

The Directors of the Company whose names appear on the last page of this Offering Supplement 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) the information contained in this Offering Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information as of the date hereof. The Directors accept responsibility accordingly.

Offering Supplement

17th May 2019

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

AIRMID CAPITAL FUND

a Sub-Fund of

CTH SICAV plc

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

Abalone Asset Management Limited
(Investment Manager)

Carthesio SA
(Sub-Investment Manager)

BOV Fund Services Limited
(Administrator, Registrar and Transfer Agent)

Zarattini International Limited
(Depositary)

Deloitte Malta
(Auditor)

***Important Notice:** This Offering Supplement may not be distributed unless accompanied by, and is to be read in conjunction with, the Offering Memorandum issued by the Company.*

Airmid Capital Fund, a sub-fund of CTH SICAV plc (the "Company") is licensed by the Malta Financial Services Authority ("MFSA") an Alternative Investment Fund which is available to Professional Investors, and fulfils any additional conditions prescribed by the MFSA in relation to collective investment schemes ("Schemes") available to Professional Investors. The Company and its Sub-Funds are Non-Retail Schemes, therefore the protections 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. Shares in the Sub-Funds may only be marketed outside Malta to Professional Investors as defined in AIFMD. The marketing of the Shares in the Sub-Funds to an investor who is not a Professional Investor as defined in the AIFMD may only be undertaken if allowed by the respective jurisdiction and subject to, where relevant, the national provisions applicable in the

respective jurisdiction as prescribed in Article 43 of the AIFMD. The MFSA has made no assessment or value judgement on the soundness of the Company and its Sub-Funds or for the accuracy or completeness of statements made or opinions expressed with regard to them. The authorisation of the Sub-Fund is not tantamount to an endorsement of the Sub-Fund by the MFSA nor is the MFSA responsible for the content of this Offering Supplement.

IMPORTANT INFORMATION

This Offering Supplement may not be distributed unless accompanied by, and is to be read in conjunction with, the latest Offering Memorandum issued by the Company. The attention of investors is also drawn, in particular, to the section "**Definitions**" and "**Important Information**" in the Offering Memorandum which also applies to this Offering Supplement and the offering of Investor Shares made thereby unless otherwise determined therein.

This offer is an offer only to the person to whom a copy of this document has been furnished by the Company and/or its authorised agents and this on the basis that the person falls within the definition of an Investor as defined in the Offering Memorandum. The Company is not authorised to, and does not intend to, offer Investor Shares to retail investors unless otherwise resolved by the Company and subject to the fulfilment of the national provisions applicable in the respective jurisdiction as prescribed in Article 43 of the AIFMD.

EU AIFMD Status

The Company and its Sub-Fund qualify as an AIF managed by an AIFM in terms of the AIFMD.

Investor Shares in the Sub-Fund may only be marketed outside Malta to Professional Investors as defined in the AIFMD. The marketing of the Investor Shares in the Sub-Fund to an investor who is not a Professional Investor as defined in the AIFMD may only be undertaken if allowed by the respective jurisdiction and subject to, where relevant, the national provisions applicable in the respective jurisdiction as prescribed in article 43 of the AIFMD.

Relationship with the Offering Memorandum

Prospective investors should be aware that notwithstanding the fact that the Sub-Funds qualifies as a Closed-ended Sub-Fund under the terms of the Offering Memorandum, *Section 21 | Acquisition of Investor Shares in Closed-Ended Sub-Fund(s)* of the Offering Memorandum shall not entirely apply; in particular (i) the definitions mentioned in such Section shall not be used in this Offering Supplement (ii) the Sub-Fund shall not operate with committed capital and as a consequence the *Sub-Section - Capital Call* shall not apply and (iii) no Equalisation Charge and Actualisation Interest will be charged to the Investor. *Section 22 | Redemption of Investor Shares in Closed-Ended Sub-Fund(s)* of the Offering Memorandum applies to the Sub-Fund as further detailed therein under Section 3 | The Offering.

SECTION 1 | DEFINITIONS

Terms used in this Offering Supplement shall, unless otherwise defined or the context otherwise requires, have the same meaning as those defined in the Offering Memorandum.

In this Offering Supplement, the following words shall have the meanings set opposite them:

Base Currency	EUR
Type of Sub-Fund	This Sub-Fund qualifies as a closed-ended sub-fund under the terms of the Offering Memorandum.
Initial Offering Period	The Initial Offering Period will start on the 13 th day of April two thousand and eighteen and will end on the Closing Date. Eligible Investors should note that the Sub-Fund may commence the investment program before the closing of the Initial Offering Period. Both Class A Shares and Class B Shares are available for subscription during the Offering Period.
Closing Date	The date which falls twenty four months after the date of this Offering Supplement unless otherwise resolved by the Board at its sole discretion.
Offering Period	Any Business Day during the first quarter of each financial year during the Investment Period, unless otherwise determined by the Board. Should the Board determine at its sole discretion to shorten or to extend the Investment Period, it shall do so after having duly notified of such decision the Shareholders, with at least one month notice. For avoidance of doubt, such decision is not deemed detrimental and therefore Shareholders would not be entitled to request the redemption of their Investor Shares in the Sub-Fund. No Class A Shares shall be available for and issued during the Offering Period.
Investment Period	It means a seven-year period starting on the business day immediately following the Closing Date.
Liquidation Period	It means a three-year period starting immediately following the end of the Investment Period unless such Liquidation Period is extended maximum twice upon written request of either the Board or the majority of the Shareholders for one (1) additional year in each occasion. Any extension requested by the Board requires the favourable vote of the majority of Shareholders of all the class in issue and it is subject to prior notification to the shareholders within three (3) months from the end of the initial ten (10) year period.
Issue Price	One Hundred Euro (EUR 100) per class of Investor Shares in issue at which Investors shall subscribe during the Initial Offering Period.

Offering Price	The applicable NAV per Investor Share for each class of Investor Shares in this Sub-Fund at which Investors shall subscribe during the Offering Period and which shall be such NAV as calculated on the Valuation Day preceeding the relevant Subscription Day net of any declared dividend, whether distributed or not, if any, calculated on the basis of such NAV.
Offering Supplement	This Offering Supplement as the same may be amended, supplemented and/or consolidated from time to time.
Redemption	The Shareholders in this Sub-Fund/s are not entitled to exercise redemption rights. If the Sub-Fund has sufficient liquidity, the Board may, at its absolute discretion, may from time to time, under the terms and conditions that it will propose, choose to offer to redeem some Investor Shares before the termination of the Sub-Fund.
Redemption Proceeds	The Redemption Price multiplied by the number of Investor Shares being redeemed.
Sub-Fund	Airmid Capital Fund.
Subscription Day	Any Dealing Day on which requests/applications for subscription of Investor Shares shall be processed or when any such day is not a Business Day, the next following Business Day.
Valuation Day	The day on which the NAV of the Sub-Fund and/or of each Investor Share is calculated, which shall be the last business day of each calendar year, provided that the Board may from time to time determine such other date or dates as a Valuation Day for the purposes of subscription or redemption, where applicable, of Investor Shares in the Sub-Fund.
Valuation Point	11:59 pm CET on the Valuation Day.

This Offering Supplement shall, in addition, be subject to the same rules of interpretation as those set out in the Offering Memorandum. Please see “**Section 1 | Interpretation**” of the Offering Memorandum for further details.

SECTION 2 | KEY FEATURES

The Sub-Fund and the Investor Shares

Segregation	The Sub-Fund is a segregated portfolio whose assets and liabilities are to be treated as a patrimony separate from the assets and liabilities of each other Sub-Fund and of the Company. Please refer to the Offering Memorandum for further details.
Classes of Investor Shares	The Sub-Fund is comprised of 2 Class of Investor Shares: Class A Investor Share Class B Investor Share
Base Currency	Class A Investor Share: EUR Class B Investor Share: EUR
ISIN	Class A Investor Share: MT7000023065 Class B Investor Share: MT7000023073
Eligibility for Investment	Class B Investor Share may only be subscribed for by Investors. Class A Investor Shares may only be subscribed for by Investors involved in the management of this Sub-Fund as well as its affiliated company and key person within their organization. Subject to the Board's discretionary approval, certain investors, irrespective of their involvement in the management of the Sub-Fund, may subscribe for both Class A Investor Shares and Class B Investor Shares.
Distribution Policy	At any time during the life of the Sub-Fund, the Board may, subject to (a) the sale, disposal, liquidation or otherwise, of one or more of Fund's underlying investments with a multiple of at least One point Five of the relevant acquisition costs and (b) the Sub-Fund having enough cash available after deduction of any necessary amount to pay current expenses and cover costs related to the management and preservation of the Sub-Fund and its assets, determine at its sole direction to proceed with one or several distributions of some or all the available liquidity under the form of dividends, return on capital or a combination of both of them. Any distributable amount so determined and up to one hundred and fifty percent (150%) of the subscription price paid by each Investor (i.e. the Issue Price or the Offering Price, as applicable,) shall be distributed to all Investors in proportion to their respective participation in the relevant class (the " First Distribution Threshold "). After the First Distribution Threshold is made, any other distributable amount determined in accordance with this paragraph, shall be split as follows: thirty percent (30%) to the holder of Class A Investor Shares and the remaining seventy percent (70%) to the Investors, including for avoidance

Duration

of doubt the holders of Class A Investor Shares.

The Sub-Fund is established for a period of ten (10) years from the beginning of the Offering Period and consisting of the Investment Period plus the Liquidation Period unless such Liquidation Period is extended maximum twice upon written request of either the Board or the majority of the Shareholders for one (1) additional year in each occasion. Any extension requested by the Board requires the favourable vote of the majority of Shareholders of all the class in issue and it is subject to prior notification to the shareholders within three (3) months from the end of the initial ten (10) year period. Notwithstanding the above, the Sub-Fund shall be liquidated if at any time following the expiration of the Investment Period, all the underlying investments have been sold, disposed or liquidated and the assets of the Sub-Fund shall solely and exclusively consist of cash. The Investors' attention is drawn to the fact that aside the above described ten years period, the Sub-Fund is also subject to a two years period consisting of the Initial Offering Period.

Tax Status

The Sub-Fund is expected to be classified as a **Non-Prescribed Fund**. Please refer to "**Section 14| Taxation**" of the Offering Memorandum for further details on the tax treatment of Non-Prescribed Funds and shareholdings in such funds.

Investment Objectives, Policies and Restrictions**Investment Objectives**

The Investment Objective of the Sub-Fund is to deliver consistent capital protection and appreciation in the value of the assets of the Sub-Fund.

There is no assurance that the investment objective of the Sub-Fund will be achieved and losses may be incurred.

Investment Policies

In order to achieve its Investment Objectives, the Sub-Fund will invest in private equity, venture capital and seed capital in the health care industry in Europe and USA, to take advantage of a variety of attractive opportunities in the pharmaceutical, medical device and services to biomedical and biotechnological institutions businesses with a view of generating yield and growth of its assets in the medium-long term.

Investment shall be focused on a) companies at the private equity stage, having reached a commercial stage with positive EBITDA; b) companies at venture capital stage, still burning cash but having already received one or more seed capital investments and having achieved some milestones like patents or some preclinical proof of concept; c) companies at seed stage, meaning for the purpose of this Offering Supplement companies at their first investment after the initial investment made by the founders and necessary to such founder and the respective management to start up the operations and d) other investment funds investing in the Health Care Sector up to 25% of its assets.

The Sub-Fund is more precisely targeting yielding investments and long-term capital appreciation by investing, directly or indirectly (via Intermediary Vehicles located in the jurisdiction of the relevant target or elsewhere, joint venture investments partnerships and co-investments) in the above-mentioned target companies either through significant minority or majority control.

In case of Investment made through Intermediary Vehicles, such vehicle(s) must be established in Malta or in a jurisdiction which is not an FATF Blacklisted country and the Sub-Fund shall – through its Board or – at all times maintain the majority directorship of any Intermediary Vehicle. For avoidance of doubt such rules and conditions do not apply in case of such Intermediary Vehicle being used as joint venture vehicle or as co-investment vehicle

In case of Investment made by an Intermediary Vehicles, the relevant acquisition shall may be financed by the Sub-Fund either via capital contribution or a mixt of capital contribution and lending facilities.

As far as the lending of funds to the Intermediary Vehicle is concerned, the following rules shall apply to the relevant arrangements:

- the Sub-Fund will not be obliged to honor any request for lending made by the Intermediary Vehicles if the Sub-Fund does not have sufficient liquid assets (such as cash or deposits) or if the Sub-Fund deems it prudent to retain such liquid assets to finance other investments or to face any (current/ future) contingent liability;
- any amount borrowed by the Intermediary Vehicles will be repayable within a short period of time following any request by the Sub-Fund in order to ensure the necessary liquidity for redemption purposes where such redemption requests cannot be satisfied from liquid assets available to the Sub-Fund; and
- any amount borrowed by the Intermediary Vehicles shall be only and exclusively used by the Intermediary Vehicles to finance the acquisition of asset in accordance and in compliance with the Investment Policy and Investment Restrictions of the Sub-Fund; and
- the relevant facility agreement or more generally lending arrangements shall contain such other safeguards and clauses deemed appropriate by the Board or the AIFM to protect the Sub-Fund' interests and ultimately those of the Shareholders.

In case of Investment made through joint venture arrangements, the Sub-Fund will seek to retain control over the management, sale, and financing of the venture's assets or alternatively (in case of a minority participation) will have a viable mechanism for exiting the venture, within a reasonable period of time.

Moreover, the Sub-Fund shall only and exclusively enter into joint venture arrangements where the relevant joint venture agreement(s), articles of association of the joint venture vehicle(s), shareholders' agreement(s) or other documents regulating the relevant joint venture, have an investment objective and target investments suitable for the Sub-Fund and in line with the Investment Policy and the Investment Restriction set forth in this Offering Supplement.

In case of Investment made through Intermediary Vehicles the Investment Manager shall fulfill its obligation under Section 2 Obligations for AIFMs managing AIFs which acquire control of non-listed companies and issuers under the AIFMD.

The Sub-Fund's investment in the private equity and venture capital market will mainly consist of Investments in private companies, new Private Equity/Venture Capital funds and secondary interests in existing private equity funds.

Under normal circumstances, the Sub-Fund will aim to be predominantly invested in private equity and venture capital instruments. However, for defensive purposes or pending investment in any target, the Fund shall invest the available liquidity in a short-term deposit account held with a credit institution located either in an EEA country or in the USA or acquire liquid financial instruments issued by entities in EEA countries or USA and which includes *inter alia* listed equity, fixed income and other collective investment schemes, as reasonably determined by the Investment manager or the Sub-Investment Manager, where applicable. The Sub-Fund may also keep cash available in an interest or non-interest-bearing account held with a credit institution located either in an EEA country or in the USA.

The Sub- Fund is intended for medium/long-term investors seeking absolute returns with low correlation/beta and a relatively lower volatility profile than the global resources indices.

The Sub-Fund may enter for leverage purposes into contracts for differences, futures contracts, forward agreements and options.

The Sub-Fund is not meant to provide a vehicle for those who wish to take advantage of short-term swings in the financial markets. An investment in the Sub-Fund should not be considered a complete investment program. Each prospective Investor should take into account the investment objective of the Sub-Fund as well as the other prospective Eligible Investors' investments when considering an investment in the Sub-Fund.

Investment, Borrowing and Leverage Restrictions

In the case of investment in other investment funds, such funds may be domiciled either in EU or elsewhere and their investment strategy shall be substantially the same of that one established for this Sub-Fund.

This Sub-Fund shall not invest in other investment funds which are managed by the Investment manager or in other sub-funds of the Company.

The Sub-Fund shall not make use of securities financing transaction, total return swap, repurchase and reverse repurchase agreement and securities lending transactions and therefore it will be not subject to the reporting obligations under Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

The Fund does not ordinarily expect to utilize leverage in excess of 200% of the NAV. Upon request in writing by an investor of the Fund, the Investment Manager shall provide without delay the level of leverage calculated according to the gross or commitment method and shall also inform investors of any changes to the maximum level of leverage the Sub-Fund may employ at any point in time.

The Sub-Fund may engage in collateral but not asset re-use arrangements.

The Sub-Fund may invest:

- (i) up to 70% of the raised funds in well-established private equity companies having reached a commercial stage;
- (ii) up to 50% of the raised funds in venture capital companies having reached an advanced start up stage; and
- (iii) up to 20% of the raised funds in venture capital companies at a seed stage; and
- (iv) up to 25% of the raised funds in other investment funds specialized in the Health Care Industry.

The Offering

Number of Investor Shares on Offer

Class A Investor Share: 75,000,000
Class B Investor Share: 75,000,000

Fees and Charges

Investment Management Fee	<ul style="list-style-type: none"> • 2.10% per annum for the Sub-Fund's NAV subject to a minimum annual fee of EUR Thirty Thousand (EUR 30,000) <p>The Investment Management Fee is calculated on the annual NAV calculated as at 31 December of each year and payable quarterly in arrear. For the Initial Offering Period and more generally till the calculation of the first NAV of the Sub-Fund, the Investment Management Fee shall be calculated on the net subscribed amount as at the end of each quarter. Out of the Investment Management Fee, the Investment Manager shall pay the Sub-Investment Management Fee to the Sub-Investment Manager.</p>
Depository Fee	<p>0.07% of the Sub-Fund's NAV for the Sub-Fund's NAV up to Euro Five Million (EUR 5,000,000) and up to six (6) investments. The Depository Fees are subject to a minimum annual fee of Euro eight thousand (EUR 8,000). Where the NAV of the Sub-Fund will be higher of Euro Five Million (EUR 5,000,000) or in case the Sub-Fund will have more than six (6) investments the Depository Fees will be increased as further detailed therein under <i>Section 4 Fee Charged and Expenses</i>.</p>
Set-up Fees	<p>EUR Fifty Thousand (EUR 50'000) amortizable in five years.</p>
Administration Fee	<ul style="list-style-type: none"> • 0.045% per annum for the Sub-Fund's NAV on the first EUR Twenty-Five Million (EUR 25,000,000); • 0.010% per annum for the Sub-Fund's NAV on the next Euro Fifty Million (EUR 50,000,000); and • 0.005% per annum for the Sub-Fund's NAV in excess of Euro Seventy-Five Million (EUR 75,000,000). <p>subject to a minimum annual fee of Euro Ten Thousand (EUR 10,000).</p> <p>Additional accumulator share classes, having an annual valuation frequency, shall be subject to an additional administration fee of €250 per annum per share class, over and above the otherwise applicable administration fee.</p>
Subscription Fee	<p>None</p>

Minimum Subscription, Holding and Redemption Requirements and Lock-In Periods

Minimum Initial Subscription	Class A Investor Share: EUR 100,000 Class B Investor Share: EUR 100,000
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Minimum Additional Subscription	Class A Investor Share: EUR 10,000 Class B Investor Share: EUR 10,000
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Minimum Holding	Class A Investor Share: EUR 100,000 Class B Investor Share: EUR 100,000
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Notice Periods

Subscription Notice Period	By 1:00 PM CET, five (5) Business Days prior to the relevant Subscription Day.
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Subscription Settlement Date	By 1:00 PM CET, five (5) Business Days prior to the relevant Redemption Day.
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SECTION 3 | THE OFFERING

Share Offer

Up to 150,000,000 (one hundred and fifty million) Investor Shares of Classes A and B with no nominal value at the Base Currency are on offer. The Investor Shares will be issued with effect from the relevant Subscription Day. Written confirmation will be sent to Investors within ten (10) Business Days of the number and value of Investor Shares purchased. No Investor Shares shall be issued on any Subscription Day on which the determination of the NAV is suspended. No Class A Shares shall be offered for subscription after the expiration of the Initial Offering Period.

Acquisition of Investor Shares

Purchases of Investor Shares can be made at the prevailing Offering Price, by:

- i. submission to the Company at the office of the Administrator of a properly executed Subscription Agreement including the Investor Declaration Form, the Bank Transfer Instruction Letter and those documents required in the AML Supplement; and
- ii. remitting the related subscription monies.

In respect of each subscription for Investor Shares, the Subscription Notice Period shall run as from the first Business Day following receipt by the Company at the office of the Administrator of both:

- a. the documents listed under (i) above; and
- b. confirmation that the full amount subscribed for the Investor Shares has been received in cleared funds.

The Investor Shares will be issued on the first Subscription Day following the expiration of the said Subscription Notice Period.

A specimen Subscription Agreement and Investor Declaration Form may be obtained from the Administrator.

Investors may also subscribe for Investor Shares with payment of the relevant Offering Price *in specie* in accordance with the relevant Section in the Offering Memorandum.

Transfer of Investor Shares

Class A Investor Share may only be transferred to Investors involved in the management of this Sub-Fund as well as its affiliated company and key persons within their organization. Class B Investor Shares may be transferred in accordance with the relevant Section in the Offering Memorandum. In the case of those investors who would have subscribed for Class A Investor Shares irrespective of their involvement in the management or otherwise of the Sub-Fund, the transfer of such Investor Shares shall be subject to the prior approval of the Board.

Redemption of Investor Shares

Unless otherwise stated therein, Investors are directed to “**Section 22 | Redemption of Investor Shares in closed-ended Sub-Fund(s)**” of the Offering Memorandum where the procedures relating to the redemption of Investor Shares and the conditions applicable thereto are outlined.

Investors may not request the Company to repurchase all or any part of their Investor Shares.

The Minimum Redemption amount in case of redemption resolved by the Board at its sole discretion, for each redemption shall not be less than EUR 10,000. A partial redemption request will not be possible even if resolved by the Board if this will lead the holding of an Investor in the Sub-Fund to fall below the Minimum Holding requirement.

Redemption Price

Investor Shares will, when the Company resolves to proceed with a redemption of Investor Shares at its sole discretion, be redeemed at the prevailing Redemption Price on the relevant Redemption Day, which will be the applicable Net Asset Value per Investor Share as calculated on the Valuation Day occurring on the relevant Redemption Day or, where the relevant Redemption Day does not fall on a Valuation Day, the Net Asset Value per Investor Share as calculated on the immediately preceding Valuation Day less such fees or expenses as may be applicable or as the Company may be entitled to deduct or recover therefrom in terms of this Offering Supplement, the Offering Memorandum and/or the Memorandum and Articles. In the event that the calculation of the Net Asset Value has been suspended or postponed, the relevant Investor Shares will be redeemed at the prevailing Redemption Price on the next effective Redemption Day following the resumption of calculation of the Net Asset Value (less the fees or expenses as aforesaid).

Payment of Redemption Proceeds

Once the Company has resolved to carry on a redemption, written confirmation will be sent to such Investor, within ten (10) Business Days from the relevant Redemption Day, containing information on the number and value of Investor Shares redeemed. Normally the Company will arrange for payment of the net proceeds to the Investor within ten (10) Business Days after the relevant Redemption Day. Payment on redemption may be delayed in the case of extraordinary circumstances, such as the default or delay in payments due to the Sub-Fund from banks or other persons or in the circumstances applicable in case of deferral or suspension of redemption.

Payment will be made to the Investor in the form of a bank cheque, electronic transfer or other means of settlement determined by the Company at the address or bank account of the Investor as provided for this purpose to the Company in the redemption request form (with charges for the account of the recipient). Payment will ordinarily be made in the Base Currency of the relevant class within the Sub-Fund. Payment will generally be made in cash although the Company shall be entitled to pay the Redemption Proceeds in kind as provided and subject to the relevant provisions of the Memorandum and Articles and the Offering Memorandum.

The Company and Administrator are entitled to require additional documents, such as, but not limited to, trust instruments, death certificates, appointments as executor or administrator and certificates of corporate authority, prior to making any payment in respect of redemptions.

Where certificates have been issued (at the request of the Investor) in respect of the relevant Investor Shares, these Investor Shares will not be redeemed and the Redemption Proceeds will not be paid

until the said certificates are duly returned to the Company or the Administrator or, in case of loss thereof, until the Investor gives such indemnity or verification as may be requested by the Company.

Exchange of Shares

Exchanges of Investor Shares in the Sub-Fund with any other Class of Investor Shares in issue are not permitted.

Investment Restrictions

Other than what is stated above, there are no restrictions in the manner and extent to which the Company may deploy, pledge or otherwise give as security, the assets of the Sub-Fund, or assume liabilities, in pursuit of the specific investment objective, approach and strategies of the Sub-Fund.

Please see the subsection below entitled “**Borrowing Powers**” for further details.

Borrowing Powers

It is anticipated that the Sub-Fund will be leveraged, through borrowing or the use of financial derivative instruments consisting of contracts for differences, futures contracts, forward agreements and options.

Please refer to the above subsection entitled “**Investment Restrictions**” for information on how the Sub-Fund will be employing leverage.

Risk Factors - General

IN EVALUATING THE POTENTIAL AND SUITABILITY OF AN INVESTMENT IN THE SUB-FUND, CAREFUL CONSIDERATION SHOULD BE GIVEN BY PROSPECTIVE INVESTORS TO THE RISK FACTORS MENTIONED IN THE RELEVANT SECTION IN THE OFFERING MEMORANDUM WHICH RELATE TO THE MARKETS IN WHICH THE SUB-FUND’S ASSETS WILL BE INVESTED.

Particular Risk Factors related to the Sub-Fund

Potential Investors in the Sub-Fund should be also aware that subscription of Investor Shares during the Offering Period shall take place any Business Day during the first quarter of each financial year during the Investment Period and therefore at the time of the subscription the valuation of some or all of the underlying may have been undertaken up to three months before.

Potential Investors in the Sub-Fund should be also aware that the duration of the Sub-Fund and in particular its Liquidation Period may be extended maximum twice upon written request of either the Board or the majority of the Shareholders for one (1) additional year in each occasion. Therefore, the duration of the Sub-Fund and consequently the Investors’ investment in the Sub-Fund may last up to twelve years as from the beginning of the Offering Period and up to fourteen years including the Initial Offering Period.

Potential Investor should be aware that the Sub-Fund may commence its investment process during the Initial Investment Period. Therefore, the Initial Offering Price, at which such Investor will subscribe for in the Sub-Fund, may not reflect any fluctuation of the value of any investment made during the Initial Offering Period.

Key Risks in the Healthcare Industry

Political and Economic Risk

The healthcare sector faces certain risks such as those related to the uncertainty around healthcare sector reforms mainly due to political and state administration decisions i.e. currently in the US many high-value deals are stuck for approval on account of antitrust issues.

The healthcare sector and its long-term growth is also driven by demographics, economic development and major health issues. The growth in population will remain one of the biggest challenges facing the global economy in the 21st century – 80% of the countries in the world still have an expanding working-age population. In addition, the global population aged 65 years and above is estimated to rise from 9% in 2010 to 19% by 2050, placing an even greater burden on government healthcare budgets, which are already under duress. Economic growth in emerging markets will provide new customers for companies in the sector – there is a strong correlation between healthcare spending and GDP. A rapidly growing middle class coupled with rapid urbanization will lead to increased access to healthcare systems – 95% of the Chinese population is now covered by public health insurance plans. The spread of lifestyle disorders are resulting in major health issues including diabetes, Hep C, HIV, cancer and cardiovascular diseases, will only add further pressure on healthcare budgets.

Clinical and Commercial Risk

Historically, only 10% of drugs that enter human clinical trials become commercially viable, and identifying the winners in advance — finding that “needle in a haystack” — is fraught with risk. Anyway, this may be seen as an opportunity for skilled active managers, particular those with scientific training. Consensus revenue estimates for new drug launches are wrong 90% of the time. To mitigate this risk, it is important to understand the so-called perspective of “the three Ps: physicians, patients, and payers.” Knowing whether doctors and patients are enthusiastic about a drug and understanding whether insurance companies are likely to find it cost effective, improves the accuracy of financial forecasts.

Patient Safety Risks

Patient’s lives and health are put at risk when diseases are misdiagnosed, wrong treatments are prescribed, or accidents occur in the operating room. All it takes is a moment of laxity, ignorance or distraction to cause immense harm to patients and their families. Law suits are inevitable, and reputational damage is long-lasting.

Fraudulent Claims Risks

Fraudulent claims - be it in the form of billing for services not rendered, administering unnecessary tests and treatments, or unbundling lab services - can exhaust health benefits, and drain the economy.

Documentation Risks

Data entry errors, while unavoidable, can often be costly, and sometimes fatal. For instance, wrongly

documented medicine dosages, or allergies to a particular drug could adversely affect a patient's health. Billing or calculation errors could result in overpayments or underpayments which would cause a loss of credibility.

IT Risks

Over the last few years, path-breaking developments in technology have taken healthcare to the next level. However, the increasing use of technology has also introduced new levels of complexity and threats such as (i) **Security Breaches:** Hacking and other kinds of security breaches can cause confidential information to fall into the wrong hands. This, in turn, could expose millions of patients to hazards such as illegal altering of information, public exposure of confidential data, stolen identities and blackmail (ii) **Malicious Attacks:** The increasing sophistication of IT viruses, worms and other malicious attacks poses a significant threat to the security, confidentiality and integrity of valuable health information. If firewalls are not strong enough, the information may not be retrievable or traceable (iii) **Internal IT Fraud:** Healthcare organizations take great pains to safeguard themselves against external security threats. But some of the most dangerous threats lie within the organization. Insiders have broad access to sensitive data, and know which system it lies in, where the system it is, and how it works. This makes it easier for them to steal valuable information, and illegally use it for financial gain (iv) **System Failures:** As so many healthcare services depend on IT systems, a localized failure could be dangerous. For instance, if ER data systems are suddenly disconnected from the central network, a doctor will be unable to view a patient's record in time to make critical decisions about treatment (v) **Business Continuity:** Unlike banks, schools, and other institutions, hospitals need to stay up and running during disasters such as earthquakes, hurricanes, volcanoes, wars or a terrorist attack. Yet their infrastructure and facilities may be damaged during the disaster. Moreover, many members of the staff may flee. The situation may worsen as the load of patients in the hospital increases.

Regulatory Risks

Healthcare is one of the most heavily regulated industries with mandates spanning as well as cross-industry regulations. Each of these mandates and regulations comes with hundreds of requirements for systems, functions and processes. Regulatory scrutiny is intense, and non-compliance penalties are heavy – not just in terms of monetary fines, but also reputational impact.

Ethics and Integrity Risks

The allure of easy money prompts incidents of internal corruption such as accepting kickbacks for patient referral, stealing confidential information or wrongfully altering patient records for financial gain. Not only are these acts illegal, but they are also harmful to patient security and well-being.

Environmental and Health Risks

If medical waste is not disposed of properly, or proper hygiene and sanitation standards are not followed, they could have a devastating effect on the environment and the external public. In a worst-case scenario, an infection could seep out and lead to a full-blown pandemic. To the healthcare provider, this could spell immense financial loss, and even the shut-down of operations.

Risks of Leveraging Social Media

Healthcare organizations are engaging with social media for numerous reasons, including marketing, communicating with patients, interacting with other physicians, and collecting information about new developments in the industry. But, using social media can expose organizations to potential regulatory, legal and reputational risks ranging from privacy violations, to data abuse and theft.

Reputational at Risk

For health care facilities, the risk to both the industry and its reputation is compounded by their place in the community. These institutions are highly visible and often held to a higher standard than organizations in many other industries. The public puts its trust in health care facilities in a way that it does with few other organizations. When things go wrong, these facilities need to show that they are taking every step to protect patients and the community at large. There are reports in the media almost daily of incidents that put i.e. hospital's reputation at risk.

Risk Related to Biotechnology Investments

Biotechnology is a highly volatile industry. As biotech companies grow by betting on new drug inventions, the expected payoffs and the risks associated with investing are much higher compared to other healthcare sector industries. Biotech companies tend to be small with only one to a few compounds in development. Most of these companies operate with losses, because the time to develop is so long and the R&D processes are extremely costly. Because of this dynamic, biotech companies tend to find partners for financial support, usually through venture capital, universities, pharmaceutical companies or the government. Despite this, when a company's compound is in clinical trials, if the "endpoints" (expected data) are not met, the value of the investment can plummet. But if the endpoints are exceeded, the value of the investment can soar many-fold. As a result, investors in biotech companies need to be willing to tolerate a great deal of volatility. Biosimilars companies can become an increasingly competitive threat to biotech companies. Many issues exist in terms of determining the course of development for biosimilar competitors. So biotech companies, because they face such steep costs and lengthy processes associated with R&D, are hoping that biosimilars will not be a near-term competitive threat.

Risk Related to Pharmaceutical Investment

Investments in the Pharmaceutical sector tend to be more stable because some drivers such as prescription data, new drug pipelines, strategic alliances and M&A activity, competition and reimbursement changes are predictable. In addition, drug companies tend to have a larger revenue base with multiple product lines, so they trade based on profits. Unforeseen short-term threats include changes to Medicare pricing, which tend to impact the pricing for many consumers. Unforeseen long-term threats include negative medical impacts from taking the drugs (such as death/lawsuits) as well as loss of patents (allowing competitors to come to market sooner). Moreover pharmaceutical companies also experience the costly and lengthy R&D process, including the ups and downs during clinical trials, they are usually able to withstand the volatility better because these companies tend to have many more product lines producing revenue that covers the R&D costs. Competition is one area that impacts pharma companies because pharmaceuticals are chemical processes thought to be more easily replicated. Competition generally comes in the form of generic drugs, which can be introduced to the market after the branded drugs' patents expire. The length of each patent varies, but it is usually long enough for pharma companies to recoup R&D costs and produce healthy profits. When a generic

drug is introduced to the market, the branded drug pricing is 100% lost. Drug prices for the generic can be up to 90% lower than the branded pricing. The value of the Biotech companies generally depends by drug data including clinical trial failures, competition or regulatory obstacles. If the drug data misses its expected endpoint, a biotech's company can lose most of its value in a short-period. Conversely, if a drug meets its expected endpoint, value can soar by double and triple digits in a short-period. Some companies that have strong partners or are financially stable may be able to withstand setbacks, but many companies may not, and the investment can go bust.

Pricing

The calculation of the NAV of the Sub-Fund shall be effected by the Administrator on every Valuation Day and in such manner as is stated in this Offering Supplement. The assets of the Sub-Fund will be valued by the Valuation Committee of the Investment Manager in accordance with the latter's valuation policy.

SECTION 4 | FEES, CHARGES AND EXPENSES

Investment Management Fee

The Company will pay the Investment Manager a fee as follows:

- 2.10% per annum for the Sub-Fund's NAV subject to a minimum annual fee of EUR Thirty Thousand (EUR 30,000)

The Investment Management Fee is calculated on the annual NAV as at 31 December of each year and payable quarterly in arrears.

The Investment Management Fee is due to the Investment Manager as compensation for services rendered to the Company in respect of the Sub-Fund in terms of the Investment Management Agreement.

The Investment Manager will be reimbursed for all properly incurred and approved out-of-pocket expenses.

Sub-Investment Management Fee

The Investment Manager will pay to the Sub-Investment Manager out of the Investment Management Fee, a Sub-Investment Management Fee in accordance with the relevant Sub-Investment Management Agreement.

The Sub-Investment Manager will be reimbursed for all properly incurred and approved out-of-pocket expenses.

Administration Fee

The Company shall pay the Administrator out of the assets of each Sub-Fund an administration fee (the "**Administration Fee**") an Administration Fee of

- 0.045% per annum for the Sub-Fund's NAV on the first EUR Twenty-Five Million (EUR 25,000,000);
- 0.010% per annum for the Sub-Fund's NAV on the next Euro Fifty Million (EUR 50,000,000); and
- 0.005% per annum for the Sub-Fund's NAV in excess of Euro Seventy-Five Million (EUR 75,000,000).

subject to a minimum annual fee of Euro Ten Thousand (EUR 10,000) (excluding VAT thereon if any). The Administration Fee is calculated by reference to the Net Asset Value at each Valuation Point and shall be payable quarterly in arrears.

In addition to the Administration Fee, the Administrator is also entitled to receive out of the assets of

each Sub-Fund agreed upon fixed fees for the preparation of audited financial statements for the Sub-Fund, investor transactions and maintenance of investor accounts.

The Company shall be responsible for all disbursements and reasonable out-of-pocket expenses incurred by the Administrator in the proper performance of its duties.

Additional accumulator shares classes, having an annual valuation frequency, shall be subject to an additional administration fee of €250 per annum per share class, over and above the otherwise applicable administration fee.

Depository Fee

The Company shall pay the Depository out of the assets of each Sub-Fund a depository fee (the “**Depository Fee**”) of 0.07% per annum on the value of the assets held directly with the bank in its direct depository or through a sub-depository arrangement, subject to a minimum annual fee of EUR 8,000 (excluding VAT thereon if any) and up to six (6) investments for the Sub-Fund’s NAV up to Euro Five Million (EUR 5,000,000). The fee is payable quarterly in arrears. In case the the Sub-Fund’s NAV is in excess of Euro Five Million (EUR 5,000,000) or where more than six (6) investment are made by the Sub-Fund, the Depository Fee shall be calculated as follow:

NAV	Investment	Extra Investment	Minimum fee	bp	Extra cost for investment	Extra	Bp fee	Min fee	Fee to be paid	Effective cost in bp
5,000,000	6	-	8,000	7	1,000	-	3,500	8,000	8,000	16
7,500,000	6	-	8,000	7	1,000	-	5,250	8,000	8,000	11
10,000,000	6	-	8,000	7	1,000	-	7,000	8,000	8,000	8
15,000,000	6	-	8,000	7	1,000	-	10,500	8,000	10,500	7
20,000,000	6	-	8,000	7	1,000	-	14,000	8,000	14,000	7
5,000,000	10	4	8,000	7	1,000	4,000	3,500	8,000	12,000	24
7,500,000	10	4	8,000	7	1,000	4,000	5,250	8,000	12,000	16
10,000,000	10	4	8,000	7	1,000	4,000	7,000	8,000	12,000	12
15,000,000	10	4	8,000	7	1,000	4,000	10,500	8,000	14,500	10
20,000,000	10	4	8,000	7	1,000	4,000	14,000	8,000	18,000	9
5,000,000	15	9	8,000	7	1,000	9,000	3,500	8,000	17,000	34
7,500,000	15	9	8,000	7	1,000	9,000	5,250	8,000	17,000	23
10,000,000	15	9	8,000	7	1,000	9,000	7,000	8,000	17,000	17
15,000,000	15	9	8,000	7	1,000	9,000	10,500	8,000	19,500	13
20,000,000	15	9	8,000	7	1,000	9,000	14,000	8,000	23,000	12

The Company shall be responsible for all disbursements and reasonable out-of-pocket expenses incurred by the Depository in the proper performance of its duties in accordance with the Depository Agreement.

Set-up Fee

The Sub-Fund shall bear the costs incurred for the its establishment and the offering of the Investor Shares which include, but are not limited to, legal fees, marketing fees, stationery, preliminary researches on the health care sector and travelling costs to meet potential Investor. Such Set-up Fee will amount to approximately EUR Fifty Thousand (EUR 50,000) and are amortizable in five years.

Other Expenses

The Sub-Fund shall also bear the costs for the regulatory licensing of the Sub-Fund and in particular, a fee of EUR 1,000 payable to the MFSA in respect of the application for licensing of the Sub-Fund and an annual supervisory fee of EUR 600 payable to the MFSA upon licensing and, thereafter, on

each anniversary of the licensing of the Sub-Fund.

The Sub-Fund will bear its own operating expenses, including, but not limited to, fees payable to the Administrator, Investment Manager, organisational and investment expenses (reasonably determined to be related to the investment of the Sub-Fund's assets), administrative expenses, marketing expenses, legal and licensing expenses, government fees, audit, interest and shareholder communication expenses and other expenses associated with the operation of the Sub-Fund.

The Sub-Fund may reimburse the Investment Manager for any expenses incurred in connection with its management services to the Sub-Fund (including, without limitation, compensation for ongoing operational, systems, research and due diligence). The Investment Manager and the Administrator will be responsible to track the expenses of the Sub-Fund. Preliminary and ongoing legal, printing and continuous offering documentation expenses, in connection with the continuous offering of Investor Shares, will be capitalized and then amortised by writing off equal instalments on each Valuation Day over five (5) years (and thereafter as incurred).

Whilst the Investment Manager considers that such a valuation methodology is appropriate such policy may conflict with International Financial Reporting Standards.

The Sub-Fund will also be subject to other fees including, its pro-rata share of the operating expenses of the Company as set out in the Offering Memorandum.

Finally the Sub-Fund will be subject to the payment of the Operating Expenses.

Distribution Policy

At any time during the life of the Sub-Fund, the Board may, subject to **(a)** the sale, disposal, liquidation or otherwise, of one or more of Fund's underlying investments with a multiple of at least One point Five of the relevant acquisition costs and **(b)** the Sub-Fund having enough cash available after deduction of any necessary amount to pay current expenses and cover costs related to the management and preservation of the Sub-Fund and its assets, determine at its sole direction to proceed with one or several distributions of some or all the available liquidity under the form of dividends, return on capital or a combination of both of them. Any distributable amount so determined and up to one hundred and fifty percent (150%) of the subscription price paid by each Investor (i.e. the Issue Price or the Offering Price, as applicable,) shall be distributed to all Investors in proportion to their respective participation in the relevant class (the "**First Distribution Threshold**"). After the First Distribution Threshold is made, any other distributable amount determined in accordance with this paragraph, shall be split as follows: thirty percent (30%) to the holder of Class A Investor Shares and the remaining seventy percent (70%) to the Investors, including for avoidance of doubt the holders of Class A Investor Shares.

SECTION 5 | GENERAL INFORMATION

The Rights of Shareholders

The rights of Shareholders are stated in the Memorandum and Articles of the Company and in the Companies Act. The Investor Shares entitle Shareholders to participate in the movements, both positive and negative, in value of the assets of the Sub-Fund. It is expected that the Company will declare dividends to distribute any gain realised on the Investment. The Shareholders are not entitled to request the redemption of the Investor Shares held by them at any time and the Investor Shares can be repurchased only and exclusively at the Board discretion. **The Investor Shares are non-voting.** On winding up of the Sub-Fund the holders of the Investor Shares shall be entitled to their share of the value of the assets of the Sub-Fund.

Share Capital and Accounts

All amounts received by the Company on the issue of Investor Shares, initially and subsequently, will be credited as share capital of the Company and will form part of the net assets of the Sub-Fund. Separate accounts are kept for the assets of the Sub-Fund.

Fractional Shares

Fractional Shares will be issued up to four (4) decimal places.

Shares in issue

As of the date of this Offering Supplement, EUR Class A and EUR Class B Investor Shares are in issue.

Duration of the Sub-Fund

The Sub-Fund is established for a period of ten (10) years from the beginning of the Offering Period and consisting of the Investment Period plus the Liquidation Period unless such Liquidation Period is extended maximum twice upon written request of either the Board or the majority of the Shareholders for one (1) additional year in each occasion. Any extension requested by the Board requires the favourable vote of the majority of Shareholders of all the class in issue and it is subject to prior notification to the shareholders within three (3) months from the end of the initial ten (10) year period. Notwithstanding the above, the Sub-Fund shall be liquidated if at any time following the expiration of the Investment Period, all the underlying investments have been sold, disposed or liquidated and the assets of the Sub-Fund shall solely and exclusively consist of cash. The Investors' attention is drawn to the fact that aside from the above described ten years period, the Sub-Fund is also subject to a two years period consisting of the Initial Offering Period.

Sub-Fund Income

Without prejudice to the provisions contained elsewhere therein in relation to – *Distribution Policy* - any gain realised by the Sub-Fund will generally be distributed while the invested amount shall usually be re-invested during the Investment Period unless otherwise determined by the Board.

DIRECTORY

Directors of the Company

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Mr. Milo Guastamacchia
Mr. Frank Chetcuti Dimech

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