

*The Directors of the Company whose names appear in Section 7 of this Offering Memorandum accept responsibility for the information contained herein. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) as at the date of this Offering Memorandum the information contained in it is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.*

# Offering Memorandum

20<sup>th</sup> June 2019

relating to the offering of non-voting participating Investor Shares in Sub-Funds of

## **ARROW SICAV p.l.c.**

a collective investment scheme organised as a multi-fund public limited liability company with variable share capital registered under the laws of Malta

**Trident Fund Services (Malta) Limited**  
(Administrator, Registrar and Transfer Agent)

**Ernst & Young Malta Limited**  
(Auditor)

**Company Registration Number: SV 470**

**Malta Financial Services Authority Licence Number: CIS**

***Important Notice:** This Offering Memorandum may not be distributed unless accompanied by, and is to be read in conjunction with, the Offering Supplement relating to the Investor Shares being offered in a particular Sub-Fund.*

---

ARROW SICAV plc is licensed by the Malta Financial Services Authority ("MFSA") as a self managed Professional Investor Fund ("PIF") which is available to Qualifying Investors. PIFs 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 for this fund. Investors in PIFs are not protected by any statutory compensation arrangements in the event of the fund's failure. The MFSA has made no assessment or value judgment on the soundness of the fund or for the accuracy or completeness of statements made or opinions expressed with regard to it. The authorisation of ARROW SICAV plc is not tantamount to an endorsement of the Fund by the MFSA nor is the MFSA responsible for the contents of this Offering Memorandum.

---

# TABLE OF CONTENTS

	Page
Table of Contents.....	2
Important Notices.....	3
Section 1   Interpretation.....	6
Section 2   Principal Features.....	12
Section 3   Risk Factors.....	17
Section 4   The Portfolio Manager.....	36
Section 5   The Administrator.....	37
Section 6   The Custodian.....	38
Section 7   Officers of the Company.....	39
Section 8   Conflicts of Interest.....	43
Section 9   Organisation of the Company.....	44
Section 10   Side Pockets.....	49
Section 11   Fees, Charges and Expenses.....	50
Section 12   AML and Data Protection.....	53
Section 13   Taxation.....	57
Section 14   Indemnities.....	61
Section 15   Determination of Net Asset Value.....	62
Section 16   General Information.....	66
Section 17   Undertakings and Warranties.....	69
Section 18   Acquisition of Investor Shares.....	73
Section 19   Redemption of Investor Shares.....	77
Section 20   Directory.....	80

# IMPORTANT NOTICES

## Restricted Offer

This Offering Memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Offering Memorandum and the offering of Investor Shares in certain jurisdictions is restricted. Persons to whose attention this Offering Memorandum may come are required to inform themselves about, and to observe such restrictions. Prospective investors should inform themselves as to: (a) the legal requirements within their own jurisdictions for the purchase, holding or disposal of Investor Shares, (b) any foreign exchange restrictions that may affect them, and (c) the income and other tax consequences that may apply in their own jurisdictions in relation to the purchase, holding or disposal of Investor Shares. The Board may from time to time declare other categories of persons as not qualifying under applicable laws or being otherwise ineligible to purchase Investor Shares.

No person receiving a copy of this Offering Memorandum and/or the Offering Supplement(s) in any territory may treat the same as constituting an offer to such person unless, in the relevant territory, such an offer could lawfully be made to such person without complying with any further registration or other legal requirements. It is the responsibility of any person wishing to acquire Investor Shares to fully observe all the laws of the relevant territory in connection with such purchase, including obtaining any governmental or other consents that may be required or observing any other necessary formalities in such territory.

## Reliance on Offering Memorandum/ Offering Supplement(s)

No person other than the Company is authorised to give any information or to make any representation in connection with the issue of Investor Shares that is not contained or referred to in this Offering Memorandum, the Offering Supplement(s) or the documents referred to in them as being available to investors. The Investor Shares are offered solely on the basis of the information and representations contained in this Offering Memorandum and the Offering Supplement(s). Any further information given or representations made by any person may not be relied upon as having been authorised by the Company or its Board.

Neither the delivery of this Offering Memorandum, the Offering Supplement(s) nor the offer, issue or sale of Investor Shares shall constitute a representation that the information given in this Offering Memorandum and/or the Offering Supplement(s) is correct as of any time subsequent to the date on the cover page.

Founder Shares are not being offered for subscription pursuant to this Offering Memorandum.

## Licensed in Malta

The Company is licensed by the MFSA under the Investment Services Act (Cap. 370, Laws of Malta) (the “**ISAct**”) as an Professional Investor Fund targeting Qualifying Investors as defined in this Offering Memorandum and/or in the Offering Supplement in respect of a Sub-Fund and is constituted as a public limited company with variable share capital under the Companies Act (Cap. 386, Laws of Malta) (the “**Companies Act**”).

This Offering Memorandum has been filed with and approved by the MFSA in accordance with the MFSA Rules. The MFSA has made no assessment or value judgement on the soundness of the

Company or its Sub-Funds or any assessment as to the accuracy or completeness of statements made or opinions expressed with regard to it.

The Company qualifies as a self-managed PIF.

## **Eligible Investors**

This offer is an offer only to Qualifying Investors to whom a copy of this document has been furnished by or on behalf of the Company or the Portfolio Manager and on the basis that the person falls within the definition of an Investors. The Company is not authorised to, and does not intend to, offer Investor Shares to the general public.

## **Restrictions on Distribution**

### **European Economic Area (“EEA”)**

The Company (together with its Sub-Funds) is a registered self-managed PIF for the purpose of the AIFMD and therefore it does not benefit of the passporting rights under the AIFMD. As a consequence the Company and its Sub-Funds may be marketed (within the meaning given to the term “marketing” under the AIFMD), in any European Member State and in the EEA countries only and exclusively on the basis of either the private placement rules applicable in the relevant jurisdiction or reverse solicitation.

### **Malta**

This Offering Memorandum does not constitute or form part of any offer or invitation to the public to subscribe for or purchase Investor Shares and shall not be construed as such. No person other than the person to whom this document has been addressed or delivered shall be eligible to subscribe for or purchase Investor Shares. Investor Shares will not in any event be marketed to the public in Malta without the prior authorisation of the MFSA.

## **Information Available to all Investors**

Prospective purchasers and their representatives, if any, are invited to ask questions of and to obtain additional information from the Board and the Portfolio Manager, where applicable, concerning the investment, the terms and conditions of the Offering and other matters (including additional information to verify the accuracy of the information in this Offering Memorandum). A copy of the latest Offering Memorandum and all the Offering Supplements are available from the Administrator and the Portfolio Manager, if any. Please refer to “**Section|16 General Information**” for further information on documents and other information available to investors.

## **Right to Refuse Any Subscription Agreement**

The Company may reject a Subscription Agreement for any reason and is not obliged to disclose the reason, or reasons, for rejecting any Subscription Agreement.

## No Application to List Investor Shares on any Stock Exchange

As at the date of this Offering Memorandum, no application has been made for a listing on any stock exchange for any of the Investor Shares of the Company or for the grant of permission for any Investor Shares in the Company to be traded on any other exchange. Applications may be made in future for a listing on any stock exchange for any of the Investor Shares of the Company or for the granting of permission for any Investor Shares in the Company to be traded on any other exchange. When such event occurs for Investor Shares of a Sub-Fund, the relevant information regarding the application will be provided in the Offering Supplement for such Sub-Fund.

## Applicable Law

This Offering Memorandum, the Offering Supplements and any statements made in them as well as Shareholders' rights in relation to Investor Shares under the Memorandum and Articles are based on and subject to Maltese law and jurisdiction. Please refer to "**Section 9 | Organisation of the Company**" for further information on Shareholders' rights.

## Investment Risk

Investment in the Company and its Sub-Funds carries substantial risk. Investment in the Company and its Sub-Funds is only suitable for those investors who qualify as Qualifying Investors. There can be no assurance that the Company's investment objective (or those of any Sub-Fund) will be achieved and investment results may vary substantially over time. Prospective investors should be aware that the value of investments, as reflected in the Net Asset Value per Share, can go down as well as up and the attention of investors is drawn to "**Section 3 | Risk Factors**" hereof.

**INVESTMENT IN THE COMPANY AND THE SUB-FUNDS IS ONLY SUITABLE FOR QUALIFYING INVESTORS. THERE CAN BE NO ASSURANCE THAT THE COMPANY'S INVESTMENT OBJECTIVE (OR THOSE OF ANY SUB-FUND) WILL BE ACHIEVED AND INVESTMENT RESULTS MAY VARY SUBSTANTIALLY OVER TIME. PROSPECTIVE INVESTORS SHOULD ALSO BE AWARE THAT THE VALUE OF INVESTMENTS, AS REFLECTED IN THE NET ASSET VALUE PER INVESTOR SHARE, CAN GO DOWN AS WELL AS UP AND THE ATTENTION OF INVESTORS IS DRAWN TO THE RISK FACTORS BELOW. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS OFFERING MEMORANDUM AND/OR THE OFFERING SUPPLEMENT IN RESPECT OF A SUB-FUND OR YOU ARE CONSIDERING SUBSCRIBING FOR INVESTOR SHARES, YOU SHOULD CONSULT YOUR FINANCIAL ADVISOR.**

## Section 1 | INTERPRETATION

### Definitions

Unless the context otherwise requires or implies, the following words shall have the meanings set opposite them when used in this Offering Memorandum:

<b>Accounting Currency</b>	EUR.
<b>Accounting Period</b>	Unless otherwise determined by the Board, a financial period of the Company commencing on the 1 <sup>st</sup> of January and ending on the 31 <sup>st</sup> of December of the same year.
<b>Administrator</b>	In respect of a Sub-Fund, the entity engaged by the Company or by its appointed agent to provide administration services to the Sub-Fund; Refer to “ <b>Section 5   The Administrator</b> ” and the relevant Offering Supplement for details.
<b>Affiliates</b>	Any corporate body or other entity which in relation to the Person is (i) directly or indirectly a holding company or a subsidiary of that holding company or a subsidiary or (ii) under common control with such Person. An entity is a holding company of another entity if it holds the majority of the voting rights and is a subsidiary of a Person if such Person holds a majority of the voting rights in its shares. An entity is under common control with another entity if the same Person(s) holds the majority of the voting rights in respect of such entities.
<b>AIFMD</b>	European Union Directive 2011/61/EU on Alternative Investment Fund Managers including any implementing regulations issued under it. Unless the context otherwise requires or implies, references to AIFMD refer to the AIFMD as transposed under Maltese law and MFSA Rules.
<b>Auditors</b>	Ernst & Young Malta Limited or any successor auditors of the Company under the Companies Act.
<b>Base Currency</b>	The currency in which a particular class of Investor Shares is denominated. In relation to any particular Sub-Fund, see the related Offering Supplement for details.
<b>Board</b>	The Board of Directors of the Company, including any duly constituted committee of the Board or its delegates.
<b>Business Day</b>	Any day that is a normal business day and not a national or bank holiday in Malta or such other day as the Board may from time to time determine.
<b>Closing Date</b>	in respect of each Sub-Fund, the date determined by the Board on which Subscription Agreements have been received and accepted by the Board for such Sub-Fund.
<b>Companies Act</b>	The Companies Act (Cap. 386, Laws of Malta).
<b>Company</b>	Arrow SICAV p.l.c.
<b>Company Secretary</b>	Any such other person or entity appointed as secretary of the Company from time to time, as described in this document.
<b>Custodian</b>	Means the custodian appointed from time to time by the Scheme for one or more Sub-Funds or its successor.
<b>Dealing Day</b>	Any Business Day that is a Subscription Day and/or a Redemption Day.

<b>Directors</b>	The directors of the Company.
<b>EUR / € / Euro</b>	The currency of the participating member states of the European Union that have adopted a single currency in accordance with the Treaty on the European Union of 7 <sup>th</sup> February, 1992.
<b>External Valuer</b>	Means the external valuer of all or certain assets of the Company or any of its Sub-Fund appointed from time to time by the Board under its sole responsibility.
<b>FATF</b>	Financial Action Task Force.
<b>Founder Shareholders</b>	The holder of Founder Shares.
<b>Founder Shares</b>	Ordinary voting Shares with no nominal value in the Company.
<b>Illiquidity Event</b>	An event determined by the Board, upon the recommendation of the Portfolio Manager, in consequence of which any asset(s) of a Sub-Fund becomes illiquid or otherwise difficult to value.
<b>Initial Offering Period</b>	The period during which Investor Shares in any Sub-Funds are first offered at the Initial Offering Price. In relation to any particular Sub-Fund, see the related Offering Supplement for details.
<b>Initial Offering Price</b>	The price at which Investor Shares may be purchased during the Initial Offering Period. In relation to any particular Sub-Fund, see the related Offering Supplement for details.
<b>Investment Advisor</b>	Such investment advisor that may be appointed by the Portfolio Manager from time to time.
<b>Investment Advisory Fee</b>	The investment advisory fee which may be payable by the Portfolio Manager to the Investment Advisor.
<b>Investment Distributor</b>	Such investment distributor or distributors that may be appointed by the Company from time to time.
<b>Investor(s)</b>	Qualifying Investor.
<b>Investor Declaration Form</b>	A form to be filled in by Investors subscribing for Investor Shares in a given Sub-Fund.
<b>Investor Shares</b>	Non-voting participating Shares of no par value in the capital of the Company, which may be divided into different classes and which classes may, alone or together with other classes of Investor Shares, constitute Sub-Funds of the Company.
<b>ISAct</b>	The Investment Services Act (Cap. 370, Laws of Malta).
<b>Memorandum and Articles</b>	The Memorandum and Articles of Association of the Company.
<b>MFSA</b>	The Malta Financial Services Authority and/or any successor competent authority under the ISAct exercising supervisory and regulatory powers over the Company and the Portfolio Manager.
<b>MFSA Rules</b>	Any rules, licensing conditions, guidelines or guides issued by the MFSA in terms of the ISAct and which may be applicable to the Company and its Sub-Funds and their management by the Portfolio Manager.
<b>Minimum Additional Subscription</b>	Following the initial subscription, the minimum amount or value of Investor Shares that must be subscribed by the same Shareholder in the same Sub-Fund. In relation to any particular Sub-Fund, see the related Offering Supplement.

<b>Minimum Holding</b>	The minimum amount or value of Investor Shares that must be held in the Company and/or a Sub-Fund by any Investor at all times. In relation to any particular Sub-Fund, see the related Offering Supplement.
<b>Minimum Initial Subscription</b>	The minimum amount or value of Investor Shares that must be invested in a Sub-Fund by any Investor on first becoming a Shareholder. In relation to any particular Sub-Fund, see the related Offering Supplement.
<b>Minimum Redemption</b>	The minimum amount or value of Investor Shares that may be redeemed. In relation to any particular Sub-Fund, see the related Offering Supplement.
<b>NAV</b>	The Net Asset Value of a Sub-Fund or, where a Sub-Fund comprises more than one class, that attributable to a particular class of Investor Shares of a Sub-Fund.
<b>NAV Per Share</b>	The NAV divided by the number of Shares in issue of the Sub-Fund or class of Investor Shares concerned, as applicable.
<b>Net Proceeds</b>	The cash proceeds received by the Company in respect of a Sub-Fund arising from any disposal, refinancing (in whole or in part) or any other receipt in respect of such Sub-Fund's investment (including, for purposes of clarification, all cash flow and operating income generated by such investments received by the Sub-Fund) after deduction of any disposal expenses.
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>Offering</b>	The offering of Investor Shares for subscription as described in this Offering Memorandum and, in relation to a particular Sub-Fund, in the related Offering Supplement.
<b>Offering Memorandum</b>	All constituent parts of this Offering Memorandum, including all of its appendices, amendments, supplements and exhibits thereto, as the same may, from time to time be consolidated,.
<b>Offering Period</b>	The period after the expiry of the Initial Offering Period during which Investor Shares in a Sub-Fund will be made available at the Offering Price. In relation to any particular Sub-Fund, see the related Offering Supplement for details.
<b>Offering Price</b>	The price at which Investor Shares may be purchased after the Initial Offering Period which is the NAV per Share at the last preceding Valuation Day. In relation to any particular Sub-Fund, see the related Offering Supplement.
<b>Offering Supplement</b>	An offering document in relation only to Investor Shares in a particular Sub-Fund of the Company, including all of its relevant appendices, amendments and exhibits thereto, if any, as the same may from time to time be consolidated.
<b>Officers</b>	In relation to the Company, includes a Director, manager, investment committee member or company secretary of the Company but does not include the auditor.
<b>Performance Fee</b>	The performance fee, if any, in respect of a Sub-Fund as may be specified in the relevant Offering Supplement.
<b>Person</b>	any corporation, limited liability company, trust, partnership, estate, unincorporated association or other legal or natural person
<b>Portfolio Manager</b>	Such entities or individuals which may be appointed by the Company to manage all or part of the portfolio of assets of a



	Sub-Fund subject to the terms of the relevant portfolio management agreement.
<b>Portfolio Management Fee</b>	The portfolio management fee which may be payable by the Company to the Portfolio Manager.
<b>Prime Broker</b>	Such prime brokers that may be appointed by the Company in respect of a Sub-Fund from time to time.
<b>Qualifying Investor</b>	<p>A potential investor who meets one or more of the following criteria:</p> <ol style="list-style-type: none"> <li>1. a body corporate which has net assets in excess of EUR750,000 or USD750,000 or which is part of a group which has net assets in excess of EUR750,000 or USD750,000;</li> <li>2. an unincorporated body of persons or association which has net assets in excess of EUR750,000 or USD750,000;</li> <li>3. a trust where the net value of the trust's assets is in excess of EUR750,000 or USD750,000;</li> <li>4. an individual, or in the case of a body corporate, the majority of its Board of Directors or in the case of a partnership its General Partner who has reasonable experience in the acquisition and/or disposal of: <ul style="list-style-type: none"> <li>- funds of a similar nature or risk profile;</li> <li>- property of the same kind as the property, or a substantial part of the property, to which the PIF in question relates;</li> </ul> </li> <li>5. an individual whose net worth or joint net worth with that person's spouse or civil partner, exceeds EUR750,000 or USD750,000;</li> <li>6. a senior employee or Director of Service Providers to the PIF/Company;</li> <li>7. a relation or close friend of the promoters limited to a total of 10 persons per PIF;</li> <li>8. an entity with (or which are part of a group with) EUR3.75 million or USD3.75 million or more under discretionary management, investing on its own account;</li> <li>9. the investor qualifies as a PIF promoted to Qualifying or Extraordinary Investors;</li> <li>10. an entity whether body corporate or partnership wholly owned by persons or entities satisfying any of the criteria listed above which is used as an investment vehicle by such persons or entities.</li> </ol>
<b>Redemption Day</b>	A Business Day on which requests for the redemption of Investor Shares which have been accepted by the Company will be effected. In relation to any particular Sub-Fund, see the related Offering Supplement for details.
<b>Redemption Notice</b>	Subject to the discretion of the Board to accept other forms of notice, the notice a specimen of which is available from the Administrator which has to be submitted to the Company by a Shareholder wishing to redeem all or some of its Investor Shares.
<b>Redemption Price</b>	The price at which Investor Shares accepted for redemption will be redeemed which is the NAV per Share at the last preceding Valuation Day. In relation to any particular Sub-Fund, see the related Offering Supplement.

<b>Redemption Proceeds</b>	The Redemption Price multiplied by the number of Investor Shares being redeemed by the redeeming Shareholder, net of any applicable charges as may be stated in the related Offering Supplement.
<b>Remitting Bank</b>	The bank or financial institution from which a subscriber's subscription monies are sent to the Company.
<b>Section</b>	Any section of this Offering Memorandum
<b>Services Providers</b>	The Administrator, the Custodian, the Portfolio Manager and any other entity or person which/who may provide services to the Company necessary to carry on its business activities.
<b>Shareholder</b>	A registered holder of Investor Shares.
<b>Side Pocket</b>	Assets of a relevant Sub-Fund which the Board determine to constitute a Side Pocket, being assets that have become illiquid or that have become comparatively hard to value, and which are represented by Side Pocket Shares.
<b>Side Pocket Shares</b>	A class of Investor Shares in a Sub-Fund which represent assets allocated by the Board to a Side Pocket of the relevant Sub-Fund.
<b>Sub-Fund</b>	The class or classes of Investor Shares which the Board may from time to time declare to constitute a Sub-Fund being a separate patrimony of assets and liabilities to be maintained and invested in accordance with the Investment Objectives and Policies applicable to such Sub-Fund. The launch of new Sub-Funds require the prior approval of the MFSA.
<b>Subscriber</b>	A person who has completed and submitted a Subscription Agreement for Investor Shares in a Sub-Fund of the Company.
<b>Subscription Agreement</b>	The form, a specimen of which is available from the Administrator, which has to be submitted to the Company by a prospective investor for the purposes of subscribing to Investor Shares including the relevant investor declaration form.
<b>Subscription Day</b>	A Business Day on which the Company will issue new Investor Shares to Subscribers who have been accepted. In relation to any particular Sub-Fund, see the related Offering Supplement for details.
<b>USD / \$ / United States Dollars</b>	The lawful currency of the United States of America.
<b>Valuation Day</b>	The Business Day immediately preceding a Subscription Day or Redemption Day and/or such other Business Day as the Board may from time to time determine and/or such other Business Day as may be specified in the related Offering Supplement in respect of a Sub-Fund for the purpose of the NAV calculation.

## Rules of Construction

For the purposes of this Offering Memorandum, unless the context otherwise requires or implies:

- (a) words importing the **singular** include the plural and vice versa;
- (b) words which are **gender** neutral or gender specific include each gender;
- (c) other **parts of speech and grammatical forms** of a word or phrase defined in the Offering Memorandum has a corresponding meaning;

- (d) an expression importing a **natural person** includes a company, partnership, joint venture, association, corporation or other body corporate and a government agency;
- (e) a reference to **"includes"** means to include without limitation;
- (f) a reference to a **law** is a reference to that law as amended, consolidated or replaced and includes any subsidiary legislation or rules issued under it;
- (g) a reference to a **document** includes all amendments or supplements to that document, or replacements or novations of it;
- (h) a reference to a **Section, Part, Paragraph** or **Appendix** refers to a Section, Part, Paragraph or Appendix of this Offering Memorandum;
- (i) a reference to a **entity** in the Offering Memorandum (as the context requires) includes that entity's successors and permitted assigns;
- (j) a reference to **redeem** shall include repurchase;
- (k) a reference to acts done by a Sub-Fund is a reference to the Company acting in respect of that Sub-Fund in view of the fact that a Sub-Fund does not have a separate and distinct legal personality from that of the Company; and
- (l) all references to **currencies** shall include any successor currency.

## Structure of this Document

Due to the structure of the Company and the fact that several classes of Investor Shares in the Sub-Funds may be offered, the Company has issued this Offering Memorandum which includes general information in connection with the Company and several Offering Supplements, one for each Sub-Fund.

The Offering Memorandum covers all the matters which are generally relevant and/or common to the Sub-Funds. The Offering Supplements contain specific information directly related to a Sub-Fund and the classes of Investor Shares constituting that Sub-Fund. Each Offering Supplement forms an integral part of this Offering Memorandum.

In the case of the Company constituting a new Sub-Fund, a new Offering Supplement, dedicated to the particulars of that Sub-Fund, will be issued. The constitution of a new Sub-Fund requires the prior approval of the MFSA.

An Investor will be provided by or on behalf of the Company with both the Offering Memorandum and the relevant Offering Supplement for the specific Sub-Fund. Any Offering Supplement should be read in conjunction with this Offering Memorandum.

An Offering Supplement may modify, supplement or exclude any terms or conditions stated in this Offering Memorandum in relation to a particular Sub-Fund as well as include terms and conditions which, although not included in this Offering Memorandum, apply to the related Sub-Fund. In the event of any discrepancy between the Offering Memorandum and any Offering Supplement, the latter shall prevail with respect to the related Sub-Fund.

## Section 2 | PRINCIPAL FEATURES

The following should be read in conjunction with the full text of this Offering Memorandum and is qualified in its entirety by and subject to the detailed information contained elsewhere in this document.

### Company Structure

The Company is organized under the laws of Malta as an open-ended multi-fund investment company with variable share capital (SICAV) pursuant to the Companies Act 1995. By decision of the Board of Directors, the Company may set up one or more Sub-Fund(s) each of them having the particulars described under the relevant Offering Supplement.

The registered office of the Company is currently situated at Skyway Offices, Block C, Office 1, 179 Triq Marina, Pieta PTA 9042, Malta.

Subject to the MFSA approval, the Company may constitute segregated Sub-Funds which are segregated patrimonies and are represented by different classes of Investor Shares. Such Sub-Funds may also comprise or be sub-divided into more than one class of Investor Shares which are not segregated patrimonies.

The investment objectives, policies, restrictions and other features of each Sub-Fund shall be outlined in the relevant Offering Supplement.

### Segregated Assets

The Company is structured with segregated liability between its Sub-Funds pursuant to Maltese law and accordingly, the assets of one Sub-Fund will not generally be available to meet the liabilities of another.

Under Maltese law, the creditors of that Sub-Fund whose liabilities exceed its assets shall have no claim or right of action against the assets of the other Sub-Funds and of the Company and the legal status of each Sub-Fund as having segregated assets and liabilities from each of the other Sub-Funds should be respected in any proceedings under the Companies Act related to either the dissolution and consequential winding-up of the Company or its reconstruction. Furthermore, such proceedings instituted under the Companies Act should apply in the same way to each Sub-Fund as though it were a distinct legal entity and with such modifications as are necessary in view of the fact that a Sub-Fund is not a company. Any such proceedings in relation to any one Sub-Fund should not have any effect on the assets of any other Sub-Fund or of the Company.

The Board will hold or cause to be held such separate accounts, records, statements and other documents as may be necessary to evidence the liabilities and assets of each Sub-Fund as distinct and separate from the assets and liabilities of all the other Sub-Funds. If classes of Investor Shares are issued in the same Sub-Fund, all assets and liabilities of each such class of Investor Shares would form part of the total assets and liabilities of the Sub-Fund of which such a class of Investor Shares forms part.

Notwithstanding the foregoing, 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 and in such circumstances the assets of one Sub-Fund may be

exposed to the liabilities of another. There is no guarantee that the courts of any jurisdiction outside Malta will respect the limitations on liability associated with segregated account companies.

### **New Classes of Investor Shares**

The Company may issue new classes of Investor Shares which may be constituted as segregated Sub-Funds or new classes of Investor Shares within existing Sub-Funds, which may be designated in various currencies. The assets of the said Sub-Funds may be managed utilising different strategies or methodologies, or by investing in different markets.

This Offering Memorandum is to be at all times accompanied by an Offering Supplement for the Sub-Fund which is the subject of the Offering. Offerings in other Sub-Funds may be made again in the future. Information about Sub-Funds other than the ones referred to herein may be obtained from the Board, the Portfolio Manager or the Administrator.

### **Investment Objective and Policies**

The investment objective and policies of a Sub-Fund are set out in the Offering Supplement in respect of that Sub-Fund.

There is no guarantee that the investment objective will be met.

### **Investment Restrictions**

Except as may be specifically stated in the Offering Supplement applicable to any particular Sub-Fund, there shall be no restriction in the manner and extent to which the Company or any of its Sub-Funds may deploy, pledge or otherwise give as security, their assets, or assume liabilities, in pursuit of their specific investment strategies.

### **Restrictions on Borrowing or Leverage**

Except as may be specifically stated in the Offering Supplement applicable to any particular Sub-Fund or in the MFSA Rules, there shall be no restriction in the manner and extent to which the Company or any of its Sub-Funds may borrow or leverage its assets. Any details in relation to the maximum leverage according to either the commitment method or the gross method shall be disclosed and described in the relevant Offering Supplement.

Where a Sub-Fund is subject to restrictions on borrowing or leverage, the Offering Supplement will, in so far as applicable, include details of:

- a. the circumstances in which the Sub-Fund may borrow or employ leverage;
- b. the types and sources of borrowing or leverage permitted by the Sub-Fund;
- c. any other restrictions on borrowing or leverage by the Sub-Fund;
- d. the maximum level of borrowing or leverage which the Portfolio Manager or sub-Portfolio Manager is entitled to employ in respect of the Sub-Fund; and
- e. collateral and asset re-use arrangements for a particular Sub-Fund.

### **Cross Sub-Fund Investment**

Subject to any additional restrictions stated in the Offering Supplement applicable to any particular Sub-Fund or in MFSA Rules, a Sub-Fund shall be permitted to invest in Investor Shares of other

Sub-Funds of the Company (“**Cross-Sub-Fund Investment**”) under the following conditions and restrictions:

- a. a Sub-Fund may not invest more than fifty percent (50%) of its assets in any one other Sub-Fund of the Company;
- b. a Sub-Fund which is the subject of a Cross-Sub-Fund Investment may not invest back into a Sub-Fund which invested in it;
- c. the Portfolio Manager will, in relation to the Cross-Sub-Fund Investment, only charge one Investment Management Fee (but excluding any Performance Fees) and one subscription or redemption fee, if any;
- d. to the extent applicable, Investor Shares held by another Sub-Fund will not have any voting rights or be counted when thresholds for consent of Shareholders are being calculated, and
- e. the articles of association and the memorandum of association of the Fund allow such type of investment.

### **Alterations to the Investment Objective, Policies and Restrictions**

The Board may, subject to the prior notification and approval of the MFSA and subject to the below requirements alter the Investment Objective, Policies and Restrictions of a Sub-Fund. Changes to the investment policies and restrictions of the Company shall be notified to Investors in advance of the change.

Any alteration to the Investment Objective shall be notified to the holders of the Investor Shares in that Sub-Fund by mail at least thirty (30) Business Days before such alterations to the Investment Objective are to come into effect. Investors will be offered the chance to redeem their Investor Shares, and any applicable redemption fees or charges waived accordingly, in the event that they disagree with such changes. These changes will only become effective after all redemption requests received during such notice period have been satisfied.

Any material alterations to the Investment Policies and Restrictions of a Sub-Fund shall be notified to the Shareholders in that Sub-Fund at least fifteen (15) Business Days before such material alterations are to come into effect.

### **Redemption**

Redemptions of Investor Shares may be made on any Redemption Day, at the Redemption Price, if a valid Redemption Notice is received by the Company at the office of the Administrator with such prior notice and subject to such other conditions as may be stated in the related Offering Supplement.

Redemption requests received after such date will be processed on the next following Redemption Day, provided that the Board may accept, at its sole discretion, a shorter notice.

Redemption Proceeds due will be paid out as soon as practicable after final calculation of the Redemption Price on the relevant Valuation Day and after receipt of the proceeds of the sale of any investments sold to fund the redemption.

### **Publication of Net Asset Value**

The NAV per Share, as determined on each Valuation Day, will ordinarily be made available at the offices of the Company or Administrator.

Please see the relevant Offering Supplement for NAV per Investor Share publication arrangements in relation to any particular Sub-Fund.

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

Subject to the discretion of the Board to permit a lesser investment where deemed appropriate or unless otherwise stated in the related Offering Supplement, Subscribers and/or Shareholders are required to observe the Minimum Initial Subscription and the Minimum Holding requirements details of which will be set out in the relevant Offering Supplement. The Minimum Initial Subscription and the Minimum Holding shall in no event be less than the minimum amounts set out in the MFSA Rules.

The Minimum Holding requirement applies at all times to all Shareholders on an individual basis, except in the case of joint holders where it applies on a joint basis; however, no obligations shall arise upon a Shareholder should the total value of its relevant holdings decline to less than the Minimum Holding as a result of any fluctuation in the value of any of the underlying assets.

### **Minimum Additional Subscription and Minimum Redemption**

Subject to the Minimum Holding requirement and subject to the discretion of the Board to permit a lesser additional subscriptions or redemptions where deemed appropriate or unless otherwise stated in the related Offering Supplement, Shareholders are required to observe the Minimum Additional Subscription and the Minimum Redemption requirements details of which will be set out in the related Offering Supplement.

### **Accounting Currency**

For the purposes of the compilation of the annual financial statements of the Company, the reporting currency for the Company shall be the Accounting Currency. The accounts of each Sub-Fund may be maintained in the Base Currency of a class of Investor Shares constituting that Sub-Fund.

### **Investment Risk Warning**

In this Offering Memorandum and in the Offering Supplement of any Sub-Fund, there may be disclosures or descriptions of various investment strategies, approaches, techniques, methodologies, processes and intentions in relation to one or more Sub-Funds. Such disclosures or descriptions may constitute “forward-looking information” as they could contain statements of the intended course of conduct and future operations relating to the management of the investments of the Sub-Funds. These statements are based on assumptions made by the Portfolio Manager of the success of its or those of the sub-Portfolio Manager’s investment strategies approaches in certain market conditions, relying on the experience of the members of the Board, the Portfolio Manager and the Portfolio Manager’s officers and employees and their knowledge of historical economic and market trends.

Investors are cautioned that the assumptions made by the Board and the Portfolio Manager, where applicable, and the success of their investment strategies are highly uncertain, and are subject to a number of factors that make them prone to a range of possible outcomes that can result in substantial losses to the related Sub-Fund. Economic and market conditions may change, which may materially impact the success of the Board and, where applicable, the Portfolio Manager’s intended strategies as well as its actual course of conduct.

Such investment strategies carry with them particular risks that are not typical of standard equity or bond funds. Current Shareholders, and any prospective investor, are urged to review carefully the risk factors stated for the Sub-Funds in the relevant part of this Offering Memorandum (refer to “**Section 3 | Risk Factors**”) and any specific risk factors relative to any particular Sub-Fund which may be stated in the Offering Supplement for such Sub-Fund.

### **Further Information**

For further information on the Sub-Funds, reference should be made to the latest version of the relevant Offering Supplements, which are available at the offices of the Company, the Administrator and the Portfolio Manager, where appointed.



## Section 3 | RISK FACTORS

In evaluating the potential and suitability of an investment in one or more Sub-Funds of the Company, careful consideration should be given by prospective investors to the following risk factors which relate to the management of the Sub-Funds and the underlying markets in which the Sub-Funds' assets will be invested.

An Offering Supplement may also supplement the below list of risk factors with additional risks particular to an investment in the relevant Sub-Fund.

The summary below describes in general terms some of the risk factors that need to be considered in connection with an investment in the Company and its Sub-Funds. These risk factors should be regarded as general information and may not be a complete list of all relevant risk factors. It is accordingly recommended that, besides carefully considering the risk factors below, prospective investors also consult their own advisors on any legal, tax and financial issues that are relevant to their specific situation before investing in the Company and its Sub-Funds.

The Company has not adopted fixed guidelines for the diversification of its Sub-Funds. A significant percentage of the investments in any Sub-Fund may, at times, 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 or investments and other asset classes. Although it is the intention that the portfolios of each Sub-Fund will generally be diversified, this may not be the case at all times if the Portfolio Manager of the relevant Sub-Fund deems it advantageous for the Fund to be less diversified.

Generally, value or price movements in the markets in which a Sub-Fund may invest can be volatile and are influenced, among other things, by changing supply and demand relationships, government trade and fiscal policies, national and international political and economic events and changes in interest rates.

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

Depending on the Investor's currency of reference, currency fluctuations between such currency and the Base Currency of a particular class in a given Sub-Fund may adversely affect the realisation value of such Investor's investment in the Sub-Fund and the profits or income derived therefrom.

Furthermore, depending on the currency in which the underlying investments of any Sub-Fund are denominated or held, currency fluctuations between such currency and the Base Currency of the class in a particular Sub-Fund may adversely affect the value and realisation price of such underlying investments and the profits or income derived therefrom which may accordingly have an adverse effect on the NAV of such Sub-Fund and NAV per Investor Share of such Sub-Fund. The attention of prospective Investors is also drawn to the notice on the cover page of this Offering Memorandum regarding the fact that the Company and its Sub-Funds are licensed as a de minimis

Professional Investor Fund, and are therefore subject to a lower level of supervision and regulatory oversight by the MFSA than retail collective investment schemes.

## **General Risks of Investing**

An investment in the Company and its Sub-Funds is subject to all risks incidental to investment in securities and other assets which the Company and its Sub-Funds may own. These factors include without limitation, changes in government rules and fiscal and monetary policies, changes in laws and political and economic conditions throughout the world and changes in general market conditions. There can be no guarantee that any profits will be realised by the Company or a Sub-Fund and, therefore, by the Shareholders.

## **Risks of Multi-Fund Structure**

The Company can establish an unlimited number of separate Sub-Funds each represented by one or groups of classes of Investor Shares. In terms of regulations issued under the Companies Act, a Shareholder's interest will be limited to the assets and liabilities represented by the Sub-Fund in which the Shareholder invests. Investors should, however, be aware that in the event a claim is made against the Company, if the assets attributable to a Sub-Fund in respect of which the claim is made are insufficient to cover such claim, then the creditor may if, a non-Maltese court refuse to recognise the statutory segregation of Sub-Funds under Maltese law, nonetheless be allowed by such non-Maltese court to have recourse to the assets attributable to other Sub-Funds.

As at the date of the Offering Memorandum, the Board is not aware of any such existing or contingent liabilities. Furthermore, it is the standard requirement of the Company that any persons dealing with the Company expressly acknowledge the fact that they have no recourse against the Company and the Sub-Funds except to the extent of the assets of the Sub-Fund in relation to which they have had dealings.

As at the date of the Offering Memorandum, the Board is not aware of any instances where the treatment of segregated assets under Maltese law, as described above, has been successfully challenged, against the Company and any Sub-Funds, in Malta or in any jurisdiction where the Investor Shares have been distributed.

## **Lack of Operating History**

The Company is a newly formed entity, with no significant operating history upon which to evaluate the Company's likely performance. Each Sub-Fund has recently been created and has therefore no significant operating history. General economic and market conditions The success of the Company's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of security prices and liquidity of the securities held by the Company or its Sub-Fund(s). Unexpected volatility or liquidity could impair the Company's profitability or result in its suffering losses.

Notwithstanding the above the Board and/or the Portfolio Manager can not guarantee that such performance will be maintained and confirmed in the forthcoming years and therefor Investors and potential Investors should not fully rely on such previous performance of the Company.

## **Limited Transferability**

Since the Board may decline to register a transfer of Investor Shares at their sole and absolute discretion, Shareholders may not be able to sell their investments and therefore, would have to utilise the Company's redemption or repurchase programme, which itself may be subject to restrictions – see “**Section 19 | Redemption of Investor Shares**”.

### **Illiquidity of Shares**

There will be no secondary market for the Investor Shares, and consequently, Shareholders will likely only be able to dispose of the Investor Shares by redeeming their Shares. There is no assurance that, in order to meet redemptions, a Sub-Fund will be able to liquidate its portfolio without losses. These losses might have an adverse effect on the NAV of the relevant Sub-Fund and thus on the Redemption Proceeds that will be received by the redeeming investor. In the event of unsettled market conditions, or if for any reason Sub-Fund is unable to liquidate its investments or is otherwise obliged to suspend dealings in its Investor Shares, the Company may be unable to redeem Investor Shares.

Kindly also refer to “**Section 19 | Redemption of Investor Shares**” which provides detailed provisions on deferral of redemption arrangements, redemptions in specie, temporary suspension in redemptions and on suspension of redemptions requests.

These arrangements have a direct effect on the liquidity of the Investor Shares.

### **Substantial Redemptions**

Substantial redemptions of Investor Shares could require a Sub-Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Investor Shares. Substantial redemptions might also cause the liquidation of the Company and/or a Sub-Fund.

Illiquidity in certain markets could also make it difficult for a Sub-Fund of the Company to liquidate positions on favourable terms, thereby resulting in a decrease in the value of the assets. In these circumstances, the non-redeeming Shareholders will bear a disproportionate risk of any decline in the value, liquidity and quality of a Sub-Fund's assets subsequent to the redemptions.

In any of the circumstances described above, the Company may defer, suspend or limit the redemption of Investor Shares in such Sub-Fund – see “**Section 19 | Redemption of Investor Shares**”.

### **Compulsory Redemptions**

The Company reserves the right to require a Shareholder to redeem all or any part of its shareholding, within one (1) Business Day of a notice of intent to do so in the event that the holding of Shares by the Shareholder concerned may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or the Shareholders as a whole, if such Shareholder ceases to qualify as an Investor, or, if on any Valuation Day, the total value of the Investor Shares held by the Shareholder is less than the Minimum Holding for the Company or a Sub-Fund or if the Company otherwise determines that the ownership of the Investor Shares by the Shareholder is not in the best interests of the Company. Such compulsory redemptions will take place at the prevailing Redemption Price on the day that such redemption takes place. Should the Company exercise this right, it will not be liable for any loss that an investor may suffer as a result of such compulsory redemption. The Company reserves the right not to give any reason for such an action.

## Side Pockets

The illiquid or hard to value assets of a Sub-Fund represented by Side Pocket Shares is such that Investors in that Sub-Fund holding Side Pocket Shares will not be able to redeem their Investor Shares. The illiquidity of such assets may negatively affect the performance of the relevant Sub-Fund. Investors should also be aware of the increased difficulty in the valuation of Side Pocket Shares and the restrictions associated with the realization of interest from such Side Pocket Shares.

Kindly also refer to “**Section 10 | Side Pockets**” which provides detailed provisions on Side Pockets.

## Indemnities

The Company's Directors and Officers, the Portfolio Manager, the Custodian, the Prime Broker, the Administrator and other Service Providers to the Company and each of their directors, officers, employees and agents are entitled to be indemnified in certain circumstances. As a result, there is a risk that the Company's assets will be used to indemnify such persons, companies or their employees or satisfy their liabilities as a result of their activities in relation to the Company or a Sub-Fund.

See “**Section 14 | Indemnities**” for further details on the indemnities granted by the Company.

## Interest Rate Changes

The value of Shares may be affected by substantial adverse movements in interest rates. Interest rate risk includes, but is not limited to:

- (a) the risk that debt obligations will decline in value because of changes in interest rates. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline. The value of a Sub-Fund's investments may fluctuate with the level of prevailing interest rates from time to time.
- (b) the risk that the cost of any borrowing by the Company, or by a Sub-Fund, on which interest is payable at a variable rate will increase if the relevant rate of interest moves higher. Conversely, assets which earn interest at a variable rate will suffer a decline in income if the relevant rate of interest declines.
- (c) The risk that a spread movement between interest rates will affect the cost of currency hedging.

## Concentration Risk – Potential Lack of Diversification

To the extent that its portfolio is concentrated in investments or other assets in or from a particular country, market, industry, group of industries, sector or asset class, a Sub-Fund may be adversely affected by the performance of those assets, maybe subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting that market, industry, group of industries, sector or asset class.

## Geographic Risk

Geographic risk is the risk that a Sub-Fund's assets may be concentrated in countries located in the same geographic region. This concentration will subject a Sub-Fund to risks associated with

that particular region, such as a natural disaster.

Investments in certain foreign securities may be subject to greater risks than investments in securities of issuers from Member States of the EU and the OECD members due to a variety of factors including currency controls and currency exchange rates fluctuations, changes in governmental administration or economic or monetary policy, political or social instability or changed circumstances in dealings between nations and diplomatic relations. Dividends paid by foreign issuers may be subject to, or to higher, withholding and other foreign taxes that may decrease the net return on these investments. There may be less publicly available information about foreign issuers in certain countries and such issuers may not be subject to uniform accounting, auditing and financial reporting standards and disclosure requirements comparable to those of the Company and the Fund or most EU or OECD issuers and may differ in fundamental respects, such as accounting for inflation. Investment in foreign countries could be affected by other factors not present in more developed countries, including expropriation, confiscatory taxation and potential difficulties in enforcing contractual obligations.

In certain countries, securities of local issuers are less liquid and more volatile than securities of comparable issuers of more mature economies, and foreign brokerage commissions and costs are generally higher than in more developed markets. Foreign securities markets may have substantially less volume of trading and may also be less liquid, more volatile and subject to lower levels of government supervision than those in the EU and the OECD.

These markets may be volatile and illiquid and the investments of the Fund in such markets may be considered speculative and subject to significant custody and clearance risks and delays in settlement. In addition, there is generally less governmental regulation of securities exchanges, securities dealers and listed and unlisted companies in emerging market countries than in the EU or the OECD.

The emerging markets also have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when a portion of a Sub-Fund's assets are invested and no return is earned thereon. The inability to make intended purchases due to settlement problems could cause the Sub-Fund or the Portfolio Manager and/or the sub-Portfolio Manager to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to a Sub-Fund due to subsequent declines in value of the portfolio security or, if the Portfolio Manager and/or the sub-Portfolio Manager has entered into a contract to sell the security, could result in possible liability to the purchaser.

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 Sub-Fund.

Investors should consult a professional money manager as to the suitability for them of an investment in a Sub-Fund which may invest in foreign and emerging markets. Subscription of Investor Shares should be considered only by investors who are aware of, and able to bear, the risks related to investment in such markets and such investments should be made on a medium- to long-term basis.

## **Confidential Information**

The Portfolio Manager may, in connection with its other business activities, acquire material non-public confidential information that may restrict the Portfolio Manager from purchasing assets or

selling assets for itself or its clients (including the Company) or otherwise using such information for the benefit of its clients or itself.

## **Risks related to Private Equity Investment**

The stock prices of unquoted and private equity companies can perform differently than larger, more recognised, companies and have the potential to be more volatile. A lower degree of, or no liquidity in their securities/assets, a greater sensitivity to changes in economic conditions and interest rates, and uncertainty over future growth prospects may all contribute to such increased price volatility. Additionally, these companies may be unable to generate new funds for growth and development, may lack depth in management, may be developing products in new and uncertain markets, and may be difficult to value all of which are risks to consider when investing in such companies.

## **Credit Risk**

Some of the assets held by a Sub-Fund may derive an important part of their value from the credit quality of an issuer or an underlying entity. In the eventuality of a credit event related to that issuer or related entity, such as a bankruptcy, obligation acceleration, obligation default, failure to pay, repudiation, moratorium or restructuring, or in the eventuality of a general deterioration of credit conditions, the Sub-Funds could be subject to important losses on credit related positions.

With regards to the credit risk of the Company towards the potential Investors or Shareholders, monies subscribed in advance of a Subscription Day and held pending investment on the Subscription Day, or proceeds of redemptions held pending payment to investors, may be viewed by the courts as assets of the Company in the event of the insolvency of the Company prior to that relevant Dealing Day.

A Sub-Fund may invest in fixed income, derivative and other securities and instruments (subject to the investment policies and restrictions described above) and will accordingly be subject to the risk of a decline in the credit of the issuer or the counterparty (including the prime broker/s or broker/s with or through whom it may undertake some of its transactions and/or who provide/s borrowing and other trading facilities to a Sub-Fund to enable it to enter into obligations in excess of its NAV) and the risk that the issuers or counterparties may not make payments or may default on such securities, instruments or related transactions.

If there is a failure or default by the issuer or counterparty, a Sub-Fund may not receive 100% of its contractual entitlement unless its payment rights and such transactions are adequately secured or collateralised. Transactions and securities entered into and invested in by a Sub-Fund may not be adequately secured or collateralised or secured or collateralised to any extent.

Furthermore, an issuer of debt or other securities or counterparty suffering an adverse change in its financial condition could lower the credit quality of a security or instrument, leading to greater price volatility of such security or instrument. A lowering of the credit rating of a security or instrument may also offset the security's or instrument's liquidity, making it more difficult to sell.

## **Low Rated or Non-Rated and Non-Listed Securities**

A Sub-Fund may invest in securities and instruments (subject to the investment policies and restrictions described above) that are rated below investment grade by internationally recognized credit rating organizations or that are unrated. Although these securities and instruments may

provide for higher gain and income, they entail greater risk than investment grade securities and instruments.

Sub-investment grade or non-rated securities and instruments involve significant risk exposure as there is greater uncertainty regarding the issuer's capacity to honour its payment obligations in accordance with the terms of issue. The lower is the rating of a sub investment grade security, the lower is the protection (if at all) afforded against credit defaults by the respective issuers. Changes in the credit ratings of a security or in the perceived ability of the issuer to make payments may also affect the security's market value.

Moreover, investments in unquoted securities can be subject to risks not normally associated with quoted securities. These risks mainly relate to the lack of liquidity of the market.

### **Foreclosure Risk**

The facilities that may be granted by banks and other lenders to the Company in relation (and attributable) to a Sub-Fund may be terminated and/or called in by the bank or other lender in circumstances and for reasons outside the control of the Portfolio Manager and/or the sub-Portfolio manager and the Board, and such termination and/or call in can negatively affect the performance of a Sub-Fund, due to the possible constraints imposed on a Sub-Fund to sell off some of its underlying assets at less favourable prices in order to fund the repayment of any such facilities.

### **Institutional Risk**

The assets of a Sub-Fund will be held under the custody or supervision of the Custodian. The Custodian is authorized to use correspondents to safe keep the Sub-Fund's assets, which may include affiliates of other Service Providers to the Sub-Fund.

### **Legal Restrictions on Portfolio Investments**

The Company is subject to regulations in Malta and its direct and indirect portfolio investments may be subject to regulations (including tax and exchange control regulations) in other countries. The Company may also be subject to regulations in countries where its Sub-Fund are marketed. In view of the said legal requirements which may be applicable to a Sub-Fund, any sub-Portfolio Manager and/or Investment Advisor a Sub-Fund may at times either need to limit, for other than investment reasons, the amount of assets invested in a particular financial instrument or issuer or may not be able, for regulatory reasons, to invest at all in financial instruments that would otherwise be appropriate (in view of restrictions on investments by foreign investors). Such actions may affect the performance of a Sub-Fund and could limit the availability to such Sub-Fund of attractive investment opportunities. In addition, possible changes to the laws and regulations governing permissible activities of the Company the Portfolio Manager and/or the sub-Portfolio Manager could restrict or prevent such entities from continuing to pursue the Company's investment objective or policies or operate in the manner currently contemplated. In addition, some issuers of securities or counterparties to transactions in which or with whom a Sub-Fund may invest in will not be subject to significant regulation or regulatory supervision and neither the Company nor the Portfolio Manager or the sub-Portfolio manager can fully monitor legal and regulatory compliance by such issuers or counterparties.

### **Possible Adverse Tax Consequences**

No assurance may be given that the manner in which a Sub-Fund will be managed and operated, or that the composition of its portfolio investments, will be tax efficient for any particular Investor or group of Investors. Any Sub-Fund's books and records could be audited by the tax authorities of countries where a Sub-Fund will be managed and operated, or where a portion of its portfolio investments are made, or where a particular Shareholder or group of Shareholders reside. Any such audits could subject a Sub-Fund to tax, interest and penalties, as well as incremental accounting and legal expenses.

## **General Tax and Legal Risks**

The tax consequences to the Company, any Sub-Fund and Investors, the ability of any Sub-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 Sub-Fund are based on existing regulations and are subject to change through legislative, judicial or administrative action in the various jurisdictions in which a Sub-Fund or its service providers operate.

There can be no guarantee that tax legislation and laws or regulations governing a Sub-Fund's operations and investments will not be changed in a manner that may adversely affect such Sub-Fund.

## **Risk of Litigation**

A Sub-Fund may, directly and indirectly, accumulate substantial positions in the securities of a single issuer, which may become involved in litigation or bankruptcy proceedings. Under such circumstances, a Sub-Fund might be named as a defendant in a lawsuit or regulatory action.

## **Dividends**

Although certain Sub-Fund may invest in some equity securities or equity related securities on the basis that they are distribution securities, the directors or other decision-makers of the relevant issuers may have the discretion to decide not to recommend any dividends in any given year or period. In such cases, the relevant Sub-Fund's prospects of income-generation (and resultant cash-flows) may be negatively affected and such Sub-Fund may effectively find itself in a position that it may realise a return on its investment in such securities only on realisation of such securities.

## **Borrowing and Leverage Risks**

A Sub-Fund may not be able to repay borrowings or may be forced to sell investments at a disadvantageous time in order to repay borrowings. Costs incurred in connection with the use of leverage may not be recovered by income or appreciation in the investments purchased, and may be lost in the event of a decline of the market value of such investments. In the event of a precipitous drop in the value of its assets, a Sub-Fund might not be able to liquidate assets quickly enough to repay its margin debt. A Sub-Fund might elect to sell its more liquid assets to repay borrowings, or to meet redemptions, thus increasing its concentration in less liquid securities.

## **Strategy**

In any Sub-Fund, strategy related losses can result from excessive concentration in the same investment policy or in the general economic events that adversely affect particular strategies. Furthermore, policies employed may evolve over time, and perhaps change materially, in ways



that would be difficult (if not impossible) for the Portfolio Manager to detect or follow. There can be no assurance that any trading method employed by the Portfolio Manager will produce profitable results. Moreover, past performance is not necessarily indicative of future profitability.

### **Liquidity of Investments**

At various times, the markets for securities in which a Sub-Fund may invest in may be “thin” or illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. The liquidity of the market may also be affected by a halt in trading on a particular futures or securities exchange or exchanges. Illiquid markets may make it difficult for a Sub-Fund to get an order executed at a desired price. All of the above could result in delays in the calculation of the NAV and/or payment of any Redemption Proceeds. Under certain circumstances, the Sub-Fund may be unable to liquidate portfolio investments due to the absence of a liquid market, and consequently, may not be able to redeem Investor Shares.

### **Other Liquidity Risks**

Investor Shares may only be redeemed pursuant to the terms and conditions provided in this Offering Memorandum and in the relevant Offering Supplement including the limitation to certain Redemption Days, and other possible restrictions or suspensions of redemptions contemplated therein.

To date, there is no market for the Investor Shares and no secondary market is expected to develop to provide Investors with liquidity of investment except through redemption. No assurance may be given that active secondary trading will develop or that Investor Shares will trade at a premium or discount from their NAV.

Redemptions of Investor Shares will be funded through sale of the underlying assets of the relevant Sub-Fund and may result in erosion of capital. The realisation of the underlying assets depends on factors affecting the relevant market at the relevant time as well as on several economic factors, all of which can significantly impinge on the targeted price of sale and/or on the time frame set for the sale.

### **Accumulator Fund Shares**

Investor Shares may have the characteristics of accumulator shares and accordingly do not entitle Investors to receive dividends or other income thereon. This means that Investors will not be able to realize any return on their investment before redemption thereof by the Company or disposal of such investment to third parties. Furthermore, since increases in the NAV of a Sub-Fund could be retained by the Sub-Fund rather than paid out as dividends, the Net Asset Value of the Sub-Fund will be greater, thereby increasing the amount of the management fees payable to the Portfolio Manager and fees due to other Service Providers which are calculated as a percentage of or by reference to the Net Asset Value.

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

The NAV of a Sub-Fund and the NAV per Share is not audited (except at fiscal year-end) and based primarily upon the value of a Sub-Fund's holdings of securities and other investments. In valuing those holdings, a Sub-Fund will in some cases need to rely primarily on non-audited financial information procured from the relevant underlying securities' issuers, their agents, market makers or other sources. If financial information used to determine the net asset value of any such

issuer is incomplete, inaccurate, or if such NAV does not adequately reflect the net asset value of the issuer, the NAV per Share may be adversely affected (especially if subscriptions or redemptions are effected on the basis of over- or under- estimated net asset values). Adjustments to the NAV of a Su-Fund will generally be made to the then current NAV, not by adjusting the NAVs previously reported.

Although the Portfolio Manager or the sub-Portfolio Manager, where applicable, intends to select underlying securities issuers which use reputable accountants and valuers, a Sub-Fund will have no control over the choice of service providers made by such issuers nor on the valuation methods and accounting rules which they may use.

Investors should recognize that the Sub-Fund's ability to correctly assess the value of its investments portfolio will be dependent upon the information available with respect to these investments.

## **General Economic Conditions**

The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of prices, interest rates and the liquidity of the markets for equities, interest-rate-sensitive securities and other investments. Certain market conditions, including unexpected volatility or illiquidity in the market in which a Sub-Fund directly or indirectly holds positions, could impair a Sub-Fund's ability to achieve its objectives and/or cause it to incur losses.

## **Market Risks**

The success of a significant portion of an investment program will depend, to a great extent, upon correctly assessing the future course of the price movements of shares, stocks and bonds (including indices), financial instruments, foreign currencies and other investments and assets. There can be no assurance that the Portfolio Manager and/or the sub-Portfolio Manager will be able to predict accurately these price movements. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

## **Foreign Exchange Risk**

Because a Sub-Fund's assets and liabilities may be denominated in currencies different to its Base Currency, a Sub-Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base Currency and such other currencies. Changes in currency exchange rates may influence the value of shares and other securities and financial instruments, the dividends or interest or other income earned and the gains and losses realised.

Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments and trades and changes therein, governmental intervention (usually directly by regulation in the currency markets to influence process directly) and trade, fiscal and monetary policies of governments, speculation, different countries' rates of inflation, international interest rates, international trade restrictions, currency devaluations and re-valuations and other economic and political conditions.

If the currency in which an underlying security or instrument is denominated appreciates against the Base Currency, the value of the underlying security or instrument will increase. Conversely, a

decline in the exchange rate of the currency would adversely affect the value of the security or instrument.

The performance of a Sub-Fund may also be strongly influenced by movements in currency rates because currency positions held by a Sub-Fund may not correspond with the securities positions held.

Similarly, currency fluctuations between the Base Currency of a Sub-Fund and the investor's currency of reference may adversely affect the value of the investor's investment in a Sub-Fund and the yield derived therefrom.

## **Hedging Transactions**

The Portfolio Manager may employ various techniques to attempt to reduce a portion of the risks inherent in its investment strategies. The ability to achieve the desired effect through a particular technique is dependent upon many factors, including the liquidity of the market at the desired time of execution. Thus, such techniques cannot always be implemented or effective in reducing losses. Hedging transactions, including the use of derivative contracts, which may be used by the Portfolio Manager have risks associated with them, including possible default by the other party to the transaction, illiquidity, a lack of regulation in certain over-the-counter markets and, to the extent that the view of the Portfolio Manager as to certain market movements is incorrect, the risk that the use of hedging transactions could result in losses greater than if they had not been used. Use of put and call options may result in losses. The use of currency transactions can result in losses being incurred as a result of a number of factors including the imposition of exchange controls, suspension of settlements, or the inability to deliver or receive specified currency.

The use of options and futures transactions entails certain other risks. In particular, the variable degree of correlation between price movements of futures contracts and price movements in the related portfolio position of a Sub-Fund creates the possibility that losses on the hedging instrument may be greater than gains in the value of that position. In addition, futures and options markets may not be liquid in all circumstances. As a result, in certain markets, a Sub-Fund might not be able to close out a transaction without incurring substantial losses, if at all. Although the use of futures contracts and options transactions for hedging should tend to minimise the risk of loss due to a decline in the value of the hedged position, at the same time they tend to limit any potential gain which might result from an increase in value of such position. Finally, the daily variation margin requirements for futures contracts could create a greater ongoing potential financial risk than could purchases of options, where the exposure is limited to the cost of the initial premium. Losses resulting from the use of hedging transactions could reduce Net Asset Value, and possibly income and such losses can be greater than if the hedging transactions had not been utilised.

## **Investment in Equity Securities**

As a result of a Sub-Fund's investments in equity securities and stock index linked derivative instruments, the Fund will be directly or indirectly 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. Experience has shown that equities and securities of a share-like character may be subject to strong price fluctuations. That is why they offer the possibility of considerable price gains, but also involves the corresponding risks. Share prices are influenced above all by the profits or otherwise of individual enterprises and sectors as well as macro-economic developments and political perspectives which determine the expectations of the securities markets and thus the movement of prices.

## Short Sale Positions

A Sub-Fund may take short sale positions of securities (particularly short positions through the sale of futures on equity indices) without maintaining an equivalent quantity, or a right to acquire an equivalent quantity, of the underlying securities in its portfolio, in the expectation of “covering” the short sale with securities subsequently purchased in the open market at a price lower than that received in the short sale. There can be no assurance that the security in question 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 Sub-Fund (whereas the possible losses that could be incurred from a cash investment in the security can only equal the total amount of the cash investment). Short selling activities may also be subject to restrictions imposed by regulations and/or securities exchange rules, which restrictions could limit the investment activities of a Sub-Fund.

## Fixed-Income Investments

A Sub-Fund may also invest in fixed income securities as well as fixed income index-linked derivative instruments. Price changes in fixed-interest and interest rate sensitive securities are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. Fixed-interest and interest rate sensitive securities (including futures on fixed income indices) could suffer when capital market interest rates rise, while they could increase in value when capital market interest rates fall.

The price changes also depend on the term or residual time to maturity of the fixed-interest securities. In general, fixed-interest securities with shorter terms have less price risks than fixed-interest securities with longer terms. However, they generally have lower returns and, because of the more frequent due dates of the securities portfolios, involve higher re-investment costs. Furthermore, fixed-income securities investments are also subject to risks associated to the issuers of such securities (see other risks outlined below, in particular “**Credit Risk and Counterparty Risk**”).

To the extent that a Sub-Fund may invest in fixed-interest securities without regular interest payments and / or zero coupon bonds, it should be noted that in times of climbing capital market interest rates, it may be difficult to trade in such bonds. Accordingly, due to their comparatively long term and the absence of continual interest payments, particular attention must be paid to observing the credit worthiness and assessing the issuer of such securities and zero bonds.

## Lower Credit Quality Bonds

There are no restrictions on the credit quality of the bonds to be held in the Sub-Funds’ portfolios. Bonds purchased by the Sub-Funds may be deemed to have substantial vulnerability to default in payment of interest and/or principal. Certain bonds which the Sub-Funds may invest in have large uncertainties or major risk exposures to adverse conditions, and may be considered to be predominantly speculative. Generally, such bonds offer a higher return potential than higher quality bonds but involve greater volatility of price and greater risk of loss of income and principal. The market values of certain of these bonds also tend to be more sensitive to changes in economic conditions than better quality bonds.

## Fraud

Of paramount concern for any investment is the possibility of material misrepresentation or omission on the part of a counterparty. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying an investment. The Portfolio Manager will rely upon the accuracy and completeness of representations made by counterparties to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Sub-Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

### **Due Diligence Process**

Before making investments, the Portfolio Manager will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Portfolio Manager may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Portfolio Manager will rely on the resources available to it, including information provided by the target of the investment or the seller and, in some circumstances, third-party investigations. The due diligence investigation that the Portfolio Manager will carry out with respect to any investment opportunity may not reveal or highlight certain facts that could adversely affect the value of the investment.

### **Investment in collective investment schemes**

One or more Sub-Funds of the Company may invest in collective investment schemes which may be unregulated. It should be noted that unregulated collective investment schemes do not afford the same level of protection towards investors generally afforded by regulated collective investment schemes. Furthermore, the valuation of such collective investment schemes may be based on estimate values provided by such collective investment scheme.

### **Use of Derivatives**

A Sub-Fund may invest in derivative instruments, particularly (but without limitation) for the purpose of hedging and efficient portfolio management, in accordance with and subject to its investment policies and restrictions described above. 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 Sub-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 the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

Transactions in options carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller of a call option will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. If the option is "covered" by the seller holding a corresponding

position in the underlying investment or a future on another option, the risk may be reduced. The risk for a writer of a put option is that the price of the underlying security may fall below the exercise price. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities.

A Sub-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 Sub-Fund or fails to make a cash settlement payment due in accordance with the terms of that option, a Sub-Fund will lose any premium it paid for the option as well as any anticipated benefit of the transaction. Furthermore, in general, there is less governmental regulation and supervision in the OTC markets than of transactions entered into on an organized exchange. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearing house, will not be available in connection with OTC transactions. A Sub-Fund may therefore be exposed to greater risk of loss through default than where trading is confined to regulated exchanges.

Transactions in futures carry a high degree of risk. Because of the low margin deposits normally required in futures and options trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement will have a proportionately larger impact which may work for or against the investor. Like other leveraged investments, a 'futures' transaction may result in losses in excess of the amount invested. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

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 Sub-Fund wants to close out its position. If a Sub-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.

Unlike future contracts, forward contracts are not exchange traded but are usually OTC instruments. This means that they carry significantly higher credit risk, similar to the ones outlined above for OTC options.

The Fund may also engage in interest rate, currency, equity and credit default swaps ("**CDS**") and related instruments, which require a Sub-Fund or the Portfolio Manager and/or the sub-Portfolio Manager or Investment Advisor, where applicable, to forecast, among other things, interest rate movements, currency fluctuations, market values and the likelihood of a credit event for a securities issuer. Such forecasting is inherently difficult and entails investment risk. The use of swaps involves investment techniques and risks different from those associated with ordinary portfolio security transactions.

There is no guarantee that a Sub-Fund will be able to eliminate its exposure under an outstanding swap by entering into an offsetting swap, and the Fund may not assign a swap without the consent of the counterparty to it. In addition, each swap exposes a Sub-Fund to counterparty risk and a Sub-Fund or the Portfolio Manager and/or the sub-Portfolio Manager or Investment Advisor, where

applicable, may determine to concentrate any or its entire swap transactions, including CDS, in a single counterparty or small group of counterparties. If the counterparty defaults, a Sub-Fund's only recourse will be to pursue contractual remedies against the counterparty and the Fund may be unsuccessful in such pursuit. A Sub-Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to a swap contract.

### **Contracts for difference (CFD)**

In particular, the value of an investment in a CFD may be affected by a variety of factors, including but not limited to, price volatility, market volume, foreign exchange rates and liquidity. A Sub-Fund may engage in trading in CFDs with an approved third party broker with which it holds a trading account. CFD trading involves placing a trade in relation to movements of prices set by the broker by reference to prices of the underlying securities. Whether a Sub-Fund makes a profit or a loss depends on how the price has moved between when it opened the trade and when it closed the trade. CFDs are a short term trading tool and commission is charged on the leveraged amount (not the deposit) and therefore costs can build up when frequently traded. Although CFD trading can be utilised for the management of investment risk, the 'gearing' or 'leverage' often obtainable in trading CFDs means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the position, and this can work against a Sub-Fund as well as in favour. CFDs and other financial derivative products are 'margined', and require a Sub-Fund to make a series of payments against the contract value, instead of paying the whole contract value immediately. Changes to the rates of initial margin and/or notional trading requirements at any time, may also result in a change to the margin. When trading CFDs, the Fund will be entering into off-exchange (OTC) derivative transactions. Transactions in off-exchange derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example at times of rapid price movement if the price for the underlying rises or falls in one trading session to such an extent that trading in the underlying is restricted or suspended.

### **Possible Losses in Forward Exchange Transactions**

Securities option dealings, financial futures contracts and option dealings on financial futures contracts and securities index options and other forward exchange transactions may involve considerable risks. Since the possible profits arising from such transactions must be set against high possible losses, the investor must realise that:

- the time-limited rights acquired from forward exchange transactions can collapse or suffer a reduction in value;
- the amount of the possible loss is not known in advance and can exceed any collateral provided;
- it may not be possible, or may only be possible at a loss, to effect dealings through which the risks from forward exchange transactions which have been effected are to be excluded or limited;
- in addition to the above risks, the exercising of two linked forward exchange transactions involves additional risks which depend on the financial futures contracts/securities index options thus created and may result in a loss far above the original investment in the price paid for the option right or warrant.

## Index-linked Instruments

The currency and securities index-linked futures and other instruments offer exposure to transactions the performance of which is linked to the performance and volatility of the global currency, fixed income and equity markets. These transactions are types of derivative transactions, meaning transactions which depend largely upon a relevant reference basis, in this case the relevant foreign exchange rates, equity markets and fixed income markets. While the Portfolio Manager will seek to obtain valuation of these instruments and transactions in accordance with interbank standard market valuation procedures, the particular rates which prevail as between banks may change quickly and at times there may be inefficiencies in information available to banks which will affect the rates which are offered. As with other derivative transactions, a small movement in the reference basis (i.e. the relevant foreign exchange rates, equity markets and fixed income markets) may mean a large change in the value of these instruments and transaction.

Furthermore, while the Portfolio Manager and/or the sub-Portfolio manager will seek to achieve this, there is no guarantee that the indices chosen will be sufficiently diversified (in terms of their composition), that they will represent an adequate benchmark for the market to which they respectively refer and/or that they will be published in an appropriate manner.

## Securities Lending

A Sub-Fund may invest in securities lending agreements for efficient portfolio management purposes. Although this will involve the provision of collateral in accordance with good market practice (which collateral may therefore be marked to market), the loan of securities involves a particular counterparty risk in that the contracting party may be unable to meet its payment obligations, or may do so only partially or late and the collateral provided may be insufficient to reconstitute the portfolio of loaned securities.

## Risk Reduction and Risk Avoidance Measures

The Portfolio Manager and/or the sub-Portfolio Manager may use modern methods of analysis to optimise the opportunity/risk ratio of an investment in securities. Through shifting and temporarily higher cash balances, the portion of a Sub-Fund not invested in securities serves the objectives of the investment policy in that it reduces the effect of possible price falls in securities investments. Nevertheless, no assurance can be given that the objectives of the investment policy will be reached.

## Suspensions of Trading

Each securities exchange market typically has the right to suspend or limit trading in all securities which it lists. Such a suspension would render it impossible for a Sub-Fund to liquidate positions and, accordingly, expose a Sub-Fund to losses and delays in its ability to redeem Investor Shares.

## Contingent Liability Transactions

Contingent liability transactions, which are margined, require a Sub-Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

If a Sub-Fund trades in futures, options or contracts for differences, it may sustain a total loss of the margin deposited to establish or maintain a position. If the market moves against the related Sub-Fund, it may be called upon to pay substantial additional margin at short notice to maintain the position. If the related Sub-Fund fails to do so within the time required, its position may be



liquidated at a loss and that Sub-Fund will be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when that Sub-Fund entered the contract.

### **Use of Custodians**

Sub-Fund's cash may be deposited with the Custodian or another banking institution selected by the Portfolio Manager or the Company, as disclosed in the relevant Offering Supplement. In spite of upcoming more stringent rules on banks' capital reserves and possible restrictions on proprietary trading, the failure of a bank is always possible, especially in the context of systemic risk trigger events. In the event of failure of a bank, a Sub-Fund risks losing all or a portion of cash held with that institution. Further, as an institutional investor, the Company or its Sub-Funds would not normally benefit from depositor compensation schemes.

### **Dependence on Directors and Key Individuals**

The management of the assets of the Company and the Sub-Fund(s) is under the responsibility of the Directors and the investment management and portfolio structure monitored and set up by an Investment Committee appointed by the Board of Directors, whilst the Portfolio Manager has been delegated with the day to day management of the portfolio of assets of the Company and the Sub-Funds under the supervision of the Investment Committee. Despite a certain discretion conferred to the Portfolio Manager in the exercise of the day to day investment management of the assets of the Company and the Sub-Funds, the Directors shall remain ultimately responsible of the portfolio management activities in respect of every Sub-Fund for whom the Portfolio Manager has been appointed as such.

The Company's success depends to a significant extent, upon the relevant persons to properly manage the Company (including the Investment Committee members, the Portfolio Manager and/or Sub-Portfolio Manager(s), if any), in respect of the day to day management of the assets of the Company. As a consequence the Company may be adversely affected if the persons responsible for these activities cease to participate in the operation of the Company. The loss of such a Directors and key individual could affect the Company's management and cause the Company to suffer losses.. To the extent that the Scheme may appoint specialist expertise of other service providers or advisors such as Investment Advisors the performance of the Scheme may be adversely affected if any of the officers of such specialist expertise of other service providers or advisors such as Investment Advisors cease to participate in the operations of that service provider or advisor.

### **Fee Structure**

The Company will bear the fee paid to the Portfolio Manager and other service providers. Further, certain strategies employed in the Sub-Funds, or in investments made by the Sub-Funds, may require frequent changes in trading positions and consequent portfolio turnover. This may involve brokerage commission expenses exceeding significantly those of other investment schemes of comparable size. Performance Fees may also be payable by the Sub-Funds. The existence of Performance Fee arrangements, especially where no capped amount is imposed, may potentially encourage any person benefiting therefrom (such as the Portfolio Manager) to make investments that are riskier or more speculative than would be the case in the absence of Performance Fees. The increased in NAV used as a basis for the calculation of performance fee may include both realised and unrealised gains as the end of the calculation period. Therefore, the Performance Fee may be paid out on unrealised gains which may subsequently never be realised by the respective sub-fund.

## Exchange Rate Fluctuations

The Company's accounts will be denominated in EUR however the classes of Investors Shares constituting a Sub-Fund and the investments made directly or indirectly by a Sub-Fund may be denominated in any currency as may be specified in the relevant Offering Supplement. Shareholders bear all risks of exchange rate fluctuations between their Base currency and the Base Currency of the Investor Shares held by them. The Company may hedge the exchange rate risk between the Base Currency of the classes of Investors Shares in a Sub-Fund and the currency of the assets in which the relevant Sub-Fund invests. All costs and profits and/or losses relating to the hedging instrument will be allocated to the relevant class of Investor Shares in a Sub-Fund to which the hedging instrument relates.

## Conflicts of Interest

Conflicts of interest may arise between the Company and the persons or entities involved in the management of the Company or offering services to it including the Portfolio Manager, the Administrator, the Custodian, the Prime Broker and other service providers which may be appointed in respect of a Sub-Fund or counterparties thereof. The Portfolio Manager, the sub-Portfolio Manager, if any, the Investment Advisor, the Custodian, the Prime Broker and the Administrator which may be appointed in respect of a Sub-Fund (including their respective principals, shareholders, members, directors, officers, agents or delegates and employees) may from time to time act as Portfolio Manager, sub-Portfolio Manager, if any, Investment Advisor, the Custodian, Prime Broker or Administrator in relation to, or otherwise be involved in, other funds established by parties other than the Company, which have similar objectives and which make investments similar to those made on behalf of a Sub-Fund. Such clients could thus compete for the same trades or investments, and whilst available investments or opportunities for each client are generally expected to be allocated in a manner believed to be equitable to each, certain of the allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained or disposed. Similarly, the Portfolio Manager, the sub-Portfolio Manager, if any, the Investment Advisor, the Administrator, the Custodian, the Prime Broker, and their principals and the Directors may trade for their own accounts in any of the types of assets in which a Sub-Fund invests or intends to invest.

Conflicts may also arise as a result of the other services provided by affiliates of the Portfolio Manager which may provide advisory, custody or other services to the Portfolio Manager. Similarly the Directors may also be directors of service providers to the Company or of companies in which the Company may invest, which could result in conflicts of interest.

The Directors in their personal capacities, or entities in which the Directors may have a management or financial interest, may also from time to time invest in the Sub-Funds and may increase or decrease such holdings without notice.

Generally, there may be conflicts of interest between the interests of the Company and the interests of the Portfolio Manager, the sub-Portfolio Manager, if any, the Investment Advisor, the Custodian, the Prime Broker, the Administrator and their respective affiliates and the Directors to generate fees, commissions and other revenues. In the event that such a conflict of interest arises, the Directors will endeavour to ensure that it is resolved in the best interest of the Company. It should be noted that the Portfolio Manager as well as its affiliates, may at any time also be offering their services to one or more of the investors in the Sub-Funds.

Furthermore, the Portfolio Manager may have equity stakes in the funds (or fund managers) to which they are providing their services, or own or have an interest in one or more assets that are also owned by such funds. Conflicts of interest can therefore not be ruled out.

See “**Section 8 | Conflicts of Interests**” for further details on the conflict of interests applicable to the Company.

### **Significant Investor / Shareholder**

It is expected that at any time investors in a Sub-Fund of the Company may include individual investors (“**Significant Investors**”) with significant holdings in the outstanding Investor Shares in a particular Sub-Fund. The presence of a large investor helps to mitigate the burden of the fixed costs of a Sub-Fund, by effectively spreading the impact of such costs over a larger NAV than would otherwise be the case. By the same token, any large redemptions by such an investor will raise the impact of such fixed costs on remaining investors. Large orders to purchase or sell Investor Shares in a Sub-Fund by Significant Investors may, individually or on a combined basis, also result in parallel investment / disinvestment transactions by the Sub-Fund concerned in one or more of its underlying assets. This could in turn possibly impact on the value of such investments thereby affecting the NAV of the Sub-Fund concerned, as well as that of other Sub-Funds investing in the same underlying assets.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE COMPANY OR ITS SUB-FUNDS. PROSPECTIVE INVESTORS SHOULD READ THIS ENTIRE OFFERING MEMORANDUM AS WELL AS ANY RELEVANT OFFERING SUPPLEMENT AND CONSULT THEIR OWN COUNSEL AND ADVISORS BEFORE DECIDING TO INVEST IN THE COMPANY OR ITS SUB-FUNDS.**

## Section 4 | THE PORTFOLIO MANAGER

Pursuant to a portfolio management agreement governed by Maltese law (the “**Portfolio Management Agreement**”) the Company may appoint one or more Portfolio Manager in relation to assets under management. The Portfolio Manager is responsible for the management of the assets of the Company and its Sub-Funds.

Under the Portfolio Management Agreement, the Portfolio Manager would have full discretion to invest the assets of the Company and the Sub-Funds, in pursuit of and in accordance with the investment objectives and subject to the investment restrictions described in this Offering Memorandum and related Offering Supplements within the investment guidelines set by the Investment Committee.

The Portfolio Manager will maintain a liquidity management process to monitor the liquidity risk of the Sub-Funds, which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions.

The liquidity management systems and procedures allow the Portfolio Manager to apply various tools and arrangements necessary to ensure that the portfolio of each Sub-Fund is sufficiently liquid to normally respond appropriately to redemption requests. In normal circumstances, redemption requests will be processed as set out in “**Section 19 | Redemption of Investor Shares**”.

Other arrangements may also be used in response to redemption requests, including the temporary suspension or deferral of such redemption requests in certain circumstances or use of similar arrangements which, if activated, will restrict the redemption rights investors benefit from in normal circumstances as set out below under “**Section 19 | Redemption of Investor Shares**”. The Portfolio Manager would be also required to establish and implement effective arrangements for complying with the best execution requirements. The Portfolio Manager will therefore take all reasonable steps to achieve the best possible execution result on a consistent basis.

The Portfolio Management Agreement between the Company and the Portfolio Manager would usually provide, *inter alia*, that the agreement may be terminated at any time by either party upon not less than 90 days prior written notice, that the Portfolio Manager shall not be liable to the Company for any loss arising in connection with the subject matter of the Portfolio Management Agreement, howsoever any such loss may have occurred unless: (i) such loss arose because of the Portfolio Manager acting in bad faith and in a manner which is not in the best interests of the Company or the Sub-Fund; and (ii) the Portfolio Manager’s conduct constituted actual fraud, wilful misconduct, negligence or material breach of its obligation under the Portfolio Management Agreement.

In terms of the Portfolio Management Agreement, the Portfolio Manager would be entitled to engage Sub-Portfolio Managers, Investment Distributors or other delegates (the “**Delegates**”) whether in relation to particular Sub-Funds or generally in order to assist it in the fulfilment of its duties. The Delegates will be remunerated by the Portfolio Manager.

The fees payable to the Portfolio Manager are set out in “**Section 11 | Fees, Charges and Expenses**” hereunder.

## Section 5 | THE ADMINISTRATOR

The Fund has appointed Trident Fund Services (Malta) Limited as its Administrator. The Administrator is a limited liability company registered under the laws of Malta, bearing Company Registration number C-53640 and is recognised in terms of article 9A of the Investment Services Act to provide fund administration services by the Malta Financial Services Authority. The Administrator forms part of the TridentTrust Group, a worldwide financial, trust and company services provider.

In terms of the Administration Agreement governed by Maltese law entered into for an unlimited duration between the Company, the Portfolio Manager, and the Administrator, the Administrator has been appointed, to, among other things, perform the general administration of the Company, including the following:

- (i) proper book-keeping of the Company and its Sub-funds;
- (ii) keeping the register of unit holders of the Company and its Sub-funds;
- (iii) arranging for the issue and redemption of shares of the Sub-Funds; and
- (iv) calculating the Net Asset Value of the units of the Sub-Funds.

The Administrator is entitled to receive a fee out of the assets of the Company for its administrative services as more fully described in the Administration Agreement and the relevant section of the Offering Supplement under “Fees, Charges and Expenses”.

The Administration Agreement contains provisions whereby the Company agrees to indemnify (out of the assets of the Company) the Administrator against actions and claims not resulting from its fraud, wilful default, negligence, or gross negligence including 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 or the sub-funds or the investors.

The Administrator is not responsible for any trading or investment decisions of or with respect to the Company, or for the effect of such trading decisions on the performance of the Company.

The Administrator’s contact details are as follows:

Tel no: +356 21434525

Fax no: +356 21434595

The fees payable to the Administrator are set out in “**Section 11 | Fees, Charges and Expenses**” hereunder.

## Section 6 | THE CUSTODIAN

Pursuant to a custody agreement (the “**Custody Agreement**”) the Company may appoint a Custodian in relation to the safekeeping of one or more Sub-Fund(s)’s assets.

Where appointed, the duty of the Custodian would be to provide safekeeping in respect of the assets of the Company and the Sub-Funds. In carrying out its duties, the Custodian must act solely in the interest of the investors of the Company.

The Custodian may delegate all or part of its services, functions and duties under the relevant Custody Agreement to third parties. The Custodian shall be liable to the Company, in respect of the relevant Sub-Fund, for the loss of financial instruments held in deposit by the Custodian. In the case of such a loss of a financial instrument held in Custodian, the Custodian is required to return a financial instrument of identical type or the corresponding amount to the Company, in respect of the relevant Sub-Fund, without undue delay. The Custodian shall not be liable however, if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

Furthermore, the Custodian shall be liable to the Company, in respect of the Sub-Fund(s), for all losses suffered as a result of the Custodian’s negligent or intentional failure to properly fulfil its obligations pursuant to the Custody Agreement and the applicable laws.

The Custody Agreement would be made for an unlimited duration and may, unless grounds subsist for immediate termination (e.g. material breaches, insolvency of either of the parties etc), be terminated by either party giving a minimum of ninety (90) calendar days’ prior notice to the other party in writing. In the event of termination of the Custody Agreement, such termination will not take effect until the earlier of the appointment of a successor Custodian or the liquidation of the Company or the relevant Funds as set out in the Articles.

The Custodian would be entitled to receive a fee from the Company and to receive reimbursement from the Company of all its operating expenses in connection with the Company, as more fully described in the Custody Agreement. The fees payable to the Custodian will be set out in the the Custody Agreement and disclosed in the Offering Supplement.

The Custodian would not be responsible for the preparation or issue of this Offering Memorandum and the Custody Agreement is regulated by the laws of Malta and subject to the jurisdiction of the Maltese courts.

## Section 7 | OFFICERS OF THE COMPANY

### The Board

The Company shall be managed by the Board of Directors made up of not less than three (3) and not more than five (5) Directors who must be individuals approved by the Malta Financial Services Authority and appointed by the holders of the Founder Shares. The Board of Directors is currently composed of the following:

#### ***Mr. Stephen Muscat***

Mr Muscat is a Certified Public Accountant and a graduate of the University of Malta with a B.A. (Honours) Accountancy degree, a fellow of the Malta Institute of Accountants, the Malta Institute of Taxation and the Institute of Directors (UK). He is a former CEO and Director of Maltacom p.l.c. (today GO p.l.c.). Since 2006, Mr Muscat has been a corporate service provide with his own advisory practice and serves as an independent non-executive director of a number of companies operating in financial services, insurance, fiduciary as well as shipping, infrastructure, ICT and a resident director of various holding companies. Within locally regulated entities, he practices as a member of Audit, Investment, Risk, Remuneration and Valuation Committees.

#### ***Ms. Suzanne Wolfe Martin***

Ms. Wolfe Martin is currently Member of the Advisory Committee at the Maltese Arbitration Court and member of the Maltese bar of lawyers, of the bar of District of Columbia (Washington D.C.) and of the Czech Bar (Prague). She worked at Law Offices Suzanne Wolfe Martin from 1981 until 2014, an independent Law Firm based in Geneva, Switzerland, specialising in international commercial law, international litigation and management, finance, tax and arbitration. She was part of the General Counsel of World Ort Union, NGO based in Geneva from 1971 until 1980 and of the Conseil Juridique in Paris for the period 1966-1971. She graduated from the New York University in 1955 and retains a Juris Doctor Degree from the Catholic University of America (Washington D.C.) and she completed her Doctoral studies in Private Law in 1965 at the University of Paris.

#### ***Mr. Matthew Paris***

Mr Paris is a Doctor of Law with a doctorate from the University of Malta obtained in 2013. Currently a partner at Wolfe Martin & Paris Advocates, Mr Paris deals mostly with international disputes, assisting in commercial litigation management spanning over a number of jurisdictions. From 2013, he was also involved as a panellist with the Arbitration Court in Prague, Czech Republic, following his studies in online dispute resolution. From 2012 to 2016 Mr Paris acted as deputy mayor of the Floriana Local Council and as a lawyer he assisted and represented Floriana FC before the FIFA Dispute Resolution Chamber, as well as co-founding Mdina Knights Football Club. Mr Paris is proficient in English, Italian and French.

No loan or guarantee has been provided by the Company to any Director.

### The Company Secretary

The Company Secretary of the Company is is SGGG Fexserv Fund Services (Malta) Limited, licensed as a Company Service Provider Licence and having its registered address at Business Box, Msida Valley Road, Birkirkara BKR9024, Malta.

### The Investment Committee

The investment management of each Sub-Fund shall be carried out by an Investment Committee appointed by the Board of Directors. The Investment Committee shall meet at least four (4) times a year with the majority of meetings to be held in Malta, and shall be responsible for the management of assets of the Fund and for establishing the strategic asset allocation of the Fund, including, amongst others, the following:

- to monitor and review the investment policy and performance of the Fund
- to establish and review guidelines for investment by the Fund
- to issue rules for the selection of investment instruments and set the portfolio structure and asset allocation
- to make recommendations to the Board of Directors
- to select listed futures and determine the timeframes within which investments of the Fund's portfolio are to be implemented
- to define and implement new trading strategies to be added to the Fund's investment management strategies
- to define and modify any parameter of risk management and money management
- to define and modify any quantitative and statistical principles/ approach of the Fund
- to define and modify the trading process and the IT infrastructure and systems used by the Fund
- to deal and supervise the Portfolio Manager

The established parameters will be communicated to the Portfolio Manager that will be responsible for the day to day investment management trading within the parameters established by the Investment Committee.

The Investment Committee shall regularly report to the Board of Directors on its activities and the performance of the Company at least four (4) times a year.

The Directors have appointed: Mr. Riccardo Teodori, Mr. David Grech and Mr. Stephen Muscat to act as members of the Investment Committee. Should the Board of Directors resolve to launch a new Fund and to set up an Investment Committee dedicated to it, the names and bibliography of the relevant members shall be disclosed in the new Fund' Supplement.

#### ***Mr. Riccardo Teodori***

Mr Riccardo Teodori is an independent professional trader and quantitative analyst specialized in technical and statistical research and development, mechanical trading strategy engineering, order supply chain integration and optimization. This experience has been gained from August 2009 by Mr Teodori through dealing on his own account in futures through his own company, Systematic Capital Management LLP. He also worked on the design and development of Risk and Money management dedicated applications. He joined Accenture Spa in Milan in 2004 where he performed IT and process management consultancy mainly in M&A and business restructuring projects involving international clients in Communication and High Technology sector. His areas of expertise include IT system integration, process reengineering and project management.

#### ***Mr. Giuseppe Ghezzi***

Mr Giuseppe Ghezzi holds a degree in Political Sciences from the University of Milan (Italy) attained in 1999. Following which he worked inter alia as Derivatives Trader and Portfolio Analyst with Intermonte sim spa, Caboto sim spa, Classica SIM SPA Financial Services, a brokerage Firms and as Portfolio Analyst and Execution Trader with Sofia SGR SPA Financial Services, a company regulated by the Bank of Italy and CONSOB. Mr. Ghezzi has also been approved by the Malta Financial Services Authority to hold regulated positions of Investment Committee Member and Portfolio Manager with a Maltese licenced entity.



**Mr. David Grech**

David Grech acts as non-executive Independent Director and Independent Investment Committee Member and financial consultant to a number of licensed entities. He has been since 2013 he has been a lecturer within the Banking and Finance Department of the University of Malta. In 2008, he joined HSBC Securities Services (Malta) Ltd., as Senior Manager Financial Reporting and Analysis. Since 2001 he worked for Valletta Fund Management Ltd, and later for Valletta Fund Services Ltd and for Bank of Valletta International Ltd since 1995. David is a qualified Certified Public Accountant and also holds a Master of Science Degree in Finance from the University of Leicester.

**Compliance Officer and MLRO**

Under Maltese law and the MFSA Rules, the Company is required to appoint a compliance officer and a money laundering reporting officer (“**MLRO**”). In this regard Ms **Estelle N'zoungou** has been appointed as Compliance Officer and Mr. **Aaron Sammut** has been appointed as MLRO of the Company.

Although responsibility for compliance with applicable laws and rules rests at all times with the Board:

- the compliance officer's role is to support the Board as the head of the compliance function and to assume responsibility for any reporting as to compliance required by such rules; and
- the MLRO's role is the oversight of all aspects of the Company's activities which are subject to prevention of money laundering / funding of terrorism laws as well as responsibility for any reporting required under those laws.

**Other Service Providers**

The Board have also engaged the following other main service providers:

**Auditors**

The Founder Shareholders have appointed Ernst & Young Malta Limited (the “**Auditor**”) as the statutory auditors of the Company. The Auditor's main duty is to fulfil its statutory responsibility to report to the Shareholders whether, in their opinion, the annual financial statements give a true and fair view and whether they have been properly prepared in accordance with the Companies Act.

**Legal Advisors**

The Company shall engage, where necessary, legal advisors in relation to any conflicts in which the Company may be involved,

**Tax Advisors**

The Company shall engage, where necessary, tax advisors in relation to Maltese direct and indirect taxation.

The Company may appoint additional service providers to one or more Sub-Funds as may be specified in the relevant Offering Supplement(s).

**Shareholder Rights Against Service Providers**

It should be noted that Shareholders will only be able to exercise their rights directly against the Company and will not have any direct contractual rights against the service providers of the Company and the Sub-Funds appointed from time to time.

## Section 8 | CONFLICTS OF INTEREST

Potential investors should be aware that there may be situations in which each and any of the Directors, the founder shareholders, the members of the Investment Committee, the members of the board of the Portfolio Manager, the founder shareholders of the Company Secretary, the members of the board of the Company Secretary, the founder shareholders of the Portfolio Manager and/or sub-Portfolio Manager, if any, the Investment Advisor, the Custodian, the Prime Broker, if any, and the Administrator (together the “**Interested Parties**”), could encounter a conflict of interest in connection with the Company. Should a conflict of interest actually arise, the Directors and the Portfolio Manager will endeavour to ensure that it is resolved fairly. In addition, the Directors of the Company and the Portfolio Manager will endeavour that all agreements and transactions entered into by the Company will be negotiated at arm's length insofar as it is reasonably possible to do so. In particular, potential investors should be aware of the following:

- (a) Any Interested Party may act as founder shareholder, director, portfolio manager, distributor, depositary, member of the investment committee, registrar, broker, administrator, investment adviser, dealer, clearing brokers, prime broker and/or sub-custodian in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of a Sub-Fund, or engage the same or similar trading strategies. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Company or a Sub-Fund. Each Interested Party will, at all times, have regard to such event to its obligations to the Company and the relevant Sub-Fund and will endeavour to ensure that such conflicts are resolved fairly.
- (b) Certain Directors or entities in which they may have a financial or managerial interest, may purchase Investor Shares of the Company and receive a portion of each, or all, of the advisory fees or management fees paid by the Company as attributable to such purchasers' Investor Shares. Thus, to the extent of such purchases, such Directors may have a conflict of interest between their duty to act for the benefit of the Shareholders in limiting expenses of the Company and the Sub-Funds and their interest in receiving such fees.
- (c) The Portfolio Manager may make investments for other clients without making the same available to the Company.
- (d) The Company may invest in vehicles whose originator and/ or service provider forms part of the same group of companies as the Portfolio Manager or a company otherwise connected with the Portfolio Manager, where appointed. The Company may enter into such dealings provided that they are on an arm's length basis and on terms no less favourable to the Company than could have been obtained had the dealing been effected with an independent third party.
- (e) The Company may effect the sale or purchase of investments through a broker who is associated with the Portfolio Manager, provided that the amount of commission payable to such broker is not in excess of that which would have been payable had the sale or purchase been effected through a broker who is not so associated.
- (f) In particular a direct shareholder and sole ultimate beneficial owner of both the Portfolio Manager and the Company Secretary seats as board member of the Portfolio Manager and as board member of the Company Secretary. Such person is also a founder shareholder of the Company. Another member of the board of directors of the Portfolio Manager seats in the board of directors of the Company Secretary and seats as member of the Investment Committee of the Company.

## Section 9 | ORGANISATION OF THE COMPANY

The Company was incorporated in Malta on 1 February 2018 as a public limited company (registration number SV 470) and approved by the MFSA on 13 March 2018 as a collective investment scheme organised as a multi-fund company with variable capital under the ISAct and professional investment fund.

### Capitalisation of the Company

As the Company is organised as a Company with variable share capital, its share capital is equal to the value of the issued share capital of the Company at any time. The Company has an issued share capital represented by 1,002 (one thousand and two) Founder Shares with no nominal value and may issue up to five billion (5,000,000,000) fully-paid up Investor Shares in each case without any nominal value assigned to them.

The paid-up share capital of the Company shall at all times be equal to the NAV of the Company as determined in accordance with the Memorandum and Articles and this Offering Memorandum.

### The Founder Shares

The initial share capital of the Company is €1002 (one thousand and two Euro) divided into 1002 (one thousand and two) Founder Shares with no nominal value, which shares constitute a separate class of shares of the Company but do not constitute a separate sub-fund.

The holders of the Founder Shares retain all the voting rights of the Company including the right to appoint all the Directors of the Company. Accordingly, the holders of the Founder Shares are also entitled to amend the Memorandum and Articles. The Memorandum and Articles empower the Board to create different classes of shares from time to time.

Except to the extent that they have the right to a return of paid up capital on winding-up and any dividend rights, the Founder Shares do not participate in the assets of the Company. The holder of each Founder Share is entitled to one vote per share on all matters which may arise for consideration by the holders of the issued and outstanding Founder Shares of the Company. Each Investor Share and each Founder Share, when issued will be fully paid and non-assessable.

### The Investor Shares

In terms of this Offering Memorandum and the Offering Supplement in respect of each Sub-Fund the Company is offering non-voting Investor Shares with no nominal value. The Company may issue non-voting Investor Shares as may be specified in the Offering Supplement relating to a Sub-Fund.

The Company may, in due course, issue additional classes of Investor Shares, constituting other Sub-Funds, which may be designated in other currencies, and the assets of which may be managed utilising different methodologies or investing in different markets. Such other class(es) of Investor Shares will be offered by means of other offering memoranda in the form of an Offering Supplement for the specific Sub-Fund. When making an Initial Offering of Investor Shares in a newly established Sub-Fund the Board shall establish the number of Investor Shares on offer, the rights if any attached to such shares, and the Initial Offering Price for such Investor Shares at the time of offer and this shall be stated in the Offering Supplement for the specific Sub-Fund.

The Company may, in due course, also issue additional classes of Investor Shares forming part of existing Sub-Funds of the Company.

All Investor Shares of a Sub-Fund participate equally in the net assets of that Sub-Fund as are represented by the appropriate class(es) of Investor Shares on liquidation and in any dividends and other distributions attributable to that Sub-Fund as may be declared.

Other than as stated above, no shares in the Company have preferential, pre-emptive, conversion or exchange rights and there are no outstanding options or any special rights relating to Investor Shares or Founder Shares.

### **Duration of the Company**

The duration of the Company is indefinite but Sub-Funds may be issued for a fixed duration, after which, unless alternative arrangements are applicable as may be described in the related Offering Supplement, they shall be wound up and all assets distributed to the holders of Investor Shares. However, a Sub-Fund will have a continuous Offering Period that shall remain open until the Board determine otherwise. In relation to any particular Sub-Fund, see the related Offering Supplement for details.

### **Holders of the Founder Shares**

1,002 (one thousand and two) fully paid up Founder Shares in the Company have been subscribed to as follows:

- 334 Founder Shares held by Ventura Services Ltd;
- 334 Founder Shares held by Mr Riccardo Teodori; and
- 334 Founder Shares held by Mrs. Suzanne Wolfe Martin.

The holders of the Founder Shares hold all the voting rights with respect to the affairs of the Company.

### **Alterations to the Company's Share Capital**

The Company may increase or reduce its authorised share capital being the maximum number of Shares that may be in issue (see "*Capitalisation of the Company*" above) by an extraordinary resolution of the holders of the Founder Shares (i.e. a resolution notice of which has been given prior to the meeting, and which is approved by in excess of 50% of the holders of the Founder Shares who are entitled to vote thereon at the meeting).

### **Amendment to Memorandum and Articles of Association**

The Memorandum and Articles may only be altered or amended by the passing of an extraordinary resolution of the holders of the Founder Shares to such effect. In terms of the Memorandum and Articles, any such resolution amending the Memorandum and Articles is to be, prior to adoption, notified to the Board and approved by the MFSA. Amendments to the Memorandum and Articles that affect existing Shareholder class rights will also need to be approved as set out below.

### **Variation of Class Rights**

If at any time the share capital is divided into classes of shares, the rights attached to any then existing class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourths ( $\frac{3}{4}$ ) of the issued shares of that class and of any other class of shares which may be affected by such variation or by a special resolution (i.e. a resolution passed by a three-fourths ( $\frac{3}{4}$ ) majority of those persons present and entitled to vote in favour of the resolution) passed at a separate class meeting of the holders of the shares of such class or by unanimous

written resolution of such separate class. In terms of the Memorandum and Articles, it shall not be deemed to be a variation of the rights attaching to any particular class of shares for the Company to, amongst others, (i) create, allot or issue further Investor or Founder Shares ranking *pari passu* with, in priority to or subsequent to the existing Investor or Founder Shares respectively, (ii) amend or vary the investment objective of one or more Sub-Funds, (iii) liquidate the Company or any Sub-Fund and distribute its assets to Shareholders in accordance with their rights, (iv) vest the assets in, or in trustees for, the Shareholders in specie or (v) purchase or redeem its Investor Shares.

### Further Issues of Investor Shares

The Company may, subject to the terms of the Memorandum and Articles of Association, decide to offer further non-voting Investor Shares up to a maximum amount of five billion (5,000,000,000) shares in issue at any time and, without prejudice to any special rights previously conferred on the holders of existing Investor Shares, to allot, issue, grant options over or otherwise dispose of the Investor Shares or any other classes of Investor Shares (including fractions of Investor Shares) with or without preferred, deferred or other special rights or restrictions, whether with regard to dividend or otherwise and to such persons, at such times and on such other terms as the Board shall think proper, but not in a manner to reduce the financial rights of Shareholders without their consent.

### Repurchase of Investor Shares

Under the Companies Act, the Company is permitted to repurchase or redeem its Investor Shares without restriction. Repurchased or redeemed Investor Shares shall be treated as cancelled and deemed never to have been issued for the purpose of calculation of the maximum number of Investor Shares which may be issued, and shall be available for reissue by the Company at any time in the future. Redemptions of Investor Shares will be made at the Redemption Price.

### Closure of a Sub-Fund

Apart from cases where the assets of a Sub-Fund are not sufficient to meet the liabilities in respect of such Sub-Fund, in which case the rules on insolvency will apply to the Sub-Fund in question, Sub-Funds may be closed from time to time and their licence surrendered to the MFSA. In cases where there are no outstanding Investor Shares in a Sub-Fund, as a result of redemptions or exchanges of Investor Shares with Investor Shares in another Sub-Fund, the Board may resolve to close the Sub-Fund in question and surrender its licence to the MFSA. Without prejudice to what is stated in the part entitled "Total Redemption" under "**Section 19| Redemption of Investor Shares**", where there are outstanding Investor Shares in a Sub-Fund then the consent in writing of three-fourths ( $\frac{3}{4}$ ) of the Shareholders in that Sub-Fund will be required in terms of the Memorandum and Articles.

### Liquidation

The Company, and the Sub-Funds except where otherwise provided in the related Offering Supplement, have been incorporated for an indefinite period and unless closed or liquidated as described hereunder will exist in perpetuity.

Apart from the rules applicable to the closure of a Sub-Fund which are outlined in the Memorandum and Articles and in this Offering Memorandum (see "Closure of a Sub-Fund" above), and any conditions stated in the related Offering Supplement, a Sub-Fund may be wound up and dissolved either voluntarily or under supervision or by the Court. Upon the winding up or dissolution (whether the liquidation is voluntary or under supervision or by the Court) of any Sub-Fund, the assets of such Sub-Fund available for distribution (after satisfaction of creditors' claims) amongst the

Shareholders of such Sub-Fund shall be distributed to the Shareholders of such Sub-Fund pro rata to their respective shareholding. Amounts which have not been claimed by Shareholders at the close of the liquidation of any Sub-Fund will be deposited in an account in the Shareholder's name with a trustee selected by the liquidator. Any such amount not claimed within a period of seven (7) years will be donated to a Maltese enrolled voluntary organisation selected at the discretion of the trustee.

Subject to all Sub-Funds in the Company being closed, the Company may be dissolved and wound up either voluntarily or under supervision or by a competent Court. The Company may be placed in voluntary liquidation at any time by a resolution adopted by the holders of the Founder Shares in the same manner as that required for amending the Memorandum and Articles. Any voluntary liquidation of the Company shall be carried out pursuant to applicable Maltese laws and the Memorandum and Articles. Amounts which have not been claimed by Shareholders at the close of the liquidation will be deposited in an account in the Shareholder's name with a trustee selected by the liquidator. Any such amount not claimed within a period of seven (7) years will be donated to a Maltese enrolled voluntary organisation selected at the discretion of the trustee. Any proceedings in relation to the Company shall respect the legal status of each Sub-Fund as a patrimony separate from the assets and liabilities of each other Sub-Fund and the Company and proceedings under the Companies Act shall apply mutatis mutandis to each Sub-Fund as though it were a distinct legal entity and with such modifications as are necessary to accommodate the fact that a Sub-Fund is not a company. Any proceedings in relation to any one Sub-Fund shall not have any effect on the assets of any other Sub-Fund or of the Company itself. The term 'proceedings' as used herein refers to any proceedings whatsoever including in terms of Title II of Part V and of Part VI of the Companies Act.

### **Applicable Law, Jurisdiction and Recognition of Judgements**

As shareholders in a Maltese company, Shareholders' rights (as described in this Section) are subject to Maltese law (in particular the ISAct and the Companies Act) and jurisdiction.

Without prejudice to the above choice of jurisdiction, judgements awarded by a competent court outside Malta would be recognised as a valid judgement and enforceable in the courts of Malta without re-examination of the merits of any matters treated in that judgement, subject to the following:

- (a) in the case of judgements falling within the scope of the EC Regulation 1215/2012 on Jurisdiction and the Recognition and Enforcement of Judgements in Civil and Commercial Matters (the "**European Judgements Regulation**"), the recognition and enforcement would be subject to the provisions contained in the European Judgements Regulation;<sup>1</sup>
- (b) in the case of judgements falling within the scope of the Convention on Jurisdiction and the Recognition and Enforcement of Judgements in Civil and Commercial Matters signed in Lugano on the 30 October 2007 between the European Community, the Kingdom of Denmark, the Republic of Iceland, the Kingdom of Norway and the Swiss Federation (the "**Lugano Convention**"), the recognition and enforcement of judgements delivered in Member states of the Lugano Convention, other than judgements which fall within the European Judgements Regulation, would be subject to the provisions contained in the Lugano Convention; and

---

<sup>1</sup> Malta also has a reciprocal enforcement agreement with the United Kingdom but this operates in relation to money judgements only. Judgements are registered, by application, with the Court of Appeal in accordance with and subject to the terms of the British Judgements (Reciprocal Enforcement) Act (Cap. 52, Laws of Malta).

- (c) in the case of judgements neither falling within the scope of the European Judgements Regulation nor the Lugano Convention, the recognition and enforcement would be subject to the applicable law of Malta imposing judgement registration or confirmation in Malta, provided that the judgement: (i) does not contain dispositions contrary to public policy and (ii) cannot be set aside on any of the grounds for re-trial as contemplated in the law of Malta on civil procedure.



## Section 10 | SIDE POCKETS

Notwithstanding anything to the contrary herein, the Board may, upon the happening of an Illiquidity Event, reconstitute such number of Investor Shares in the relevant Sub-Fund into Side Pocket Shares, in proportion to the value of the assets of the Sub-Fund which have become illiquid or otherwise difficult to value. The Board may, at its sole and absolute discretion, reconstitute such number of Investor Shares into Side Pocket Shares as may be necessary depending on the extent of the illiquidity of the assets of the relevant Sub-Fund. Therefore, the Board is not subject to any limit on the percentage value of assets of the relevant Sub-Fund that may be allocated to a Side Pocket.

Upon the crystallization of an Illiquidity Event, all existing Shareholders in the relevant Sub-Fund will have such number of Investor Shares held by them converted into Side Pocket Shares, pro rata to their shareholding in the relevant Sub-Fund. The Company, in respect of the relevant Sub-Fund, will not issue Side Pocket Shares to investors subscribing for Investor Shares in the relevant Sub-Fund after the happening of an Illiquidity Event, unless a new Illiquidity Event materializes subsequent to their subscription to Investor Shares in the relevant Sub-Fund.

The value of assets allocated to a Side Pocket shall be determined in accordance with the provisions in this Offering Memorandum relating to the determination of the Net Asset Value. The initial valuation of an asset entering a Side Pocket will be at the lower of: (a) cost or (b) fair value, of the asset allocated in each case as established by the Portfolio Manager. The fair value may be the latest available market price (if any) or a lower value or even nil.

Side Pocket Shares shall not be redeemable until the illiquid assets which they represent become liquid or capable of valuation. Once an illiquid asset constituting the Side Pocket becomes liquid or capable of valuation, the Board may:

- compulsorily redeem such portion of the Side Pocket Shares representing the previously illiquid asset in accordance with the procedures set out in this Offering Memorandum on compulsory redemptions; or
- reconstitute such portion of the Side Pocket Shares representing the illiquid asset into Investor Shares in the Sub-Fund, and transferring to the liquid pool of assets of the relevant Sub-Fund the asset which was previously illiquid or hard to value.

Provided that, a compulsory redemption or reconstitution of Side Pocket Shares into Investor Shares in the relevant Sub-Fund in terms of the above, shall be undertaken pro rata amongst all the holders of Side Pocket Shares in the relevant Sub-Fund.

Where a Sub-Fund has Side Pocket Shares in issue, any Investment Management Fees due by the Company in respect of that Sub-Fund to the Portfolio Manager, shall be calculated on the basis of the lower of costs and fair value of the assets allocated to the Side Pocket. Furthermore, any Performance Fees due to the Portfolio Manager in respect of the assets allocated to the Side Pocket will be calculated and will become payable once the previously illiquid asset is sold or it otherwise becomes liquid.

## Section 11 | FEES, CHARGES AND EXPENSES

### Portfolio Management Fees

Under the terms of a Portfolio Management Agreement that may be applicable in relation to a specific Sub-Fund, such Sub-Fund is bound to pay a portfolio management fee as specified in the related Offering Supplements of each Sub-Fund.

The Company may apply different fees to different Sub-Funds and to different classes of Investor Shares in any Sub-Fund of the Company.

The Portfolio Manager may waive or allocate any of its Portfolio Management Fees to third parties including Investment Advisors, sub-Portfolio Managers and Investment Distributors or direct the Company to pay such portion of its Portfolio Management Fee directly to such third parties.

The Portfolio Manager shall bear its own overhead and other internal operating costs, but shall be reimbursed by the Company or the Sub-Fund concerned for such reasonable out-of-pocket expenses which the Portfolio Manager incurs on behalf of the Company and/or the Sub-Fund.

### Performance Fees

There may be Performance Fees due to the Portfolio Manager or the sub-Portfolio Manager in relation to each Sub-Fund and these are disclosed in full in the Offering Supplement for the particular Sub-Funds.

The Company may apply different Performance Fees to different Sub-Funds and to different classes of Investor Shares in any Sub-Fund of the Company.

The Portfolio Manager may waive its Performance Fees, when due, to Investors or allocate any of its Performance Fees, when due, to third parties including Investment Advisors, sub-Portfolio Managers and Investment Distributors or direct the Company to pay such portion of its Performance Fee directly to such third parties.

### Alterations to the Portfolio Management and Performance Fees

The Board may, at its sole discretion, agree to any changes to the Portfolio Management Fees or the Performance Fees applicable to any Sub-Fund provided that notice of any material alterations to the said fees as may apply to a Sub-Fund or class of Investor Shares and of the date when and the method how the said alterations shall come into force shall be given to the Shareholders holding Investor Shares in the particular Sub-Fund.

Where the introduction of such alterations will effectively result in higher costs to investors and/or the Sub-Fund, they shall only come into force only after a period of at least thirty (30) Business Days from the date of such notice. In all other cases the changes may be brought into effect immediately.

### Soft Dollar Arrangements

The Portfolio Manager or the sub-Portfolio Manager, as applicable, may at its sole discretion, use certain brokers with which they have negotiated terms and conditions and commission rates.

The Portfolio Manager, or the sub- Portfolio Manager, as applicable, may also effect transactions or arrange for the effecting of transactions through brokers with whom they have soft dollar agreements. The benefits provided under such agreements will assist the Portfolio Manager / sub-Portfolio Manager in the provision of services to the Company and to other third parties. Specifically, the Portfolio Manager / sub- Portfolio Manager may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transactions so long as, in the good faith judgement of the Portfolio Manager / sub- Portfolio Manager, the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker. Such services, which may take the form of research, analysis and advisory services, market price services, electronic trade confirmation systems, third party electronic dealing or quotation systems, computer hardware associated with specialised computer software or research services may be used by the Portfolio Manager in connection with transactions in which the Company will not participate. The Portfolio Manager / sub- Portfolio Manager will only effect a transaction, with any person pursuant to a commission based agreement or a soft dollar arrangement, which is in the best interest of the Company.

### **Administration Fee**

Under the terms of the Administration Agreement, each Sub-Fund is bound to pay an Administration fee as specified in the related Offering Supplements of each Sub-Fund. The Administrator will be reimbursed for all properly incurred and approved out-of-pocket expenses.

### **Custody Fee**

Each Sub-Fund is bound to pay a custody fee as specified in the related Offering Supplements of each Sub-Fund. The Custodian as applicable will be reimbursed for all properly incurred and approved out-of-pocket expenses.

### **Directors and Officers Fees and Expenses**

The Directors will be paid annual fees for acting as Directors of the Company. The Company will meet all travel, accommodation and other reasonable expenses incurred by the Directors in holding Board meetings and in relation to the business of the Company and when the Directors personally pay for any costs they will also be reimbursed for out-of-pocket expenses. The maximum sum which can be paid to any one Director of the Company shall not exceed EUR 15,000 per annum and such sum shall be maintained unless modified by the members of Company entitled to attend and vote at the general meeting of the Company.

The Company Secretary will be paid an annual fee of EUR 2,000 for the Scheme and EUR 2,000 for each of the Company's Sub-Funds, whilst an additional EUR 1,000 annually will be paid for each sub-fund to the entity providing domiciliation services.

### **Other Fees and Expenses**

All costs and expenses associated with the launch of the Company and the Sub-Funds, including government incorporation charges, MFSA application and licensing fees and professional fees and expenses in connection with the preparation of this Offering Memorandum and the agreements referred to herein, will be paid by the Sub-Funds. Such costs and expenses are expected to amount to not more than EUR 30,000 and may be amortised over a period of five (5) years at the sole discretion of the Board solely for the purpose of the Sub-Funds' NAV calculation.

The Sub-Funds may also bear all other expenses incidental to the Company's operations and business, including subscription and redemption fees with respect to investments in other funds, transactional costs including all brokerage, banking, sales and purchase commissions and charges and exchange fees, fees and charges of clearing agencies, interest and commitment fees on loans and debit balances, income taxes, withholding taxes, transfer taxes and other governmental charges and duties, any costs incurred in respect of meetings of the Board (including its committees) and meetings, if any, of Shareholders, fees of the Company's company secretary, legal advisors and the Auditors at such rates as may be agreed from time to time between the Company and the Auditors, Directors' fees and expenses, the costs of maintaining the Company's registered office in Malta and its registration with the MFSA and the costs of printing and distributing any offering materials and any reports and notices to Shareholders.

Fees and charges which are identifiable with a particular Sub-Fund shall be charged to such Sub-Fund. Fees and charges which are not identifiable to a particular Sub-Fund or apply to the Company generally will be borne pro-rata to the net assets in each Sub-Fund.

### **Subscription and Redemption Fees**

The Board reserve the right to charge investors a subscription or redemption fee or charge as may be set out in the Offering Supplement in respect of a Sub-Fund.

## Section 12 | AML AND DATA PROTECTION

### Anti-Money Laundering (Maltese Law)

Each of the Company, the Portfolio Manager, the Custodian and the Administrator are subject to obligations under the Prevention of Money Laundering Act (“**PMLA**”), which makes provision for the prevention and prohibition of money laundering in Malta. The PMLA establishes the foundations for the legal framework by introducing basic legal definitions, laying down the procedures for the investigation and prosecution of money laundering offences, and establishing the Financial Intelligence Analysis Unit (“**FIAU**”).

The obligations under the PMLA include the identification of customers, the retention of the relevant identification and transaction documentation and the reporting of transactions suspected of involving money laundering to the FIAU. In this regard, the Administrator has established appropriate internal procedures to fulfil these obligations which it monitors on a regular basis.

The Prevention of Money Laundering and Funding of Terrorism Regulations (the “**PML Regulations**”), issued in terms of the PMLA, serve to flesh out the systems and procedures to be adopted by subject persons in the course of their business activities. They also provide high level requirements for identification and customer due diligence, internal record keeping, reporting of suspicious transactions, internal and external reporting and employee instruction and training. The PML Regulations require that the identification documents/certificates obtained must be satisfactory and must be verified. The level and type of documentation required to identify a customer and the level of verification required may vary according to the investor’s Anti-Money Laundering (“**AML**”) risk profile. In this regard, the Regulations, in line with international standards, outline the various levels of due diligence required according to the level of risk posed by a particular customer and/or situation. The Regulations incorporate all applicable EU Directives to date.

### Anti-Money Laundering (Maltese Requirements)

The specific requirements include, inter alia, the fundamental requirement to conduct suitable investor due diligence, including the requirement to “know-your-client” (and to verify the identity thereof), which extends, for any ‘non-individual’ investor, to the ultimate beneficial owner(s) of the monies invested. This requirement is principally (though not exclusively) satisfied through documentary evidence, as listed in the AML Supplement which forms part of the Subscription Agreement. It should be noted that the Administrator may request further information, in order to satisfy its regulatory obligations.

The Administrator is also obliged to obtain information on the purpose and intended nature of the business relationship, in order to be in a position to establish the business and the AML risk profile of the investor. The Administrator is also obliged at law to carry out ongoing monitoring in the case of an existing business relationship, which includes the scrutiny of transactions undertaken throughout the course of the relationship in order to ensure that the transactions being undertaken are consistent with the Administrator’s knowledge of the investor and of his business and risk profile, including, where necessary, the source of funds as well as ensuring that the documents, data or information held by the Administrator are kept up-to-date.

The usual documents and information required are listed in the AML Supplement. Completion of the Subscription Agreement, serves as confirmation that the Subscriber understands and agrees to furnish the requested documents and other information to the Administrator. Where, following receipt of cleared funds by the Custodian and prior to the issuance of Investor Shares, the

Administrator is not satisfied with the AML documentation, the money may be held in the account to which it was remitted and the subscriber will bear all associated risks. The Administrator determines whether, in the light of its AML obligations, it has sufficient documentation in hand to allow the issuing of Investor Shares.

If any documents requested are not received within a reasonable time following submission of the Subscription Agreement, the Administrator will send a request to the Shareholder, informing it that these documents are still due. If, within a reasonable time after this reminder, the Administrator still has not received the documents requested, further requests will be sent to the Shareholder. For these further requests there will be a charge imposed on the Shareholder of €100, which will be charged directly against the Shareholder's interest in the Company.

It must also be noted that, in the event that a redemption request is received from a Shareholder who in the opinion of the Administrator has failed to submit all the required AML documents, although the redemption will be acted upon, Redemption Proceeds cannot be remitted to the Shareholder until all documents requested have been received or necessary verifications made. The Redemption Proceeds will be held by the Custodian and the Shareholder will bear all associated risks. Furthermore, it is a regulatory requirement to report suspicious transactions to the competent authorities, and any relevant data in this regard may need to be transferred to the relevant regulators.

The Company or the Administrator also reserve the right to refuse to return money remitted to the Company prior the issue of Investor Shares, and to make any redemption payment or distribution to a Shareholder, if any of the Directors of the Company or the Administrator suspects or is advised that the payment of any redemption or distribution moneys to such Shareholder might result in a breach or violation of any applicable AML laws or the laws, regulations, and Executive Orders administered by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**"), or other laws or regulations by any person in any relevant jurisdiction (collectively, "**AML/OFAC obligations**").

There is also a requirement to know the source of the funds, such requirement normally limited to knowing the bank and account from which the monies were remitted. A further requirement is that such monies invested may and will only be redeemed to the account of remittance, except as otherwise agreed with the Administrator.

Each Subscriber and Shareholder will be required to make such representations to the Company as the Company, the Portfolio Manager or the Administrator will require in connection with applicable AML/OFAC obligations, including, without limitation, representations to the Company that such Subscriber and Shareholder is not (i) an individual or entity named on any available lists of known or suspected terrorists, terrorist organisations or of other sanctioned persons issued by the United States government and the government(s) of any jurisdiction(s) in which the Company is doing business, including the "List of Specially Designated Nationals" and "Blocked Persons" administered by OFAC as such list may be amended from time to time; (ii) an individual or entity otherwise prohibited by the OFAC sanctions programs; or (iii) a current or former senior foreign

political figure<sup>2</sup> or politically exposed person<sup>3</sup>, or an immediate family member or close associate of such an individual. Further, such Subscriber or Shareholder must represent to the Company that it is not a prohibited foreign shell bank<sup>4</sup>.

Such Subscriber and Shareholder will also be required to represent to the Company that amounts contributed by it to the Company were not directly or indirectly derived from activities that may contravene U.S. Federal, state or international laws and regulations, including, without limitation, of such subscriber or Shareholder, either by prohibiting additional investments from the subscriber or Shareholder, declining any withdrawal requests from the subscriber or Shareholder, suspending the payment of withdrawal proceeds payable to the subscriber or Shareholder, and/or segregating the assets in the account in compliance with governmental regulations. The Company may also be required to report such action and to disclose the Subscriber and Shareholder's identity to OFAC or other applicable governmental and regulatory authorities.

Finally as the aforementioned legislation is subject to change, any additional requirements imposed on the Portfolio Manager, the Company or the Administrator will be reflected in the requirements requested of the Subscriber or Shareholder.

## Data Protection

Pursuant to the Maltese Act No. XX of 2018 entitled the Data Protection Act, 2018 and Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, any personal data that is furnished in connection with an investment in the Fund may be held on computers and processed by the Fund, the AIFM, the Depositary and the Administrator or their delegates as data processor, as appropriate, with the latter however only acting on documented instruction from the Fund, behaving as data controller. Personal data processed will be as follows: investor's name, investor's address, tax identification number(s) of the investor, date and place of birth of the investor, account number of the investor or its functional equivalent (the "Personal Data"). Personal Data may be processed for the purposes of carrying out the services of the Fund, the AIFM, the Depositary and the Administrator and to comply with legal obligations, including legal obligations under applicable company law and anti-money laundering legislation as well as other applicable regulation like the FATCA and the

---

<sup>2</sup> A "senior foreign political figure" is defined as (a) a current or former senior official in the executive, legislative, administrative, military or judicial branches of a non-U.S. government (whether elected or not), a current or former senior official of a major non-U.S. political party, or a current or former senior executive of a non-U.S. government-owned commercial enterprise; (b) a corporation, business, or other entity that has been formed by, or for the benefit of, any such individual; (c) an immediate family member of any such individual; and (d) a person who is widely and publicly known (or is actually known) to be a close associate of such individual. For purposes of this definition, a "senior official" or "senior executive" means an individual with substantial authority over policy, operations, or the use of government-owned resources; and "immediate family member" means a spouse, parents, siblings, children and spouse's parents or siblings.

<sup>3</sup> A "politically exposed person" ("PEP") is a term used for individuals who are or have been entrusted with prominent public functions in a foreign country, for example, Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials. Business relationships with family members or close associates of PEPs involve reputational risks similar to those with PEPs themselves.

<sup>4</sup> A "prohibited foreign shell bank" is a foreign bank that does not have a physical presence in any country, and is not a "regulated affiliate," i.e., an affiliate of a depository institution, credit union, or foreign bank that (i) maintains a physical presence in the U.S. or a foreign country, and (ii) is subject to banking supervision in the country regulating the affiliated depository institution, credit union, or foreign bank.

CRS law. Personal Data may be used in connection with investments in other investment fund(s) managed or administered by the AIFM. Personal Data shall be disclosed to third parties where necessary for legitimate business interests only. This may include disclosure to third parties such as auditors, regulators, and agents of the Fund, the AIFM, the Depositary, or the Administrator who process such data, for the purposes of surveillance of market timing activities, for anti-money laundering purposes, or for compliance with foreign regulatory requirements.

No Personal Data shall be disclosed without prior specific written authorization of the Fund. By subscribing to the Fund, investors consent to the processing of their Personal Data and the disclosure of their Personal Data by the parties above in the parties' legitimate interest, to the AIFM, including to companies situated in countries outside of the European Economic Area, which may not have the same data protection laws as in Malta. The transfer of data to the aforementioned entities may transit via and/or be processed in countries which may not have data protection requirements deemed equivalent to those prevailing in the European Economic Area. Further details with respect to the companies to which Personal Data might be disclosed as well as the related processes/treatments involving such data can be found in the Subscription Agreement. Investors may request access to, rectification of or deletion of any data provided to any of the parties above or stored by any of the parties above in accordance with applicable data protection legislation.

Reasonable measures have been taken to ensure confidentiality of the Personal Data transmitted within the AIFM. However, due to the fact that the information is transferred electronically and made available outside of Malta, the same level of confidentiality and the same level of protection in relation to data protection regulation as currently in force in Malta may not be guaranteed while the information is kept abroad.

The AIFM will accept no liability with respect to any unauthorized third party receiving knowledge of or having access to such Personal Data, except in the case of negligence by the AIFM. Investors have a right of access and of rectification of the Personal Data in cases where such data is incorrect or incomplete by writing to the Fund at its registered office.

Personal Data shall not be held for longer than necessary with regard to the purpose of the data processing, and after expiration of such period, existing copies will be deleted. The AIFM and/or the Administrator may use telephone recording procedures to record any conversation. Investors are deemed to consent to the tape-recording of conversations with the AIFM and/or the Administrator and to the use of such tape recordings by the Fund and/or AIFM and/or the Administrator in legal proceedings or otherwise at their discretion.



## Section 13 | TAXATION

**Brief details of the taxation treatment of the Investor Shares in Malta are set out below but it is entirely the responsibility of prospective shareholders to inform themselves as to any taxation or exchange control legislation affecting them personally. The following summary should not be considered legal or professional tax advice.**

### General

Investors in the Investor Shares in the Company should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of Sub-Funds, capital gains within a Sub-Funds, whether or not realised, income received or accrued or deemed received within a Sub-Fund etc., and this will be according to the laws and practices of the country where the Investor Shares are purchased, sold, held or redeemed and in the country of residence or nationality of the Shareholder.

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation applicable to the acquisition, holding and disposal of Investor Shares as well as distributions, if any, made by the Company.

The following is a summary of the anticipated tax treatment applicable to the Company and to its Shareholders in Malta. This information, which does not constitute legal or tax advice, refers only to Shareholders who do not deal in securities in the course of their normal trading activity.

The information below is based on tax law and practice applicable at the date of this Offering Memorandum. Shareholders of the Company are reminded that tax law and practice and the levels of tax relating to the Company, its Sub-Funds and the Shareholders, may change from time to time.

### The Company

The tax regime in Malta for collective investment schemes is based on the classification of funds into “**prescribed funds**” or “**non-prescribed funds**” in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations (S.L.123.51, Laws of Malta)(the “**Investment Income Regulations**”). In general, a “prescribed fund” is defined as a resident fund which has declared that the value of its assets situated in Malta amounts to at least eighty-five percent (85%) of the value of the total assets of the fund. A non-prescribed fund is a fund which does not qualify as a prescribed fund.

The Sub-Funds are classified as “prescribed” or “non-prescribed” funds in terms of the Investment Income Regulations. Unless otherwise specified in the Offering Supplement relating to a Sub-Fund, the Sub-Funds shall seek to be classified as “non-prescribed” funds and a declaration to such effect will, where required, be made in accordance with the Investment Income Regulations to achieve such classification.

In respect of Sub-Funds which are classified as “non-prescribed funds”, a tax exemption at the Sub-Fund level applies on all the Sub-Fund’s income/capital gains (except for income from immovable property situated in Malta, if any).

Sub-Funds which are classified as “prescribed funds” are subject to tax on certain local interest income and on income from immovable property situated in Malta. No Maltese tax is due in respect of foreign source interest which does not qualify as investment income for purposes of Maltese income tax laws.

In respect of both “prescribed funds” and ‘non-prescribed funds”, capital gains, dividends, interest and any other income from foreign securities held by the Company may be subject to tax imposed by the country of origin concerned and such taxes may not be recoverable by the Company.

#### **Value Added Tax**

Fees chargeable to the Company may be subject to VAT in accordance with applicable law. If any VAT is charged, this will not be recoverable by the Company.

## **The Shareholders**

### **Non-Prescribed Funds**

Capital gains realised by non-Malta residents on transfers or redemptions of Investor Shares in “non-prescribed funds”, are exempt from tax in Malta provided that the beneficial owner of the gain is not resident in Malta and is not owned and controlled by, directly or indirectly, nor acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta.

Capital gains realised by Malta resident Shareholders (but excluding (i) persons carrying on banking business under the Banking Act; (ii) persons carrying on the business of insurance and (iii) generally companies owned by the said persons) on the redemption, liquidation, or cancellation of shares in “non-prescribed funds” will be subject to a 15% final withholding tax and the obligation to deduct such tax at source lies on the Company. However, the Malta resident shareholder has the option to request the Company not to effect the deduction of the said 15% withholding tax in which case the investor would be required to declare the gains in his personal income tax return and will be subject to tax at the normal rates.

Switching or exchanging of units from a “non-prescribed fund” to another sub-fund (whether prescribed or non-prescribed) of the same umbrella scheme constitutes a taxable transfer for income tax purposes. However, no tax is chargeable at the point of the switch. When switched shares are eventually disposed of, the calculation of the taxable gains will take into account any chargeable gains or allowable losses arising from all intermediate switches as well as from the final transfer.

Capital gains realised on direct transfers (if any) by Malta resident shareholders to third parties of shares in “non-prescribed funds” must be declared by the transferor in his tax return and tax is charged thereon at normal rates.

In respect of “**non-prescribed funds**” that distribute income, in view of the fact that the said funds will be predominantly receiving profits exempt from Maltese tax, such profits should be allocated to the Untaxed Account for Maltese tax purposes. Distributions from Untaxed Account to a person who qualifies as a “recipient” i.e.

- i. Maltese resident investors (other than companies);
- ii. non-resident investors (including non-resident companies) who are owned and controlled by, directly or indirectly, or who act on behalf of, an individual who is ordinarily resident and domiciled in Malta; or
- iii. trustees of a trust where the beneficiaries are persons referred to in (i) and (ii)

are subject to a 15% withholding tax.

Such investors are not required to declare such dividends in their income tax returns. However, depending on their personal circumstances, they may declare such dividends in their income tax return and claim a credit of the 15% tax withheld.

The distribution of profits to persons who do not qualify as a “recipient” are not subject to any Maltese withholding tax. Furthermore, in such case, persons who are not resident in Malta shall not be obliged to declare the said dividend in any Maltese tax return.

## Prescribed Funds

Capital gains realised by non-Maltese Shareholders on transfers or redemptions of Investor Shares in “prescribed funds”, are exempt from tax in Malta provided that the beneficial owner of the gain is not resident in Malta and is not owned and controlled by, directly or indirectly, nor acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta.:

Capital gains realised by Malta resident Shareholders on the transfer, redemption, liquidation, or cancellation of shares in “prescribed funds” listed on a stock exchange recognised under the Financial Markets Act are exempt from tax in Malta.

In respect of “prescribed funds” that distribute income, distributions of dividends to Malta resident Shareholders will generally not be subject to any further tax in Malta... Distributions of dividends by “prescribed funds” to non-Malta residents will also generally be exempt from tax in Malta.”.

## EU Savings Directive

The Council of the EU has adopted on 3 June 2003 the EU Savings Directive. The EU Savings Directive has been applied since the year 2005. Under the EU Savings Directive, EU Member States are required to provide tax authorities of another EU Member State with details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain EU Member States to opt instead for a withholding tax system for a transitional period in relation to such payments.

In March 2014, the Council of the EU has adopted a new directive amending and broadening the scope of the Savings Directive in various respects, including extending the Savings Directive to non-UCITS and non-UCITS equivalent funds. However, on 10 November 2015 the Savings Directive (as amended in March 2014) was repealed by the European Council with effect from 1 January 2016 and transitional provisions. This follows amendments to the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the Administration Cooperation Directive) providing for the automatic exchange of financial account information between member states of the EU and the new CRS (referred to below).

The revised Administration Cooperation Directive entered into force on 1 January 2016. On 28 January 2016, the European Commission has announced a revision of the Administration Cooperation Directive.

## The Foreign Account Tax Compliance Act (FATCA)

FATCA was enacted on 18 March 2010 as part of the Hiring Incentive to Restore Employment Act (the HIRE). It includes provisions under which a Foreign Financial Institution (FFI) may be required to report directly to the Internal Revenue Service (IRS) certain information about shares and Interests held by U.S. tax payers or other foreign entities subject to FATCA and to collect additional identification information for this purpose. FFI that do not enter into an agreement with the IRS and comply with the regulations relating to FATCA could be subject to 30% withholding tax in relation to certain US source income and gains. The regulations relating to FATCA become effective in phases between 1 July 2014 and 2017.

On 16th December, 2013 Malta and the US signed an agreement to implement FATCA in Malta (Agreement between the Government of the United States of America and the Government of the Republic of Malta to Improve International Tax Compliance and to Implement FATCA – incorporated into Maltese law through LN 78 of 2014 (the IGA)). Implementing regulations have also been enacted in LN 295 of 2011 (as amended).

In accordance with article 3(6) of the IGA, the Competent Authorities of Malta and of the US have entered into an arrangement in order to establish and prescribe the rules and procedures necessary to implement certain parts of the IGA.

Further information has been provided in the guidelines for the implementation of the FATCA Agreement and the FATCA Regulations in Malta issued in terms of Article 96(2) of the Maltese Income Tax Act (Chapter 123 of the Laws of Malta).

### **Common Reporting Standard of the OECD**

In recent years, the challenge posed by cross-border tax fraud and tax evasion has become a major focus of concern within the European Union and at global level. Unreported and untaxed income reduces national tax revenues and therefore an increase in the efficiency and effectiveness of tax collection is considered to be required. The automatic exchange of information constitutes an important tool in this regard. In view of this, the Council of the European Union adopted EU Council Directive 2014/107/EU (commonly known as 'DAC2') that extended the cooperation between EU tax authorities to automatic exchange of financial account information. This extension effectively incorporated the Common Reporting Standard (commonly known as 'CRS'), developed by the OECD, within EU Council Directive 2011/16/EU as regards administrative cooperation in the field of taxation. The CRS contains the reporting and due diligence standard that underpins the automatic exchange of financial account information.

A jurisdiction implementing the CRS and DAC2 must have rules in place that require financial institutions (hereinafter referred to as 'FIs') to report information consistent with the scope of reporting and to follow due diligence procedures consistent with the procedures set out in the Standard. As an "early adopter" Malta has committed to implement the CRS in accordance to a specific and ambitious timetable leading to the first automatic information exchanges in 2017.

The DAC2 and CRS have been implemented into Maltese legislation by virtue of LN 384 of 2015 entitled the Cooperation with Other Jurisdiction on Tax Matters (Amendment) Regulations, 2015, which regulations amend the Cooperation with Other Jurisdiction on Tax Matters Regulations with effect from 1st January 2016. In line with regulation 45 of the afore-mentioned regulations, the DAC2 and CRS will be implemented uniformly into Maltese legislation.

Further information has been provided in the guidelines in relation to the implementation of DAC2 and CRS issued under the provisions of article 96(2) of the Maltese Income Tax Act

Future changes in applicable law

The foregoing description of tax consequences of an investment in and the operations of, the Company is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Company to income taxes or subject Investors to increased income taxes.

**TAX AND OTHER MATTERS DESCRIBED IN THIS OFFERING DOCUMENT DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO AN INVESTOR. AN INVESTOR SHOULD CONSULT ITS OWN COUNSEL REGARDING TAX LAWS AND REGULATIONS OF ANY JURISDICTION WHICH MAY BE APPLICABLE TO IT. TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE US INTERNAL REVENUE SERVICE, WE INFORM YOU THAT ANY US FEDERAL INCOME TAXADVICECONTAINEDINTHISCOMMUNICATIONWASNOTINTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF (I) AVOIDING US FEDERAL TAX-RELATED PENALTIES UNDER THE US INTERNAL REVENUE CODE OR (II) PROMOTING, MARKETING OR RECOMMENDING TO ANOTHER PARTY ANY US FEDERAL INCOME TAXRELATED MATTERS ADDRESSED HEREIN.**

## Section 14 | INDEMNITIES

The Company has agreed that with respect to any actions in which any of its Directors, Officers, employees and agents is a party, the Company shall indemnify and hold harmless such person against any loss, claim, damage, charge, liability or expense (including reasonable attorneys' and accountants' fees), judgements and amounts paid in settlement, provided such actions did not involve gross negligence, wilful default or fraud or the unjustifiable failure to perform their obligations in whole or in part. Expenses may be paid by the Company in advance of the final disposition of such action if the indemnified person agrees to reimburse the Company in the event indemnification is not permitted.

The Company may purchase and maintain insurance in relation to the Directors against any liabilities asserted against them.

In addition, the Company has granted indemnities to the Portfolio Manager, the Custodian and the Administrator and their respective directors, officers, employees and agents as specified in the relevant agreements. For further details in this respect, please refer to “**Section 4 | The Portfolio Manager**”, “**Section 5 | The Administrator**” and “**Section 6 | The Custodian**” respectively.

## Section 15 | DETERMINATION OF NET ASSET VALUE

### NAV per Share

The NAV per Share will be determined by the Administrator at least once per year, except when the determination of same has been *ad hoc* determined for subscription or redemption purposes or suspended in accordance with the Memorandum and Articles, on the Valuation Day and is rounded to four (4) decimal figures by aggregating the value of the assets owned or contracted by the Fund and deducting all of the liabilities of the Fund (including accrued liabilities and such provisions and allowances for contingencies as the Administrator considers appropriate in respect of the costs and expenses payable by the Fund and dividing such sum by the number of Investor Shares of the relevant class as may be outstanding at the close of business on that Valuation Day.

### Valuation of Assets and Calculation of NAV

The Board shall assume final responsibility for the valuation of all the assets of the Company and therefore act as valuer through the appointment of a valuation committee (the “**Valuation Committee**”).

However, the Board may delegate its valuation functions, powers, discretions, privileges and duties to any qualified third party. Notwithstanding such delegation, the Board shall remain liable for any act or omission of any person, firm or corporation to whom the Board delegates its functions, powers, discretions, privileges or duties as if the act or omission were its own.

In respect to the valuation of any investment of the Fund which is not quoted, listed or normally dealt in on a market, the Board shall delegate, under its responsibility the valuation to the External Valuer which will be independent of the Company, the Portfolio Manager, each Sub-Fund, its officials or any other service providers of the Company and its Sub-Fund(s) and shall be of good standing with recognised and relevant qualifications and an authorised member, to the extent legally applicable, of a recognized professional body in the jurisdiction of the assets.

The Board has established policies and procedures for the valuation of the assets it manages, which includes process for the exchange of information between the itself and the External Valuer to ensure that all necessary information required for the purpose of performing the valuation task is provided.

The Net Asset Value the Company shall be determined by calculating the net difference between the fair market value of its assets and the fair market value of its liabilities calculated on the basis of the provisions of the Memorandum and Articles. In general, the assets of the Company will be valued as follows:

- a) The value of any investment which is quoted, listed or normally dealt in on a market shall be calculated by reference to the price appearing to the Company to be the last available bid price if bid and asked prices are available (or if bid and asked prices are not available, the closing price) on the market on which the investment is quoted, listed or ordinarily dealt in for such amount of such investment as the valuer may consider in the circumstances to provide a fair criterion, provided that:
  - (i) if an investment is quoted, listed or normally dealt in on more than one market, the valuer shall adopt the last available bid price or, as the case may be, the closing price, on the market which in their opinion provides the principal market for such investment; and

- (ii) in the case of an investment which is quoted, listed or normally dealt in on a market but in respect of which for any reason, prices on that market may not be available at any relevant time, the value therefore shall be certified by a person firm or association making a market in such investment and qualified, in the opinion of the valuer, to provide such a certificate; and
  - (iii) there shall be taken into account interest on interest bearing investments up to the relevant Valuation Day.
- b) The value of any investment, which is not quoted, listed or normally dealt in on a market shall be the value thereof ascertained by the External Valuer in good faith. For this purpose:
  - (i) the initial value of such investment shall be the amount expended in the acquisition thereof (including the amount of the stamp duties, commissions and other expenses incurred in the acquisition thereof and the vesting thereof in the Fund);
  - (ii) there shall be taken into account interest on interest bearing investments up to the relevant Valuation Day; and
  - (iii) subsequent valuations will be undertaken in accordance with the valuation policy of the Portfolio Manager in accordance with fair value principles;
  - (i) in valuing such investments, the External Valuer may consider, inter alia, the fundamental analytical data relating to the investments, the nature and duration of restrictions on disposition of the investments and the forces, which influence the market in which the investments are purchased and sold.
- c) The value of any future contracts, index futures contracts and options which are dealt in on a market shall be calculated by reference to the price appearing to the valuer to be the settlement price as determined by the market in question provided that where it is not the practice of the relevant market to quote a settlement price or if such settlement price is not available for any reason, such value shall be calculated in such manner as valuer shall determine;
- d) On each Valuation Day, the value of any investment vehicle in which the Fund is investing will be the final net asset value ("**Final NAV**") reported by the fund manager or administrator of the relevant underlying investment vehicle on the Valuation Day or, if not available, the most recent estimated net asset value based on preliminary returns reported by such fund manager or administrator ("**Estimated NAV**"). All values assigned to securities and other assets and liabilities by the relevant party shall be final and conclusive as to all holders of the Investor Shares in the Fund. The NAV per Share will be based on Estimated NAV when Final NAV is unavailable. The valuer will obtain confirmation from the managers or administrators of the investment vehicle in which the Fund invests regarding their net asset value calculations (whether they are supplying Estimated or Final NAV) prior to the determination of the NAV per Share. Once the NAV per Share has been finalised as of any Valuation Day, whether or not based on Estimated NAV, no adjustments or restatements of such NAV per Share will be performed, even if the Final NAV for particular assets differs from the Estimated NAV used to value such assets. Thus, in the event that there is a difference between Estimated NAV and Final NAV, any necessary adjustments will affect, and be reflected in, the NAV per Share reported in subsequent periods only. Accordingly, any purchase or redemption of Investor Shares will be at NAV per Share as of the Valuation Day coinciding with or immediately preceding the relevant Dealing Day. If there is ultimately a difference between the Estimated NAV and the Final NAV for particular assets that results in an adjustment of NAV after the Dealing Day, the valuer will not make any adjustment to the dealing price;
- (f) Certificates of deposit acquired at their nominal value plus accrued interest (if any) shall be valued at cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate;
- (g) Certificates of deposit acquired at a discount or premium on the sum of the nominal value and accrued interest at the date of acquisition shall be valued at their cost plus accrued

interest from the date of acquisition on the nominal value at the coupon rate, and adjusted by an amount equal to the discount or premium at which they were acquired divided by the number of days unexpired at the date of acquisition and multiplied by the number of days elapsed from the date of acquisition to the relevant Valuation Day;

- (h) Interest bearing securities shall be valued at cost plus accrued interest from the date of acquisition and adjusted by an amount equal to any discount or premium on the sum of the nominal value and accrued interest at the date of acquisition divided by the number of days unexpired at the date of acquisition and multiplied by the number of days elapsed from the date of acquisition to the relevant Valuation Day;
- (i) In the case of any security or other property which in the opinion of the valuer it would not be appropriate to value as above provided, its value thereof shall be determined in such manner as the valuer shall from time to time determine;
- (l) In the case of any asset realised or contracted to be realised at a known value the net proceeds, discounted at a rate considered appropriate by the valuer of such realisation shall be taken into account in lieu of any other method of determining the value of the asset concerned;
- (m) The value of any such securities or other assets listed above shall be determined having regard to the full amount of any currency premium or discount which may be relevant.

Prospective investors should be aware that situations involving uncertainties as to the valuation of investment vehicles may occur and could have an adverse effect on the Company's or its Sub-Fund(s)' net assets. Absent bad faith or manifest error, the NAV per Share as determined by the Administrator is conclusive and binding on all Shareholders.

The Company may suspend the calculation of the NAV per Share of a Sub-Fund, and as a result the issue and redemption of Investor Shares will be suspended, under any one or more of the following circumstances:

- (a) a closure of or suspension of trading on any market on which any assets of the Fund are traded; or
- (b) a breakdown occurs in any of the means normally employed by the Administrator to ascertain the value of the assets of the Company or when for any other reason the value of the assets of the Fund cannot reasonably be ascertained; or
- (c) circumstances exist as a result of which in the opinion of the Portfolio Manager in consultation with the Directors it is not reasonably practicable for the Company to realise any investments or other assets owned or contracted for which together constitute a material proportion of the overall assets of the Company; or
- (d) if an Illiquidity Event occurs or for any other reason that the Board in its sole discretion deem is in the best interests of the Fund.

In determining the value of investments, the valuer will follow the above rules. For the purpose of calculating the NAV and the NAV per Share, the Administrator shall, and shall be entitled to, rely on, and will not be responsible for the accuracy of, financial data furnished to it by the Prime Broker or the Portfolio Manager, where appointed. The Administrator may accept, use and rely on industry standard financial models identified by the valuer, other than those described therein, in order to determine the NAV per Share and shall not be liable to the Company, any investor in the Company, the Directors, the Portfolio Manager or any other person in so doing. The Administrator is not required and is under no obligation to value individual assets in calculating the NAV and/or verify pricing information. Accordingly, in calculating the NAV, the Administrator shall rely in absolute terms upon the Company, its valuers, including the External Valuer, or the relevant service



providers for the purpose of providing the valuation of the underlying assets. The Administrator shall have the right to request the valuer to confirm the sources used for the valuation of the underlying assets.

**Additional conditions or methodologies relating to the calculation of the NAV of any particular Sub-Fund (including any class thereof) will, if applicable, be found in the relative Offering Supplement.**

## Section 16 | GENERAL INFORMATION

### Dividend Policy

Except where otherwise stated in the Offering Supplement of any particular Sub-Fund, it is not envisaged that any income or gains will be distributed by the Company to its Shareholders. The Sub-Funds will accumulate all income received from its investments, which income will be reflected in the NAV per Share.

### Amendments to the Offering Memorandum and Offering Supplements

This Offering Memorandum and the Offering Supplements may be amended or supplemented at any time as determined by the Board in its sole discretion for the purpose of: (i) clarifying any inaccuracy or ambiguity or reconciling any inconsistency in its provisions, or as between the provisions of this Offering Memorandum and/or any Offering Supplements and/or the provisions of the Memorandum and Articles, or to make any other provisions with respect to matters or questions arising under this Offering Memorandum and the Offering Supplements which are not inconsistent with the provisions of the Memorandum and Articles; (ii) deleting or adding any provision required to be deleted or added by the MFSA or any other governmental agency or official or in order to comply with any law, rule or regulation applicable to the Company, the Portfolio Manager or any of their service providers; (iii) reflecting a change of location of the principal place of business of the Company or its service providers, (iv) reflecting and describing an amendment to the terms of any agreement entered into by the Company and described in this Offering Memorandum or any Offering Supplement, or reflecting and describing the terms of any new agreement entered into by the Company; (v) making provision for the offer of a new class of Investor Shares in an existing Sub-Fund; (vi) changing this Offering Memorandum and/or any Offering Supplements in any manner that does not, in the opinion of the Board, adversely affect the Shareholders in any material respect or that is required or contemplated by the provisions of the Memorandum and Articles or by any provision of this Offering Memorandum and/or Offering Supplements; or (vii) making any other amendment similar to the above that the Board determines to be in the best interests of the Company (provided always that such amendment does not conflict with the terms of the Memorandum and Articles).

Investors should note that, unless otherwise provided in this Offering Memorandum or relevant Offering Supplements for any specific cases or events, by subscribing for Investor Shares they accept that the terms of this Offering Memorandum and the Offering Supplements may be amended by the Board in accordance with the above criteria without any advance notification to, or consent of, the Shareholders. Amendments to this Offering Memorandum and/or the Offering Supplements effected by the Board in accordance with the foregoing criteria will be notified to the Shareholders following their adoption.

### Annual Reports

The Accounting Reference date adopted by the Company is the 31<sup>st</sup> December of each year.

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards and are audited annually at the Company's expense by an independent firm of auditors.

Copies of the Annual Report are normally mailed to registered Shareholders and to the MFSA within a maximum period of six (6) months from the financial year end.

The following information will be included in the Annual Report and will also be made available upon request:

- the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;

- the current risk profile of the Company or its Sub-Funds and a description of the risk management systems employed to manage those risks;
- any new arrangements for managing the liquidity of the Company;
- any changes to the maximum level of leverage, if permitted, which the Company may employ on behalf of the Company or a Sub-Fund as well as any right of the reuse of collateral or any guarantee granted under any leveraging arrangement;
- the total amount of leverage, if permitted, employed by the Company or a Sub-Fund.

### **Evidence of Ownership of Investor Shares**

Ownership of Investor Shares in the Company shall be evidenced by book entries in registers maintained by the Administrator and Investor Shares shall not be certificated. Pledges of Investor Shares shall be notified to the Administrator and shall also be evidenced in the same manner.

### **Fair Treatment of Investors**

The Portfolio Manager has established policies and procedures and made arrangements to ensure the fair treatment of investors. Such arrangements include, but are not limited to, ensuring that no one or more investors are given preferential treatment over any rights and obligations in relation to their investment in the Company. All rights and obligations to investors, including those related to subscription and redemption requests, are set out in this Offering Memorandum or the Memorandum and Articles.

### **Information to be provided before Investing**

In addition to the Offering Memorandum and applicable Offering Supplement, a prospective investor is, before investing, entitled to be provided with (and should request):

- a. the latest Audited Financial Statements of the Company;
- b. the latest NAV per Share of the relevant Sub-Fund; and
- c. historical performance of the relevant Sub-Fund.

Prior to providing the above information, the Board may require appropriate confidentiality undertakings to be put in place or impose additional conditions. Where such conditions are required, compliance with such conditions should be considered as additional eligibility requirements to subscribe for Shares.

### **Additional Information**

The Company intends that all prospective investors be given access to information appropriate for their consideration in determining whether to invest in the Company including, notably, the Memorandum and Articles, the certificate of incorporation of the Company the Investment Management Agreement, the relevant administration agreement, and the Portfolio Manager's best execution policy. Accordingly, prospective investors may communicate in this regard with the Portfolio Manager. In addition to the Offering Memorandum, the relevant Offering Supplement(s) and the documents referred to above (as may apply to each Sub-Fund), the Portfolio Manager may, from time to time, provide material information to investors and prospective investors in relation to one or more of the Sub-Funds. Such information may take the form of reporting tailored to meet investors' specific requirements, risk reports, analysis on various subjects pertaining to the Sub-Funds or their investment strategies and marketing materials highlighting the Sub-Funds' features and characteristics. In providing such additional information to investors and prospective investors, the Portfolio Manager will strive to maintain fairness with respect to the level of disclosures and information being provided amongst investors and prospective investors of the same Sub-Fund.

Details of any periodic reporting in relation to particular Sub-Funds may be set out in the related Offering Supplement.

Investors and prospective investors are invited to contact the Portfolio Manager should they wish to obtain additional information.

**Information Available for Inspection**

Copies of the following documents will be available for inspection by prospective investors (and Shareholders) or their representatives at the registered office of the Company, or at the offices of the Portfolio Manager:

- Memorandum & Articles of Association, and Certificate of Incorporation of the Company
- The latest Offering Memorandum and Offering Supplement of the Sub-Funds
- The sub- Portfolio Manager appointed by the Portfolio Manager in respect of a Sub-Fund;
- Investment Management Agreement
- Sub-Investment Management Agreement
- Custody Agreement
- Administration Agreement
- Investment Services Act of Malta
- Audited Financial Statements of the Company, when available

## Section 17 | UNDERTAKINGS AND WARRANTIES

Subscribers should take notice that by completing and executing the Subscription Agreement and the Investor Declaration Form the Subscriber is entering into the following undertakings and giving the following warranties specified herein below:

- (a) The Subscriber irrevocably subscribes for the Investor Shares as specified in the Subscription Agreement, as may be determined in accordance with the Memorandum and Articles at the Initial Offering Price or at the prevailing Offering Price on the next Subscription Day following acceptance of the application by the Company. The Subscriber understands that fractional shares may be issued up to four (4) decimal places.
- (b) The Subscriber acknowledges that Investor Shares will be issued on the next applicable Subscription Day following the lapse of any applicable subscription notice period set out in the relevant Offering Supplement commencing from the date of receipt of both the Subscription Agreement and the subscription monies in cleared funds, the former of which must be received by the Company at the office of the Administrator and the latter of which must be received by the Custodian in acceptable form, whichever is the later.
- (c) Unless otherwise specified in the relevant Offering Supplement or in the Investor Declaration Form, The Subscriber agrees and acknowledges that, if the application is accepted by the Company, subscription monies received in advance of a subscription may also be utilised by the Company from the date of receipt in the Custodian's bank account until the applicable Subscription Day. In such case, the subscription monies will be deemed to have been lent by the Subscriber to the Company until the Subscription Day with a guaranteed return of Investor Shares issued to the value of the subscription monies (less any applicable subscription charges) received by the Custodian as cleared funds. In this regard, the value of the subscription monies will not be affected by any changes in the value of the applicable Sub-Fund in advance of the applicable Subscription Day. The Subscriber agrees and acknowledges the foregoing and recognises the risk that, in the event of the Company's or the relevant Sub-Fund's insolvency between the time that subscription monies are received in the Custodian's bank account and the applicable Subscription Day, the Subscriber will rank as an unsecured credit of the Company or the Sub-Fund as applicable.
- (d) The Subscriber agrees that subscriptions and redemptions made in currencies other than the Base Currency of the relevant class of Investor Shares will be sold or purchased on behalf of the Company by the Custodian at the Custodian's market rate for the said designated currency and Investor Shares will be issued, or payment of redemption proceeds will be made, to the value of the said designated currency proceeds and the Subscriber accepts the exchange risk and costs relating to that transaction.
- (e) The Subscriber acknowledges and confirms receipt of, and that he has read, is familiar with and understands this Offering Memorandum including all relevant appendices and the Offering Supplement of the relevant Sub-Fund.
- (f) The Subscriber recognises that an investment in the Company involves a high degree of risk and has taken full cognisance of and understands all of the risk factors related to the purchase of Investor Shares, including but not limited to those set forth in this Offering Memorandum under "**Section 3 | Risk Factors**" and such other risk factors that may be set out in the Offering Supplement of the relevant Sub-Fund. In evaluating the suitability of an investment in the Company the Subscriber has not relied upon any representations or other information (whether oral or written) other than as set forth herein.

- (g) The Subscriber has taken the advice of professional advisors who have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of this investment and the Subscriber is fully capable of assessing and bearing the risks involved in the Subscriber's own right or with the benefit of such professional advice received.
- (h) The Subscriber acknowledges the Minimum Initial Subscription, Minimum Holding, Minimum Additional Subscription, Minimum Redemption and other minimum restrictions as outlined herein.
- (i) The Subscriber accepts and acknowledges that the Board may at their discretion accept a Subscription Agreement from a Subscriber which does not comply with the Minimum Initial Subscription or Minimum Additional Subscription; **provided that** in such case the relevant Subscription Day shall be deemed to be the next applicable Subscription Day after: (a) all pending subscriptions by that Subscriber comply, in aggregate, with the Minimum Initial Subscription or Minimum Additional Subscription as applicable; and (b) the lapse of any applicable subscription notice period. The Subscriber accepts and acknowledges that until such Subscription Day any subscription monies may be used by the Company as described in (c) above.
- (j) The Subscriber warrants that it is eligible to be treated as an Investor.
- (k) The Subscriber warrants that it has the knowledge, experience, and expertise in financial matters to evaluate the risks and understand the relevant Sub-Fund's investment policy, has received, read and understood this Offering Memorandum and the Offering Supplement relating to the relevant Sub-Fund and is aware of the risks inherent in investing in the Investor Shares relating to the Sub-Fund and the method by which the assets of the Sub-Fund are held and traded, as described in this Offering Memorandum and the Offering Supplement and the Subscriber can bear the risk of loss of his/her entire investment.
- (l) The Subscriber agrees that the Investor Shares hereby subscribed for will be held subject to the terms and conditions of the Memorandum and Articles and the Offering Memorandum as amended from time to time and that the Company will fully protect and indemnify its Directors, the Portfolio Manager, the Custodian and the Administrator against liability for all acts taken on his or its behalf in accordance with the relevant agreements with such parties.
- (m) The Subscriber fully appreciates the Company's rights to accept or reject all applications for subscription in its sole discretion.
- (n) The Subscriber agrees that no Investor Shares hereby subscribed for may at any time be transferred to any other person without first seeking the approval of the Company in accordance with the provisions of "**Section 18 | Acquisition of Investor Shares**".
- (o) The Subscriber acknowledges and accepts that no share certificates will be issued.
- (p) The Subscriber acknowledges and accepts that the Offering Memorandum, the Subscription Agreement including the Investor Declaration Form, as applicable are governed by Maltese law and hereby submits to the non-exclusive jurisdiction of the Courts of Malta.
- (q) The Subscriber confirms that, to the best of the Subscriber's knowledge and belief, the Subscriber's subscription moneys are not, in whole or in part, the proceeds of drug trafficking, terrorism or any other criminal activity, nor do they represent, in whole or in part, directly or indirectly, such proceeds.

- (r) If the Subscriber is an individual person, or is a nominee for an individual person, he warrants that he is, and the beneficial owners (if applicable) are, at the date of execution of this Subscription Application, the greater of 18 years of age, or the minimum age permitted to enter into a legally binding and irrevocable contract, such as the Subscription Application, in his, or the beneficial owner's, country of residence.
- (s) The Subscriber acknowledges that it has read and understood the contents of "**Section 12| AML and Data Protection**" in the Offering Memorandum and further acknowledges that the Company, Administrator or other service provider to the Company may be required by applicable laws and/or regulations to take further reasonable steps to establish the identity of the Subscriber or of any other person whom the Company, Administrator or other service provider knows or has reason to believe is a person for whom or on whose behalf the Subscriber is acting and the Subscriber undertakes to co-operate with and assist the Company, Administrator or other service provider in relation to such steps and the Subscriber acknowledges that the Company, Administrator or other service provider shall be held harmless and indemnified by the Subscriber against any loss arising as a result of a failure to process the Subscription Application if any information required by the Company, Administrator or other service provider has not been provided by the Subscriber. In this context, the Subscriber hereby agrees that it will provide the relevant information requested in the AML Supplement, which forms part of the Subscription Agreement.
- (t) If the Subscriber wishes to redeem his investment but the information has not been provided, the redemption will be acted upon but no monies will be paid to the Subscriber. Instead, the monies will be held in the Subscriber's name at the Company's account and the Subscriber will bear all associated risks.
- (u) The Subscriber confirms that, if it is a "Designated Body" (which is a bank, insurance company, or other financial institution, or financial intermediary, which is domiciled in an EU, OECD or FATF approved jurisdiction and is regulated by an approved regulated body), subscribing for on behalf of another person as nominee, it has verified the identity of that other person in accordance with applicable anti-money laundering laws and/or regulations.
- (v) The Subscriber consents to the release by the Remitting Bank from which the subscription was made to the Company and/or the Administrator or other service provider of all evidence of the Subscriber's identity which said bank / financial institution shall have retained. The Subscriber agrees that such evidence may further be furnished by the Company and/or the Administrator to any other service provider to the Company upon request, to enable such other service provider to meet its obligations under applicable laws and/or regulations.
- (w) The Subscriber hereby authorises the Company and the Administrator to obtain verification of any information provided by the Subscriber as part of its subscription application.
- (x) The Subscriber agrees to provide any other information that may be required from time to time in compliance with relevant regulations.
- (y) Subscribers should be aware that suspicious events are reportable, under the Maltese prevention of money laundering laws and regulations and, by way of example, failure to provide justification for the change of bank account, or a request to pay the proceeds into a bank account in a jurisdiction which the subscriber is not a resident could be deemed suspicious and therefore would be reportable under the regulations and may cause the payment to be delayed or refused.
- (z) The Subscriber consents to the processing of any Personal Data by the Company and/or its data processors (which include the Administrator and the Portfolio Manager) as described in "**Section 12| AML and Data Protection**" and specifically and unambiguously

consents to the transfer of any such Personal Data to the persons and in the manner described in the aforementioned Section.

- (aa) The Subscriber agrees that, where redemption requests made by the Subscriber are sent to the Company at the office of the Administrator by facsimile, the Subscriber shall immediately send the original such notice to the Company at the office of the Administrator by post or by courier but that the Administrator shall, nonetheless, be entitled, but not obliged, to treat such facsimile notice at face value and to act thereon if the original has not arrived by the relevant Subscription Day.

Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt. The Subscriber further agrees to indemnify and hold harmless the Administrator, its directors and other officers, servants, employees and agents from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the gross negligence, fraud or wilful default of the Administrator, its directors or other officers, servants, employees or agents in its treatment of such facsimile notice) which may be imposed on, incurred by or asserted against Administrator, its directors or other officers, servants, employees or agents in its treatment of such facsimile notice.



## Section 18 | ACQUISITION OF INVESTOR SHARES

The Investor Shares of the Company can only be acquired, and at all times held, by persons, whether corporate or incorporate, being Investors. In order to acquire Investor Shares in the Company, all Investors must satisfy the conditions set out in this Offering Memorandum.

### Subscription Procedures

Purchases of Investor Shares can be made at the prevailing Offering Price (or at the Initial Offering Price during the Initial Offering Period) on the relevant Subscription Day, by submission to the Company at the office of the Administrator of the documents referred to below.

In order to purchase Investor Shares in the Company, a prospective investor must:

- i. Complete and sign the Subscription Agreement which includes the Investor Declaration Form, a copy of which is available from the Administrator and/ or the Portfolio Manager;
- ii. Pay the subscription amount in the Base Currency of the Investor Shares to the Company's bank account by bank transfer. To ensure prompt receipt and identification of the subscription payment - the Subscriber should use the "Bank Transfer Instruction Letter" form;
- iii. Send the signed and completed Subscription Agreement and the Investor Declaration Form, together with a copy of the Bank Transfer Instruction Letter, to the Company c/o the Administrator enclosing those documents required in the Anti-Money Laundering Supplement (the "**AML Supplement**"), which forms part of the Subscription Agreement; and
- iv. Comply with the relevant Minimum Initial Subscription and the Minimum Holding thresholds.

**The Company will only issue Investor Shares to applicants upon receipt, at the offices of the Administrator within the deadlines specified in the related Offering Supplement, of a properly executed Subscription Agreement and other required documentation, and of cleared payments.**

A copy of the Subscription Agreement and the Investor Declaration Form, should be completed and retained by the applicant for the applicant's personal reference and records.

The Company may accept, in its sole and absolute discretion, investments in other currencies under the following conditions: (i) each currency will be converted to the Base Currency of the respective Investor Share, at the sole cost and expense of the Subscriber (and the cost will be deducted from the Subscriber's gross subscription amount); (ii) each Subscriber will bear all currency fluctuation risks between the Base Currency of the respective Investor Share and his base currency; and (iii) all distributions (including Redemption Proceeds) will be made in the Base Currency of the respective Investor Share, unless the Subscriber requests in writing in advance that distributions to be made in a different currency, in which event the Subscriber will bear the cost of converting the distribution to its Base currency and such cost shall be deducted from such distribution.

### Subscribers' Undertakings and Warranties

Subscribers should take notice that by completing and executing the Subscription Agreement and the Investor Declaration Form the subscriber is entering into a number of undertakings and giving a number of warranties as specifically set out in this Offering Memorandum and in the Subscription Agreement.

Subscribers should also take notice that no share certificates will be issued but the Administrator will provide written confirmation of the subscription.

### Subscriptions in Specie

The Company shall, at its option, be entitled to receive securities or other investments, to the satisfaction of the Company and the Portfolio Manager, from a prospective Shareholder for the issue of Investor Shares in the Company in accordance with the provisions of the Memorandum and Articles and in accordance with applicable law.

The Company shall, with the prior approval of the Auditor, appoint a valuer which may be the Portfolio Manager or an appointed third party, to draw up a valuer's report. Such report shall include:

- a description of each of the assets comprising the consideration;
- the value of each asset and a description of the method of valuation used; and,
- a confirmation that the value of the consideration is at least equal to the net asset value of the shares to be issued in return for such consideration.

The valuer shall be independent of the Company, its Officers, the Custodian, the Auditor, or any other Service Providers of the Company with the sole exception of the Portfolio Manager, where applicable, and needs to be of good standing with recognised and relevant qualifications and, to the extent legally applicable, an authorised member of a recognised professional body in the jurisdiction of the assets. The Company shall only issue Investor Shares once the assets referred to in the valuer's report have been transferred in favour of the Company to the satisfaction of the Board and the Custodian. All valuer reports issued by the appointed valuer shall be kept in Malta at the registered office of the Company.

All valuer reports issued by the appointed valuer shall be kept in Malta at the registered office of the Company.

### Exchange of Shares

Unless otherwise stated in the Offering Supplement relating to a Sub-Fund, a holder of Investor Shares may exchange all or part of his Investor Shares (the "**Original Shares**") into Investor Shares in another Sub-Fund or in a different class of the same Sub-Fund (the "**New Shares**"). The Sub-Funds of the Original Shares and of the New Shares must have coinciding Dealing Days.

An irrevocable request to exchange Investor Shares shall be construed as being a request for the repurchase of the stated number of Original Shares (save that the repurchase monies shall not be released to the investor, but shall be deemed to be paid to the Company for the purpose of acquiring the New Shares) and a simultaneous request for the proceeds from such repurchase to be applied to the purchase of New Shares as may be indicated. The exchange of Shares shall take place on the same Dealing Day at the relevant Redemption Price and Offering Price.

Absent any other arrangements between the holder of the Original Shares and the Company, if for any reason whatsoever the repurchase of the Original Shares and the purchase of the New Shares cannot both be completed on the same Dealing Day, then the request to exchange Shares shall be processed on the next Dealing Day when such repurchase and purchase can both be completed simultaneously.

The number of New Shares to be issued on exchange shall be determined by the Administrator in accordance (or as nearly as may be in accordance) with the following formula: -

$$NS = \frac{[(A \times B) - C] \times D}{E}$$

where:-

- NS = the number of New Shares which will be issued;  
 A = the number of Original Shares to be exchanged;  
 B = the Redemption Price of such Original Shares on the relevant Dealing Day;  
 C = any applicable transaction costs (including any relevant fees set out in the Offering Supplement);  
 D = if applicable, the rate of exchange determined by the Administrator for converting the Base Currency of the Original Shares into the Base Currency of the New Shares; and  
 E = the Offering Price of the New Shares on the relevant Dealing Day (including any commissions payable).

## Transfer of Shares

### General

The Investor Shares of the Company can only be transferred to, and at all times held by, persons being Investors. In order to acquire or hold Investor Shares in the Company, all Investors must satisfy the conditions set out in this Offering Memorandum.

A Shareholder desiring to transfer his Investor Shares must make available to the Company a written instrument of transfer executed by or on behalf of the proposed transferor setting forth:

- i. the names and addresses of the proposed transferor and transferee;
- ii. the number of Investor Shares to be transferred and the consideration to be paid by the proposed transferee; and
- iii. such other information as the Company may require, including information necessary to satisfy the Company that the proposed transfer complies with applicable laws and appropriate identification documentation is provided as required by the Company or the Administrator on its behalf to comply with applicable anti-money laundering regimes.

The proposed transferee must, in the above-mentioned instrument of transfer, agree to take such Investor Shares subject to the same conditions and restrictions pursuant to which the Investor Shares were held by the transferor.

The Memorandum and Articles provide that the Board may, in its absolute discretion, decline to give effect to the proposed transfer of any Investor Share and may withhold approval for any reason.

Furthermore, the Board may decline to register any transfer of Investor Shares:

- i. unless the instrument of transfer is deposited to the Company at the office of the Administrator or such place as the Board may reasonably require and such other evidence as the Board may reasonably require to prove the right of the transferor to make the transfer;
- ii. if the Company has any lien on the Investor Shares being transferred; or
- iii. if the registration of transfers has been suspended by the Board in accordance with the Memorandum and Articles.

If the Board declines to register a transfer, they shall send notice to the transferee of such refusal within two (2) months. If after two (2) months of receipt by the Company of an acceptable

instrument of transfer the Board does not deny permission for the transfer, the Company shall be deemed to have approved the transfer, and shall be obliged to register the transfer without delay.

The Investor Shares are new securities for which there is currently no established independent market for the transfer. There can be no assurance that an independent market will develop, or, if one does develop, that it will be maintained.

### **Eligible Investors**

The Investor must meet all suitability requirements described herein and in the Subscription Agreement. The Company will not knowingly offer or sell Investor Shares to any investor to whom such offer or sale would be unlawful.

The Board shall not be bound to register more than four (4) persons as joint holders of any Investor Shares and Shares may not be transferred to persons under the age of eighteen (18). Each investor must represent and warrant to the Company that, amongst other things, he is an Investor and is able to acquire Investor Shares without breaching applicable laws. The investor must also complete and provide the Company with a completed Investor Declaration Form. The Company will not knowingly offer or sell Investor Shares to any investor to whom such offer or sale would be unlawful.

### **Minimum Holding Requirements for Registration of Transfers**

Should it appear to the Administrator that the effect of a transfer will result, after the transfer, in the transferor or the transferee holding in aggregate less than the Minimum Holding required in this Offering Memorandum, the Administrator shall immediately inform the applicant that the request for registration of a transfer has been suspended until the request is amended to result in observance of the Minimum Holding of Investor Shares after the transfer of Investor Shares by the transferor and transferee.

## Section 19 | REDEMPTION OF INVESTOR SHARES

### Procedure

Subject to the restrictions appearing in this Offering Memorandum, the Memorandum and Articles, or, in relation to a particular Sub-Fund, the related Offering Supplement, a Shareholder may cause any or all of his Investor Shares to be redeemed by the Company on a Redemption Day at the Redemption Price.

Redemptions of Investor Shares may be made on any Redemption Day, at the Redemption Price, if a valid Redemption Notice is received by the Company at the office of the Administrator with such prior notice as may be stated in the related Offering Supplement. Redemption requests received after such time and date will not be processed on the next Redemption Day but on the first one thereafter.

Subject to any conditions which may be stated in a Redemption Notice, Redemption Proceeds due will be paid out as soon as practicable after final calculation of the NAV per Share, and after receipt of the proceeds of the sale of any investments sold to fund the redemption.

Except as discussed above and below, all requests for redemption in the proper form will be honoured and the Sub-Fund's investments will be liquidated to the extent necessary (if any) to discharge its liability on the date of redemption.

Redemption Notices sent by the Shareholder to the Company at the office of the Administrator will be deemed not to have been received by the Company at the office of the Administrator unless receipt is acknowledged in writing by the Administrator. Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt.

### Redemption Price

Unless stated otherwise in the Offering Supplement of a particular Sub-Fund, the Redemption Price per share on the relevant Redemption Day is the NAV per Share rounded to four (4) decimal places as at the close of business on the relevant Valuation Day.

### Redemption in Specie

Apart from the circumstances described under "Total Redemptions" below, the Memorandum and Articles provide that the Board may determine that the payment of the Redemption Proceeds to any Shareholder may, subject to the conditions specified hereunder being satisfied, be made wholly or partially *in specie*. This will be done by transferring to the Shareholder, from the portfolio of assets allocated to the class or classes of Investor Shares being redeemed, assets with a value equal – as of the Valuation Day on which the Redemption Price is calculated – to the whole, or (where applicable) the appropriate portion, of the Redemption Proceeds.

With regard to the conditions referred to above, the Board shall request the Portfolio Manager to ensure that the Company shall only carry out such redemption *in specie*:

- i. where the Shareholder has consented in writing to such redemption *in specie*; and
- ii. equal treatment is afforded to all Shareholders, of the same class of Investor Shares, being offered a redemption *in specie* on the same Redemption Day; and

- iii. the nature and type of assets to be transferred are determined on a fair and reasonable basis and without prejudicing the interests of the other holders of Investor Shares of the relevant class or classes of shares.

Any costs resulting from such redemption in specie shall be borne by the relevant Sub-Fund.

### **Deferral of Redemptions**

The Board may in its exclusive discretion, set out in the Offering Supplement relating to a Sub-Fund, a limit on total amount of redemptions that may be affected on any Redemption Day. The limit will generally be a percentage of the Investor Shares in a given Sub-Fund in issue on that day (in each case before giving effect to sales of Investor Shares or requests for redemption for such Redemption Day) as set out in the Offering Supplement relating to that Sub-Fund. In such circumstances the Company or its authorised agent may scale down pro rata the number of Investor Shares to be redeemed in response to each request for redemption to the extent necessary to ensure that the said limit is not exceeded. The balance for redemption shall be carried forward as at the next Redemption Day and so on to each succeeding Redemption Day until each request has been complied with in full. Requests for redemption carried forward from an earlier Redemption Day shall have priority over later requests.

### **Temporary Suspension in Redemptions**

The Company may suspend the calculation of the NAV of the Sub-Fund and the right of any Shareholder to require redemption of any Investor Share and the issue of Investor Shares during;

- (a) any period when any stock exchange on which a significant proportion of the investments of the Sub-Fund is quoted is closed otherwise than for ordinary holidays or during which dealings thereon are restricted or suspended;
- (b) any period when disposals of investments by the Sub-Fund cannot be effected normally or without seriously prejudicing the interests of Shareholders;
- (c) any period when there is a breakdown in the means of communication normally employed in determining the price or value of any of the investments or the current price or values on any stock exchange; or
- (d) any period when the Sub-Fund is unable to repatriate funds for the purpose of making payments on the redemption of Investor Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Investor Shares cannot, in the opinion of the Board, be effected at normal rates of exchange.

Notice of any such suspension will be given to all Shareholders in the relevant Sub-Fund, including any Shareholder tendering his Investor Shares for redemption. Shareholders will be promptly notified upon the termination of such suspension.

### **Compulsory Redemption**

The Company reserves the right to require a Shareholder to redeem all or any part of its shareholding, within one (1) Business Day of a notice of intent to do so, in the event that the holding of Investor Shares by the Shareholder concerned may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or the Shareholders as a whole, if the Shareholder ceases to qualify as an Investor or, if on any Valuation Day, the total value of the Investor Shares held by the Shareholder is less than the Minimum Holding for the Company or a Sub-Fund or if the Company otherwise determines that the ownership of the Investor Shares by the Shareholder is not in the best interests of the Company. Such compulsory redemptions will take place at the prevailing Redemption Price on the day that such redemption takes place.

### **Suspension of Redemption Requests**

Should it appear to the Administrator that the effect of a Redemption Notice will result, after the redemption, in the Shareholder holding in aggregate less than the minimum required in this Offering Memorandum or (where applicable) in the related Offering Supplement, the Administrator shall immediately inform the applicant that the request for redemption has been suspended until the Redemption Notice is amended either to result in observance of the Minimum Holding of Investor Shares, after redemption, or to request the redemption of all of the outstanding Investor Shares in the name of the Shareholder.

### **Total Redemption**

If at any time the continuation of the Sub-Fund is no longer viable or desirable owing to:

- i. the termination of the engagement of the Portfolio Manager; or
- ii. the Portfolio Manager recommending the closure of the Sub-Fund on the basis that the outlook and the potential of the investment strategy or strategies available for the management of the assets of the Sub-Fund may in the light of certain developments, no longer be attractive or viable; or
- iii. other factors that may prejudice the successful pursuit of such strategies or the adequate fulfilment of the investment objective of the Sub-Fund;

the Company may, by not less than four (4) nor more than six (6) weeks' notice (expiring on a Dealing Day) to all interested Shareholders, redeem all the relevant Investor Shares not previously redeemed. Subject to the conditions set out above and in the Memorandum and Articles as well as any set out in the relevant Offering Supplement, the holders of the relevant Investor Shares may be required to receive redemptions *in specie*.

## Section 20 | DIRECTORY

### Directors of the Company

**Mr Stephen Muscat**  
**Dr Suzanne Wolfe Martin**  
**Mr Matthew Paris**

### Registered Office

Skyway Offices, Block C, Office 1  
179 Marina Street  
Pieta PTA 9042  
Malta

### Portfolio Manager

**Abalone Asset Management Limited**  
Skyway Offices, Block C, Office 1  
179 Marina Street  
Pieta PTA 9042  
Malta

### Administrator, Registrar and Transfer Agent

**Trident Fund Services (Malta) Limited**  
The Cornerstone Complex, Level 3, Suite 3  
16th September Square  
Mosta MST 1180  
Malta

### Auditors

**Ernst & Young Malta Limited**  
Regional Business Centre  
Achille Ferris Street  
Msida MSD 1751  
Malta

### Company Secretary

**SGGG Fexserv Fund Services (Malta) Limited**  
Business Box  
Msida Valley Road  
Birkirkara BKR9024  
Malta

### Legal Advisor

The Company will engage, where required, first-tier reputable Maltese law firms as its legal advisors as to matters of Maltese law. Potential investors are urged to consult their own counsel.

### Tax Advisor

The Company will engage, where required, first-tier reputable Maltese tax advisory firms as its tax advisors as to matters of Maltese law.