8.2.5 0.25% per annum of the Offered NAV of Class F Shares;

in each case calculated and accrued monthly on the basis of the Offered NAV of the relevant Class at the end of each month and payable monthly in arrears (the **Investment Management Fee**).

- 8.3 The Investment Management Fee is charged in addition to any compensation charged to the Compartment as an investor in the underlying CIS. Any other asset-based fees received by the Investment Manager related to investments made by the Compartment in a CIS (such as rebates and retrocession negotiated with the managers or the advisers of the relevant CIS) will be credited to the Compartment.
- 8.4 Where the Compartment invests in a CIS managed by the AIF Manager, the Investment Manager or any Affiliate thereof, the remuneration received by the AIF Manager, the Investment Manager or their Affiliate from this CIS will be deducted from or set off against the Management Fee charged to the Compartment up to a maximum of 0.5% of the NAV per annum.
- 8.5 The managers or advisers of the underlying CIS selected by the Investment Manager generally will be entitled to two forms of compensation: a management fee based on net assets of such CIS (typically ranging from 1.0% to 3.0% of assets under management) annually and a performance or incentive fee (typically 20% of net profits, including unrealized gains).

#### **Remuneration of the Depositary and of the Administrator**

- 8.6 The Depositary will receive a remuneration in accordance with the Depositary Agreement which is available for inspection in accordance with Section 15.5 of the General Section.
- 8.7 The Administrator will receive a remuneration in accordance with the Administration Agreement which is available for inspection in accordance with Section 15.5 of the General Section.

### **9. AMENDMENTS TO THIS SPECIAL SECTION**

- 9.1 The Board may amend the provisions of this Special Section in accordance with the 2016 Act as follows:
- 9.1.1 Where the change is determined by the Board not to be material, upon decision of the Board; or
  - 9.1.2 Where the change is determined by the Board to be material, only following a Compartment's Consent.
- 9.2 Amendment of the investment objective, strategy or restrictions is a material change in the meaning of Section 9.1.2.
- 9.3 Shareholders will be notified by the Company (or by a Service Provider on behalf of the Company) of all amendments that are adopted without their consent in accordance with Section 9.1.1 of this Special Section. Shareholders will be notified in advance of any proposed material change to the Offering Memorandum to ensure that they are able to make an informed judgment in respect of the expected amendments pursuant to Section 9.1.2 of this Special Section.
- 9.4 No variation may be made to this Section 9 without unanimous consent of all Shareholders in the Compartment. Any amendment to this Special Section that would result in a discrepancy between the terms and provisions of the Articles and

those of this Offering Memorandum shall be subject to the prior amendment of the Articles, in accordance with the provisions of the 1915 Act and the Articles.



## SPECIAL SECTION II

### SELECTION HOLDINGS – PACIFIC SELECTION

This Special Section is valid only if accompanied by the General Section of the Offering Memorandum. This Special Section refers only to Selection Holdings – Pacific Selection (the **Compartment**).

The Company may contain other Compartments, the relevant Special Sections of which shall not be disclosed to Investors in this Compartment, unless they are also directly or indirectly Investors in such other Compartments.

#### 1. INVESTMENT POLICY

##### Investment objective and strategy

- 1.1 The primary objective of the Compartment is to achieve long-term capital appreciation by allocating its assets among portfolio managers that utilize a range of investment strategies, including but not limited to long-short equity, long-only equity, global macro and event driven.
- 1.2 The Compartment seeks to achieve its objective by investing most of its assets either in AIFs or other investment funds or through discretionary investment accounts managed by investment managers (together the **Collective Investment Schemes**, hereinafter **CIS**) primarily investing or based in Asia. The Compartment may also invest in CIS whose managers are based in Asia, but invest globally. Such CIS may not be subject to restrictions on the types of securities or geographic regions in which they may invest. The Compartment may also invest directly in securities and other financial instruments, including derivatives, providing exposure to equity markets, interest rates and currencies.
- 1.3 Under the general supervision of the AIF Manager, the Investment Manager will be responsible for developing, implementing and monitoring the Investments. The Compartment will invest primarily in CIS on the basis of the Investment Manager's assessment of the ability of the underlying investment managers in managing such CIS. The Compartment's multi-manager approach focuses on absolute return-oriented portfolio managers who are typically independent, have proven performance records and whose interests are aligned with investors through co-investment in the CIS alongside their investors' capital.
- 1.4 Preference will be given to investment managers with absolute return objectives. The Investment Manager may also establish or recommend guidelines for the CIS in line with the Compartment's overall investment objective and policy.
- 1.5 The Investment Manager is authorized to negotiate the fees to be paid to any portfolio manager of a discretionary account managed for the Compartment or on investments made in a CIS in which the Compartment invests. Such fees are typically comprised of a fee based on the value of assets under management and a performance-based fee.
- 1.6 To the extent that the Compartment's assets are not fully allocated among CIS, the Investment Manager is authorized at its discretion to actively manage the Compartment's assets or to invest in short term deposits, certificates of deposit or other money-market instruments.

## **Borrowing – Leverage**

- 1.7 The Company may borrow funds for the account of the Compartment and upon the decision of the Investment Manager in accordance with Sections 3.8 to 3.11 of the General Section.
- 1.8 The maximum leverage of the Compartment determined in accordance with the commitment method under article 8 of AIFMD Delegated Regulation is 150% of the NAV. The maximum leverage of the Compartment determined in accordance with the gross method under article 9 of AIFMD Delegated Regulation is 200% of the NAV.

## **Financial derivative instruments**

- 1.9 The Compartment may use – without being obliged – financial derivative instruments to hedge its exposure to various risks including risks related to financial markets or to a specific issuer, to changes in interest rates or in currency exchange rates. There is however no assurance or guarantee that such hedging will be effective.

## **Temporary Investments**

- 1.10 The Compartment may hold Liquid Assets as Temporary Investments or for cash management purposes.

## **2. OPERATIONAL CURRENCY**

The Operational Currency of the Compartment is USD.

## **3. TERM OF THE COMPARTMENT**

The Compartment has been created for an unlimited period of time.

## **4. CLASSES OF SHARES**

- 4.1 As of the date of this Offering Memorandum, Shares are issued within the following Classes:
- 4.1.1 Shares of Class A-USD and Class A-EUR (the **Class A Shares**) may be subscribed for by any Eligible Investor subject to the general restrictions contained in the General Section;
  - 4.1.2 Shares of Class B-USD and Class B-EUR (the **Class B Shares**) may be subscribed for by any Eligible Investor subject to the general restrictions contained in the General Section and with the prior consent of the Board or the AIF Manager;
  - 4.1.3 Shares of Class IM-USD and Class IM-EUR (the **Class IM Shares**) may be subscribed for by any Institutional Investor subject to the general restrictions contained in the General Section;
  - 4.1.4 Shares of Class IQ-USD and Class IQ-EUR (the **Class IQ Shares**) may be subscribed for by any Institutional Investor subject to the general restrictions contained in the General Section;
  - 4.1.5 Shares of Class F-USD and Class F-EUR (the **Class F Shares**) may only be subscribed by an AIF (a) acting as a feeder fund to the

Compartment and (b) that is managed by the AIF Manager or any of its Affiliates.

#### 4.2 Available Classes

<b>Class</b>	<b>Currency</b>	<b>ISIN Code</b>	<b>NV</b>
A-USD	USD	LU2133388384	53389823
B-USD	USD	LU2133388467	53390054
IM-USD	USD	LU2133388541	53390165
IQ-USD	USD	LU2133388624	53391587
F-USD	USD	LU2133388897	53391701
A-EUR	EUR	LU2133388970	53391432
B-EUR	EUR	LU2133389192	53391710
IM-EUR	EUR	LU2133389275	53392033
IQ-EUR	EUR	LU2133389358	53392887
F-EUR	EUR	LU2133389432	53393320

4.3 The Company may issue additional Classes within the Compartment. In this case, this Special Section will be updated accordingly.

## 5. OFFERING OF SHARES

### Offering Date – Issuance price

5.1 Shares generally may be purchased as of the Offering Date.

5.2 All Classes of Shares are offered at a price based on their respective Offered NAVs as of the last Business Day of each month.

5.3 Where the Shares will be offered in another currency than the Operating Currency, the Shares will be based on the Offered NAV multiplied by the relevant exchange rate in effect at the applicable issuance date.

### Minimum initial and additional subscription amount

5.4 Subject to article 2 of the 2016 Act, the minimum initial subscription amount is:

5.4.1 For Class A Shares USD 50,000 (or the equivalent amount in EUR);

5.4.2 For Class B Shares USD 10,000,000 (or the equivalent amount in EUR);

- 5.4.3 For Class IM and IQ Shares USD 5,000,000 (or the equivalent amount in EUR); and
- 5.4.4 For Class F shares USD 1,000,000 (or the equivalent amount in EUR).

The minimum additional subscription amount is USD 10,000 for all USD denominated Classes and EUR 10,000 for all EUR denominated Classes.

The Board may waive the application of the minimum initial or minimum additional subscription amount, provided that the minimum initial amount is not below USD 50,000 (or the equivalent amount in EUR).

#### **Cut-off dates**

- 5.5 Subscription Agreements must be received by the Administrator before 16:00 (Luxembourg time) five (5) Business Days prior to the relevant Offering Date.
- 5.6 Cleared funds must be received before 17:00 (Luxembourg time) at least four (4) Business Days prior to the relevant Offering Date.
- 5.7 If a completed Subscription Agreement and/or cleared funds are not received by the above-mentioned cut-off times, the subscription may, at the discretion of the Board, be kept suspended until the following Offering Date. No interest will be payable on funds received during such time and no escrow account is used in processing subscriptions.

#### **Sales premium**

- 5.8 A sales premium of up to 3% may be charged by the Company or the relevant Service Provider on a fully disclosed basis on a subscription for Shares and may be paid to institutions or persons responsible for this subscription.
- 5.9 The sales premium may be imposed or waived in whole or in part upon the decision of the Board or of the AIF Manager.

### **6. REDEMPTION AND CONVERSION OF SHARES**

#### **Redemption process – Cut-off time**

- 6.1 Shareholders in Class A Shares, Class IM Shares and Class F shares have the right to redeem all or a portion of their Shares on the last Business Day of every month (or at such other times as the Board or the AIF Manager may determine from time to time) (each, a **Redemption Date**).
- 6.2 Shareholders in Class B Shares and Class IQ Shares have the right to redeem all or a portion of their Shares on the last Business Day of every quarter (or at such other times as the Board or the AIF Manager may determine from time to time) (each, a **Quarterly Redemption Date**).
- 6.3 For Class A Shares, Class IM Shares and Class F Shares, written notice of any redemption must be given to the Administrator before 16:00 (Luxembourg time) at least 35 calendar days prior to the Redemption Date (or on such shorter notice as the Board or the AIF Manager may from time to time accept).

- 6.4 For Class B Shares and Class IQ Shares, written notice of any redemption must be given to the Administrator before 16:00 (Luxembourg time) at least 65 calendar days prior to the Quarterly Redemption Date (or on such shorter notice as the Board or the AIF Manager may from time to time accept).

#### **Minimum holding amount requirement**

- 6.5 Partial redemptions are permitted, provided that immediately the execution of the redemption of Shares, the redeeming Shareholder has at least the following amount invested in the Compartment:

6.5.1 For Class A Shares USD 50,000 (or the equivalent amount in EUR); and

6.5.2 For Class B Shares, Class IM Shares, Class IQ Shares and Class F Shares USD 1,000,000 (or the equivalent amount in EUR).

#### **Redemption charge**

- 6.6 The Company (after having liaised with the AIF Manager) may charge up to 1% redemption charge on the Bid NAV of the Shares to be redeemed. This redemption charge, where applied, will be retained from the redemption proceeds for the benefit of the relevant Compartment

#### **Conversion of Shares**

- 6.7 Shares of any Class can be converted into Shares of another Class, provided the conditions required to be invested in a relevant Class are fulfilled.

- 6.8 Shares of a relevant Class are converted into another Class in accordance with Section 6 of the General Section.

### **7. VALUATION DATE**

The NAV is calculated as of the last Business Day of each calendar month or at such other times as the Board shall determine (the **Valuation Date**).

### **8. REMUNERATION OF SERVICE PROVIDERS**

#### **Remuneration of the AIF Manager and of the Investment Manager**

- 8.1 The management fee of the AIF Manager is off-set with the Investment Management Fee. Costs and expenses related to additional services provided by the AIF Manager will be charged directly to the Company as set out in the AIFM Agreement which is available for inspection in accordance with Section 15.5 of the General Section.

- 8.2 The Investment Manager is entitled to be remunerated at an annual rate equal to:

8.2.1 1.5% per annum of the Offered NAV of Class A Shares;

8.2.2 0.5% per annum of the Offered NAV of Class B Shares

8.2.3 1.1% per annum of the Offered NAV of Class IM Shares;

8.2.4 0.85% per annum of the Offered NAV of Class IQ Shares;

8.2.5 0.25% per annum of the Offered NAV of Class F Shares;

in each case calculated and accrued monthly on the basis of the Offered NAV of the relevant Class at the end of each month and payable monthly in arrears (the **Investment Management Fee**).

- 8.3 The Investment Management Fee is charged in addition to any compensation charged to the Compartment as an investor in the underlying CIS. Any other asset-based fees received by the Investment Manager related to investments made by the Compartment in a CIS (such as rebates and retrocession negotiated with the managers or the advisers of the relevant CIS) will be credited to the Compartment.
- 8.4 Where the Compartment invests in a CIS managed by the AIF Manager, the Investment Manager or any Affiliate thereof, the remuneration received by the AIF Manager, the Investment Manager or their Affiliate from this CIS will be deducted from or set off against the Management Fee charged to the Compartment up to a maximum of 0.5% of the NAV per annum.
- 8.5 The managers or advisers of the underlying CIS selected by the Investment Manager generally will be entitled to two forms of compensation: a management fee based on net assets of such CIS (typically ranging from 1.0% to 3.0% of the assets under management) annually and a performance or incentive fee (typically 20% of net profits, including unrealized gains).

#### **Remuneration of the Depositary and of the Administrator**

- 8.6 The Depositary will receive a remuneration in accordance with the Depositary Agreement which is available for inspection in accordance with Section 15.5 of the General Section.
- 8.7 The Administrator will receive a remuneration in accordance with the Administration Agreement which is available for inspection in accordance with Section 15.5 of the General Section.

#### **9. AMENDMENTS TO THIS SPECIAL SECTION**

- 9.1 The Board may amend the provisions of this Special Section in accordance with the 2016 Act as follows:
- 9.1.1 Where the change is determined by the Board not to be material, upon decision of the Board; or
  - 9.1.2 Where the change is determined by the Board to be material, only following a Compartment's Consent.
- 9.2 Amendment of the investment objective, strategy or restrictions is a material change in the meaning of Section 9.1.2.
- 9.3 Shareholders will be notified by the Company (or by a Service Provider on behalf of the Company) of all amendments that are adopted without their consent in accordance with Section 9.1.1 of this Special Section. Shareholders will be notified in advance of any proposed material change to the Offering Memorandum to ensure that they are able to make an informed judgment in respect of the expected amendments pursuant to Section 9.1.2 of this Special Section.

9.4 No variation may be made to this Section 9 without unanimous consent of all Shareholders in the Compartment. Any amendment to this Special Section that would result in a discrepancy between the terms and provisions of the Articles and those of this Offering Memorandum shall be subject to the prior amendment of the Articles, in accordance with the provisions of the 1915 Act and the Articles.

## SPECIAL SECTION III

### SELECTION HOLDINGS – CHINA SELECTION

This Special Section is valid only if accompanied by the General Section of the Offering Memorandum. This Special Section refers only to Selection Holdings – China Selection (the **Compartment**).

The Company may contain other Compartments, the relevant Special Sections of which shall not be disclosed to Investors in this Compartment, unless they are also directly or indirectly Investors in such other Compartments.

#### 1. INVESTMENT POLICY

##### Investment objective and strategy

- 1.1 The primary objective of the Compartment is to achieve long-term capital appreciation by allocating its assets among portfolio managers that utilize a range of investment strategies, including but not limited to long-short equity, long-only equity, global macro and event driven.
- 1.2 The Compartment seeks to achieve its objective by investing most of its assets either in AIFs or other investment funds or through discretionary investment accounts managed by investment managers (together the **Collective Investment Schemes**, hereinafter **CIS**) primarily investing or based in Greater China (i.e., mainland China, Hong Kong and Taiwan). The Compartment may also invest in CIS whose managers are based in Greater China, but invest globally. Such CIS may not be subject to restrictions on the types of securities or geographic regions in which they may invest. The Compartment may also invest directly in securities and other financial instruments, including derivatives, providing exposure to equity markets, interest rates and currencies.
- 1.3 Under the general supervision of the AIF Manager, the Investment Manager will be responsible for developing, implementing and monitoring the Investments. The Compartment will invest primarily in CIS on the basis of the Investment Manager's assessment of the ability of the underlying investment managers in managing such CIS. The Compartment's multi-manager approach focuses on absolute return-oriented portfolio managers who are typically independent, have proven performance records and whose interests are aligned with investors through co-investment in the CIS alongside their investors' capital.
- 1.4 Preference will be given to investment managers with absolute return objectives. The Investment Manager may also establish or recommend guidelines for the CIS in line with the Compartment's overall investment objective and policy.
- 1.5 The Investment Manager is authorized to negotiate the fees to be paid to any portfolio manager of a discretionary account managed for the Compartment or on investments made in a CIS in which the Compartment invests. Such fees are typically comprised of a fee based on the value of assets under management and a performance-based fee.
- 1.6 To the extent that the Compartment's assets are not fully allocated among CIS, the Investment Manager is authorized at its discretion to actively manage the Compartment's assets or to invest in short term deposits, certificates of deposit or other money-market instruments.



## **Borrowing – Leverage**

- 1.7 The Company may borrow funds for the account of the Compartment and upon the decision of the Investment Manager in accordance with Sections 3.8 to 3.11 of the General Section.
- 1.8 The maximum leverage of the Compartment determined in accordance with the commitment method under article 8 of AIFMD Delegated Regulation is 150% of the NAV. The maximum leverage of the Compartment determined in accordance with the gross method under article 9 of AIFMD Delegated Regulation is 200% of the NAV.

## **Financial derivative instruments**

- 1.9 The Compartment may use – without being obliged – financial derivative instruments to hedge its exposure to various risks including risks related to financial markets or to a specific issuer, to changes in interest rates or in currency exchange rates. There is however no assurance or guarantee that such hedging will be effective.

## **Temporary Investments**

- 1.10 The Compartment may hold Liquid Assets as Temporary Investments or for cash management purposes.

## **2. OPERATIONAL CURRENCY**

The Operational Currency of the Compartment is USD.

## **3. TERM OF THE COMPARTMENT**

The Compartment has been created for an unlimited period of time.

## **4. CLASSES OF SHARES**

- 4.1 As of the date of this Offering Memorandum, Shares are issued within the following Classes:
- 4.1.1 Shares of Class A-USD and Class A-EUR (the **Class A Shares**) may be subscribed for by any Eligible Investor subject to the general restrictions contained in the General Section;
  - 4.1.2 Shares of Class B-USD and Class B-EUR (the **Class B Shares**) may be subscribed for by any Eligible Investor subject to the general restrictions contained in the General Section and with the prior consent of the Board or the AIF Manager;
  - 4.1.3 Shares of Class IM-USD and Class IM-EUR (the **Class IM Shares**) may be subscribed for by any Institutional Investor subject to the general restrictions contained in the General Section;
  - 4.1.4 Shares of Class IQ-USD and Class IQ-EUR (the **Class IQ Shares**) may be subscribed for by any Institutional Investor subject to the general restrictions contained in the General Section; and
  - 4.1.5 Shares of Class F-USD and Class F-EUR (the **Class F Shares**) may only be subscribed by an AIF (a) acting as a feeder fund to the

Compartment and (b) that is managed by the AIF Manager or any of its Affiliates.

#### 4.2 Available Classes

<b>Class</b>	<b>Currency</b>	<b>ISIN Code</b>	<b>NV</b>
A-USD	USD	LU2133389515	53379422
B-USD	USD	LU2133389606	53380818
IM-USD	USD	LU2133389788	53380958
IQ-USD	USD	LU2133389861	53381233
F-USD	USD	LU2133389945	53381435
A-EUR	EUR	LU2133390018	53329549
B-EUR	EUR	LU2133390281	53331152
IM-EUR	EUR	LU2133390448	53331153
IQ-EUR	EUR	LU2133390794	53331155
F-EUR	EUR	LU2133390877	53331160

4.3 The Company may issue additional Classes within the Compartment. In this case, this Special Section will be updated accordingly.

## 5. OFFERING OF SHARES

### Offering Date – Issuance price

5.1 Shares generally may be purchased as of the Offering Date.

5.2 All Classes of Shares are offered at a price based on their respective Offered NAVs as of the last Business Day of each month.

5.3 Where the Shares will be offered in another currency than the Operating Currency, the Shares will be based on the Offered NAV multiplied by the relevant exchange rate in effect at the applicable issuance date.

### Minimum initial and additional subscription amount

5.4 Subject to article 2 of the 2016 Act, the minimum initial subscription amount is:

5.4.1 For Class A Shares USD 50,000 (or the equivalent amount in EUR);

5.4.2 For Class B Shares USD 10,000,000 (or the equivalent amount in EUR);

- 5.4.3 For Class IM and IQ Shares USD 5,000,000 (or the equivalent amount in EUR); and
- 5.4.4 For Class F shares USD 1,000,000 (or the equivalent amount in EUR).

The minimum additional subscription amount is USD 10,000 for all USD denominated Classes and EUR 10,000 for all EUR denominated Classes.

The Board may waive the application of the minimum initial or minimum additional subscription amount, provided that the minimum initial amount is not below USD 50,000 (or the equivalent amount in EUR).

#### **Cut-off dates**

- 5.5 Subscription Agreements must be received by the Administrator before 16:00 (Luxembourg time) five (5) Business Days prior to the relevant Offering Date.
- 5.6 Cleared funds must be received before 17:00 (Luxembourg time) at least four (4) Business Days prior to the relevant Offering Date.
- 5.7 If a completed Subscription Agreement and/or cleared funds are not received by the above-mentioned cut-off times, the subscription may, at the discretion of the Board, be kept suspended until the following Offering Date. No interest will be payable on funds received during such time and no escrow account is used in processing subscriptions.

#### **Sales premium**

- 5.8 A sales premium of up to 3% may be charged by the Company or the relevant Service Provider on a fully disclosed basis on a subscription for Shares and may be paid to institutions or persons responsible for this subscription.
- 5.9 The sales premium may be imposed or waived in whole or in part upon the decision of the Board or of the AIF Manager.

### **6. REDEMPTION AND CONVERSION OF SHARES**

#### **Redemption process – Cut-off time**

- 6.1 Shareholders in Class A Shares, Class IM Shares and Class F shares have the right to redeem all or a portion of their Shares on the last Business Day of every month (or at such other times as the Board or the AIF Manager may determine from time to time) (each, a **Redemption Date**).
- 6.2 Shareholders in Class B Shares and Class IQ Shares have the right to redeem all or a portion of their Shares on the last Business Day of every quarter (or at such other times as the Board or the AIF Manager may determine from time to time) (each, a **Quarterly Redemption Date**).
- 6.3 For Class A Shares, Class IM Shares and Class F Shares, written notice of any redemption must be given to the Administrator before 16:00 (Luxembourg time) at least 35 calendar days prior to the Redemption Date (or on such shorter notice as the Board or the AIF Manager may from time to time accept).

- 6.4 For Class B Shares and Class IQ Shares, written notice of any redemption must be given to the Administrator before 16:00 (Luxembourg time) at least 65 calendar days prior to the Quarterly Redemption Date (or on such shorter notice as the Board or the AIF Manager may from time to time accept).

#### **Minimum holding amount requirement**

- 6.5 Partial redemptions is permitted, provided that immediately the execution of the redemption of Shares, the redeeming Shareholder's has at least the following amount invested in the Compartment:
- 6.5.1 For Class A Shares USD 50,000 (or the equivalent amount in EUR);
  - 6.5.2 For Class B Shares, Class IM Shares, Class IQ Shares and Class F Shares USD 1,000,000 (or the equivalent amount in EUR).

#### **Redemption charge**

- 6.6 The Company (after having liaised with the AIF Manager) may charge up to 1% redemption charge on the Bid NAV of the Shares to be redeemed. This redemption charge, where applied, will be retained from the redemption proceeds for the benefit of the relevant Compartment.

#### **Conversion of Shares**

- 6.7 Shares of any Class can be converted into Shares of another Class, provided the conditions required to be invested in a relevant Class are fulfilled.
- 6.8 Shares of a relevant Class are converted into another Class in accordance with Section 6 of the General Section.

### **7. VALUATION DATE**

The NAV is calculated as of the last Business Day of each calendar month or at such other times as the Board shall determine (the **Valuation Date**).

### **8. REMUNERATION OF SERVICE PROVIDERS**

#### **Remuneration of the AIF Manager and of the Investment Manager**

- 8.1 The management fee of the AIF Manager is off-set against the Investment Management Fee. Costs and expenses related to additional services provided by the AIF Manager will be charged directly to the Company as set out in the AIFM Agreement which is available for inspection in accordance with Section 15.5 of the General Section.
- 8.2 The Investment Manager is entitled to be remunerated at an annual rate equal to:
- 8.2.1 1.5% per annum of the Offered NAV of Class A Shares;
  - 8.2.2 0.5% per annum of the Offered NAV of Class B Shares;
  - 8.2.3 1.1% per annum of the Offered NAV of Class IM Shares;
  - 8.2.4 0.85% per annum of the Offered NAV of Class IQ Shares;

8.2.5 0.25% per annum of the Offered NAV of Class F Shares;

in each case calculated and accrued monthly on the basis of the Offered NAV of the relevant Class at the end of each month and payable monthly in arrears (the **Investment Management Fee**).

- 8.3 The Investment Management Fee is charged in addition to any compensation charged to the Compartment as an investor in the underlying CIS. Any other asset-based fees received by the Investment Manager related to investments made by the Compartment in a CIS (such as rebates and retrocession negotiated with the managers or the advisers of the relevant CIS) will be credited to the Compartment.
- 8.4 Where the Compartment invests in a CIS managed by the AIF Manager, the Investment Manager or any Affiliate thereof, the remuneration received by the AIF Manager, the Investment Manager or their Affiliate from this CIS will be deducted from or set off against the Management Fee charged to the Compartment up to a maximum of 0.5% of the NAV per annum.
- 8.5 The managers or advisers of the underlying CIS selected by the Investment Manager generally will be entitled to two forms of compensations: a management fee based on net assets of such CIS (typically ranging from 1.0% to 3.0% of assets under management) annually and a performance or incentive fee (typically 20% of net profits, including unrealized gains).

#### **Remuneration of the Depositary and of the Administrator**

- 8.6 The Depositary will receive a remuneration in accordance with the Depositary Agreement which is available for inspection in accordance with Section 15.5 of the General Section.
- 8.7 The Administrator will receive a remuneration in accordance with the Administration Agreement which is available for inspection in accordance with Section 15.5 of the General Section.

#### **9. AMENDMENTS TO THIS SPECIAL SECTION**

- 9.1 The Board may amend the provisions of this Special Section in accordance with the 2016 Act as follows:
- 9.1.1 Where the change is determined by the Board not to be material, upon decision of the Board; or
  - 9.1.2 Where the change is determined by the Board to be material, only following a Compartment's Consent.
- 9.2 Amendment of the investment objective, strategy or restrictions is a material change in the meaning of Section 9.1.2.
- 9.3 Shareholders will be notified by the Company (or by a Service Provider on behalf of the Company) of all amendments that are adopted without their consent in accordance with Section 9.1.1 of this Special Section. Shareholders will be notified in advance of any proposed material change to the Offering Memorandum to ensure that they are able to make an informed judgment in respect of the expected amendments pursuant to Section 9.1.2 of this Special Section.

9.4 No variation may be made to this Section 9 without unanimous consent of all Shareholders in the Compartment. Any amendment to this Special Section that would result in a discrepancy between the terms and provisions of the Articles and those of this Offering Memorandum shall be subject to the prior amendment of the Articles, in accordance with the provisions of the 1915 Act and the Articles.

## SPECIAL SECTION IV

### SELECTION HOLDINGS – MACRO PLUS

This Special Section is valid only if accompanied by the General Section of the Offering Memorandum. This Special Section refers only to Selection Holdings – Macro Plus (the **Compartment**).

The Company may contain other Compartments, the relevant Special Sections of which shall not be disclosed to Investors in this Compartment, unless they are also directly or indirectly Investors in such other Compartments.

#### 1. INVESTMENT POLICY

##### **Investment objective and strategy**

- 1.1 The primary objective of the Compartment is to achieve long-term capital appreciation by allocating its assets primarily among portfolio managers that principally employ macro investment strategies.
- 1.2 The Compartment seeks to achieve its objective by investing most of its assets either in AIFs or other investment funds or through discretionary investment accounts managed by investment managers (together the **Collective Investment Schemes**, hereinafter **CIS**) investing globally across a range of asset classes such as fixed income, foreign exchange, equity and commodities. Such CIS may not be subject to restrictions on the types of securities or geographic regions in which they may invest. The Compartment may also invest directly in securities and other Financial Instruments, including derivatives, providing exposure to equity markets, interest rates and currencies.
- 1.3 Under the general supervision of the AIF Manager, the Investment Manager will be responsible for developing, implementing and monitoring the Investments. The Compartment will invest primarily in CIS on the basis of the Investment Manager's assessment of the ability of the underlying investment managers in managing such CIS. The Compartment's multi-manager approach focuses on absolute return-oriented portfolio managers who are typically independent, have proven performance record and whose interests are aligned with investors through co-investment in the CIS alongside their investors' capital.
- 1.4 Preference will be given to managers of CIS with absolute return objectives. The Investment Manager may also establish or recommend guidelines for the CIS in line with the Compartment's overall investment objective and policy.
- 1.5 The Investment Manager is authorized to negotiate the fees to be paid to any portfolio manager of a discretionary account which is investing in the Compartment or on investments made in a CIS in which the Compartment invests. Such fees are typically comprised of a fee based on the value of assets under management and a performance-based fee.
- 1.6 To the extent that the Compartment's assets are not fully allocated among different CIS, the Investment Manager is authorized at its discretion to actively manage the Compartment's remaining assets or to invest in short term bank deposits, certificates of deposit or money-market instruments.

##### **Borrowing – Leverage**

1.7 The Company may borrow funds for the account of the Compartment and upon the decision of the Investment Manager in accordance with Sections 3.8 to 3.11 of the General Section.

1.8 The maximum leverage of the Compartment determined in accordance with the commitment method under article 8 of AIFMD Delegated Regulation is 150% of the NAV. The maximum leverage of the Compartment determined in accordance with the gross method under article 9 of AIFMD Delegated Regulation is 200% of the NAV.

#### **Financial derivative instruments**

1.9 The Compartment may use – without being obliged – financial derivative instruments to hedge its exposure to various risks including risks related to financial markets or to a specific issuer, to changes in interest rates or in currency exchange rates. There is however no assurance or guarantee that such hedging will be effective.

#### **Temporary Investments**

1.10 The Compartment may hold Liquid Assets as Temporary Investments or for cash management purposes.

### **2. OPERATIONAL CURRENCY**

The Operational Currency of the Compartment is USD.

### **3. TERM OF THE COMPARTMENT – KICK-OFF PERIOD**

3.1 The Compartment has been created for an unlimited period of time.

3.2 The Kick-off Period is set at the first annual anniversary of the initial Offering Date.

### **4. CLASSES OF SHARES**

4.1 As of the date of this Offering Memorandum, Shares are issued within the following Classes:

4.1.1 Shares of Class A-USD and Class A-EUR (the **Class A Shares**) may be subscribed for by any Eligible Investor subject to the general restrictions contained in the General Section;

4.1.2 Shares of Class B-USD and Class B-EUR (the **Class B Shares**) may be subscribed for by any Eligible Investor subject to the general restrictions contained in the General Section and with the prior consent of the Board or the AIF Manager;

4.1.3 Shares of Class I-USD and Class I-EUR (the **Class I Shares**) may be subscribed for by any Institutional Investor subject to the general restrictions contained in the General Section;

4.1.4 Shares of Class F-USD and Class F-EUR (the **Class F Shares**) may only be subscribed by an AIF (a) acting as a feeder fund to the Compartment and (b) that is managed by the AIF Manager or any of its Affiliates.

4.2 **All Classes of shares may only be redeemed on the last Business Day of every quarter (each, a Quarterly Redemption Date).**



#### 4.3 Available Classes

<b>Class</b>	<b>Currency</b>	<b>ISIN Code</b>	<b>NV</b>
A-USD	USD	LU2572100498	124055420
B-USD	USD	LU2572100654	124055427
I-USD	USD	LU2572100811	124055423
F-USD	USD	LU2572101033	257210103
A-EUR	EUR	LU2572100571	124055426
B-EUR	EUR	LU2572100738	124055431
I-EUR	EUR	LU2572100902	124055425
F-EUR	EUR	LU2572101116	124055793

4.4 The Company may issue additional Classes within the Compartment. In this case, this Special Section will be updated accordingly.

#### 5. OFFERING OF SHARES

##### **Initial Offering Date – Initial issuance price**

5.1 The initial Offering Date has been set at February 1<sup>st</sup>, 2023.

5.2 The initial issuance price for the Classes A-USD, B-USD, I-USD, and F-USD is USD 100.

5.3 The initial issuance price for the Classes A-EUR, B-EUR, I-EUR, and F-EUR is EUR 100.

##### **Offering Date – Issuance price**

5.4 Shares generally may be purchased as of the Offering Date.

5.5 All Classes of Shares are offered at a price based on their respective Offered NAVs as of the last Business Day of each month.

5.6 Where the Shares will be offered in another currency than the Operating Currency, the offer price of the Shares will be based on the Offered NAV multiplied by the relevant exchange rate in effect at the applicable issuance date.

##### **Minimum initial and additional subscription amount**

5.7 Subject to article 2 of the 2016 Act, the minimum initial subscription amount is:

5.7.1 For Class A Shares: USD 50,000 (or the equivalent amount in EUR);

5.7.2 For Class B Shares: USD 10,000,000 (or the equivalent amount in EUR);

5.7.3 For Class I Shares: USD 5,000,000 (or the equivalent amount in EUR); and

- 5.7.4 For Class F shares: USD 1,000,000 (or the equivalent amount in EUR).
- 5.8 The minimum additional subscription amount is USD 10,000 for all USD denominated Classes and EUR 10,000 for all EUR denominated Classes.
- 5.9 The Board or the AIF Manager may waive the application of the minimum initial or minimum additional subscription amount, provided that the minimum initial amount is not below USD 50,000 (or the equivalent amount in EUR).

#### **Cut-off dates**

- 5.10 Subscription Agreements must be received by the Administrator before 16:00 (Luxembourg time) five (5) Business Days prior to the relevant Offering Date.
- 5.11 Cleared funds must be received before 17:00 (Luxembourg time) at least four (4) Business Days prior to the relevant Offering Date.
- 5.12 If a completed Subscription Agreement and/or cleared funds are not received by the above-mentioned cut-off times, the subscription may, at the discretion of the Board or the AIF Manager, be kept suspended until the following Offering Date. No interest will be payable on funds received during such time and no escrow account is used in processing subscriptions.

#### **Sales premium**

- 5.13 A sales premium of up to 3% may be charged by the Company or the relevant Service Provider on a fully disclosed basis on a subscription for Shares and may be paid to institutions or persons responsible for this subscription.
- 5.14 The sales premium may be imposed or waived in whole or in part upon the decision of the Board or of the AIF Manager.

### **6. REDEMPTION AND CONVERSION OF SHARES**

#### **Redemption process – Cut-off time**

- 6.1 Shareholders have the right to redeem all or a portion of their Shares on the last Business Day of every quarter (or at such other times as the Board or the AIF Manager may determine from time to time) (each, a **Quarterly Redemption Date**).
- 6.2 Written notice of any redemption must be given to the Administrator before 16:00 (Luxembourg time) at least 65 calendar days prior to the Quarterly Redemption Date (or on such shorter notice as the Board or the AIF Manager may from time to time accept).

#### **Minimum holding amount requirement**

- 6.3 Partial redemptions are permitted, provided that immediately following the execution of the redemption of Shares, the redeeming Shareholder has at least the following amount invested in the Compartment:
- 6.3.1 For Class A Shares USD 50,000 (or the equivalent amount in EUR);
- 6.3.2 For Class B Shares, Class I Shares and Class F Shares USD 1,000,000 (or the equivalent amount in EUR).

### **Redemption charge**

- 6.4 The Company (after having liaised with the AIF Manager) may charge up to 1% redemption charge on the Bid NAV of the Shares to be redeemed. This redemption charge, where applied, will be retained from the redemption proceeds for the benefit of the relevant Compartment.

### **Conversion of Shares**

- 6.5 Shares of any Class can be converted into Shares of another Class, provided the conditions required to be invested in a relevant Class are fulfilled.
- 6.6 Shares of a relevant Class are converted into another Class in accordance with Section 6 of the General Section.

## **7. VALUATION DATE**

The NAV is calculated as of the last Business Day of each calendar month or at such other times as the Board shall determine (the **Valuation Date**).

## **8. REMUNERATION OF SERVICE PROVIDERS**

### **Remuneration of the AIF Manager and of the Investment Manager**

- 8.1 The Management Fee is off set against the Investment Management Fee. Costs and expenses related to additional services provided by the AIF Manager will be charged directly to the Company as set out in the AIFM Agreement which is available for inspection in accordance with Section 15.5 of the General Section.
- 8.2 The Investment Manager is entitled to be remunerated at an annual rate equal to:
- 8.2.1 1.25% per annum of the Offered NAV of Class A Shares;
  - 8.2.2 0.5% per annum of the Offered NAV of Class B Shares;
  - 8.2.3 0.85% per annum of the Offered NAV of Class I Shares;
  - 8.2.4 0.25% per annum of the Offered NAV of Class F Shares;

in each case calculated and accrued monthly based on the Offered NAV of the relevant Class at the end of each month and payable monthly in arrears (the **Investment Management Fee**).

- 8.3 The Investment Management Fee is charged in addition to any compensation charged to the Compartment as an investor in the underlying CIS. Any other asset-based fees received by the Investment Manager related to investments made by the Compartment in a CIS (such as rebates and retrocession negotiated with the managers or the advisers of the relevant CIS) will be credited to the Compartment.
- 8.4 Where the Compartment invests in a CIS managed by the AIF Manager, the Investment Manager or any Affiliate thereof, the remuneration received by the AIF Manager, the Investment Manager or their Affiliate from this CIS will be deducted from or set off against the Management Fee charged to the Compartment up to a maximum of 0.5% of the NAV per annum.

- 8.5 The managers or advisers of the underlying CIS selected by the Investment Manager generally will be entitled to two forms of compensation: a management fee based on net assets of such CIS (typically ranging from 1.0% to 3.0% of assets under management) annually and a performance or incentive fee (typically 20% of net profits, including unrealized gains).

#### **Remuneration of the Depositary and of the Administrator**

- 8.6 The Depositary will receive a remuneration in accordance with the Depositary Agreement which is available for inspection in accordance with Section 15.5 of the General Section.

- 8.7 The Administrator will receive a remuneration in accordance with the Administration Agreement which is available for inspection in accordance with Section 15.5 of the General Section.

### **9. AMENDMENTS TO THIS SPECIAL SECTION**

- 9.1 The Board may amend the provisions of this Special Section in accordance with the 2016 Act as follows:

9.1.1 Where the change is determined by the Board not to be material, upon decision of the Board; or

9.1.2 Where the change is determined by the Board to be material, only following a Compartment's Consent.

- 9.2 Amendment of the investment objective, strategy or restrictions is a material change in the meaning of Section 9.1.2.

- 9.3 Shareholders will be notified by the Company (or by a Service Provider on behalf of the Company) of all amendments that are adopted without their consent in accordance with Section 9.1.1 of this Special Section. Shareholders will be notified in advance of any proposed material change to the Offering Memorandum to ensure that they are able to make an informed judgment in respect of the expected amendments pursuant to Section 9.1.2 of this Special Section.

- 9.4 No variation may be made to this Section 9 without unanimous consent of all Shareholders in the Compartment. Any amendment to this Special Section that would result in a discrepancy between the terms and provisions of the Articles and those of this Offering Memorandum shall be subject to the prior amendment of the Articles, in accordance with the provisions of the 1915 Act and the Articles.