

## OFFERING MEMORANDUM

OF THE


**Pluri-Invest SICAV p.l.c.**

A collective investment scheme organised as a multi-fund limited liability investment company with variable share capital under the laws of the Republic of Malta and licensed by the Malta Financial Services Authority with Licence Number SV 210 under the Investment Services Act, Cap 370 of the Laws of Malta as a Professional Investor Fund.

**This Offering Memorandum may not be distributed unless accompanied by, and must be read in conjunction with, the Offering Supplement/s for the Shares of the Fund/s being offered.**

14<sup>th</sup> November 2018

**(Replaces previous version dated 2 February 2018)**

A P P R O V E D by the Malta Financial Services Authority in terms of section 11 of the Investment Services Act, 1994	
Signature.....	
Name.....	EMALIESE LOFARO
Date.....	14.11.18

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## IMPORTANT INFORMATION

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THE COMPANY IS ORGANISED UNDER THE LAWS OF MALTA AS A MULTI-FUND LIMITED LIABILITY INVESTMENT COMPANY WITH VARIABLE SHARE CAPITAL (SICAV) PURSUANT TO THE COMPANIES ACT, CAP 386 OF THE LAWS OF MALTA. THE COMPANY MAY ISSUE SEPARATE CLASSES OF SHARES CONSTITUTING INDIVIDUAL SUB-FUNDS (EXCEPT FOR THE CLASS OF SHARES DENOMINATED AS FOUNDER SHARES) EACH CONSTITUTING SEPARATE PATRIMONIES IN TERMS OF LEGAL NOTICE 241 OF 2006. AS AT THE DATE OF THIS OFFERING MEMORANDUM THE COMPANY CONSISTS OF ONE FUND, THE KRONOS FUND (MFSA LICENCE NUMBER SV 210/A), WHICH IS REGULATED AS COLLECTIVE INVESTMENT SCHEMES IN MALTA UNDER THE INVESTMENT SERVICES ACT. THE INVESTMENT OBJECTIVES AND STRATEGIES OF THE FUND ARE OUTLINED IN THE OFFERING SUPPLEMENT FOR THAT FUND. IN FUTURE A FUND MAY BE CLOSED AND NEW FUNDS MAY BE ESTABLISHED FOR THE COMPANY.

NEITHER THE COMPANY NOR THE FUNDS QUALIFY AS AN ALTERNATIVE INVESTMENT FUND IN TERMS OF DIRECTIVE 2011/61/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 8 JUNE 2011 ON ALTERNATIVE INVESTMENT FUND MANAGERS. THE INVESTMENT MANAGER OF THE COMPANY DOES NOT QUALIFY AS AN ALTERNATIVE INVESTMENT FUND MANAGER IN TERMS OF DIRECTIVE 2011/61/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 8 JUNE 2011 ON ALTERNATIVE INVESTMENT FUND MANAGERS. ACCORDINGLY, THE FUNDS WILL NOT BE MARKETING IN THE EUROPEAN UNION AND WILL BE SUBJECT TO PRIVATE PLACEMENT RULES IN FORCE IN THE MEMBER STATES OF THE EUROPEAN UNION.

THE COMPANY IS LICENSED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS A PROFESSIONAL INVESTOR FUND WHICH IS AVAILABLE TO INVESTORS QUALIFYING AS QUALIFYING INVESTORS.

PROFESSIONAL INVESTOR FUNDS ARE COLLECTIVE INVESTMENT SCHEMES (CIS) AS DEFINED BY SECTION 2(1) OF THE INVESTMENT SERVICES ACT, CAP 370 OF THE LAWS OF MALTA. SINCE PROFESSIONAL INVESTOR FUNDS ARE NOT SUBJECT TO ANY RESTRICTIONS ON THEIR INVESTMENT OR BORROWING POWERS, THE DEGREE OF RISK TO WHICH THEY MAY BE EXPOSED MAKES THEM UNSUITABLE FOR MEMBERS OF THE GENERAL PUBLIC. FURTHER THEY ARE NOT REGULATED TO THE SAME DEGREE AS OTHER COLLECTIVE INVESTMENT SCHEMES. ACCORDINGLY THEY MAY ONLY BE SOLD TO ELIGIBLE INVESTORS AS DEFINED IN EACH OFFERING SUPPLEMENT TO THIS OFFERING MEMORANDUM.

PROFESSIONAL INVESTOR FUNDS ARE NON-RETAIL SCHEMES. THEREFORE THE PROTECTION NORMALLY ARISING AS A RESULT OF THE IMPOSITION OF THE MFSA'S INVESTMENT AND BORROWING RESTRICTIONS AND OTHER REQUIREMENTS FOR RETAIL SCHEMES DO NOT APPLY. INVESTORS IN PROFESSIONAL INVESTOR FUNDS ARE NOT PROTECTED BY ANY STATUTORY COMPENSATION ARRANGEMENTS IN THE EVENT OF THE COMPANY'S FAILURE.

THE MFSA HAS MADE NO ASSESSMENT OR VALUE JUDGEMENT ON THE SOUNDNESS OF THE COMPANY OR ITS FUND OR FOR THE ACCURACY OR



**COMPLETENESS OF STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO IT. THE LICENSING OF THE COMPANY DOES NOT CONSTITUTE A WARRANTY BY THE MFSA AS TO THE PERFORMANCE OF THE COMPANY OR ITS FUND (AS DEFINED HEREIN) AND THE MFSA IS NOT IN ANY WAY LIABLE FOR THE PERFORMANCE OR DEFAULT OF THE COMPANY OR A FUND.**

**IT IS THE RESPONSIBILITY OF THE PERSON IN POSSESSION OF THIS OFFERING MEMORANDUM OR INTENDING TO SUBSCRIBE TO THE INVESTOR SHARES OF EACH FUND TO INFORM THEMSELVES OF AND OBSERVE ALL APPLICABLE LAWS AND REGULATIONS RELATING TO THE OFFER AND SALE OF THE INVESTOR SHARES.**

The Directors of the Company, whose names appear under the heading 'Functionaries and Officials' (the "Directors"), are the persons responsible for the information contained in this Offering Memorandum. To the best of the knowledge and belief of the Directors (who have taken reasonable care to ensure such is the case) the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

No broker, dealer, salesman or other person has been authorised by Pluri-Invest SICAV p.l.c. (the "Company"), its Directors, or any of the appointed functionaries of the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares (as defined herein) other than those contained in this Offering Memorandum and in the documents referred to herein, in connection with the offer hereby made, and if given or made, such information or representations must not be relied upon as having been authorised by the Company, its Directors, or any of the appointed functionaries.

The Board of Directors of the Company has approved this Offering Memorandum. Shares in a Fund may only be held by an Eligible Investor as that term is defined in the Offering Supplement of that particular Fund.

This Offering Memorandum does not constitute, and may not be used as an offer or invitation to subscribe for Shares by any person in any jurisdiction (i) in which such offer or invitation is not authorised or (ii) in which the person making such offer or invitation is not qualified to do so or (iii) to any person to whom it is unlawful to make such offer or invitation. It is the responsibility of any persons in possession of this Offering Memorandum and any persons wishing to apply for Shares to inform themselves of, and to observe and comply with, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control requirements and taxes in the countries of their nationality, residence or domicile.

Applications for the purchase of Shares are accepted only on the basis of the current Offering Memorandum. Any person relying on the information contained in this Offering Memorandum, which was current at the date shown, should check with the Company or the Administrator that this document is the most current version, and that no revisions or additions have been made nor corrections published to the information contained in this Offering Memorandum since the date shown.

Statements made in this Offering Memorandum are, except where otherwise stated based on the law and practice currently in force in Malta and are subject to changes therein. Unless otherwise indicated specifically, investment in the Company should be regarded as a

long-term investment. Your attention is drawn to the section headed "Risk Factors" of this Offering Memorandum.

**Copies of this Offering Memorandum are available from the Administrator.**



## TABLE OF CONTENTS

<b>IMPORTANT INFORMATION .....</b>	<b>2</b>
<b>DEFINITIONS .....</b>	<b>1</b>
<b>DESCRIPTION OF THE COMPANY .....</b>	<b>6</b>
<b>INVESTMENT OBJECTIVES AND INVESTMENT POLICIES .....</b>	<b>7</b>
INVESTMENT OBJECTIVE .....	7
INVESTMENT POLICY .....	7
INVESTMENT MANAGEMENT STRATEGY .....	7
INVESTMENT RESTRICTIONS .....	7
AMENDMENTS TO THE INVESTMENT OBJECTIVE .....	7
USE OF SPECIAL PURPOSE VEHICLES .....	7
LIFE OF A FUND .....	8
FUND CROSS-INVESTMENTS .....	8
<b>FUNCTIONARIES AND OFFICIALS .....</b>	<b>10</b>
THE DIRECTORS .....	10
THE COMPANY SECRETARY .....	10
SERVICE PROVIDERS .....	10
THE INVESTMENT MANAGER .....	11
THE SUB-INVESTMENT MANAGER .....	12
THE INVESTMENT ADVISOR .....	12
THE ADMINISTRATOR .....	12
THE PRIME BROKER .....	13
THE AUDITOR .....	15
CONFLICTS OF INTEREST .....	15
<b>FEES, CHARGES AND EXPENSES .....</b>	<b>16</b>
REMUNERATION OF DIRECTORS .....	16
INVESTMENT MANAGEMENT FEE .....	16
PERFORMANCE FEE .....	16
TRANSACTION FEE .....	16
REMUNERATION OF THE ADMINISTRATOR .....	16
REMUNERATION OF THE PRIME BROKER .....	17
AUDIT AND LEGAL FEES .....	17
PRELIMINARY EXPENSES .....	17
OTHER EXPENSES .....	18
<b>RISK FACTORS .....</b>	<b>20</b>
GENERAL .....	20
EROSION OF CAPITAL .....	20
EXCHANGE RATE RISK .....	20
LACK OF OPERATING HISTORY .....	ERROR! BOOKMARK NOT DEFINED.
ACHIEVEMENT OF THE INVESTMENT OBJECTIVE .....	20
NET ASSET VALUE .....	20
INVESTMENT IN EQUITY SECURITIES .....	20
FIXED-INCOME INVESTMENTS .....	20
LOW RATED OR NON-RATED DEBT SECURITIES .....	21

INVESTMENT IN SMALLER COMPANIES .....	21
EMERGING MARKETS/EMERGING COUNTRIES .....	21
POTENTIAL LACK OF DIVERSIFICATION .....	21
CONCENTRATION RISK .....	21
STOP LOSS LIMITS .....	22
USE OF DERIVATIVES .....	22
COVERED AND UNCOVERED OPTIONS .....	22
FORWARD CONTRACTS .....	22
SHORT SALE EQUITY POSITIONS .....	23
LEVERAGE RISK .....	23
CREDIT RISK .....	23
CREDIT RATINGS .....	23
VOLATILITY AND ILLIQUIDITY OF MARKETS .....	23
TAX AND LEGAL RISKS .....	24
PERFORMANCE FEE .....	24
NON-VOTING INVESTOR SHARES .....	24
DEPENDENCE ON KEY INDIVIDUALS .....	25
RESTRICTION OR SUSPENSION OF REDEMPTION RIGHTS .....	25
VALUATION AND REDEMPTION RISKS .....	25
SEGREGATION OF FUNDS .....	25
MANDATORY REDEMPTION .....	25
CANCELLATION RIGHTS .....	25
<b>BUYING AND SELLING .....</b>	<b>27</b>
INITIAL OFFER PERIOD .....	27
CHARGES TO INVESTORS .....	27
CLASSES OF SHARES .....	27
VOTING RIGHTS .....	27
APPLICATION PROCEDURE .....	27
(a) Minimum Investment .....	27
(b) Application for Investor Shares .....	28
(c) FATCA Forms .....	28
(d) Payment .....	28
(e) Money Laundering Procedures .....	28
(f) Redemption of Investor Shares .....	30
(g) Mandatory Redemptions .....	31
(h) Deferral of Redemption of Investor Shares .....	31
(i) Suspension of Dealing .....	32
(j) Dealing Prices .....	32
(k) Dividend Distributions .....	32
(l) Cancellation Rights .....	33
(m) Contract Notes, Registrations and Share Certificates .....	33
(n) Transfer of Shares .....	33
<b>GENERAL INFORMATION .....</b>	<b>35</b>
(A) SHARE CAPITAL .....	35
(B) CHARACTERISTICS OF THE SHARES .....	35
(i) Classes .....	35
(ii) Voting Rights and Class Meetings .....	36
(iii) Winding Up .....	36
(iv) Segregation of Liability .....	36
(iv) Mandatory Redemption .....	37
(C) ANNUAL REPORTS .....	37



(D)	NOTICES.....	38
(E)	GENERAL .....	38
(F)	FOREIGN ACCOUNT TAX COMPLIANCE ACT ('FATCA'). .....	38
(G)	DOCUMENTS FOR INSPECTION.....	40
<b>APPENDIX I –NET ASSET VALUE .....</b>		<b>42</b>
	DETERMINATION OF NET ASSET VALUE .....	42
	SUSPENSION OF DETERMINATION OF THE NET ASSET VALUE .....	43
<b>APPENDIX II – VALUATION OF ASSETS.....</b>		<b>44</b>
<b>APPENDIX III – ELIGIBLE INVESTORS .....</b>		<b>49</b>

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## Definitions

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"Act"	the Investment Services Act, Cap 370 of the Laws of Malta
"Accounting Period"	unless otherwise determined by the Board, a fiscal period of the Company commencing in the case of the first such period on the date of registration of the Company and terminating on the 30th September 2012 (the first accounting reference period in terms of the Companies Act) and in any other case commencing on the 1st October and terminating on the 30th September (the accounting reference date in terms of the Companies Act) of the following year.
"Administrator"	BOV Fund Services Limited
"Administration Agreement"	any agreement for the time being subsisting to which the Company and the Administrator are parties and relating to the appointment and duties of the Administrator.
"Advisory Fee"	A fee payable to the Investment Advisor of a Fund as described in the relevant Offering Supplement.
"Articles"	the Articles of Association of the Company.
"Auditors"	means the auditors, for the time being, of the Company, currently Ernst & Young.
"Base Currency"	the base currency of the Company which shall be the Euro.
"Board" or "Directors"	the Board of Directors of the Company for the time being including any committee of the Board.
"Business Day"	a day on which banks are open for normal banking business in Malta (except Saturday and Sunday) or such other day as the Directors may determine from time to time.
"Calculation Period"	with respect to the calculation of a Performance Fee, shall have the meaning provided in the relevant Offering Supplement.
"Class"	a class of Shares denominated in the Fund Currency established in the relevant Offering Supplement.
"Company"	Pluri-Invest SICAV p.l.c. registered in Malta as a multi-fund limited liability investment company with variable share capital bearing registration number SV 210.



"Custodian"	A person appointed by the Company, with the approval of the MFSA, with the responsibility to provide safekeeping of the assets of a Fund, banking services and other services as may be agreed.
"Dealing Day"	unless otherwise determined by the Directors, any day which is a Business Day and as further defined in the Offering Supplement for the Investor Shares being offered.
"Eligible Investor"	with respect to a Fund shall have the meaning provided in the "Definitions" section of the Offering Supplement of that Fund, subject however to Appendix III of this Offering Memorandum.
"Euro" or "€"	means the currency of the European Monetary Union.
"FATCA"	means the Foreign Account Tax Compliance Act, enacted by the United States of America, as implemented in Malta by virtue of Legal Notice 78 of 2014 and guidelines issued thereunder by the Inland Revenue Department of Malta.
"FATF"	means the Financial Action Task Force, an inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing.
"Founder Shares"	means the Shares, which the subscribers to the Memorandum and Articles of Association of the Company agree to subscribe for as more particularly set forth after their names in the Memorandum of Association and being the only Shares carrying all voting rights.
"Fund"	a sub-fund of the Company.
"Fund Currency"	the currency of the Shares or Class of Shares in a Fund as established in the relevant Offering Supplement, which may be different from the Base Currency.
"High Watermark"	with respect to the calculation of a Performance Fee, means the highest peak Net Asset Value reached during the calculation period of that Performance Fee.
"Independent Qualified Valuer"	means a valuer who (i) is duly qualified and authorised in the country of his domicile to practice as a professional under the laws of the country of his domicile governing his profession; (ii) is independent of the Company, its officials or any service provider to the Company; (iii) has been appointed by the Directors

in consultation with and subject to the approval of the Auditors; (iv) provides upon request professional guarantees in written form to demonstrate his ability to perform the valuation function. The professional guarantees shall contain evidence of the valuer's qualification and capability to perform proper and independent valuation, including, at least, evidence of: (a) sufficient personnel and technical resources; (b) adequate procedures safeguarding proper and independent valuation; (c) adequate knowledge and understanding of the investment strategy of the AIF and of the assets the external valuer is appointed to value; (d) a sufficiently good reputation and sufficient experience with valuation. Where the valuer is subject to mandatory professional registration with the competent authority or another entity of the state where it is established, the professional guarantee shall contain the name of this authority or entity, including the relevant contact information. The professional guarantee shall indicate clearly the legal or regulatory provisions or rules of professional conduct to which the valuer is subject.

"Investment Advisor"

A person appointed by the Company, with the approval of the MFSA, with the responsibility to provide specific advisory services with respect to a Fund.

"Investment Manager"

A person appointed by the Company, with the approval of the MFSA, with the responsibility to provide investment management to a Fund.

"Investment Management Fee"

A fee payable in relation to the investment management of a Fund as described in the relevant Offering Supplement.

"Investor Shares"

means non-voting Shares issued by a Fund to investors and excludes Founder Shares, and any reference to Investor Shares in an Offering Supplement in relation to a Fund shall be construed as referring exclusively to Investor Shares within that Fund.

"License"

the collective investment scheme licence issued to the Company by the MFSA in favour of a Fund established and maintained by the Company.

"Listed Securities"

long positions of shares in companies, bonds and other forms of securitised debt all of which must be listed on an exchange and not acquired by means of a derivative contract.

"Malta"

the Republic of Malta.

"MFSA"

the Malta Financial Services Authority.



"Minimum Additional Investment"	with respect to a Fund shall have the meaning provided in the Offering Supplement of that Fund;
"Minimum Holding"	with respect to a Fund shall have the meaning provided in the Offering Supplement of that Fund and such Minimum Holding shall apply upon subscription or prior to any redemption.
"Minimum Redemption Amount"	with respect to a Fund shall have the meaning provided in the Offering Supplement of that Fund;
"Net Asset Value" / "NAV"	the net asset value of a Fund or per Investor Share, calculated in accordance with Appendix I of this Offering Memorandum.
"Offering Memorandum"	this document in its entirety, together with the Offering Supplement for each Fund.
"Offering Supplement"	a supplement to this Offering Memorandum which must be read in conjunction with this Offering Memorandum in relation to a Fund to which the said supplement relates.
"Performance Fee"	A fee based on the performance of a Fund or of Investor Shares payable under such terms as are described in the Offering Supplement of that Fund.
"Prime Broker"	A person appointed by the Company, with the approval of the MFSA, with the responsibility to provide safekeeping of the assets of a Fund, trade execution services and other services as may be agreed.
"Redemption Day"	unless otherwise determined by the Directors, any day which is a Business Day and as further defined in the Offering Supplement for the Shares being offered.
"Redemption Notice Period"	as defined in paragraph (e) of the section of this Offering Memorandum titled "Buying and Selling".
"Register"	the register in which are listed the names of the Shareholders of the Company from time to time.
"Regulated Market"	any stock exchange or regulated market considered by the Company to provide a satisfactory market for the securities in question.
"Share"	a share with or without nominal value issued in a Fund as described in the relevant Offering Supplement.
"Shareholder"	a person who is registered as a holder of Shares in the Company.

"Special Purpose Vehicle"

means a wholly-owned subsidiary of the Company which satisfies all the criteria established in the sub-heading "Use of Special Purpose Vehicles" of the section "Investment Objectives and Investment Policies" of this Offering Memorandum.

"Sub-Investment Manager"

A person appointed by the Company, with the approval of the MFSA, with the responsibility to provide specific investment management services with respect to a Fund.

"Transaction Fee"

As defined under the heading "Fees, Charges and Expenses" of this Offering Memorandum.

"US\$ or US Dollar"

the lawful currency of the United States of America.

"VAT"

Value Added Tax.

"Valuation Day"

unless otherwise determined by the Directors, any day which is a Business Day and as further defined in the Offering Supplement for the Investor Shares being offered.



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### **Description of the Company**

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The Company is a Collective Investment Scheme established as a multi-fund investment company with variable share capital. It is organised under the laws of Malta as a multi-fund investment company with variable share capital (SICAV) pursuant to the Companies Act, Chapter 386 of the Laws of Malta and Legal Notice 241 of 2006.

In terms of the Articles of Association of the Company, the holders of Founder Shares in the Company, shall be entitled to appoint all Directors of the Company. Unless otherwise provided in the terms of issue no other Shares in the Company shall carry any voting rights.

Information on the Fund/s of the Company may be found in the relevant Offering Supplement/s to this Offering Memorandum relating to that Fund, a copy of which is available from the Registered Office of the Company. The net proceeds from the issue of Investor Shares in a Fund will be invested in accordance with the Investment Objective and Investment Policies of that Fund.

The Company may establish a number of sub-funds. Pursuant to Legal Notice 241 of 2006, the assets and liabilities of each individual Fund comprised in the Company shall constitute a patrimony separate from that of each other Fund of the Company so that the assets of one Fund shall be available exclusively for the creditors and holders of Shares in that Fund.

The Company may issue accumulation shares or distribution shares in respect of a Fund as described in the relevant Offering Supplement.

Detailed procedures of how to buy and sell Investor Shares are set out below in the section entitled "Buying and Selling" of this Offering Memorandum and the relevant Offering Supplement. Further information about the Shares and the Company is also set out in the section entitled "General Information" of this Offering Memorandum.

The registered office of the Company is:

Pluri-Invest SICAV p.l.c.

TG Complex,  
Suite 2, Level 3  
Brewery Street  
Mriehel BKR 3000  
Malta

Tel.: +356 2122 7148

Fax: +356 2123 4565

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## **Investment Objectives and Investment Policies**

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### ***Investment Objective***

The investment objective of a Fund is set out in the relevant Offering Supplement.

### ***Investment Policy***

The investment policy of a Fund is set out in the relevant Offering Supplement.

### ***Investment Management Strategy***

The investment management strategy of a Fund is set out in the relevant Offering Supplement.

### ***Investment Restrictions***

The investment restrictions of a Fund are set out in the relevant Offering Supplement.

### ***Amendments to the Investment Objective***

The procedure for changing the investment objective of a Fund is set out in the relevant Offering Supplement.

### ***Use of Special Purpose Vehicles***

The Company may acquire an investment or investments through one or more Special Purpose Vehicles as set out below:

- a) the Special Purpose Vehicle/s will be established in Malta or in a jurisdiction which is not a FATF blacklisted country;
- b) the Company will be the beneficial owner and will retain full control of the Special Purpose Vehicle/s;
- c) the Company will, through its Directors, at all times maintain the majority directorship of the Special Purpose Vehicle/s;
- d) all investments effected through a Special Purpose Vehicle/s will be in accordance with the investment objectives, policies and restrictions of a Fund as disclosed in the relevant Offering Supplement;
- e) financing of the Special Purpose Vehicle/s may be done through a combination of capital contributions and loan facilities provided that the loan facilities by the Fund to each Special Purpose Vehicle shall not exceed 30% of the total capital contributions plus loan facilities made by the Fund in that Special Purpose Vehicle;
- f) The main terms of the loan facility arrangements referred to in paragraph (e) above shall be specified in the document describing the rights and liabilities under the respective loan facilities/ arrangements. Such terms should inter alia provide:
  - that the Fund should not be obliged to honour any request for lending made by the Special Purpose Vehicle in the case where the Fund does not have sufficient liquid assets (such as cash/ deposits) or if the Fund deems it prudent to retain such assets to finance



other investments of the fund or to keep such assets as reserves for any (current/ future) contingent liability;

- that any amount borrowed by the Special Purpose Vehicle will be repayable on or within a short period of time following any request in this regard by the Fund in order to ensure the liquidity of the Fund and allow the Fund to satisfy redemption requests by shareholders in the case where these cannot be satisfied from liquid assets available to the Fund;
- that the proceeds of any loan made to the Special Purpose Vehicle shall be used by the Special Purpose Vehicle solely to finance the acquisition of the asset which shall always reflect and be in line with the objectives and policies of the Fund; and
- for any other safeguards deemed appropriate by the Directors of the Company.

The following documentation shall be kept at the registered office of the Company and be made available for inspection by MFSA during compliance visits.:

- i. registration certificates and other registration documents of any underlying SPV, including full details of the relevant shareholder and director (where applicable); and
- ii. audited financial statements of any underlying SPV (where applicable).

The documentation relating to any loan facility agreement to be entered into by Company (on behalf of the Fund) and the SPV concerned will also be kept at the Company registered office or at the registered office of the Prime Broker (as applicable) and be made available for inspection by MFSA during compliance visits.

### ***Life of a Fund***

Unless otherwise specified in the relevant Offering Supplement, a Fund shall be of unlimited duration.

### ***Fund Cross-Investments***

A Fund may invest in units of one or more Funds within the Company, subject to the following:

- (a) the Fund is allowed to invest up to 50% of its assets into another Fund or Funds ("target Fund/s");
- (b) the target Fund/s may not themselves invest in the Fund which is to invest in the target Fund/s;
- (c) in order to avoid duplication of fees, where the Investment Manager of the Fund and the Investment Manager of the target Fund is the same or (in the case of different Investment Managers) where one Investment Manager is an affiliate of the other, only one set of Investment Management Fees (excluding Performance Fees), subscription and/or redemption fees applies between the Fund and the target Fund, provided that this restriction shall apply only in respect of and to the extent (up to the portion) of the investment of the Fund in the target Fund;



(d) for the purposes of ensuring compliance with any applicable capital requirements, cross-investments will be counted once;

(e) any voting rights acquired by the Fund from the acquisition of the units in the target Fund shall be disappplied as appropriate.

***Applicable Law***

This Offering Memorandum and the Memorandum and Articles of Association of the Company are based on and subject to Maltese law and practice prevailing at the date thereof and are subject to changes therein.

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## Functionaries and Officials

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### ***The Directors***

The Company's Board of Directors will be composed of three (3) Directors approved by the MFSA and appointed by the holders of Founder Shares upon incorporation of the Company. The board of Directors is composed of the following:

**1. Stanislao D'Orta**

From 2004 to 2006, Stanislao was employed as a financial advisor by PER4M SA, an asset management company based in Lugano (CH). From 2007 to 2011, he was the Asset Manager in Avvenire SIM, an asset management company based in Milan. From 2011 to 2016 he has been the president of Pyxis Advisory SA, an advisory firm based in Lugano, specialized in derivatives and quantitative strategies. He has been the Portfolio Manager for the Pluri-Invest Kronos Fund since June 2016. He holds CEFA® (Certified Effas Financial Analyst) and AIAF® (Italian Financial Analyst Association) Certificates.

**2. Giuseppe Calabrese**

Employed by Ernst & Young, in Milan, as Risk Manager in the Financial Business Advisory department from 2001 to 2005. From 2005 to 2007 Mr. Calabrese was Risk Manager at Leponte SA, a family office in Manno (CH). From 2007 to 2011, he worked as Risk Manager at Avvenire SIM, an asset management company based in Milan. From 2011 to 2016 he has been the vice-president and Risk manager of Pyxis Advisory SA, an advisory firm based in Lugano, specialized in derivatives and quantitative strategies. He has been the Portfolio Manager for the Pluri-Invest Kronos Fund since June 2016. He graduated with a MA degree in Banking and Finance Science.

**3. Frank Chetcuti Dimech**

Dr Frank Chetcuti Dimech co-founded CDF Advocates in Malta in 1993. He practices financial services, company, taxation and international law. He holds a Doctorate of Laws and a Masters in Financial Services from the University of Malta and an International Investment Advice Certificate from the Securities and Investment Institute, London.

### ***The Company Secretary***

The Company Secretary of the Company is:

BOV Fund Services Limited

58, Zachary Street,

Valletta, VLT1130,

Malta

Tel.: +356 21 227 148

Fax: +356 21 234 565

### ***Service Providers***

The Company has appointed a Custodian and Prime Brokers with responsibility for the safe-keeping of the assets of each Fund.

The Company has appointed an Administrator with the responsibility to carry out the duties of administration on behalf of the Company with respect to each Fund.

The Company has appointed an Investment Manager with the responsibility to provide investment management with respect to each Fund.

The Company has appointed an Investment Advisor with the responsibility to provide advisory services with respect to the Kronos Fund.

The Company may appoint business introducers from time to time.

The Company has not appointed, other than the herein mentioned, any other service provider.

The Company shall obtain the written consent of the MFSA before the appointment or replacement of any party to act in the capacity of Investment Manager, Prime Broker, Custodian, Administrator or Sub-Investment Manager to the Company and/or a Fund.

### ***The Investment Manager***

AISM Luxembourg SA is the Investment Manager of the Funds of the Company. AISM Luxembourg is authorised by the CSSF of Luxembourg.

AISM Luxembourg is an independent asset management company, founded in December 2011. It serves institutional, corporate as well as private investors. It offers an active, diversified investment style based on agile investment strategies and a careful selection of assets and investment vehicles. AISM seeks attractive risk/return combinations and places emphasis on keeping a moderate volatility particularly in times of turmoil and uncertainty in capital markets. AISM acts as:

1. Manager of "in house" funds and as well as selector of third party products;
2. Manager of individual portfolios invested in securities and other financial products, pursuant to discretionary mandates on securities accounts or insurance contracts open or subscribed with first class, reputable financial institutions;
3. Provider of advisory services to investors for asset allocation, portfolio management and securities investment organization.

The Investment Manager has been appointed by the Company to provide investment management services in relation to all the Company's Funds. This appointment entails the responsibility to carry on the general administration of the Company and to manage the investment and re-investment of the assets of each Fund. The Investment Manager has set up an Investment Committee with the responsibilities to establish and review guidelines for investment by the Funds and to issue rules for stock selection and set the portfolio structure and asset allocation criteria for the Funds.

The Investment Manager is entitled to receive fees from each Fund, details of which are given in the section of this Offering Memorandum under the heading "Fees, Charges and Expenses" or the relevant heading in each Offering Supplement and to receive reimbursement from the Company of all its operating expenses, in connection with each Fund, as more fully described in the Management Agreement.

The Management Agreement contains provisions indemnifying the Investment Manager against actions and claims not resulting from fraud, bad faith, failure to perform its obligations or improper performance thereof. In the absence of any of the foregoing, the Investment Manager will not be liable to the Company or any investor. Either party is entitled to terminate the Management Agreement by giving not less than three (3) months' notice in writing to the other to expire at any time. The Management Agreement may also



terminate or be terminated without notice upon the occurrence of certain specified events, for example, the insolvency of either party.

In terms of the Management Agreement, all voting rights conferred by the investments of the Company will be exercised in such manner as the Investment Manager may determine (including refraining from the exercise thereof), subject to the right of the Directors to give instructions. The Company shall, from time to time, upon written request from and at the expense of the Investment Manager, execute and deliver or, if appropriate, cause to be executed and delivered by the Prime Broker, to the Investment Manager or its nominees such powers of attorney or proxies authorising such attorney or proxies to exercise any rights conferred by, or otherwise act in respect of all or any part of the Investments.

The Investment Manager can be contacted at:

AISM Luxembourg  
21 Rue Aldringen,  
1118 Luxembourg

website: <http://www.aism.lu/>

### ***The Sub-Investment Manager***

When appointed in relation to a Fund, the Sub-Investment Manager will have such responsibilities as are described in the relevant Offering Supplement.

### ***The Investment Advisor***

When appointed in relation to a Fund, the Investment Advisor will have such responsibilities as are described in the relevant Offering Supplement.

### ***The Administrator***

BOV Fund Services Limited has been appointed as Administrator (hereinafter 'Administrator') to the Company and its Funds to perform certain administrative functions in relation to the Company and the Funds, including *inter alia* the calculation of the Net Asset Value, accounting services and transfer agency services. The Administrator may, subject to the written approval of the Company, sub-contract parts of its services to third parties.

The Administrator is entitled to receive a fee from the Company for its administrative services, details of which are given in the section under the heading "Fees, Charges and Expenses" of the relevant Offering Supplement.

The Administration Agreement contains provisions indemnifying the Administrator against actions and claims not resulting from its fraud, wilful default or negligence including the unjustifiable failure to perform in whole or in part its obligations. In the absence of any of the foregoing, the Administrator will not be liable to the Company.

The Administrator is not responsible for any trading or investment decisions of or with respect to a Fund, or for the effect of such trading decisions on the performance of a Fund. Furthermore, the Administrator is not required and is under no obligation to value

underlying assets (including unlisted/unquoted securities) in calculating the net asset value and/or verify pricing information and shall rely entirely upon on the price (including estimated prices) provided by the Company or the valuation agent of the Company or any other third party valuer and in such circumstances the Administrator will not be liable for any loss suffered by the Company, any Shareholder and/or third parties by reason of any incorrect or inaccurate valuation of the underlying assets and/or error in the price provided with respect to the value of the underlying assets (including unlisted/unquoted securities). Furthermore, the Administrator shall not be responsible for the selection, oversight or monitoring of any external agent or valuer appointed by the Company and shall not be liable for any losses incurred by any investor and/or third parties due to any act or omission of such external agent or valuer.

Valletta Fund Services Limited is a limited liability company, registered in Malta on the 27 September 2006 under Registration Number C39623, and having its registered office at 58, Zachary Street, Valletta, VLT1130 Malta. The Administrator is recognised to provide fund administration services by the Malta Financial Services Authority. The Administrator is a wholly owned subsidiary of Bank of Valletta p.l.c., one of the major banks in Malta. The Administrator acts as administrator to various other collective investment schemes licensed in Malta.

The Administrator can be contacted at:

BOV Fund Services Limited  
TG Complex,  
Suite 2, Level 3  
Triq il-Birrerija  
Mriehel BKR 3000  
Malta  
Tel.: +356 21 227 148  
Fax: +356 21 234 565  
Web-site: [www.bovfundservices.com](http://www.bovfundservices.com)

### ***The Prime Broker***

The Company has appointed Interactive Brokers, CACEIS Bank France and Société Générale International Limited as its Prime Brokers. (each individually "the Prime Broker"). The Prime Broker shall be responsible for the safe-keeping of the assets of each Fund and provide its services with respect to all the Fund/s of the Company unless the provision of such services is excluded in accordance with the terms of an Offering Supplement of a Fund.

**Interactive Brokers Group, Inc.**, together with its subsidiaries, is an automated global electronic market maker and broker specializing in routing orders and executing and processing trades in securities, futures and foreign exchange instruments on more than 90 electronic exchanges and trading venues around the world. For the past 34 years Interactive Brokers has focused on applying technology to every part of the trading and settlement process. Through highly automated technology, it execute trades for its customers on exchange and market centers in 19 countries, and group-wide it clears and settles over 1,000,000 trades per day. Interactive Brokers Group, Inc.'s consolidated equity capital exceeds \$4 billion. Interactive Brokers' headquarters are in Greenwich Connecticut, and it has approximately 850 employees in its offices in the USA, Switzerland, Canada, Hong Kong, UK, Australia, Hungary, Russia, India, China and Estonia. IB is regulated by the SEC, FINRA, NYSE, SFA and other regulatory agencies around the world.



**CACEIS**, société anonyme, a banking company, operates as an asset servicing provider to institutional and corporate clients worldwide. It offers depositary/trustee; custody; fund administration; fund distribution; middle-office and risk analytics; private equity, real estate, and securitization; AIFM; Foreign Account Tax Compliance Act; capital markets and cash management; fund structuring; execution; clearing; issuer; and on-line investor services, as well as hedge funds and funds of hedge funds services. The company is headquartered in Paris, France. CACEIS, société anonyme operates as a subsidiary of Credit Agricole S.A.

The Prime Broker is entitled to receive a fee from the Company, details of which are given in the section under the heading "Fees, Charges and Expenses" and to receive reimbursement from the Company of all its operating expenses, as more fully described in the Prime Broker Agreement. The Prime Broker Agreement contains provisions whereby the Company agrees to indemnify the Prime Broker against actions and claims not arising from bad faith, fraud, and failure to perform its obligations or improper performance thereof on the part of the Prime Broker. In the absence of the foregoing, the Prime Broker will not be liable to the Company or any investor. The Prime Broker and the Company are entitled to terminate the agreement by giving three months notice to the other in writing to expire at any time. The Prime Broker Agreement may also terminate or be terminated, without notice, upon the occurrence of specified events, including the insolvency of the Prime Broker or the Company and the material breach of obligations under the Agreement.

**Société Générale International Limited** is a wholly owned subsidiary of Société Générale and is regulated by the Financial Conduct Authority (FCA) in the United Kingdom.

The Prime Brokers can be contacted at:

**Interactive Brokers LLC**

One Carey Lane  
Fifth Floor  
London EC2V 8AE  
United Kingdom  
Tel: +41-41-726-9500  
Fax: +41-41-726-9599

**CACEIS Bank France**

Execution and Clearing Services  
1-3, place Valhubert 75013 Paris  
France  
Tel. 33 1 57 78 00 00  
[www.caceis.com](http://www.caceis.com)

**Société Generale International Limited**

10 Bishops Square  
London E1 6EG  
United Kingdom  
Phone: 44-20-7676-6000  
[www.societegenerale.co.uk](http://www.societegenerale.co.uk)



### ***The Auditor***

Ernst & Young has been appointed as the Auditor of the Company

The Auditor can be contacted at:

Ernst & Young  
Regional Business Center  
Achille Ferris Street  
Msida MSD1751  
Malta  
Tel: +356 2134 2134  
Fax: +356 2347 1600

### ***Conflicts of Interest***

The Directors, the Administrator, the Prime Broker, the Custodian, the Investment Manager, the Investment Advisor, other companies within their respective groups and their officers and major Shareholders are or may be involved in other financial, brokerage, investment or other professional activities which, in the course of their business, will on occasion give rise to conflicts of interest with the Company. In such circumstances, such persons will have appropriate regard to their respective obligations under the agreements appointing them to act in the best interests of the Company, so far as practicable having regard to their obligations to other clients or schemes. In this regard the directors have disclosed the following:

Having regard to these obligations, the Company may buy investments from or sell investments to such persons, provided that such dealings are on an arm's length basis and on terms no less favourable to the Company than could reasonably have been obtained had the dealing been effected with an independent third party. Such persons may also hold Shares in the Company. Should a conflict of interest arise, the Directors will endeavour to ensure that it is resolved fairly and the Company shall not be disadvantaged.

The following procedures shall be followed during Board Meetings, where a Director considers that s(he) has or may have a conflict of interest:

- a. that person should declare that interest to the other members either at the Meeting at which the issue in relation to which s(he) has an interest first arises, or if the member was not at the date of the Meeting interested in the issue, at the next Meeting held after s(he) became so interested;
- b. unless otherwise agreed to by the other members, a member shall avoid entering into discussions in respect of any contract or arrangement in which s(he) is interested and should withdraw from the meeting while the matter in which s(he) has an interest is being discussed;
- c. the interested member should not vote at a Meeting in respect of any contract or arrangement in which s(he) is interested, and if s(he) shall do so, his/her vote shall not be counted in the quorum present at the Meeting;
- d. the minutes of the meeting should accurately record the sequence of such events..

The Directors have disclosed the following:

- (a) Giuseppe Calabrese also holds Founder Shares in the Company;
- (b) Stanislao D'Orta also holds Founder Shares in the Company.
- (c) Frank Chetcuti Dimech is a director of other collective investment schemes which may invest in the same assets in which the Company invests.

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## **Fees, Charges and Expenses**

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The following remuneration details refer to the fees, charges and expenses in relation to the Company and each Fund. Further details with respect to a particular Fund is set out in the relevant Offering Supplement.

### ***Remuneration of Directors***

The Directors of the Company, shall receive for their services such remuneration as may be determined by the Company in a General Meeting from time to time. The aggregate remuneration for each Director shall in no case exceed a total of €25,000 per annum. In addition, each Director including holders of Founder Shares may be paid reasonable travelling, hotel and other incidental expenses incurred in attending meetings of the Directors and general meetings of the Company. The amount paid from the assets of each Fund shall be proportionate to the Net Asset Value of each Fund when compared to the net asset value of the Company.

### ***Investment Management Fee***

Each Fund will be subject to an Investment Management Fee as described in the relevant Offering Supplement. Any management fees due to a Sub-Investment Manager, or any fees due to any business introducer shall be paid out of the Investment Management Fee.

The Investment Manager may receive rebates from the Prime Broker as negotiated by the Investment Manager.

### ***Performance Fee***

The Performance Fee in respect of a Fund will be payable as described in the relevant Offering Supplement. Any performance fees due to a Sub-Investment Manager shall be paid out of the Performance Fee.

### ***Transaction Fee***

A Fund could be subject to a Transaction Fee specified in the relative Offering Supplement of up to €25 for every traded contract executed by the Investment Manager which shall be calculated monthly by the Administrator and paid to the Investment Manager. The Transaction Fee is additional to any other fees due to the Prime Broker.

### ***Remuneration of the Administrator***

The Administrator shall receive, for the performance of its services under the Administration Agreement, an administration fee based upon the size of each Fund of the Company, as follows:



## **Kronos Fund**

FUND SIZE	% of Net Asset Value
< €25 million	0.170% p.a.
> € 25 million to €50 million	0.150% p.a.
> € 50 million to €75 million	0.120% p.a.
> any amounts in excess of €75 million	0.100 p.a.

A minimum Fee of €22,000 per annum will apply. A distribution fee of one thousand two hundred and fifty Euros (€1,250) per annum per class shall apply, subject to a maximum of 50 investors per share class. In case the number of investors in any share class exceeds 50, the applicable fee for that share class will be calculated on a pro-rata basis. The fees become applicable as from the first dividend distribution of each share class.

The Administrator shall also receive:

1. For the provision of Company Secretary and Company's registered office, the sum of €5,500 plus VAT per annum covering a maximum of 45 hours annually. An additional fee of €100 per hour shall apply thereafter;
2. For the preparation of annual financial statements for the Company, the sum of €2,000 plus VAT, where applicable, per annum, and €1,000 plus VAT per annum for each Fund;
3. For prevention of money laundering support services, the sum of €3,250 per annum.

The amount paid from the assets of each Fund shall be proportionate to the Net Asset Value of each Fund when compared to the Net Asset Value of the Company.

### ***Remuneration of the Custodian***

Each Fund will be subject to fees payable to the Custodian as described in the relevant Offering Supplement.

### ***Remuneration of the Prime Broker***

Each Fund will be subject to fees payable to the Prime Broker as described in the relevant Offering Supplement. The Prime Broker may pay rebates to the Investment Manager as negotiated by the Investment Manager and connected third parties.

### ***Audit and Legal Fees***

Audit fees shall be agreed between the Company and the Auditors. Legal fees shall be agreed between the Company and the legal advisors and will be negotiated on a time-spent basis. Audit and legal fees will be paid out of the property of the relevant Fund to which the audit or legal fees relate. Any VAT or other tax having a similar effect which may be or become payable shall also be charged to the relevant Fund. The amount paid from the assets of each Fund shall be proportionate to the Net Asset Value of each Fund when compared to the net asset value of the Company.

### ***Preliminary Expenses***

The costs and expenses incurred in the formation of a Fund and the expenses of the issue of the Shares, including the costs incurred in connection with the preparation and publication



of the Offering Supplement/s to the Offering Memorandum and all legal and printing costs, travelling costs, consultancy professional fees and listing fees and including any taxes payable by a Fund on such costs and expenses, are disclosed in the relevant Offering Supplement and will be paid out of the assets of the relevant Fund. Such costs and expenses shall be amortised over a period of five years for the purpose of a Fund's NAV calculation, but shall be written on the Company's books as incurred and written off in the year they are paid. In the event that a Fund is approved for listing on any Recognised Investment Exchange, the costs and expenses incurred in connection therewith shall be amortised over a period of five years solely for the purpose of a Fund's NAV calculation.

### ***Other Expenses***

The Administrator, the Investment Manager and the Prime Broker are entitled to recover reasonable out-of-pocket expenses, incurred in the performance of their duties out of the assets of the Company. The Prime Broker shall also be entitled to recover any reasonable expenses incurred by any sub-custodian appointed by it in the performance of the latter's duties.

The Company shall bear the following expenses, save to the extent that such expenses may be waived or otherwise discharged by any other person and not recovered from the Company:

- (i) All taxes and expenses which may be incurred in connection with the acquisition and disposal of the assets of the Company;
- (ii) All taxes which may be payable on the assets, income and expenses chargeable to the Company;
- (iii) All brokerage, bank and other charges incurred by the Company in relation to its business transactions (including charges in relation to any borrowing by the Company);
- (iv) All fees and expenses due to any valuer, dealer, distributor or other supplier of services to the Company;
- (v) All expenses incurred in connection with the publication and supply of information to the Shareholders and, in particular, without prejudice to the generality of the foregoing, the cost of printing and distributing the annual reports, the interim reports, any report to the MFSA or any other regulatory authority, or any other reports, any Offering Memorandum, marketing or promotional materials the costs of publishing quotations of prices and notices in the press and the costs of obtaining a rating for the Shares of the Company by a rating agency and all stationery, printing and postage costs in connection with the preparation and distribution of cheques, warrants, tax certificates and statements;
- (vi) All expenses incurred in the registration of the Company with any government agencies or regulatory authorities in any jurisdiction where registration is available or necessary and in having the Investor Shares of the Company listed or dealt on any stock exchange or any other regulated market;
- (vii) All expenses arising in respect of legal or administrative proceedings; and
- (viii) All expenses incurred in connection with the operation, promotion and management of the Company, including, without limitation to the generality of the foregoing, all Directors' fees and costs, all costs incurred in organising Directors' and Members' meetings and in obtaining proxies in relation to such meetings, costs incurred in

keeping the register of Shareholders, costs of any translations, all insurance premiums and association membership dues and all non-recurring and extraordinary items of expenditure as may arise.

All expenses shall be charged either against income or against capital, as the Directors shall determine.

The costs and expenses of the formation of the Company, including the costs incurred in connection with the preparation and publication of the Offering Memorandum and each Supplement and all legal and initial printing costs, have been borne by the Company in accordance with the Companies Act, Cap 386 of the Laws of Malta. The amount paid from the assets of each Fund shall be proportionate to the Net Asset Value of each Fund when compared to the net asset value of the Company.



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## **Risk Factors**

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The Company is a non-retail scheme and accordingly, the protection generally afforded as a result of the investment and borrowing restrictions and other conditions related to retail schemes imposed by the MFSA, do not apply thereto. As a result, the degree of risk to which the Funds and their investors may be exposed renders them unsuitable for members of the general public. Accordingly, investment in any Fund is only suitable for Eligible Investors. In the event of the Fund's failure, Investors are not protected by any statutory compensation arrangements.

The following risks apply to each Fund of the Company. A Fund may also be exposed to additional risks which are disclosed in the section entitled "Risk Factors" of the relevant Offering Supplement of that Fund.

### ***General***

Investment in a Fund should be regarded as a long-term investment. There is no assurance that the investment objective or investment policies of a Fund will be achieved. A Fund's investments are subject to normal market fluctuations and the risks inherent in all investments and there are no assurances that appreciation will occur. The price of Shares and the income from them (if any) from time to time can go down as well as up and investors may not realise their initial investment.

### ***Erosion of Capital***

When an investor redeems part of his/her holding he/she should be aware that these redemptions will be made from the sale of Shares and may result in an erosion of capital.

### ***Exchange Rate Risk***

Currency fluctuations between the base currency of a Fund and the investor's currency of reference and the currency of the underlying investments of a Fund, may adversely affect the value of investments and the income derived therefrom.

### ***Achievement of the Investment Objective***

There can be no guarantee against losses (including complete loss) resulting from an investment in Shares of a Fund and there can be no assurance that a Fund's Investment Objectives will be attained. A Fund could realise substantial or complete losses.

### ***Net Asset Value***

The Net Asset Value of a Fund fluctuates with changes in the market values of a Fund's investments. Such changes in market values may occur as a result of various factors, including those factors identified below.

### ***Investment in Equity Securities***

As a result of a Fund's investments in equity securities, a Fund will be exposed to the risks typically associated with equity investments to include the general risk of broad market declines and risks associated to issuers of securities. A Fund is not subject to the limits and investing or borrowing restrictions and other conditions imposed on retail schemes and consequently, the Net Asset Value per Share in a Fund may be subject to greater volatility.

### ***Fixed-Income Investments***

The value of fixed-income securities that a Fund may invest in, will fluctuate inversely to the general levels of interest rates. When interest rates fall, the value of a Fund's fixed-income securities can be expected to rise. Likewise, when interest rates rise, the value of such securities can be expected to fall.



***Low Rated or Non-Rated Debt Securities***

Debt securities are subject to the risk that the issuer may default on the payment of principal and/or interest. The prices of debt securities are inversely related to changes in interest rates and thus are subject to the risk of market price fluctuations. A portion of a Fund's portfolio may consist of instruments that have a credit quality rated below investment grade by internationally recognized credit rating organizations or may be unrated. Although these securities may provide for higher gain and income, they entail greater risk than investment grade securities.

These securities involve significant risk exposure as there is uncertainty regarding the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations. Changes in the credit ratings of a debt security or in the perceived ability of the issuer to make payments of principal and interest may also affect the security's market value. Low rated and unrated debt instruments generally offer a higher current yield than that available from higher-grade issuers, but typically involve greater risk.

***Investment in Smaller Companies***

Smaller companies may often have limited product lines, markets or financial resources and may be dependent for their management on one or two key individuals. This may result in investments in such markets being volatile.

***Emerging Markets/Emerging Countries***

There may be less publicly available information about issuers in emerging markets which may sometimes not be subject to uniform accounting, auditing and financial reporting standards and other disclosure requirements which are normally found in more established markets. Emerging markets may have substantially less volume of trading, and securities of some companies in emerging market countries may be less liquid and more volatile than securities of more established markets. Additionally, market practices in relation to the settlement of securities transactions and the custody of assets in emerging markets can provide increased risk of loss to a Fund.

Emerging countries' economies may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have high levels of debt or inflation. Investors should be aware that any downturn in the economies of emerging countries might adversely affect the servicing and ultimate repayment of the investments of a Fund.

***Potential Lack of Diversification***

A Fund does not have fixed guidelines for diversification and is not subject to any specific limits in securities of issuers in any one country, region or industry. Therefore, a Fund may be less diversified and more volatile. A significant percentage of the investments may, at any time, be limited to a particular market sector, region or industry and accordingly may be subject to more rapid change in value than would be the case if there were a requirement to maintain a wide diversification among companies, industries, regions, types of securities and other asset classes. Although a Fund's portfolio will generally be diversified, this may not be the case at all times.

***Concentration Risk***

The Investment Manager will ensure that each Fund will operate according to the principles of risk spreading on an on-going basis. However, the investment policies of a Fund may disclose that the Fund may hold relatively few positions in its portfolio and during such time the Fund may accordingly be subject to more rapid change in value than would be the case



if it maintained a wide diversification among companies, industries, regions, types of securities and other asset classes.

### ***Stop Loss Limits***

The use of stop loss management practices cannot provide assurance with respect to the degree of loss that may be realised upon liquidation of an investment. Investment may still be liquidated at a substantially large loss.

### ***Investment Liquidity Risks***

As at the date hereof, there is no market for any Investor Shares and no secondary market is expected to develop to provide Shareholders with liquidity of investment except through redemption. Investor Shares may only be redeemed pursuant to the terms and conditions provided in this Offering Memorandum and each Offering Supplement, including the availability of redemptions only on Redemptions Days, redemption notice periods required, as well as restrictions, suspensions and deferral of redemptions contemplated herein and therein. Furthermore, the registration of transfers of Investor Shares by their holders (as a possible alternative exit from investment) is subject to the restrictions set out in the Offering Memorandum and each Offering Supplement.

### ***Use of Derivatives***

Derivatives are subject to a number of risks, such as interest rate risk and market risk. They also involve the risk of mispricing or improper valuation, the risk that changes in the value of the derivative may not correlate with the underlying reference and, in over-the-counter transactions, the risk that the counterparty may not honour its obligation. Derivatives may be highly illiquid and often contain a degree of leverage. A Fund could lose more than the principal amount invested in any derivative transaction. Suitable derivative transactions may not be available in all circumstances, and there can be no assurance that a Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

A Fund's ability to close out its position as a purchaser or seller of a listed put or call option is dependent, in part, upon the liquidity of the option market. Unless the parties provide for it, there is no central clearing or guarantee function in an over-the-counter option. As a result, if the counterparty fails to make or take delivery of the security, currency or other instrument underlying an over-the-counter option it has entered into with a Fund or fails to make a cash settlement payment due in accordance with the terms of that option, a Fund will lose any premium it paid for the option as well as any anticipated benefit of the transaction.

### ***Covered and Uncovered Options***

The purchaser of put or call options, or of any other option-like custom derivatives, runs the risk of losing his entire investment in a relatively short period of time. An uncovered call option is subject to a risk of loss should the price of the underlying security increase. An uncovered put option is subject to a risk of loss should the price of the underlying security decrease. Similar risk of loss can be experienced with the uncovered writing of some other option-like custom derivatives. Purchasing or writing options or option-like custom derivatives are highly specialized activities and entail greater than ordinary investment risks.

### ***Forward Contracts***

A Fund may engage in forward contracts for hedging purposes and/or to participate in foreign markets. A forward contract is an obligation to purchase or sell an underlying asset, including currency and stocks, for an agreed price at a future date. Hedging against a decline in the value of a currency or stock or bond market does not eliminate fluctuations in



the prices of portfolio securities or prevent losses if the prices of such securities decline. It may also preclude the opportunity for gain if the value of the hedged currency or stock or bond market should rise, because the derivative would incur an offsetting loss. Moreover, there is no assurance that a market will exist to purchase the forward contract when a Fund wants to close out its position. If a Fund is unable to close out a position, it will be unable to realise its profits or limit its losses until such time as the forward contract terminates.

### ***Short Sale Equity Positions***

A Fund may take short sale positions without maintaining an equivalent quantity, or a right to acquire an equivalent quantity, of the underlying securities in its portfolio. There can be no assurance that the security will experience declines in market value. Theoretically, a short sale involves the risk of an unlimited increase in the market price of securities sold short, potentially resulting in a corresponding unlimited loss to a Fund.

### ***Leverage Risk***

A Fund is able to achieve a certain degree of leverage on its positions. Consequently, a Fund can be subject to major losses in the event of market disruptions. Furthermore, gains realised through borrowed funds generally would cause a Fund's value to increase faster than without the use of borrowed funds. However, if the value of securities purchased with borrowed funds falls, or does not appreciate sufficiently to cover the costs of borrowing, that Fund's value will decrease faster and more significantly than without the use of borrowed funds.

### ***Credit Risk***

Credit risk is the risk that the credit quality of the counterparty declines. Fixed income or derivative instruments that a Fund owns are subject to the issuers' or counterparties' credit risk. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per share. Investors in any Fund whose performance is linked to an underlying should be aware that the Fund's asset for any such Fund will generally include bonds or other debt instruments that involve credit risk. Moreover, where such Fund provides for a capital protection feature, the functioning of such feature will often be dependent on the due payment of the interest and principal amounts on the bonds or other debt instruments in which the Fund is invested.

### ***Credit Ratings***

Credit ratings are assigned by rating agencies such as Standard & Poor's (S&P) or Moodys. It is important to understand the nature of credit ratings in order to understand the nature of the securities. The level of a credit rating is an indication of the probability that (in the opinion of the rating agency) payments will be made on the relevant bond(s) or other obligation(s) to which the credit rating relates. Bonds with a rating of AAA, AA, A or BBB by S&P are called "investment grade" bonds and this indicates that the risk of a failure to repay amounts is limited. While credit ratings can be a useful tool for financial analysis, they are not a guarantee of quality or a guarantee of future performance in relation to the relevant obligations. Ratings assigned to securities by rating agencies may not fully reflect the true risks of an investment. Ratings may also be withdrawn at any time.

### ***Volatility and Illiquidity of Markets***

Generally, price movements in the markets in which a Fund may invest can be volatile and are influenced, among other things, by changing supply and demand, government trade and



fiscal policies, national and international political and economic events, and changes in interest rates. In addition to the price volatility, which characterises the markets, the low margin deposits often required in markets permit a high degree of leverage. Accordingly, a relatively small price movement may result in a profit or loss, which is high in proportion to the amount of funds actually placed as margin. In addition, in some circumstances markets can be illiquid, making it difficult to acquire or dispose of contracts at the prices quoted on the various exchanges or at normal bid/offer spreads quoted off-exchange. These and other factors mean that, as with other investments, there can be no assurance that trading will be profitable.

### ***Tax and Legal Risks***

The tax consequences to a Fund and Shareholders in a Fund, the ability of a Fund as a foreign investor to invest in the markets and to repatriate its assets including any income and profit earned on those assets and other operations of a Fund are based on existing regulations and are subject to change through legislative, judicial or administrative action in the various jurisdictions in which a Fund or its service providers operate. There can be no guarantee that income tax legislation and laws or regulations governing a Fund's operations and investments will not be changed in a manner that may adversely affect a Fund.

### ***FATCA / US HIRE Act and Compliance with US Withholding Requirements***

The US Hiring Incentives to Restore Employment Act (the 'US HIRE Act') has introduced a 30% withholding tax on certain payments to the Fund, of US source income made after 31 December 2014, and on certain payments of proceeds from the sale of US property made after 31 December 2016 unless the Fund discloses the name, address and taxpayer identification number of US Persons that own, directly or indirectly, or have effective control of, an interest in the Fund, as applicable, as well as possible certain other information relating to any such interest. Although the Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of these provisions, the return of all Shareholders may be materially affected. Other countries may impose similar taxes and the Fund intends to comply with such as they are enacted. All Shareholders consent to the Fund's full compliance with all such measures. It must be noted that FATCA registration and compliance does not modify the US tax treatment of US source revenue of the Fund under the Double Tax Treaty between the United States and Malta.

### ***Performance Fee***

To the extent that the Investment Manager and/or the holders of Founder Shares will be entitled to receive a performance fee from a Fund, such fees may create an incentive for the Investment Manager and/or the holders of Founder Shares to engage in investment strategies and make investments that are more speculative than would be the case in the absence of such fees. Furthermore, there is no maximum amount of Performance Fee and the increase in NAV which is used as a basis for the calculation of performance fees, may be comprised both of realised gains as well as unrealised gains as at the end of the calculation period, and as a result, performance fees may be paid on unrealised gains which may subsequently never be realised by a Fund.

### ***Non-voting Investor Shares***

Investor Shares are issued as non-voting shares and therefore shall not have the right to vote at any general meeting of the Company.



### ***Dependence on Key Individuals***

The Company's success depends to a significant extent, upon the role of the Investment Manager in the management of the assets of the Company and its Funds. To the extent that such activities relate to the operations of the Company, the Company may be adversely affected if any of those officers of the Investment Manager responsible for these activities cease to participate in the operation of the Investment Manager. The loss of such a key individual's services (e.g. through death, disability, retirement or leaving the employment of the Investment Manager) could cause the Company to suffer losses. An investment vehicle in which the Company has invested could become involved in shareholder, insider trading or other litigation as a result of its investment activities, which could adversely affect the performance of the investing Fund.

### ***Restriction or Suspension of Redemption Rights***

Although Shareholders may request the Company to repurchase their Investor Shares in a Fund or may wish to transfer all or any of their Investor Shares, certain restrictions on redemptions and transfers apply, including a notice period. Reference is made to disclosures included under the heading 'Buying and Selling' under the sub-headings "Redemption of Shares" and "Deferral of Redemption of Shares".

### ***Valuation and Redemption Risks***

Investors' attention is specifically drawn to the fact that where a Redemption Notice Period applies to a Fund the valuation used for the actual redemption of Investor Shares will not be the one available to the investor at the time the redemption request is received by the Company but the valuation available after the end of the Redemption Notice Period.

### ***Segregation of Funds***

The provisions of the Companies Act (Investment Companies with Variable Share Capital) Regulations provide for segregated liability between Funds and as such, in Malta, the assets of one sub-fund will not be available to satisfy the liabilities of another sub-fund. However, it should be noted that the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There can be no guarantee that the courts of any jurisdiction outside Malta will respect the limitations on liability as set out above.

### ***Mandatory Redemption***

Investor Shares may not be issued and may be subject to mandatory redemption or transfer by the Company, inter alia: (i) in circumstances where the Company or a Fund may suffer a tax, pecuniary, administrative or other disadvantage; or (ii) where Shares are held by any person who is, or has acquired such Shares on behalf of or for the benefit of a person who is not an Eligible Investor; or (iii) where the Net Asset Value of a Fund falls below € 2 million Euros (€2,000,000); (iv) where the Net Asset Value of the Investor Shares in the Company calculated in accordance with this Offering Memorandum falls below 5 million Euros (€5,000,000), (v) in the event of one or more redemption requests which amount to sixty percent (60%) or more of a Fund's Net Asset Value, in which case the substantial redemption request/s shall be automatically suspended and shall be dealt on the date established by the Directors for the mandatory redemption or (vi) in other circumstances stipulated in the relevant Offering Supplement of a Fund.

### ***Cancellation Rights***

Potential investors should be aware that the cancellation right protections prescribed by the MFSA do not apply for professional investors.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL**

**INVESTORS MUST READ THE ENTIRE OFFERING MEMORANDUM AND THE OFFERING SUPPLEMENT, INCLUDING THE RISK WARNINGS THEREIN, AND MUST CONSULT THEIR OWN PROFESSIONAL ADVISORS BEFORE DECIDING TO INVEST IN A FUND.**



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## **Buying and Selling**

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The Investor Shares issued by the Company in each Fund are ordinary shares, freely transferable and, unless otherwise stated in the relevant Offering Supplement, enjoy equal rights participating equally in the profits of the relevant Fund.

### ***Initial Offer Period***

An initial offer period of Investor Shares will open and close on the dates stated in the relevant Offering Supplement unless closed earlier or extended by the Company at its sole discretion. The Investor Shares of a Fund are offered at an initial price stated in the relevant Offering Supplement and thereafter, on every Dealing Day, at the Net Asset Value per Share.

### ***Charges to Investors***

The amount of the Initial Charge or Redemption Fee if any, applicable for a Fund is established in the relevant Offering Supplement.

The Initial Charge, if any, will be deducted from any payment received by way of an application for Investor Shares, and the balance after such deduction will then be applied to subscribe for Investor Shares. The Directors shall determine to whom the Initial Charge will be paid and may waive the Initial Charge in whole or in part at its sole discretion and/or re-allow and/or pay all or part of the Initial Charge to authorised intermediaries or such other persons as the Directors may determine.

The Redemption Fee, if any, will be deducted from any payment due to an Investor following redemption of Investor Shares, and the balance after such deduction will then be paid to the investor. The Directors shall determine to whom the Redemption Fee will be paid and may waive the Redemption Fee in whole or in part at its sole discretion and/or re-allow and/or pay all or part of the Redemption Fee to authorised intermediaries or such other persons as the Directors may determine.

### ***Classes of Shares***

Further information on the different Classes of Investor Shares may be found in the relevant Offering Supplement. Switching of investment between Funds or Classes is not allowed.

### ***Voting rights***

Investor Shares do not carry any voting rights.

### ***Application Procedure***

#### **(a) Minimum Investment**

Each Fund is subject to the Minimum Holding and Minimum Additional Investment as defined in the Offering Supplement of each Fund or the currency equivalent. The Administrator shall not process any initial application for less than the Minimum Holding or any subsequent application by the same investor for less than the Minimum Additional Investment, nor shall the Administrator accept an application to register any transfer unless the transferee is or can be accepted as an Eligible Investor and has applied to register such

number of Investor Shares as is equal to or more than the Minimum Holding and the transferor, if he remains holding any Investor Shares, retains at least such number of Investor Shares as is equal or more than the Minimum Holding.

### **(b) Application for Investor Shares**

Applications for Investor Shares from Eligible Investors must be made on the Application Form provided for this purpose by the Company as an attachment to the relevant Offering Supplement of a Fund. The purchase of Investor Shares in writing is a legally binding contract. The Company reserves the right to reject any Application in whole or in part. No application will be accepted unless the appropriate Declaration Form attached in the relevant Offering Supplement accompanies it.

Subject to the provisions of the relevant Offering Supplement of a Fund, applications for Investor Shares, if accepted by the Company at the office of the Administrator, will be dealt with on the immediately following Dealing Day at the Net Asset Value per Share established on the latest Valuation Day.

### **(c) FATCA Forms**

The self-certification form(s) must be completed and returned along with the documents as specified in the Subscription Form to enable the Fund to comply with applicable laws and regulations.

**Individual Investors** must complete the individual self-certification form included in the respective Offering Supplement as Appendix IV.

**Legal Entities** (such as companies, partnerships and trusts) must complete the entity self-certification form. Also note that, for certain legal entities, the beneficial owners and controlling persons of the entity will also need to complete individual self-certification forms included in the respective Offering Supplement as Appendix V.

### **(d) Payment**

Applications for Investor Shares will only be accepted if accompanied by payment in the form of a telegraphic transfer or other means of settlement acceptable to the Administrator. Settlement details are set out in the Application Form.

### **(e) Money Laundering Procedures**

The Company reserves the right to seek evidence of identity to comply with any applicable Prevention of Money Laundering Regulations. In the case of failure to provide satisfactory information, the Company may take such action as it thinks fit, including without limitation, the refusal of any Subscription Form and subscription monies related thereto, or refusal of any Redemption instructions. The Company shall not be held responsible for any loss arising as a result of a refusal to process a Subscription Form or a Redemption instructions in case where the applicant fails to provide satisfactory information. In addition, each investor must represent and warrant to the Company that among other things he is able to buy Investor Shares without violating applicable laws and regulations.

Applications for Investor Shares from Eligible Investors must be accompanied by such information as may, from time to time, be required by the Company and/or the



Administrator such that the Company and/or the Administrator may be in a position to verify the identity of such Eligible Investor and identify the emanating source of funds. Except as may be required to enable the Company and/or the Administrator to comply with any and all of its obligations in terms of the law, including but not limited to anti-money laundering legislation in force, any information received will be kept by the Administrator in accordance with the relevant Data Protection legislation and, in the normal course of business, will not be made available to anyone other than the Administrator and members of the Bank of Valletta Group and their respective employees, agents and subcontractors.

Without prejudice to the generality of the foregoing, the Company shall require Applications for Investor Shares from Eligible Investors to be accompanied by the following supporting information:

(i) **Verification of Identity**

***Individuals***

An Applicant for Investor Shares shall be required to produce a copy of a passport or identification card bearing a photograph and signature and reference to nationality, duly certified by the investor's banker where such is acceptable to the Company or other reputable and appropriate source as may be accepted by the Company. Depending on circumstances, the Company may also require additional information.

***Corporate Applicants***

In the case of corporate applicants, the Company shall require the Applicant for Investor Shares to produce:

- (a) A Certified true copy of the Certificate of Incorporation/Licence/Authorisation to carry on business (and any certificate on change of name).
- (b) A Certified True Copy of the Articles of Incorporation (or equivalent documents).
- (c) The names and residential and business addresses and certified copies of the passports or identity cards of all Directors. Depending on circumstances, the Company may also require identification of beneficial owners holding 25% or more of the shares of the applicant.
- (d) A Resolution of Board of Directors authorising the appointed attorneys as the 'authorised signatories' to apply for Investor Shares in a Fund and to give instructions with respect to such shares. An authenticated list of authorised signatories is to be attached. The company reserves the right to seek any documentation relevant for the identification of such attorneys.

(ii) **Source of Funds**

The source of funds in relation to the subscription for Investor Shares shall indicate: (a) Name of the account/s from which the funds emanated; (b) Account Number; (c) Name of bank with which account/s are held; (d) Name of correspondent bank wiring the subscription monies; (e) A Copy of the Swift Transfer/s and any other documentation indicating the provenance of funds.

(iii) **Other Information**

In addition, in all cases, the Company may require from an individual applicant or other applicant entities whether corporate or unincorporated, bank references,



business or professional references (as for example from accountants or lawyers) where applicable. In particular, applicants who are politically exposed persons shall be required to complete an additional declaration on source of funds and of wealth.

Depending on the circumstances of each subscription for Investor Shares, verification of identity may not be required where (i) the applicant is itself bound by the Prevention of Money Laundering Regulations, 1994 and related MFSA Guidelines; (ii) the applicant is introduced by an introducer who is himself bound by the Prevention of Money Laundering Regulations, 1994 and related MFSA Guidelines and provides the Company with the name of the customer and a written assurance that evidence of identity has been obtained and proper records of the verification of identity of the applicant are being maintained or (iii) the introducer is a foreign entity that operates in a country that is a member of the Financial Action Task Force ("FATF") or operates under a rigorous and well-regulated anti-money laundering regime (iv) the applicant operates a financial service business which is properly regulated (i.e. in a country that is a member of the FATF or in a country where the level of regulation is equal to or higher than that exercised in Malta). **In all such cases the Company retains discretion whether to rely on verification procedures carried out by others and under what terms and conditions. The Company may still request any documentation to carry out a verification of identity itself.**

#### **(f) Redemption of Investor Shares**

Subject to the provisions of the relevant Offering Supplement of a Fund, the following procedure shall apply:

(i) Shareholders may, subject to giving such notice, if any, as may be specified in the relevant Offering Supplement (hereinafter the "Redemption Notice Period"), request, in writing, through the Administrator the redemption of their Investor Shares, subject to any Minimum Redemption Amount specified in the Offering Supplement of the relevant Fund. Redemption instructions, in a form acceptable to the Administrator, may be made to the Company at the office of the Administrator in writing or through such electronic means as may be agreed to with the Administrator on a Business Day.

(ii) Redemption instructions, if accepted by Company and the Administrator, will be dealt with on the Dealing Day immediately following the end of the Redemption Notice Period, if any, or on the Dealing Day immediately following the receipt of the redemption instructions, at the Net Asset Value per Share established on the latest Valuation Day. Investors' attention is specifically drawn to the fact that due to the Redemption Notice Period the valuation used for the actual redemption of Investor Shares will not be the one available to the shareholder at the time the redemption request is received by the Company but the valuation available after the end of the Redemption Notice Period.

(iii) Payment of the redemption proceeds less the Redemption Fee (where applicable) will be made by the Administrator, in the Fund currency within five (5) Business Days following the date on which such Investor Shares are redeemed by the Administrator or, if applicable, the date of receipt of the duly renounced share certificates. Payment will be made by telegraphic transfer or credit in an account in the name of the registered holder or, in the case of joint holders, in the name of the first named holder.

(iv) Partial sales of shareholdings are acceptable, subject to any Minimum Redemption Amount specified in the Offering Supplement of the relevant Fund and provided the



resultant value of the shareholding remains in excess of the Minimum Holding specified in the relevant Offering Supplement. The Company may, at its complete discretion, redeem a shareholding with a value of less than the Minimum Holding specified in the relevant Offering Supplement.

(v) At the discretion of the Directors and with the approval of the applicant, the Company may satisfy any application for repurchase of Investor Shares by the transfer to those Members of assets of the relevant Fund in specie, PROVIDED THAT the Company shall transfer to each Member that proportion of the assets of the Company which is then equivalent in value to the shareholding of the Member then requesting the repurchase of Investor Shares, but adjusted as the Directors may determine to reflect the liabilities of the Company PROVIDED ALWAYS THAT the nature of the assets and the type of the assets to be transferred to each Member be determined by the Directors on such basis as the Directors shall deem equitable and not prejudicial to the interests of both remaining as well as outgoing Members, and for the foregoing purposes the value of assets shall be determined on the same basis as used in calculating the Net Asset Value.

### **(g) Mandatory Redemptions**

Shares may not be issued and may be subject to mandatory redemption or transfer by the Company, inter alia: (i) in circumstances where the Company or a Fund may suffer a tax, pecuniary, administrative or other disadvantage; or (ii) where Shares are held by any person who is, or has acquired such Shares on behalf of or for the benefit of a person who is not an Eligible Investor; or (iii) where the Net Asset Value of a Fund falls below € 2 million Euros (€2,000,000); (iv) where the Net Asset Value of the Investor Shares in the Company calculated in accordance with this Offering Memorandum falls below 5 million Euros (€5,000,000), (v) in the event of one or more redemption requests which amount to sixty percent (60%) or more of a Fund's Net Asset Value, in which case the substantial redemption request/s shall be automatically suspended and shall be dealt on the date established by the Directors for the mandatory redemption or (vi) in other circumstances stipulated in the relevant Offering Supplement of a Fund.

### **(h) Deferral of Redemption of Investor Shares**

Unless otherwise indicated in the relevant Offering Supplement of a Fund, and subject to the Directors' powers with respect to circumstances in which a mandatory redemption may be declared, the following provisions shall apply:

(i) The Directors may limit the total number of Investor Shares, which may be redeemed on any Dealing Day to ten per cent (10%) of the outstanding Investor Shares in a Fund. In the event that such a limit is reached at any point during a Dealing Day, the Directors may defer any further redemption instructions received during that Dealing Day, to such time as the total number of redemption applications received on that Dealing Day is re-established at less than ten per cent (10%) of the outstanding Investor Shares in a Fund.

(ii) The balance of such Investor Shares that are not redeemed on that Dealing Day because of the limit established above will be redeemed on the next Dealing Day, subject to the Directors' same power of deferral until the original redemption instructions have been satisfied.

(iii) Shareholders may not revoke or withdraw redemption instructions delivered to the Company at the office of the Administrator, even if the Directors elect to exercise their power of deferral.

### **(i) Suspension of Dealing**

The Directors have the power to suspend calculations of Net Asset Value in the circumstances set out in Appendix I of this Offering Memorandum. No issue or redemption of Investor Shares will take place during any period when the calculation of the Net Asset Value is suspended.

The Directors reserve the right to delay payment of redemption proceeds to persons whose Investor Shares have been redeemed prior to such suspension until after the suspension is lifted, such right to be exercised in circumstances when the Directors believe that to make such payment during the period of suspension would materially and adversely affect or prejudice the interest of continuing Shareholders. Notice of any suspension will be given to any Shareholder tendering his Investor Shares for redemption. If the redemption instructions are not withdrawn the Investor Shares will be redeemed on the first Dealing Day following termination of the suspension.

Notice of any suspension or postponement of the calculation of the Net Asset Value of a Fund will be published in either a daily newspaper and such other newspapers as the Directors may from time to time determine or on the Administrator's website and will also be notified to the MFSA without delay.

### **(j) Dealing Prices**

Unless otherwise indicated in the relevant Offering Supplement of a Fund, the following provisions shall apply:

(i) Requests to buy and / or sell Investor Shares, which are accepted by the Company and the Administrator on a Business Day, will be dealt with at the appropriate dealing price based on the Net Asset Value per Share calculated on the relevant Dealing Day. The dealing price per Share for buying Investor Shares (the issue price per Share) as well as the dealing price per Share for selling Investor Shares (the redemption price per Share) will be equivalent to the Net Asset Value per Share of a Fund.

(ii) The Administrator shall calculate (Malta time) on each Dealing Day the Net Asset Value per Share for a Fund using the latest closing prices of the underlying assets. Full details of the method of determination of the Net Asset Value per Share are set out in Appendix I and II of the Offering Memorandum.

(iii) Where, in the opinion of the Directors, since the last determination of the Net Asset Value per Share there has been a significant movement (namely ten per cent (10%) or over) in the value of quoted assets of a Fund the Company may at its discretion, and subject to prior notification being given to the Administrator, re-value the assets of a Fund, recalculate the Net Asset Value per Share and amend the dealing prices accordingly. Where the dealing prices for a Fund have been amended, the revised prices will be applied to all requests to buy or sell Investor Shares which have been accepted by the Company subsequent to the amendment of dealing prices as provided above.

### **(k) Dividend Distributions**

When the relevant Offering Supplement of a Fund provides for dividend distributions, the Company in general meeting may declare a dividend but no dividend shall exceed the amount recommended by the Directors.



## **(l) Cancellation Rights**

Potential investors should be aware that the cancellation right protections prescribed by the MFSA do not apply for professional investors.

## **(m) Contract Notes, Registrations and Share Certificates**

Contract notes will be issued as soon as possible following the Dealing Day on which the order is effected and normally will be dispatched within five (5) Business Days. Contract notes will contain full details of the transaction.

All Shares will be registered and an entry in the register of Shareholders will be conclusive evidence of ownership. No Share certificates will be issued, unless specifically requested by investors at the time of application. The uncertificated form allows the Administrator to effect redemption instructions without delay and the Administrator therefore recommends that investors maintain their Shares in an uncertificated form. Annual statements will be dispatched with the Company's annual reports.

If certificated Shares are requested, a Share certificate will be dispatched either to the investor or his nominated agent (at his risk) normally within 28 days of completion of the registration process.

Any change to a Shareholder's personal details, or loss of certificates must be notified to the Company at the office of the Administrator immediately in writing. The Company and the Administrator reserve the right to request indemnity or verification before accepting such notification. Copies of the Offering Memorandum and updates thereof will be available from the Company and the Administrator.

## **(n) Transfer of Shares**

Each Member may transfer all or any of his Shares by an instrument of transfer. The instrument of transfer must be executed by or on behalf of the transferor and the transferor is deemed to remain the holder until the transferee's name is entered in the Register. The Directors shall decline to register any transfer of Shares to persons who are not Eligible Investors. The Directors may decline to register any transfer in favour of more than four joint holders as transferees.

All instruments of transfer shall be in writing in any usual or common form in Malta or in any other form which the Directors may approve, and every form of transfer shall state the full name and address of the transferor and transferee.

The Directors may decline to register any transfer of Shares unless the instrument of transfer relates to one class of Shares and is deposited at the registered office of the Company or at such other place as the Directors may reasonably require, with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, including, in the case of Founder Shares, the prior approval of the MFSA.

If the Directors decline to register a transfer of any Share they shall, within one month after the date on which the transfer was lodged with the Company, send to the transferee, notice of the refusal.

The registration of any transfers may be suspended at such times and for such periods as the Directors from time to time may determine, provided always that such registration of transfers shall not be suspended for more than thirty days in any one calendar year.

All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

In the case of the death of a Member, the lawful heirs, survivors or survivor where the deceased was joint holder, and the executors or administrators of the deceased where he was a sole or surviving holder, shall be the only person recognised by the Company as having title to his interest in the Shares, but nothing in this Article shall release the estate of the deceased holder, whether sole or joint, from any liability in respect of any Share solely or jointly held by him.

Any guardian of an infant Member and any guardian or other legal representative of a Member under legal disability and any person entitled to a Share in consequence of the death, insolvency or bankruptcy of a Member shall, upon producing such evidence of his title as the Directors may require, have the right either to be registered himself as the holder of the Share or to make such transfer thereof as the deceased or bankrupt Member could have made, but the Directors shall, in either case, have the same right to refuse or suspend registration as they would have had in the case of a transfer of the Share by the infant or by the deceased, insolvent or bankrupt Members before the death, insolvency or bankruptcy of the Members under legal disability before such disability.

A person so becoming entitled to a Share in consequence of the death, insolvency or bankruptcy of a Member shall have the right to receive and may give a discharge for all monies payable or other advantages due on or in respect of the Share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company, nor save as aforesaid, to any of the rights and privileges of a Member unless and until he shall be registered as a Member in respect of the Share: provided that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share and if the notice is not complied with within ninety days the Directors may thereafter withhold all moneys payable or other advantages due in respect of the Share until the requirements of the notice have been complied with.

In the event that any Investor Shares are listed on a stock exchange, transfers and transmissions of Investor Shares shall comply with any mandatory rules of such exchange or exchanges.



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## **General Information**

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### **(A) Share Capital**

The authorised share capital of the Company is five billion one thousand euros (5,000,001,000) Shares with no nominal value, which may be issued as Shares of any class representing any Fund. The paid up share capital of the Company shall at all times be equal to the Net Asset Value of the Company as determined in accordance with the Articles.

All Shares are in registered form and Share certificates will not be issued unless a Shareholder so requests. Further details may be found above under the heading 'Contract Notes, Registrations and Share Certificates' in this Offering Memorandum. Fractional Shares may be issued with respect to a Fund up to 3 decimal places.

The Directors shall exercise all the powers of the Company to allot or issue Shares in the Company. The maximum number of Shares which may be allotted or issued by the Directors shall not exceed the amount of five billion (5,000,000,000) Shares, provided, however, that any Shares which have been repurchased shall be deemed never to have been issued for the purpose of calculating the maximum number of Shares which may be issued. The Directors have delegated to the Administrator the duties of processing the subscription for, receiving payment for and allotting or issuing new Shares.

No person shall be recognised by the Company as holding any Shares on trust and the Company shall not be bound by or recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Shares or (except only as otherwise provided herein or as by law may be required) any other right in respect of any Share, except an absolute right of title thereto in the registered holder. Nothing in the foregoing shall be construed as prohibiting the Company from recognising and/or acknowledging a pledge on its Shares.

The Company shall not be bound to register more than four (4) persons as joint holders of any Share or Shares. In the case of a Share held jointly by several persons, the Company shall not be bound to issue more than one written confirmation of ownership or Share certificate (if requested) for a Share and the delivery thereof to the first named of several joint holders shall be sufficient delivery to all.

### **(B) Characteristics of the Shares**

#### **(i) Classes**

With the prior approval of the MFSA, the Directors may from time to time establish a Fund by the issue of separate classes of Shares of the Company on such terms as the Directors may resolve.

The Company has issued by way of subscription 1000 Founder Shares of € 1 each as a separate class of Shares. The Founder Shares however do not constitute a Fund of the Company. The Founder Shares are subscribed for by Holcad SA (998 Founder Shares), Stanisla0 D'Orta (1 Founder Share) and Giuseppe Calabrese (1 Founder Share). Only Founder Shares have voting rights. Subject to the provisions of the Memorandum and Articles of Association of the Company, the Founder Shares are distribution shares carrying

a right to dividend up be a sum not exceeding the total of the Performance Fee and the Investment Management Fee calculated in terms of the Offering Supplement of any Fund thereof.

## **(ii) Voting Rights and Class Meetings**

Rules for the calling and conduct of meetings of Shareholders are contained in the Articles. All Shares in the Company shall entitle their holder to receive notice of and to attend at general meetings of the Company. However, save for what is stated hereunder or unless otherwise provided in the terms of issue with respect to a particular class or classes of shares, only Founder Shares shall carry voting rights, accordingly only holders of Founder Shares shall be entitled to vote at general meetings. At a meeting of Shareholders, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded by the chairman or by any Shareholders present representing at least one tenth in number or value of the Shares in issue having the right to vote at the meeting whether on a show of hands or on a poll. On a show of hands every Shareholder, whether present in person or by proxy, shall be entitled to one vote. A holder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

The rights attached to any class or classes of Shares constituting a Fund may only be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Shares of that class. The quorum at any class meeting or general meeting for the variation of class rights shall be Shareholders present in person or by proxy together holding at least one-third of the Shares of the relevant class.

## **(iii) Winding Up**

Subject to the provisions in the Articles on segregation of liability (reproduced hereunder) and the provisions of the Companies Act, if the Company shall be wound up the liquidator shall apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund.

A Fund may be wound up separately and independently from any other Fund or the Company, and any such winding-up may be carried out in terms of the relevant provisions of the Companies Act, pursuant to the provisions of the Companies Act (Investment Companies with Variable Share Capital) Regulations.

The liquidator shall, unless the holders of three-fourths of the Shares or Class of Shares affected request in writing to the contrary, divide the whole or any part of the remaining assets of a Fund in specie among the shareholders of a Fund pro-rata to the number of shares in that Class of shares held by them.

## **(iv) Segregation of Liability**

Pursuant to section 9 of Legal Notice 241 of 2006, the assets and liabilities of each individual Fund comprised in the Company shall constitute a patrimony separate from that of each other Fund of the Company so that the assets of one Fund shall be available exclusively for the creditors and holders of Shares in that Fund.



The assets allocated to a Fund shall be applied solely in respect of the Shares of such Fund and no Holder relating to such Fund shall have any claim or right to any asset allocated to any other Fund.

Any asset or sum recovered by the Company by any means whatsoever or wheresoever shall, after the deduction or payment of any costs of recovery, be applied to the Fund affected. In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect hereof cannot otherwise be restored to that Fund, the Directors with the consent of the Prime Broker (if any), shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

The Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the Maltese courts as it would have been if the Fund were a separate legal person.

In any proceedings brought by any Holder of a particular Fund, any liability of the Company to such Holder in respect of such proceeding shall only be settled out of the assets of the Fund corresponding to such Shares without recourse in respect of such liability or any allocation of such liability to any other Fund of the Company.

Nothing in the above shall prevent the application of any enactment or rule of law which would require the application of the assets of any Fund in discharge of some or all of the liabilities of any other Fund on the grounds of fraud or misrepresentation.

#### **(iv) Mandatory Redemption**

The Company must redeem all outstanding Investor Shares where the Net Asset Value of the Shares in the Company or in a Fund falls below an amount established in the part entitled "Mandatory Redemptions" of the section entitled "Buying and Selling" of this Offering Memorandum or in the relevant Offering Supplement. The Company will not redeem an investment that falls below the Minimum Holding where this is the result of a fall in the net asset value of the investment.

#### **(C) Annual Reports**

The audited financial statements of the Company, which will be prepared in the Base Currency of the Company up to 30th September in each year, the first being for the period up to 30th September 2012, shall be prepared within six (6) months of the end of the financial year to which they relate and will be sent to the Shareholders at their registered address not less than 14 clear days before the date fixed for the general meeting of the Company at which they will be presented.

Each investor shall be expected to make a declaration attached to the Application Form confirming eligibility as an Eligible Investor to invest in the Company. All non-Maltese resident investors wishing to purchase Investor Shares should be aware of any requirement to comply with exchange control regulations from time to time in force in their country of residence or domicile regulating investments in instruments denominated in a foreign currency.

It is each investor's obligation, and not the Administrator's, to ensure that the applicable exchange control requirements are duly complied with.

#### **(D) Notices**

Any notice or other document to be served on any Shareholder, if served by post, shall be deemed to have been served 15 days after the time when the letter containing the same is posted and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped and posted.

#### **(E) General**

The Company has not since its incorporation been engaged in, or is currently engaged in, any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.

The Company does not have, nor has it had since incorporation, any employees.

Save as disclosed above, no commissions, discounts, brokerages or other special terms have been granted or are payable by the Company in connection with the issue or sale of any capital of the Company.

The Directors are not required to hold any qualification Shares. There is no age limit at which the Directors are required to retire.

At the date of this Offering Memorandum, the Company has no loan capital (including term loans) outstanding or created but unissued and no outstanding charges or other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

#### **(F) Foreign Account Tax Compliance Act ('FATCA').**

Malta has signed a Model 1 inter-governmental agreement (IGA) with the United States to give effect to the implementation of FATCA. Financial institutions ('FIs') in the jurisdiction that comply with the requirements of the IGA will be treated as satisfying the due diligence and reporting requirements of FATCA and accordingly will be treated as participating foreign financial institutions ('Participating FFIs') for the purposes of FATCA. As such, those FIs will be "deemed compliant" with the requirements of FATCA, will not be subject to withholding tax, and will not be required to close recalcitrant accounts.

Under the IGA the Fund will be a Reporting FI and, as such (i) is not<sup>1</sup> required to enter an 'FFI agreement' with the US Internal Revenue Service ('IRS'), (ii) is required to register with the IRS to obtain a Global Intermediary Identification Number, (iii) is required to conduct due diligence on its investors to identify whether accounts are held directly or indirectly<sup>2</sup> by "US Persons"<sup>3</sup>, and (iv) is required to report information on such US Persons to the Tax Authorities in the Fund's jurisdiction. The tax authority will then exchange the information reported to it with the IRS annually.

<sup>1</sup> Unless the Fund has registered a branch located outside of a Model 1 IGA jurisdiction so that such branch may be treated as a participating FFI or reporting Model 2 FFI.

<sup>2</sup> The obligation to report US Persons under FATCA extends to the beneficial owners and controlling persons of certain legal entities.

<sup>3</sup> This means a US citizen, a permanent US resident or a person that meets the substantial presence test as defined by the US Internal Revenue Service.



Under the terms of the IGA and the relevant regulations, FATCA withholding tax will not be imposed on payments made to the Fund, or on payments made by the Fund to an account holder, except to the extent the Fund, its investors or any other account holder fails to comply with its obligations under FATCA or the IGA, or otherwise fails to comply with any other obligations it may have to the Fund with respect to the Fund's obligations under FATCA or the IGA, as applicable. If subject to, or required to, withhold, such FATCA withholding tax will generally be at the rate of 30% of the relevant payment. It must be noted that FATCA registration and compliance does not modify the US tax treatment of US source revenue of the Fund under the Double Tax Treaty between the United States and Malta.

It is possible that further inter-governmental agreements, similar to those described above, may be entered into with other third countries to introduce similar regimes for reporting to such third countries fiscal authorities.

As an investor in the Fund, you shall be deemed to acknowledge that:

- (i) the Fund (or its Administrator) may be required to disclose to the tax authorities in the Fund's jurisdiction certain confidential information in relation to the investor (or its Beneficial Owners<sup>4</sup> and Controlling Persons<sup>5</sup>), including but not limited to the investor's name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor's investment;
- (ii) these tax authorities may be required to automatically exchange information as outlined above with the IRS and other foreign fiscal authorities;
- (iii) the Fund (or its Administrator) may be required to disclose to the IRS and other foreign fiscal authorities certain confidential information when registering with such authorities and if such authorities contact the Fund (or its Administrator directly) with further enquiries;
- (iv) the Fund may require the investor to provide additional information and/or documentation which the Fund may be required to disclose to the tax authorities in the Fund's jurisdiction;
- (v) in the event an investor does not provide the requested information and/or documentation or provides incorrect information or documents, whether or not that actually leads to compliance failures by the Fund, or a risk of the Fund or its investors being subject to withholding tax under the relevant legislative or IGA, the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, determining the investor to be a US Person and/or compulsory redemption of the investor concerned with any losses or damages suffered by the Fund to be deducted from the redemption price or otherwise as the Fund determines; and
- (vi) no investor (or its Beneficial Owners and / or Controlling Persons) affected by any such action or remedy shall have any claim against the Fund (or its Administrator)

<sup>4</sup> This means the natural persons with more than 10% interest by vote or value in the entity

<sup>5</sup> This means the natural persons who exercise control over the entity (directors, trustees and powers of attorney).

for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with current or any future IGAs, or any of the relevant underlying legislation.

ALL prospective investors and shareholders should consult with their own tax advisors regarding the possible implications of FATCA (which forms part of the US Hiring Incentives to Restore Employment (HIRE) Act) on their investment in the Fund.

#### **(G) Data Protection**

The Company collects and process personal data about prospective and current shareholders (collectively "shareholders") from different sources. This personal data includes information given to us directly by shareholders when subscribing for shares issued by the Company and for any subsequent interaction or transaction between the Company and the shareholders and information collected from other publicly available sources. The Company will process such personal for the following purposes only, namely: to be able to enter into a contract with the shareholder, to entertain requests made by the shareholder in relation to the shares of the Company and for the detection and prevention of criminal activity which the Company is bound to report.

The Company does not share personal data of shareholders with companies, organisations and individuals outside of the Company unless the shareholder consents or for processing by the Administrator under the agreement between the Company and the Administrator or when required by law.

The shareholders' personal data may be transferred to and stored in locations outside the European Economic Area (EEA), including countries that may not have the same level of protection for personal information. In such a case, the Company will make sure that it has an appropriate level of protection and that the transfer is lawful.

The Company will not retain shareholders' personal information for longer than it is required for the maintenance of the shareholder's relationship with the Company, or for any legal or regulatory requirements.

Shareholders have the right to request access to their personal data and receive a copy of the personal data and to check that the Company is lawfully processing it, request correction of the personal data held, request erasure of your personal data where there is no valid reason for the Company to continue processing it and request the transfer of personal data to a third party.

Supervisory Authority Contact Details:

Land Line: (00356) 2328 7100

Email: [idpc.info@idpc.org.mt](mailto:idpc.info@idpc.org.mt).

#### **(H) Documents for inspection**

The following documents shall be available for inspection at the registered office of the Company, during normal business hours:

- (a) Memorandum and Articles of Association of the Company;
- (b) The Offering Memorandum;
- (c) The Offering Supplement/s to the Offering Memorandum;



- (d) The most recent audited financial statements of the Company;
- (e) The agreements between the Company and its Service Providers.

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## Appendix I –Net Asset Value

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### ***Determination of Net Asset Value***

The Company shall on each Valuation Day determine the Net Asset Value, and the Net Asset Value per Share of each Fund. Each Fund's Net Asset Value shall be the value of that Fund's assets less its liabilities. The Net Asset Value per Share of each Fund shall be its Net Asset Value divided by the number of Shares in issue in such class. The Net Asset Value shall be expressed in the Base Currency (or in such other currency as the Directors may determine) as a per share figure for each class of Shares in issue (rounding down to at least two decimal places of the relevant Base Currency) and shall be determined for each Dealing Day in accordance with Articles.

There shall be established a pool of assets for each Fund in the following manner:

- (i) the proceeds from the issue of shares representing a Fund shall be applied in the books of the Company to that Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of this Article;
- (ii) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;
- (iii) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund;
- (iv) where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Prime Broker, if any, shall be allocated to all the Funds pro-rata to the Net Asset Value of each Fund;

Provided that all liabilities of the Company irrespective of the Fund to which they are attributable, shall (in the event of a winding up of the Company), unless otherwise agreed upon with the creditors, be borne by the Company as a whole and provided further that when issuing a class of shares in regard to any Fund, the Directors may allocate Commission, Duties and Charges and ongoing expenses on a basis which is different from that which applies in the case of shares in other classes in the Fund.

Provided that all liabilities irrespective of the Fund to which they are attributable, shall (in the event of a winding up of the Company), unless otherwise agreed upon with the creditors, be borne by the Company as a whole and provided further that when issuing a class of Shares in regard to any Fund, the Administrator may allocate commission, duties and charges and ongoing expenses on a basis which is different from that which applies in the case of Shares in other Funds.



***Suspension of Determination of the Net Asset Value***

The Directors may, at any time, but shall not be obliged to, temporarily suspend the determination of the Net Asset Value and the sale and redemption of Shares in the Company, in the following instances:-

- (i) during any period (other than holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the investments, or in which trading thereon is restricted or suspended; or
- (ii) during any period when an emergency exists as a result of which disposal by the Company or any Fund of investments which constitute a substantial portion of the Company's or any Fund's assets is not practically feasible; or
- (iii) during any period when for any reason the prices of investments cannot be promptly or accurately ascertained by the Company; or
- (iv) during any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for investments cannot, in the opinion of the Company, be carried out at normal rates of exchange; or
- (v) during any period when the proceeds of sale or redemption of Shares in the Company cannot be transmitted to or from the Company's account.

The Company may elect to treat the first Dealing Day on which the conditions giving rise to the suspension have ceased as a substitute Dealing Day in which case the Net Asset Value calculations shall be effected on the substitute Dealing Day.

Any such suspension shall be published by the Company in at least one local newspaper. The Company shall also inform in any manner it may deem appropriate the persons who have made an application for the purchase and redemption of Shares in the Company. Any suspension shall be immediately notified, by the Company, to the MFSA.

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## Appendix II – Valuation of Assets

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Unless otherwise stated in the Offering Memorandum or in a Supplement the value of the assets comprised in the Company shall be ascertained on the following basis:-

(A) The value of any investment quoted, listed or normally dealt in on or under the rules of any stock exchange or other regulated market considered by the Directors to provide a satisfactory market for the securities in question (a "Regulated Market") shall be calculated by reference to the price appearing to the Directors to be the latest available dealing price or (if bid and offered quotations are made) the latest available middle market quotation on such Regulated Market provided that:-

- (i) if an investment is quoted, listed or normally dealt in on or under the rules of more than one Regulated Market, the Directors shall adopt the price or, as the case may be, the middle quotation on the Regulated Market which, in their opinion, provides the principal market for such investment;
- (ii) in the case of any investment which is quoted, listed or normally dealt in on or under the rules of a Regulated Market but in respect of which, for any reason, prices on that Regulated Market may not be available at any relevant time, the value thereof shall be determined by such professional person as may be appointed for such purpose by the Directors;
- (iii) the Directors shall not be under any liability by reason of the fact that a value reasonably believed by them to be the latest available price or, as the case may be, middle quotation for the time being may be found not to be such; and
- (iv) there shall be taken into account interest accrued on interest-bearing investments up to the date at which the valuation is made unless such interest is included in the price or quotation referred to above;

(B) the value of any investment which is not quoted, listed or normally dealt in on or under the rules of a Regulated Market shall be the initial value thereof ascertained as hereinafter provided or the value thereof as assessed on the latest revaluation thereof made in accordance with the provisions hereinafter contained. For this purpose:-

- (i) the initial value of such an Investment shall be the amount expended out of the Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other expenses incurred in the acquisition thereof and the vesting thereof in the Company for the account of a Fund); and
- (ii) the Directors may at any time cause a revaluation to be made of any such investment by such professional person as may be appointed for such purpose by the Directors;

(C) the value of each unit or Share in any collective investment scheme which provides for the units or Shares therein to be realised at the option of the Shareholder out of the assets of that scheme shall be the last published net asset value per unit or Share or (if bid and offer prices are published) at a price midway between the last published bid and offer prices applicable to the scheme;



(D) the value of any futures contract shall be:-

(i) in the case of a futures contract for the sale of the subject matter thereof, the positive or negative amount produced by applying the following formula:

$$a - (b + c)$$

(ii) in the case of a futures contract for the purchase of the subject matter thereof, the positive or negative amount produced by applying the following formula:-

$$b - (a + c)$$

where:

a = the contract value of the relevant futures contract (the "relevant contract");

b = the amount determined by the Directors to be the contract value of such futures contract as would be required to be entered into by the Company in order to close the relevant contract, such determinate to be based on the latest available price or (if bid and offered quotations are made) middle quotation on the Regulated Market in which the relevant contract was entered into by the Company; and

c = the amount expended out of the Company in entering into the relevant contract, including the amount of all stamp duties, commissions and other expenses but excluding any deposit or margin provided in connection therewith;

(E) cash, deposits and similar property shall be valued at their face value (together with accrued interest) unless, in the opinion of the Directors, any adjustment should be made;

(F) property other than investments and futures contracts shall be valued in such manner and at such time or times as the Directors shall from time to time determine;

(G) Immovable property, held directly or indirectly through Special Purpose Vehicles, shall be valued as follows:

In its capacity as the calculator of the NAV, the Administrator will, at each Valuation Day, in respect of investments of a Fund consisting of securities (including capital contributions/participations where the capital is not divided into shares) in the Special Purpose Vehicle/s through which the Fund will invest in the underlying assets, be relying on the net asset value of such securities (including capital contributions/participations) of the relevant Special Purpose Vehicle/s as provided by the accountants/auditors of the relevant Special Purpose Vehicle/s or the valuation agent of such investments or any other third party Independent Property Valuer appointed by the Company and/or the relevant Special Purpose Vehicle/s.

The directors (or equivalent administrative body) of the said Special Purpose Vehicle/s will prepare annual accounts in accordance with IFRS which accounts will be duly audited.

Valuations of the underlying assets consisting of real estate properties will be based on international or local asset valuation standards, and shall include an analysis which uses any of the following methods to calculate the value of the property in question:

- Sales Comparison Method: The sales comparison method is based on average prices, which people are ready to pay on the purchase and sale market of real estate for a building with analogous location, area and condition. It is presumed that none of the informed buyers agrees to pay more for the property to be acquired than has been paid by another buyer in case of a recently concluded comparable transaction.
- Income Method: The income method is based on the principle according to which the real estate value expresses the present value of the net income gained from it in future. It is based on the principle that the buyer does not agree to pay more for the real estate than the expected cash flows from the real estate during its lifetime.
- Capitalisation Method: The capitalisation method calculates the market value of a property as a ratio of the potential annual rental income produced by the property (net operating income) and the average capitalisation rate of the market. The capitalisation rate is selected on the basis of the comparable transactions in the area.

Such valuations will be carried out and reported upon by an Independent Qualified Valuer who is authorised to act in the jurisdiction where the property is situated and are appointed by the Company and/or the relevant Special Purpose Vehicle/s. The directors shall approve any material changes to the valuation methodology and guidelines, and any replacement of an Independent Qualified Valuer.

All Independent Qualified Valuers shall be carefully selected by the Investment Manager which shall conduct initial and periodic due diligence on all Independent Qualified Valuers that are appointed to perform valuation services. Independent Qualified Valuers shall provide upon request professional guarantees to demonstrate their ability to perform the valuation function. Professional guarantees to be furnished by Independent Qualified Valuers shall be in written form. The professional guarantees shall contain evidence of the Independent Qualified Valuer's qualification and capability to perform proper and independent valuation, including, at least, evidence of:

- (a) sufficient personnel and technical resources;
- (b) adequate procedures safeguarding proper and independent valuation;
- (c) adequate knowledge and understanding of the investment strategy of the Fund and of the assets the Independent Qualified Valuer is appointed to value;
- (d) a sufficiently good reputation and sufficient experience with valuation.

Where the Independent Qualified Valuer is subject to mandatory professional registration with the competent authority or another entity of the state where it is established, the professional guarantee shall contain the name of this authority or entity, including the relevant contact information. The professional guarantee shall indicate clearly the legal or regulatory provisions or rules of professional conduct to which the Independent Qualified Valuer is subject.

- (H) notwithstanding any of the foregoing sub-paragraphs, the Directors may adjust the value of any investment or other property or permit some other method of valuation to be used if it considers that in the circumstances (including without limitation a



material volume of subscription or redemptions of Shares in any Fund; or the marketability of the investments or other property; or such other circumstances as the Directors deem appropriate) such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investment or other property;

- (I) every Share allotted by the Company shall be deemed to be in issue and the relevant Fund shall be deemed to include the net amount of any cash or other property to be received in respect of each such Share;
- (J) where, in consequence of any notice or redemption request duly given, a reduction of any Fund by the cancellation of Shares has been or is to be effected but payment in respect of such reduction has not been completed, the Shares in question shall be deemed not to be in issue and any amount payable in cash or investments out of the Fund in pursuance of such reduction shall be deducted;
- (K) where any investment or other property has been agreed to be acquired or realised but such acquisition or disposal has not been completed, such investment or other property shall be included or excluded, as the case may be, and the gross acquisition or net disposal consideration excluded or included as the case may require as if such acquisition or disposal had been duly completed;
- (L) there shall be included in the assets an amount equal to all such costs, charges, fees and expenses as the Directors may have determined to amortise less the amount thereof which has previously been or is then to be written off;
- (M) where an amount in one currency is required to be converted into another currency the Directors may effect such conversion using such rates as the Directors shall determine at the relevant time except where otherwise specifically provided therein;
- (N) there shall be deducted from the assets such sum in respect of tax (if any) as in the estimate of the Directors will become payable in respect of the current accounting period;
- (O) there shall be deducted from the value of any investment in respect of which a call option has been written the value of such option calculated by reference to the latest available dealing price on a Regulated Market or (if bid and offered quotations are made) middle quotation on such Regulated Market or if no such price is available the value thereof shall be determined by such professional person as may be appointed for such purpose by the Directors;
- (P) where the current price of an investment is quoted, ex dividend or interest, there shall be added to the assets a sum representing the amount of such dividend or interest receivable by the Company but not yet received;
- (Q) there shall be added to the assets the amount (if any) available for allocation in respect of the last preceding accounting period of the Company but in respect of which no allocation has been made;
- (R) there shall be deducted from the assets the total amount (whether actual or estimated by the Directors) of any other liabilities properly payable including outstanding borrowings and accrued interest on borrowings (if any) but excluding liabilities taken into account in sub-paragraph (J) above.

Notwithstanding the foregoing the Directors shall be entitled to value the shares of any Fund using the amortised cost method of valuation, whereby the Investments of the Company are valued at their cost of acquisition, adjusted for amortisation of premium or accretion of discount on the Investments, rather than at the current market value of the Investments.

Pursuant to the Administration Agreement the Directors have delegated their function in connection with the calculation of the Net Asset Value to the Administrator. The Administrator is not required and is under no obligation to value underlying assets (including unlisted/unquoted securities) in calculating the net asset value and/or verify pricing information and shall rely entirely upon on the price (including estimated prices) provided by the Company or the valuation agent of the Company or any other third party valuer and in such circumstances the Administrator will not be liable for any loss suffered by the Company any Shareholder and/or third parties by reason of any incorrect or inaccurate valuation of the underlying assets and/or error in the price provided with respect to the value of the underlying assets (including unlisted/unquoted securities). Furthermore, the Administrator shall not be responsible for the selection, oversight or monitoring of any external agent or valuer appointed by the Company and shall not be liable for any losses incurred by any investor and/or third parties due to any act or omission of such external agent or valuer.



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### Appendix III – Eligible Investors

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The Articles provide that:

1. No shares shall be allotted or issued to or transferred to or be beneficially owned by a person who does not fall within the definition of an "Eligible Investor" as defined in the Offering Supplement to the Offering Memorandum and who has not provided the Company with a written declaration (the Declaration Form) attached to the relevant Offering Supplement.
2. The minimum investment, which a Fund may accept, is established in the relevant Offering Supplement (or its equivalent expressed in other currencies). Once the minimum investment has been made any additional amount may be invested but the total amount invested must not at any time be less than the minimum investment established in the relevant Offering Supplement (save where this relates to a decline in the net asset value without a withdrawal or withdrawals after 6 months of investment).
3. The Directors shall have power (but shall not be under any duty) to impose such restrictions (other than a restriction on transfer which is not expressly referred to in the Articles) as they may think necessary for the purpose of ensuring that no Shares are acquired or held by any person as described in paragraph 1 above.
4. The Directors may upon an application for Shares or on a transfer or transmission of Shares or at any other time and from time to time require such evidence or declarations to be furnished to them in connection with the matters stated in paragraphs 1 as they shall in their discretion deem sufficient.
5. If a person becomes aware that he is holding or owning Shares in contravention of the Articles he shall forthwith in writing request the Company to repurchase such Shares in accordance with the Articles or shall transfer such Shares to a person duly qualified to hold the same unless he has already received a notice under paragraph 6 below.
6. If it shall come to the notice of the Directors or if the Directors shall have reason to believe that any Shares are owned directly or beneficially by:
  - (i) Any person in breach of any law or requirement of any country or government authority or by virtue of which such person is not qualified to hold such Shares; or
  - (iii) Any person who is, or has acquired such Shares on behalf of or for the benefit of a person who is not an Eligible Investor; or
  - (iv) Any person or persons in circumstances which, (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons whether connected or not, or any other circumstances appearing to the Directors to be relevant) in the opinion of the Directors might result in the Company or any Shareholder incurring any liability to taxation or suffering pecuniary or administrative disadvantages which the Company or such Shareholder might not otherwise have incurred or suffered; or
  - (v) Any person who does not supply any of the information or declarations required hereunder within seven days of a request to do so being sent by the Directors;

If any of the above applies, then the Directors shall be entitled to give notice (in such form as the Directors deem appropriate) to such person or persons requiring him or them to transfer such Shares to a person who is qualified or entitled to own the same or to request in writing the repurchase of such Shares in accordance with the Articles.

7. If any person upon whom such a notice is served as aforesaid does not within 30 days of the date of such notice transfer such Shares or request in writing the Company to repurchase the Shares he shall be deemed forthwith upon the expiration of 30 days to have so requested the repurchase of all of his Shares which are the subject of such notice whereupon he shall be bound to deliver the Share certificate or confirmation of ownership in respect of the Shares to the Company forthwith and the Directors shall be entitled to appoint any person to execute such documents as may be required for the purposes of the repurchase. The deemed request to repurchase the Shares may not be withdrawn, notwithstanding that the determination of the Net Asset Value for such Shares may have been suspended.

8. Subject to any requisite official consents first having been obtained, settlement shall be effected by depositing the repurchase monies or proceeds of sale in a bank for payment to the person entitled upon such consents being obtained and, if relevant, against production of such evidence of ownership as the Directors may require representing the Shares previously held by such person, together with the repurchase request duly signed. Upon deposit of such repurchase monies as aforesaid such person shall have no further interest in such Shares or any of them or any claim in respect thereof except the right to claim without recourse to the Company the repurchase monies so deposited (without interest) upon such consents being obtained and against the production of the said evidence of ownership with the repurchase request duly signed.

9. The Directors may resolve that the provisions of the foregoing paragraphs shall be applied, in whole or in part, for a defined period or otherwise.