

ISSUING DOCUMENT

MARCH 2018

LUXIF

Société en commandite par actions

SICAV-FIS

SUBSCRIBERS SHOULD BE AWARE THAT SUBSTANTIAL AMENDMENTS MAY BE UNDERTAKEN TO THIS ISSUING DOCUMENT AND TO THE COMPANY'S ARTICLES OF INCORPORATION (THE "ARTICLES"). SHAREHOLDERS WILL DULY BE INFORMED OF THESE CHANGES.

APPLICATIONS FOR SUBSCRIPTION ARE RESERVED TO WELL-INFORMED INVESTORS WHO, ON THE BASIS OF THIS ISSUING DOCUMENT, THE ARTICLES AND THE SUBSCRIPTION AGREEMENT, HAVE MADE THEIR OWN ASSESSMENT OF THE CONDITIONS OF THEIR PARTICIPATION IN THE COMPANY. ACCORDINGLY, IT IS THE RESPONSIBILITY OF PARTICIPATING INVESTORS TO DETERMINE WHETHER THEIR RIGHTS AND OBLIGATIONS AS INVESTORS ARE SUITABLE FOR THEM.

VISA 2018/112218-6886-0-PC

L'apposition du visa ne peut en aucun cas servir
d'argument de publicité

Luxembourg, le 2018-04-17

Commission de Surveillance du Secteur Financier

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IMPORTANT INFORMATION

By accepting this confidential issuing document (the *Issuing Document*) the recipient agrees to be bound by the following:

This Issuing Document is submitted on a confidential private placement basis to a number of Well-Informed Investors who have expressed an interest in subscribing for Shares in Luxif, a Luxembourg *fonds d'investissement spécialisé* (specialised investment fund) established in the form of a *société d'investissement à capital variable* (investment company with variable capital) organised as a *société en commandite par actions* (corporate partnership limited by shares) in accordance with the 2007 Act (the **Company**).

Unless otherwise defined, capitalised terms used throughout this Issuing Document shall have the meanings ascribed to such terms in the Section "Definitions".

This Issuing Document has been prepared solely for the consideration of prospective Well-Informed Investors in the Company and is circulated to a limited number of Well-Informed Investors on a confidential basis solely for the purpose of evaluating an investment in the Company. This Issuing Document supersedes and replaces any other information provided by the Company and its respective representatives and agents in respect of the Company. However, the Issuing Document is provided for information only, and is not intended to be and must not alone be taken as the basis for an investment decision. By accepting this Issuing Document and any other information supplied to potential Investors by the Company, the recipient agrees that such information is confidential. Neither it nor any of its employees or advisors will use the information for any purpose other than for evaluating an investment in the Company or divulge such information to any other party and acknowledges that this Issuing Document may not be photocopied, reproduced or distributed to others without the prior written consent of the Company. Each recipient hereof by accepting delivery of this Issuing Document agrees to keep confidential the information contained herein and to return it and all related materials to the Company if such recipient does not undertake to purchase any of the Shares. The information contained in the Issuing Document and any other documents relating to the Company may not be provided to persons (other than professional advisers) who are not directly concerned with any Investor's decision regarding the investment offered hereby.

By accepting this Issuing Document, Investors in the Company are not to construe the contents of this Issuing Document or any prior or subsequent communications from the Company, the Service Providers or any of their respective officers, members, employees, representatives or agents as investment, legal, accounting, regulatory or tax advice. Prior to investing in the Shares, Investors should conduct their own investigation and analysis of an investment in the Company and consult with their legal advisors and their investment, accounting, regulatory and tax advisors to determine the consequences of an investment in the Shares and arrive at an independent evaluation of such investment, including the applicability of any legal sales or investment restrictions without reliance on the Company, the Service Providers or any of their respective officers, members, employees, representatives or agents. Neither the Company, the Service Providers nor any of their respective officers, members, employees, representatives or agents accepts any responsibility or liability whatsoever for the appropriateness of any potential Investors investing in the Company.

The Shares have not been registered under the US Securities Act of 1933, as amended (the "US Securities Act") or the securities laws of any state or political subdivision of the United States, and may not and will not be offered, sold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any US person. The Company is not registered nor does it intend to register under the US Investment Company Act of 1940, as amended (the "US Investment Company Act") as an investment company in reliance on the exemption from such registration pursuant to Section 3(cX7) thereunder. Accordingly, the Shares are being offered and sold only (i) outside the United States to persons that are (a) other than US persons as defined in Regulation S under the US Securities Act and (b) not US residents (within the meaning of the Investment Company Act) in offshore transactions that meet the requirements of Regulation S under the US Securities Act.

The text of the Articles is integral to the understanding of this Issuing Document. Investors should review the Articles carefully. In the event of any inconsistency between this Issuing Document and the Articles, the Articles shall prevail.

The Articles, the agreements with the Service Providers and related documentation are described in summary form herein; these descriptions do not purport to be complete and each such summary description is subject to, and qualified in its entirety by reference to, the actual text of the Articles, the agreements with the Service Providers and related documentation, including any amendment thereto.

No action has been taken which would permit a public offering of the Shares in any jurisdiction where action for that purpose would be required. The Issuing Document and any other documents relating to the Company do not constitute an offer or solicitation in any jurisdiction in which an offer or solicitation is not authorised, or in which the person making the offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such an offer or solicitation. Any representation to the contrary is unlawful. No action has been taken by the Company that would permit a public offering of Shares or possession or distribution of information in any jurisdiction where action for that purpose is required.

Investors should have the financial ability and willingness to accept the risks of investing in the Company (including, without limitation, the risk of loss of their entire investment) and accept that they will have recourse only to the assets of the Compartment in which they invest as these will exist at any time. Additionally, there will be no public market for the Shares.

Certain statements contained in this Issuing Document are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the markets in which the Company will operate, and the beliefs and assumptions of the Company. Words such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "forecasts", "projects", variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements.

An investment in the Shares involves significant risks and there can be no assurance or guarantee as to positive return on any of the Company's Investments or that there will be any return on invested capital. Potential Investors should in particular refer in this Issuing Document to Section 5 of the General Section. The investment objectives are based on a number of assumptions which the

Company believes reasonable, but there is no assurance that the investment objectives will be realised.

The General Partner has taken all reasonable care to ensure that the information contained in this Issuing Document is accurate as of the date as stated herein. Other than as described below, neither the General Partner nor the Company has any obligation to update this Issuing Document.

Under no circumstances should the delivery of this Issuing Document, irrespective of when it is made, create an implication that there has been no change in the affairs of the Company since such date. The General Partner reserves the right to modify any of the terms of the offering and the Shares described herein. This Issuing Document may be updated and amended by a supplement and where such supplement is prepared this Issuing Document will be read and construed with such supplement.

This Issuing Document will be updated in accordance with Luxembourg Law.

No person has been authorised to give any information or to make any representation concerning the Company or the offer of the Shares other than the information contained in this Issuing Document and any other documents relating to the Company, and, if given or made, such information or representation must not be relied upon as having been authorised by the Company or any Service Provider.

Data protection

Certain personal data of Investors (including, but not limited to, the name, address and invested amount of each Investor) may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Company, an Investment Manager, the Services Providers and the financial intermediaries of such Investors. In particular, such data may be processed for the purposes of account and distribution fee administration, anti-money laundering and terrorism financing identification, maintaining the register of Shareholders, processing subscription, redemption and conversion orders (if any) and payments of dividends to Shareholders and to provide client-related services. Such information shall not be passed on to any unauthorised third persons.

The Company may sub-contract to another entity, i.e. the processor (such as the Administrative Agent) located in the European Union the processing of personal data. The Company undertakes not to transfer personal data to any third parties other than that processor except if required by law or on the basis of a prior consent of the Investors or the Shareholders.

Each Investor has a right of access to his/her/its personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

By subscribing to the Shares, each Investor consents to such processing of its personal data. This consent is formalised in writing in the Subscription Agreement used by the relevant intermediary.

1. DIRECTORY

REGISTERED OFFICE OF THE COMPANY

75, Parc d'Activités
L-8308 Mamer-Capellen
Grand Duchy of Luxembourg

GENERAL PARTNER & AIFM

Luxif Management
Société à responsabilité limitée
75, Parc d'Activités
L-8308 Mamer-Capellen
Grand Duchy of Luxembourg

MANAGERS OF THE GENERAL PARTNER & AIFM

Bertrand Party, Manager
Mark Le Tissier, Manager
Richard Van 't Hof, Manager

CUSTODIAN AND PRINCIPAL PAYING AGENT

ABN AMRO Bank (Luxembourg) S.A.
46, Avenue J.F Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

ADMINISTRATIVE, DOMICILIARY, REGISTRAR AND TRANSFER AGENT

Trident Trust Company (Luxembourg) S.A.
75, Parc d'Activités
L-8308 Mamer-Capellen
Grand Duchy of Luxembourg

INDEPENDENT AUDITOR

Grant Thornton Lux Audit SA

89a, Parc d'Activités

L-8308 Capellen

Grand Duchy of Luxembourg

RISK MANAGER

Crestbridge SA

9 A Boulevard Prince Henri

L-1724 Luxembourg

Grand Duchy of Luxembourg

2. DEFINITIONS

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

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

2007 Act means the Luxembourg act of 13 February 2007 on specialised investment funds (SIF) as amended;

Accumulation Class means a Class for which it is in principle not intended to make distributions, as set out in the relevant Special Section;

Actualisation Interest means the interest which is calculated as determined in the relevant Special Section to actualize investments done in the past to the current value and which has to be paid by a Subsequent Investor to compensate for the time value of money;

Administrative Agent means the administrator, registrar and transfer agent which is Trident Trust Company (Luxembourg) SA with registered office at 75, Parc d'Activités, L-8308 Capellen;

Affiliate means

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

or except in, all cases, any company in which the Company holds an Investment.

AIFM means Alternative Investment Fund Manager as defined under the AIFM Law;

AIFM Law means the law of 12 July 2013 on alternative investment fund managers implementing the AIFM Directive (as below defined) in the Grand-Duchy of Luxembourg;

Articles means the articles of incorporation of the Company;

Auditor means the Company's auditor (*réviseur d'entreprises agréé*) which is Grant Thornton Lux Audit SA with registered office at 89A, Parc d'Activités, L-8308 Capellen;

Business Day means a day on which banks are open for general business in Luxembourg;

Capital Contribution means the contribution by an Investor to a relevant Compartment upon a Drawdown Notice against the issuance of Shares to the exclusion of any Actualisation Interest and equalisation payments as determined in the relevant Special Section;

Clause means a clause in any Section of this Issuing Document;

Closing means, in relation to any Compartment, any date on which Investors may commit to subscribe for Shares as determined by the General Partner and stipulated in the relevant Special Section;

Commitment means, in relation to an Investor, the amount committed by it to the relevant Compartment or Class (and whether or not such amount has been advanced in whole or in part and whether or not it has been repaid to the Investor in whole or in part);

Commitment Period means, in relation to the relevant Compartment and unless otherwise stated in the relevant Special Section, the period beginning on the First Closing Date of that Compartment and ending on the earliest of the dates mentioned in the relevant Special Section;

Company's Consent means the written consent (which shall include electronic mail or other electronic communication and may consist of one or more documents (including "pdf" type electronic mail attachments) in similar form each signed by one or more of the Shareholders (including the General Partner) who together exceed 50% of the voting rights of the Company at the relevant time, provided that in calculating the percentage vote;

Compartment's Consent means, in relation to each Compartment and unless otherwise provided for in a Special Section, the written consent (which shall include electronic mail or other electronic communication and may consist of one or more documents (including "pdf" type electronic mail attachments) in similar form each signed by one or more of the Investors) of the Shareholders (including the General Partner) who together exceed 50% of the voting rights to the relevant Compartment at the relevant time;

Circular 04/146 means the CSSF circular 04/146 on the protection of UCIs and their Investors against Late Trading and Market Timing practices;

Circular 07/309 means the CSSF circular 07/309 on risk spreading requirement for SIFs;

Class means different types of Shares which are issued within a Compartment where specific features with respect to placing, conversion or redemption charge, minimum subscription amount, dividend policy or other specific features may be applicable;

Collateral Directive means the Directive 2002/47/EC financial collateral arrangements, as amended;

Company means Luxif, SCA, SICAV-FIS, a Luxembourg investment company with variable capital – specialised investment fund (*société d'investissement à capital variable – fonds d'investissement spécialisé*);

Compartment means a separate portfolio of assets established for one or more Classes of Shares which is invested in accordance with a specific investment objective as described in the relevant Special Section; a Compartment has no legal existence distinct of the Company; however, each Compartment is liable only for the debts, liabilities and obligations attributable to it;

CSSF means the *Commission de Surveillance du Secteur Financier*, the Luxembourg financial market services authority;

CSSF Regulation 12-01 means the Regulation 12-01 issued by the *Commission de Surveillance du Secteur Financier* for laying down detailed rules for the application of Article 42a of the law of 13 February 2007 relating to specialised investment funds concerning the requirements regarding risk management and conflicts of interest.

Custodian means the custodian bank and principal paying agent which is ABN AMRO Bank (Luxembourg) SA with registered office at 46, avenue John F. Kennedy, L-1855 Luxembourg;

Default means the failure by an Investor to comply with his/her/its Commitment upon the receipt of a Drawdown Notice and which would entitle a declaration of a Default Date as described in Clause 13.3 of the General Section and the relevant Special Section;

Default Date has the date determined by the General Partner in relation to the failure to comply with a Drawdown Notice;

Defaulting Investor is an Investor who defaults to comply with a Drawdown Notice;

Drawdown Date means, in relation to the relevant Compartment, the date, as determined by the General Partner specified in a Drawdown Notice given by the General Partner, as the date on which an Investor is to make a Capital Contribution to that Compartment;

Drawdown Notice means, in relation to the relevant Compartment and unless otherwise provided for in that Compartment's Special Section, the written notice advising Investors of the Capital Contribution (i.e., the portion of their Commitment required to be contributed to the Company) to be made on a Drawdown Date that is issued prior to that Drawdown Date and the corresponding number of Shares that will be issued;

Equalisation Fee Payment means any payment required by the General Partner to a Subsequent Investor in order to equalise the contribution to aggregate costs and fees between Previous Investors and Subsequent Investors;

Domiciliary Agent means the domiciliary agent which is Trident Trust Company (Luxembourg) SA with registered office at 75, Parc d'Activités, L-8308 Capellen;

Distribution Class means a Class for which it is intended to make distributions, as set out in the relevant Special Section;

EU means the European Union;

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

Experienced Investor means any investor who (i) adheres in writing to the status of experienced investor and (ii) either (a) commits to invest a minimum of EUR125,000 in the Company or (b) has obtained an assessment by a credit institution within the meaning of Directive 2006/48/EC, by an investment firm within the meaning of Directive 2004/39/EC, or by a management company within the meaning of Directive 2001/107/EC certifying his/her/its expertise, experience and knowledge in adequately appraising an investment in the Company;

Final Closing Date means in respect of a relevant Compartment, the date determined by the General Partner in that Compartment's Special Section where no additional Investors will be admitted to that Compartment;

Fiscal Year means a twelve months' period ending on 31 December, or ending on such other date as may be provided in the Articles;

First Closing Date means in respect of a relevant Compartment, the date determined by the General Partner in that Compartment's Special Section where the first Investors will be admitted to that Compartment;

Fund means Luxif, SCA, SICAV-FIS, a Luxembourg investment company with variable capital – specialised investment fund (*société d'investissement à capital variable – fonds d'investissement spécialisé*);

General Meeting means the general meeting of the Shareholders of the Company, of a relevant Compartment or of a relevant Class;

General Section means the general section of the Issuing Document which describes the common characteristics and rules applicable for all Compartments;

GP Share means a management share reserved to the General Partner in its capacity as unlimited shareholder of the Company;

Initial Offering Price the price at which Shares are issued during the Initial Offering Period;

Initial Offering Period means the initial offering period as determined by the General Partner for a relevant Compartment or Class as described in the relevant Special Section;

Institutional Investor means any investor who qualifies as institutional investor in accordance with Luxembourg Law;

Intermediary Vehicle means any subsidiary or other company, entity or arrangement (such as a limited partnership, unit trust or trust) in which one or more Compartment(s) holds any direct or indirect interest (whether characterised as equity, debt or otherwise, including a co-investment or fractional interest), specifically established for the purpose of structuring the holding of one or more Investment(s), or other analogous entity controlled, directly or indirectly, by the Company;

Investment means any investment directly or indirectly (i.e. through an Investment Vehicle) held by a relevant Compartment including but not limited to securities (including equities and bonds), Liquid Assets, financial instruments, units or shares issued by UCITS or UCI, financial derivative instruments, real estate, private equity, rights, licenses and any other financial or non-financial assets eligible by the 2007 Act;

Investment Adviser means the investment adviser appointed by the General Partner to provide investment advisory services concerning the portfolio management of a relevant Compartment as determined in the Special Section;

Investment Committee means the investment committee created by the General Partner to manage assets of the relevant Compartment as determined in the Special Section;

Investment Manager means the investment manager which is appointed by the General Partner for the portfolio management of a relevant Compartment as determined in the Special Section;

Investor means any person who has entered into a Subscription Agreement with the Company, including for the avoidance of doubt that person as a Shareholder;

Law of March 26, 2012 means the law of 26th March 2012 modifying the law of 13 February 2007 on the specialised investment fund.

Late Trading means the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of that order at the price based on the Net Asset Value applicable to that same day;

Lock-up Period means a period during which Shares cannot be redeemed as specified in the relevant Special Section;

Liquid Assets means cash, money market instruments and equivalent instruments the residual maturity of which does not exceed 397 days, notes and bonds issued or guaranteed by an OECD Member State, its local authorities or governmental agencies or units or shares issued by a UCI which holds or invests in such assets;

Luxembourg means the Grand Duchy of Luxembourg;

Luxembourg Law means the applicable laws and regulations in Luxembourg;

Manager means any manager (*gérant*) of the General Partner;

Management Fee means the remuneration to which the General Partner is entitled for the services provided by the General Partner as the Company's general partner;

Market Timing means any market timing practice within the meaning of Circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular, i.e., an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Luxembourg UCI within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the UCI;

Mémorial means the *Mémorial C, Recueil des Sociétés et Associations* which is the Luxembourg official gazette;

Net Asset Value means the net asset value of the Company, a relevant Compartment or Class as determined in accordance with the Articles and this Issuing Document;

OECD means the Organization for Economic Cooperation and Development;

Ordinary Share means any share with no par value issued by the Company (i.e. by a relevant Compartment or a Class) to the exclusion of the GP Share;

OTC means over-the-counter;

OTC Market means the over-the-counter market which is reserved for professional market participants;

Issuing Document means the present issuing document, as amended from time to time by the General Partner;

Portfolio Company means a company or an entity held directly or indirectly (i.e. through one or more Intermediary Vehicles) by the Company for the account of a relevant Compartment and which holds one or more Investments;

Previous Investor means an Investor who has made a Capital Contribution to a relevant Compartment or Class prior to a Subsequent Investor of that Compartment or Class;

Prime Broker means the prime broker, if any, appointed amongst others to provide financial services and custody for the account of a relevant Compartment in accordance with Section 6.3 of the General Section and which is more fully described in the relevant Special Section;

Processor means any entity such as the Administrator to which the processing of personal data may be sub-contracted by the Company;

Professional Investor means any investor who qualifies as professional investors within the meaning of Annex III to the 1993 Act;

Redemption Fee means the redemption fee which may be levied by the Company in relation to the redemption for any Class in any Compartment, details of which are set out in the relevant Special Section;

Reference Currency means in relation to the Company, the currency in which the Net Asset Value of the Company is calculated (i.e. the EUR) and (ii) in relation to each Compartment and Class, the currency in which the Net Asset Value of that Compartment or Class is calculated, as stipulated in the relevant Special Section;

Register means the Company's register of Shareholders;

Regulated Market means a regulated market which operates regularly and is recognised and open to the public;

Restricted Person means a person which is not allowed to invest in the Company as set out in Section 11.3 of the General Section;

Saving Directive means the Directive 2003/48/EC on taxation of savings income in the form of interest payments, as amended;

Section means any section of this Issuing Document, i.e. either in the General Section or in one of the Special Sections;

Service Provider means any service provider duly appointed by the Company including the Custodian, the Domiciliary Agent, the Administrative Agent, each Investment Manager and each Investment Adviser;

Share means any share issued by the Company (i.e. by a relevant Compartment or Class) including any Ordinary Share and any GP Share;

Shareholder means a person who holds one or more Shares, i.e. the General Partner and any Limited Shareholder;

SICAV-FIS means a *société d'investissement en capital variable – fond d'investissement spécialisé*, an investment company with variable capital adopting the status of a specialised investment fund;

Side Pocket Investments means securities which turn out to be illiquid or hard to value upon a decision of the General Partner in accordance with Section 3.3 of the General Section;

SP Class means a specific Class of Shares which may be created by the General Partner upon the consent of the CSSF in order to isolate illiquid or hard to value securities from other Investments of a relevant Compartment;

Special Section means the special section of the Issuing Document which describes the particular characteristics and the particular rules for a relevant Compartment;

Subscription Agreement means the agreement a relevant Investor enters into with the Company in order to subscribe Shares;

Subscription Fee means the subscription fee which may be levied by the Company upon subscription of Shares in any Compartment, details of which are set out in the relevant Special Section;

Subsequent Investor means an Investor who commits to subscribe Shares issued by a relevant Compartment or Class after one or more previous Investors have made Capital Contribution to that Compartment or Class;

Total Capital Contributions means, in relation to the relevant Compartment and as stated in that Compartment's Special Section, the total of all Capital Contributions made by the Investors to the that Compartment;

Total Undrawn Commitments means, in relation to the relevant Compartment and as stated in that Compartment's Special Section, the total of all Undrawn Commitments at the relevant time that are available to be drawn down into the Compartment;

Transfer means the sale, assignment, transfer, exchange, pledge, or other disposition of Shares in accordance with Section 16 of the General Section;

UCI means any type of undertakings for collective investment subject to Luxembourg Law or to any other law including hedge funds which are subject or not to the supervision of a financial market services authority;

Undrawn Commitment means with regard to an Investor, the amount of its Commitment which at the relevant time is available to be drawn down and includes, for the avoidance of doubt, those amounts repaid and available for further drawdown as described in the relevant Special Section and which cannot exceed an Investor's Commitment;

USD means the United States Dollars, the currency of the United States of America;

Valuation Day means each day as of which the Net Asset Value is determined in accordance with the Articles and the Issuing Document;

Well-Informed Investor means any well-informed investor within the meaning of article 2 of the 2007 Act; there exist three categories of well-informed investors, Institutional Investors, Professional Investors and Experienced Investors; the General Partner, its Managers and other persons directly or indirectly involved in the management of the Company are regarded as Well-Informed Investors.

3. COMPANY

3.1 Corporate form - Legal regime

The Company is a Luxembourg *société d'investissement à capital variable - fonds d'investissement spécialisé* (investment company with variable capital - specialised investment fund) governed by the 2007 Act, the 1915 Act and the Articles. The Company is registered with the Luxembourg trade and companies' register under the number B0154646.

The Company was incorporated under the name of "Luxif SICAV-SIF" on 24 June 2010 as a *société anonyme* (public limited liability company) with a share capital of EUR 125,000. Its Articles have been published for the first time in the *Mémorial* n°1883 on 14 September 2010.

Through the extraordinary General Meeting of 18 November 2010, the Company (i) converted its name into "Luxif", (ii) adopted the form of *société en commandite par actions* (corporate partnership limited by shares) and (iii) fully restated its Articles. The minutes of this extraordinary General Meeting including the full reset of the Articles have been published in the *Mémorial* n°2749 on 15 December 2010.

A Luxembourg corporate partnership limited by shares is a company established by contract between one or more shareholders who are indefinitely, jointly and severally liable for the obligations of the company and one or more shareholders who only contribute a specific share of capital. Therefore, it is comprised of:

- (a) the *actionnaire gérant commandité* or the general partner who is responsible for the management of the company and is jointly and severally liable with the company for all liabilities which cannot be met with the assets of the company; and
- (b) the *actionnaires commanditaires* or limited shareholders whose liability is limited to the amount of their investment in the company.

No measure affecting the interests of the Company vis-à-vis third parties and no decision with a view to amend the Articles may be taken without the affirmative vote of the *actionnaire gérant commandité* (i.e., the General Partner).

The Company is set-up as a self-managed entity whereby the Alternative Investment Fund Manager is the General Partner of the Company which is registered with the CSSF under Article 3 (2) (a) of the AIFM Law.

The capital of the Company is at all times equal to the value of its net assets. The share capital of the Company must reach an amount of EUR 1,250,000 within a period of twelve (12) months following its authorisation by the CSSF.

The registration of the Company pursuant to the 2007 Act should not be interpreted as a positive assessment of the quality of the proposed investment by any Luxembourg authority.

3.2 Umbrella structure - Compartments and Classes

The Company has an umbrella structure consisting of one or several Compartments. A separate portfolio of Investments is maintained for each Compartment and is invested in accordance with the investment objective, investment strategy and investment restrictions applicable to that Compartment. The investment objective, investment strategy and investment restrictions, as well as the other specific features of each compartment are set forth in the relevant Special Section.

The Company is one single legal entity. However, in accordance with article 71(5) of the 2007 Act, the rights of the Investors and creditors relating to a Compartment or arising from the setting-up, operation and liquidation of a Compartment are limited to the Investments of that Compartment. The Investments of a Compartment are exclusively dedicated to the satisfaction of the rights of the Investors relating to that Compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that Compartment.

Each Compartment is treated as a separate entity and operates independently, each portfolio of Investments being invested for the exclusive benefit of the relevant Compartment. A purchase of Shares relating to a particular Compartment does not give the holder of these Shares any rights with respect to another Compartment.

Within a Compartment, the General Partner may decide to issue one or more Classes the Investments of which will be commonly invested but subject to different fee structures, distribution, marketing targets, currency or other specific features as further detailed in the relevant Special Section. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.

The General Partner may issue an unlimited number of Shares in each Compartment and in each Class. The General Partner may furthermore decide, at any time, to create additional Compartments and Classes whose features may differ from the existing Compartments and Classes. Upon creation of an additional Compartment or Class, the Issuing Document will be updated and, if necessary, supplemented by an additional Special Section.

3.3 Side pockets

The General Partner may decide to designate one or more specified Investments that (i) lack a readily assessable market value, (ii) are hard to value and/or (iii) are illiquid as Side Pocket Investments.

Subject to the approval of the CSSF and after the Shareholders have duly been informed, the General Partner is entitled to compulsorily convert on a pro rata portion a part of the outstanding Shares of each Classes (if any) of the relevant Compartment into the side pocket class designated for the purpose of this Issuing Document by "SP Class" which has newly been formed by the General Partner within the relevant Compartment. The SP Class will have an initial Net Asset Value equal to the fair value (which may be the cost) of such Side Pocket Investments net of any costs including deferred fees attributable to that SP Class.

The Net Asset Value of the Side Pocket Investments shall in principle not exceed (at the moment of the creation of the Side-Pocket) 30% of the Net Asset Value of the relevant Compartment.

Any such decision will be taken by the General Partner with due care and in good faith in the best interest of the Shareholders. The creation of a side pockets is designed to:

- (a) protect redeeming Shareholders from being paid an amount in respect of these illiquid or hard to value investments that may be less than their ultimate realisation value;
- (b) protect the non-redeeming Shareholders against the disposal of part or all of the most liquid investments in order to satisfy the then outstanding redemption requests;
- (c) protect new investors by ensuring that they are not exposed to these Side Pocket Investments when subscribing for new Shares in the Compartment; or
- (d) avoid a suspension of the calculation of the Net Asset Value (and of subscriptions and redemptions) on the basis of Section 18 of this General Section affecting all the Shareholders in the relevant Compartment.

The Shares of the SP Class will be treated as if redeemed as of the date of the compulsory conversion of the relevant Shares into that SP Class. The Shares of the SP Class will further entitle their holders to participate on a pro rata basis in the relevant Side Pocket Investments. The Shares of the SP Class are not redeemable upon request by a relevant Shareholder.

The General Partner shall have as its priority objective to realise the Side Pocket Investments in the best interest of the relevant Shareholders which depends, inter alia, on the market conditions. The Side Pocket Investments should be realised within a reasonable timeframe which shall in principle not exceed three years starting at the day of the compulsory redemption.

The Side Pockets Investments will be subject to a separate accounting and the value and liabilities allocated to the Side Pocket Investments shall be separate from other Classes. For the purpose of calculating the Net Asset Value of the SP Class, the Side Pockets Investments will either be valued at the fair value estimated in good faith and with the prudent care of the General Partner or remained booked at the value of the relevant Side Pocket Investments when converted into the SP Class.

Given the expected illiquid nature of Side Pocket Investments, the Net Asset Value, if any, of the Shares of the SP Class cannot be determined with the same degree of certainty as it would be the case in respect of the Shares of other Classes.

Neither a Management Fee nor a Performance Fee will be levied on the net assets of the SP Class.

3.4 Term of the Company - Term of the Compartment

The Company has been incorporated for an unlimited period of time provided that the Company will be automatically put into liquidation upon the termination of a Compartment if no further Compartment is active at that time.

A Compartments may either be created with a limited period of time in which case it will be automatically liquidated at the relevant termination date (as further described in the relevant Special Section) or for an unlimited period of time.

3.5 Listing

None of the Shares are currently neither listed on the Luxembourg Stock Exchange nor on any other stock exchange nor admitted to trading on a Regulated Market or multilateral trading facility but the General Partner may in future decide to quote one or more Classes on the Luxembourg or any stock exchange or to request admission to trading of the Shares on any Regulated Market or multilateral trading facility.

4. INVESTMENT OBJECTIVE AND INVESTMENT RESTRICTIONS

4.1 Common investment objective of all Compartments

The objective of each Compartment is to manage its Investments for the benefit of the Shareholders in accordance with the investment policy determined by the General Partner for each Compartment in the relevant Special Section. The Investments of each Compartment are invested under the principle of risk spreading as determined by Circular 07/309 and, as the case may be, by additional investment restrictions as determined in the relevant Special Section.

There can be no assurance that the investment objective for a relevant Compartment will be achieved.

Section 5 of the General Section provides a non-exhaustive description of the general risk factors in relation with an investment in a relevant Compartment. The relevant Special Section may complete this description by additional risk factors which are specific to that Compartment.

4.2 Common investment restrictions to all Compartments

The Company will be subject to the following investment restrictions (in addition to any investment restrictions applicable to a particular Compartment as set out in respect of that Compartment in the relevant Special Section):

(a) General

Any Compartment shall in principle not invest more than 30% of its gross assets in any Investment of the same nature issued by the same issuer.

This restriction is not applicable to the acquisition of:

- (i) units or shares of UCIs if such UCIs are subject to risk diversification requirements comparable to those applicable to the Company. For UCIs which are not subject to comparable risk diversification requirements, each compartment of a target UCI with multiple compartments is to be considered as a distinct target UCI if the principle of segregation of the commitments of the different compartments is ensured;
- (ii) securities issued or guaranteed by a Member State of the OECD or by its local authority or by supranational institutions and organisations with European, regional or worldwide scope.

(b) Liquid Assets

Each Compartment is entitled to invest in up to 100% of its Net Asset Value into Liquid Assets on a temporary basis.

(c) Borrowing of cash

A Compartment may borrow permanently (through loans or otherwise) and for investment purposes from first class professionals specialised in this type of transactions, and secure those borrowings with liens or other security interests in the assets of the Compartment provided that the Compartment may not, at any point in time, incur a level of borrowing in excess of a percentage of its net assets determined in the relevant Special Section dedicated to that Compartment.

The maximum borrowing amount on a permanent basis for investment purposes of each Compartment is determined in the relevant Special Section.

(d) Borrowing of securities

Subject to the relevant Special Section, the Company may borrow securities for the account of the Compartment from a lender which is a first-class institution specialising in this type of transaction.

(e) Short selling of securities

Short selling may not result for a relevant Compartment to have a short position in securities of the same nature issued by the same issuer which represent more than 30% of the Gross Asset Value of that Compartment.

The granting to the Prime Broker of a right of use (or rehypothecation right) over the Investments of a relevant Compartment is conditional upon the inclusion of enforceable close-out netting provisions within the meaning of the Collateral Directive in the prime brokerage agreement.

The total value of the Investments of a relevant Compartment over which a right of use can be granted in favour of the Prime Broker is limited to 140% of that Compartment's debt towards the Prime Broker.

(f) Securities lending

Subject to the relevant Special Section, each Compartment may enter into securities lending transactions within a standardised lending system organised by a recognised securities clearing institution or by a highly rated financial institution specialised in this type of transaction.

In relation to these transactions, the Compartment must in principle receive security of a value which upon the execution of the lending agreement must be at least equal to the value of the securities which have been lent.

Except as otherwise stated in the relevant Special Section, collateral must be given in the form of cash and/or securities issued or guaranteed by a member State of the OECD or by their local authorities or by supranational institutions and organisations with EU, regional or worldwide scope, and must be blocked in favour of the Compartment until the termination of the lending agreement.

If the Compartment is not entitled to terminate the lending agreement at any time and to require restitution of the securities which have been lent,

- (i) the lending transactions may not be carried out on more than 50% of the aggregate market value of the securities in the portfolio of the relevant Compartment; and
- (ii) the lending transactions may not extend beyond a period of thirty (30) calendar days.

(g) Repurchase transactions (repos)

Subject to the Special Section, the Company may enter for the account of each Compartment into a repurchase transaction of the "réméré" type or of the "mise en pension" type involving the sale and repurchase of securities where the seller is entitled or is obliged to repurchase the securities from the buyer at a price and time agreed between the two parties subject to the conditions that

- (i) the counterparty is a first-class institution specialising in this type of transaction;
- (ii) during the duration of the contractual arrangement, the securities acquired by the repo transaction may not be sold unless either the counterparty has exercised its right to repurchase the securities or the time limit has expired (exception may be made where the Compartment has other means of coverage).

The Company must ensure for the account of the Compartment to keep the volume of repo transactions at the level which enables it at all times to meet its resale obligations.

Where the Company for the account of the relevant Compartment acts as seller, the securities may neither be transferred, pledged as collateral in favour of a third party, nor leveraged in any way whatsoever.

The Company must have the necessary assets at its disposal on maturity of the contract in order, where applicable, to pay the price agreed for the return of the securities from the transferee.

(h) Kick off period

The investment restrictions of a relevant Compartment may not be complied with during a transitional period determined in the Special Section of the relevant Compartment in order to build-up the portfolio of that Compartment.

Pursuant to the provisions of the EU Regulation 2015/2365 on transparency of securities financing transactions and of reuse (the **SFT Regulation**), the AIFM shall specify and disclose to investors the securities financing transactions (Repos, securities lending...) and total return swaps in which the Company, acting through one of its compartment, shall enter into. Each Special Section of the Issuing Document may be amended to disclose this information to investors. Standard information, as listed under Section B of the Annex of the SFT Regulation (General description, criteria for the selection of the counterparties, acceptable collateral, collateral valuation, custody, safe-keeping of assets subject to the securities financing transactions, restriction on reuse of collateral etc...), will be kept at the registered office of the Company or the AIFM and will be made available to investors.

5. GENERAL RISK FACTORS

An investment in the Company is associated with a certain level of risk. Investors should consider, amongst others, the following risk factors before taking the decision to subscribe or to commit to subscribe Shares of a relevant Compartment or Class.

The Special Section may also include a non-exhaustive description of specific risk factors to which the relevant Compartment may be exposed to.

The following list is a non-exhaustive description of general risk factors each Compartment may be exposed to.

5.1 Investment risks

(a) General investment risks

The success of any investment activity is affected by the general economic climate which may affect the level and volatility of interest rates and the liquidity of monetary and financial markets for both equities and interest-rate-sensitive securities. Some market conditions including unexpected volatility or illiquidity in the relevant market to which a relevant Compartment may be exposed could impair the ability of the relevant Compartment to achieve its objectives and cause that Compartment to incur losses.

Despite the possibility to use option, futures and swap contracts and to enter into forward foreign exchange transactions with the aim to hedge risks, a relevant Compartment may be subject to the volatility embedded in any type of investment.

No assurance can be given that the invested amounts will be preserved or increase in value.

(b) Currency and exchange rate risks

Where Shares of a Compartment are available in a Class which is denominated in a different currency from the Reference Currency in which the Compartment is denominated Investors should note that the Net Asset Value of the Class will be calculated in the Compartment's Reference Currency and will be stated in the other currency by reference to the current exchange rate between the Reference Currency of the Compartment and such other currency. Fluctuations in that currency exchange rate may affect the performance of the Shares of the relevant Class independent of the

performance of the Investments. In normal circumstances the costs and expenses of currency exchange transactions in connection with the purchase, redemption and exchange of Shares of such a Class will be borne by the relevant Class and will be reflected in the Net Asset Value of that Class. The costs and expenses incurred in hedging a specific Class will be borne by that Class alone.

Investors should note that inflows and outflows from Classes not denominated in the Reference Currency may have a greater potential to impact the price of the Shares of such Classes due to the fluctuations in the relevant currency exchange rate.

(c) Interest rate risk

The borrowing of cash will turn out to become expensive of a relevant Compartment when interest rates will rise.

The remuneration of Liquid Assets will decrease when interest rates will decrease which will have a negative impact on the performance of a relevant Compartment.

The value of fixed income securities held by a relevant Compartment generally will vary inversely with changes in interest rates and such variation may affect the value of Shares accordingly.

(d) Risk linked to equity investments

Market risks associated with holding an equity investment can be split into three categories: specific risk, industry risk and systemic or index risk. Specific risk arises from factors which affect only the issuing company of the security, and not the rest of the market. Examples of such factors are management changes in the issuing company and loss of market share because of new competitors or law suits. Industry risk arises where an industry group, containing several similar issuing companies, responds differently from other groups to, for example, changes in economic conditions or government regulations. Systemic or index risk arises where external influences affect the market as a whole rather than individual companies or groups of similar companies. Such influences include fiscal and monetary policies, political events and changes in interest rates. In the worst case, the value of an equity can fall to zero. Therefore, these risks can each lead to considerable losses being incurred by those exposed to such instruments.

(e) Risks linked to debt investments

When investing in debt instruments including bonds, note and loans as well as when holding Liquid Assets, a relevant Compartment may be exposed to credit risk, default risk and credit spread risk. The relevant Compartment may furthermore be exposed to the integrity of the issuer's management, its commitment to repay the bond, the note or the loan, its qualification, its operating record, its emphasis in strategic direction, financial philosophy, operational management and control systems as well as to its capacity and ability to generate cash flow to repay its debt obligations. A relevant Compartment may invest in debt which are issued without any guarantee, letter of credit, debt insurance or collateral including junior debt.

(f) **Credit risk**

Credit risk, a fundamental risk relating to all fixed income securities. Liquid Assets including money market instruments is the risk that an issuer will fail to make principal and interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or changes in economic and political conditions specific to an issuer, are all factors that may have an adverse impact on an issuer's credit quality and security values.

(g) **Risks linked to investments in UCIs**

Investors should recognise that investing in a Compartment involves special considerations not typically associated with investing in other securities and that the asset allocation is not structured as a complete investment programme. The Company's investment strategy carries considerable risks. A portion of the Investments may be invested into specialised alternative vehicles and therefore investments in the Company may not be suitable for all Investors. Investments may be made in UCIs domiciled in jurisdictions which do not have a regulatory regime which provides a high level of shareholder protection.

The value of the UCIs in which the Company invests (and therefore the value of the Company itself) may not follow the value of other investments. The value of UCIs and the value of the Company itself may fall in rising market conditions.

In the normal course of business of the UCIs, the managers trade various financial instruments and enter into various investment activities including forward and future contracts, options, swaps, other derivative instruments, short sales, margin and leverage with different risk profiles.

UCIs in which the Company invests may be valued by administrators resulting in valuations which are not verified by an independent third party on a regular or timely basis nor are checked by the Administrative Agent. Accordingly, there is a risk that (i) the valuations of the Company may not reflect the true value of UCI holdings held by the Company at a specific time which could result in losses or inaccurate pricing for the Company and/or (ii) the valuations may not be available on the Valuation Day so that some of the assets of the Company may be valued on an estimated basis.

Additionally, to its own costs, it should be noted that the Company incurs similar costs in its capacity as an investor in UCIs which in turn pay similar fees to their own manager and other service providers.

Further, some of the techniques employed at the level of the UCIs may involve frequent changes in positions and a consequent portfolio turnover. This may result in brokerage commission expenses which exceed significantly those of other investment funds of comparable size.

Where an UCI is a fund of funds scheme, the UCI shall pay a proportion of the fees and expenses of the fund in which it invests such as the fees and expenses payable to the investment manager and other service providers to such fund.

As a consequence, the costs of the Company may represent a higher percentage of the Net Asset Value than would typically be the case with direct investment or in the case of investment funds which invest directly.

(h) **Emerging market risk**

A relevant Compartment may hold Investments which are located in emerging markets which may involve the following risks:

- (i) investment and repatriation restrictions;
- (ii) currency fluctuations;
- (iii) the potential for unusual market volatility as compared to more developed countries;
- (iv) government involvement in the private sector;
- (v) limited investor information and less stringent investor disclosure requirements;
- (vi) shallow and substantially lower level of liquidity which may involve that the Compartment may be unable to sell Investments within a reasonable period of time the expected price;
- (vii) specific local legal, tax and regulatory considerations (or the absence thereof);
- (viii) limited regulation;
- (ix) international and regional political and economic developments;
- (x) possible imposition of exchange controls or other local governmental restrictions;
- (xi) the increased risk of adverse effects from deflation and inflation; and
- (xii) the possibility of limited legal recourse for the Company when being involved in litigation.

The liquidity and the reliability of the value of Investments located in emerging markets may be substantially lower than similar Investments located in more developed countries.

(i) **Risk of using financial derivative instruments**

While the prudent use of financial derivative instruments can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that Investors should understand before investing in a Compartment.

(i) Market risk

This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to a Compartment's interests.

(ii) Control and monitoring

Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Compartment and the ability to forecast the relative price, interest rate or currency rate movements correctly.

(iii) Liquidity risk

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

(iv) Counterparty risk

A Compartment may enter into transactions in OTC markets, which will expose the Compartment to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, a Compartment may enter into swap arrangements or other derivative techniques, each of which exposes the Compartment to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Compartment could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

(v) Different maturity

The Company will enter into derivative contracts with a maturity date which may be different from the maturity date of the Compartment. There can be no assurance that any new derivative contracts entered into will have terms similar to those previously entered into.

(vi) Other risks

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Compartment.

Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, a Compartment's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following a Compartment's investment objective.

(vii) Particular risks in relation to interest rate swaps, currency swaps, total return swaps, credit default swaps and interest rate swaptions.

A Compartment may, as a part of its investment policy, enter into interest rate swaps, currency swaps, total return swaps, credit default swaps and interest rate swaptions agreements. Interest rate swaps involve the exchange by a Compartment with another party of their respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. Currency swaps may involve the exchange of rights to make or receive payments in specified currencies. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments.

Where a Compartment enters into interest rate swaps or total return swaps on a net basis, the two payment streams are netted out, with each Compartment receiving or paying, as the case may be, only the net amount of the two payments. Interest rate swaps or total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that the Compartment is contractually obligated to make (or in the case of total return swaps, the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments). If the other party to an interest rate swap or total return swap defaults, in normal circumstances the Compartment's risk of loss consists of the net amount of interest or total return payments that the Compartment is contractually entitled to receive. In contrast, currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated

currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

A Compartment may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event (such as bankruptcy or insolvency) occurs or receive a cash settlement based on the difference between the market price and such reference price.

A Compartment may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, a Compartment may buy protection under credit default swaps without holding the underlying assets.

A Compartment may also sell protection under credit default swaps in order to acquire a specific credit exposure.

A Compartment may also purchase a receiver or payer interest rate swaption contract. Swaptions are options on interest rate swaps. These give the purchaser the right, but not the obligation to enter into an interest rate swap at a preset interest rate within a specified period of time. The interest rate swaption buyer pays a premium to the seller for this right. A receiver interest rate swaption gives the purchaser the right to receive fixed payments in return for paying a floating rate of interest. A payer interest rate swaption would give the purchaser the right to pay a fixed rate of interest in return for receiving a floating rate payment stream.

The use of interest rate swaps, currency swaps, total return swaps, credit default swaps and interest rate swaptions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Company and/or Investment Manager is incorrect in its forecasts of market values, interest rates and currency exchange rates, the investment performance of the Compartment would be less favourable than it would have been if these investment techniques were not used.

(j) **Risks linked to investments in structured financial instruments**

Structured financial instruments are backed by, or representing interests in, the underlying investments of various nature. The cash flow on the underlying investments may be apportioned among the newly issued structured financial instruments to create securities with different investment characteristics such as varying maturities, payment priorities or interest rate provisions, and the extent of the payments made with respect to structured investments depends on the amount of the cash flow on the underlying investments. Structured financial instruments may embed leverage and so investments in structured financial instruments may be exposed to higher volatility as direct investments.

(k) **Liquidity risk**

Some markets a relevant Compartment may be exposed to may have at a specific point in time insufficient liquidity which may negatively affect the market price of the Compartment's Investments and hence its Net Asset Value.

Investors should also note that some Investments may show low level of liquidity (e.g. real estate and private equity). The decision to wind-up the Compartment and to sell the Investments in order to gain liquidity may involve substantial losses for the Shareholders.

Investments in some Compartments are long term investments. Consequently, Investors should notice that in these cases, several years may be required before they may redeem the Shares.

Furthermore, there is a risk that, because of a lack of liquidity on certain Investments and a lack of efficiency in certain markets or unusual high volumes of repurchase requests or other reasons, a Compartments may face difficulties in selling Investments in order to meet redemptions as determined in the relevant Special Section.

In these circumstances, the General Partner may, in accordance with the Articles and in the Investors' interest, suspend the redemptions or extend the settlement timeframe.

(l) **Concentration risk**

A relevant Compartment may invest a high percentage of its Investments in a limited number of assets or being exposed to a limited number of issuers, counterparties or to a limited number of industries or countries. As a result of this concentration, the relevant Compartments is strongly exposed to the performance or non-performance of the relevant Investments, issuers, counterparties, industries or countries.

5.2 Structural and operational risks

(a) **Risks related to the General Partner**

Subscribers of Ordinary Shares will become Limited Shareholders and will not be entitled to participate in the management of the Company. The management of the Company relies with the General Partner which is a newly established company with no track record.

The General Partner may only be removed by a resolution of the General Meeting and upon the General Partner's consent. The success of the Company depends significantly on the efforts and abilities of its General Partner including to appropriate selection, appointment and supervision of agents for the Company.

(b) **Risks due to changes in applicable law**

The Company must comply with various legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which it operates. Should any of those laws change over the life of the Company, the legal requirement to which the Company and its Shareholders may be subject, could differ materially from current requirements.

(c) **Custody risks and risks related to the use of a Prime Broker**

All or part of the securities and other Investments of the Company will be deposited with the Custodian (and may be deposited with sub-custodians or agents). Such securities and Investments will in principle be clearly identified as belonging to the relevant Compartment. In case of default of the Custodian or of the relevant sub-custodian or agent, there might be problems in achieving the segregation of the Compartment's Investments from those of other parties. This might create substantial losses for Shareholders.

Due to the fact that part or all of a relevant Compartment's Investments are in custody with the Custodian and/or sub-custodians or agents, the Company may become one of the Custodian's unsecured creditor. In the event of insolvency of Custodian or of a sub-custodian, the Company may not be able to fully or partially recover the assets under custody.

Furthermore, the Company's cash and cash equivalents may not be segregated vis-à-vis the Custodian or the relevant sub-custodian or agents' cash and cash equivalents. Cash and cash equivalents may be used in its ordinary course of business. Hence the Company may become an unsecured creditor of the Custodian or of the relevant sub-custodian or agents in relation thereto.

Furthermore, the Company may decide that the securities and other Investments of a relevant Compartment will be deposited with a Prime Broker (subject to the consent of the Custodian). In case of default of that Prime Broker, there might be problems in achieving the segregation of the securities and other Investments owned by the Compartment from those of other parties. The Prime Broker may also be entitled to use these securities and other Investments in other transactions (rehypothecation right) and hence be exposed to the solvability of the counterparties of these transactions which might create substantial losses for the Shareholders in the case where the Prime Broker or one of its counterparties default.

Due to the fact that part or all of a relevant Compartment's securities and other Investments are in custody with the Prime Broker, that relevant Compartment may become one of the Prime Broker's unsecured creditor. In the event of insolvency of the Prime Broker, the Compartment may not be able to fully or partially recover the assets under custody.

The Compartment's cash and cash equivalents may not be segregated towards the Custodian or the Prime Broker's cash and cash equivalents. Cash and cash equivalents may be used in its ordinary course of business. Hence a relevant Compartment may become an unsecured creditor of the Custodian, the Prime Broker, an agent, a correspondent or a counterparty of the Custodian or of the Prime Broker.

(d) Lack of operating history

The Company is newly formed company with no specific track-record. A relevant Compartment may only exist for a short period of time and hence do not have a track-record. There can be no assurance that any Compartment will achieve its investment objectives.

In any case, past investment performance should not be considered as an indication for future results.

(e) Net Asset Value considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of the relevant Compartment's Investments. A Shareholder may not recover his initial investment when he/she/it decides to redeem Shares or when the General Partner decides a compulsory redemption of the Shares when the Net Asset Value per Share is less than the Subscription Price paid by that Shareholder.

(f) Risk of early liquidation

In the event of the early liquidation of a Compartment, the funds would have to be distributed to the Shareholders pro-rata with their interest in the Investments of the Compartment. The Compartment's Investments would have to be sold by the Company or distributed to the Shareholders. It is possible that at the time of such sale or redemption certain investments held by the Compartment may be worth less than the initial cost of the Investments, resulting in a loss for the Compartment and its Shareholders. Moreover, in the event the Compartment terminates prior to the complete amortisation of organisational expenses, any non-amortised portion of such expenses will be accelerated and will be debited (and thereby reduce) amounts otherwise available for distribution to Shareholders.

(g) Risks linked to dependence on the General Partner, the Investment Manager or the Investment Adviser

All decisions with respect to the general management of a relevant Compartment may be based on the decisions of the General Partner, the relevant Investment Manager or on the advice of relevant Investment Adviser appointed by the General Partner. As a result, the success of each Compartment for the foreseeable future will depend largely upon the abilities of the General Partner, its Managers as well as of the directors, managers, key officers and employees of the Investment Manager or of the Investment Adviser. There can be no assurance that these persons remain in their position or continue to provide appropriate services and advices to the Company.

(h) **Risks related to compulsory redemptions:** The General Partner has the right to compel any Shareholder to a full redemption if in the sole and conclusive opinion of the General Partner (i) such Shareholder is a Restricted Investor; or (ii) in such other circumstances as set out in the Articles, this Issuing Document or the Subscription Agreement.

(i) **Risks linked to Intermediary Vehicles**

A relevant Compartment may use one or more Intermediary Vehicle to implement investment decisions.

The general management of a relevant Intermediary Vehicle is taken by the governing body of that Intermediary Vehicle which may have the broadest power to decide, among others, on the issuing of securities, on the leverage, on the reimbursement of capital, the payment of interests and the collection and distribution of various type of income. As a result, the performance of an Intermediary Vehicle for the foreseeable future will depend largely upon the abilities of the Intermediary Vehicle and in particular key persons exercising a mandate or working for the relevant Intermediary Vehicle. There can be no assurance that key persons remain director, manager, officer or employee for the relevant Intermediary Vehicle.

A relevant Intermediary Vehicle may furthermore be established in a jurisdiction which has a lower level of regulation and supervision and where different accounting rules (and, as the case may be, less reliable accounting rules) are applicable which may have an impact on the relevant Compartment's security and its proper valuation and accounting of Investments.

6. MANAGEMENT OF THE COMPANY

6.1 General Partner

The General Partner is Luxif Management Sàrl, a *société à responsabilité limitée* (private limited liability company) incorporated under Luxembourg Law on 11 November 2010 with a share capital of EUR 12,500. The articles of incorporation of the General Partner were published in the *Mémorial C* n° 2852 dated 29 December 2010. The General Partner is registered with the Luxembourg trade and companies' register under number B 156.855.

The General Partner is fully and exclusively responsible for the performance of the overall investment policy and objectives, management and administration of the Company.

The General Partner will manage the Company in accordance with the Articles and this Issuing Document for the sole benefit, and in the best interest, of the Shareholders.

The General Partner is managed by its managers. As of the date of this Issuing Document, the board of managers of the General Partner consists of the following members:

(a) **Bertrand Party**, Member of the Board of Directors of Trident Trust Company (Luxembourg) SA.

Mr. Party is Daily Manager at Trident Trust Company (Luxembourg) S.A. After earning a Master in Business law and a PhD (French doctorate) in Tax Law from the University of Nice Sophia – Antipolis (France), he qualified as a French Attorney in Nice, France, where he spent two years working for a local law firm, where he specialised in advising clients on several tax issues. He then spent two years by working for NautaDutilh Avocats, Luxembourg, another law firm, prior to joining Trident Trust 6 years ago. Mr. Party has a strong expertise in tax matters, as well as for operational, compliance, legal and corporate aspects of the business. Mr. Party's professional experience also includes mandates in the boards of several regulated investment companies.

- (b) **Richard Van't Hof**, Member of the Board of Directors of Trident Trust Company (Luxembourg) SA.

Mr. Van 't Hof is Director Fund Services at Trident Trust Company (Luxembourg) SA. Prior to joining Trident Trust beginning 2014, he worked for a Circle Partners, where he launched the Luxembourg fund services operation. He also worked for the Citco Group of companies for twelve years in The Netherlands, Curacao and Luxembourg, where he held Managing Director positions in the group's trust and fund service companies. He came to Luxembourg in 2008 and was heading the Private Equity and Real Estate Fund Service division for this Group. Before joining the Citco group in 1998, he worked for over 6 years with Shell/Royal Dutch where he held several financial positions. He studied at bachelor level in business administration and is also educated in accountancy in The Netherlands. His professional experience includes positions on the boards of several (un)regulated fund vehicles.

- (c) **Mark Le Tissier**, Member of the Board of Directors of Trident Trust Company (Luxembourg) SA.

Mr. Le Tissier is Trident Trust's European Regional Director with non-executive responsibility for the Luxembourg office. He is also a director of a number of Trident trust group companies. A graduate of the London School of Economics and of the Institute of Director's Company Direction Programme, he forged a career in business process reengineering in the 1980s and early 1990s working for the South African based Old Mutual limited during a period of rapid growth, establishing 400 retail sites throughout the UK. He moved into fund and corporate administration services in 1996, becoming Managing Director of Trident Trust's Guernsey operations in 1999, and subsequently European Regional Director in early 2012.

The Managers are elected by the General Partner's general meeting of shareholders which shall also determine the number of Managers, their remuneration and the terms of their office. A Manager may be removed with or without cause or replaced at any time by a resolution adopted by the General Partner's general meeting of shareholders.

The Managers are entitled to receive a remuneration in accordance with usual market practice in Luxembourg.

The General Partner will indemnify and hold harmless the Managers against a loss, including a loss resulting from any error of judgment or for any loss suffered by the Compartment or any Investor in the course of the discharge of the Managers' duties howsoever any such loss may have occurred unless such loss arises from fraud, bad faith, wilful default or gross negligence in performance or non-performance of such obligations or functions.

6.2 Custodian

ABN AMRO Bank (Luxembourg) SA has been appointed as the custodian bank and principal paying agent (the **Custodian**) pursuant to the custodian bank agreement of 30 September 2010. The Custodian is a credit institution under the 1993 Act and registered with the Luxembourg trade and companies' register under number B19116.

The Custodian is entrusted with the safe keeping of the Investments which will directly be held or through correspondents, nominees, agents or delegates of the Custodian which are selected with professional care and in good faith amongst professional service providers duly authorised to carry out these functions in the relevant jurisdiction. The Custodian is responsible for (i) the general supervision of the Investments and (ii) the custody of such Investments which are entrusted to it.

Further to the general supervision duty related to its custody function in accordance with the 2007 Act and subject to the respective provisions of the AIFM Law, the Company and the Custodian have agreed that certain Investments of the Custodian may be held directly by the Company outside of the traditional custody network of the Custodian, and that as a consequence thereof, the Custodian shall not be liable for the custody of these Investments registered in the name and/or held directly by the Company.

In consideration for its services, the Custodian shall be paid a fee as determined from time to time in the Custodian Agreement. The Custodian Agreement may be terminated by either the Company or by the Custodian upon a ninety (90) calendar days' prior written notice.

In any case the Custodian will have to be replaced within two (2) months from its voluntary withdrawal or from its removal by the Company. The Custodian shall continue its activities until the Company's Investments have been transferred to the new depositary bank.

6.3 Prime Broker

As determined in the relevant Special Part, the Company may appoint for the account of a relevant Compartment one or more Prime Brokers with the prior consent of the Custodian. The Investments of that Compartment may, under the supervision of the Custodian, be deposited with the Prime Broker which may use its own network of correspondents. For the purpose of exercising its duty of supervision, the Custodian may exclusively rely on information received and generated by the relevant Prime Broker. The Custodian will exercise reasonable care in the approval and the supervision of the Prime Broker selected by the Company. Except for negligence on its part, the Custodian will not be liable for acts or omissions of correspondent(s) or Prime Broker(s), unless the latter indemnify the Custodian for the losses incurred by the Company. The Custodian shall not be liable for losses resulting from the bankruptcy or insolvency of a correspondent, a Prime Broker or a correspondent of a Prime Broker, except if it has been negligent in their selection and supervision.

The Prime Broker must be a first-class financial institution belonging to one of the categories listed under article 1(2) of the Collateral Directive, i.e., in practice:

- (a) a credit institution within the meaning of Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions; or
- (b) an investment firm within the meaning of Directive 2004/39/EC on markets in financial instruments.

The purpose of this requirement is to ensure that the financial collateral arrangements under the prime brokerage agreement fall within the scope of the Collateral Directive.

The Custodian will carry out on a regular basis due diligence processes in order to ensure that the above conditions are fulfilled with each appointed Prime Broker. The Custodian will be informed at any time by the Prime Broker on the Investments of a relevant Compartment deposited with the Prime Broker.

The Prime Broker may be required within the prime brokerage agreement to settle transactions for the account of a relevant Compartment and to grant the Company credit and short selling facilities for the account of a relevant Compartment. The obligations of the Company towards the Prime Broker as regards credit and short selling facilities may be guaranteed by the transfer to the Prime Broker of collateral in the form of securities, cash or investments held by the relevant Compartment. The counterparty risk resulting from the difference between (i) the value of the Investments transferred by the Company, on behalf of a Compartment, to the Prime Broker as security in the context of securities lending or borrowing transactions and (ii) the debt of the Company owed, on behalf of a Compartment to the Prime Broker will not exceed 30% of the net assets of the relevant Compartment. The Prime Broker may sell, lend or use in any other way the collateral for its own needs. Although the Company is entitled to receive from the Prime Broker assets equivalent to the collateral, the collateral may not be segregated from the other assets transferred to the Prime Broker and will be available for creditors of the Prime Broker in case of bankruptcy of the Prime Broker.

The Custodian and the Prime Broker will be remunerated out of the assets of the relevant Compartment.

6.4 Administrative Agent and Domiciliary Agent

Trident Trust Company (Luxembourg) SA has been appointed as the administrative agent, registrar and transfer agent of the Company, herein referred as the Administrative Agent, and will be responsible for the performance of the central administrative functions required by Luxembourg Law, the calculation of the Net Asset Value of the Shares, the processing issues, redemptions and conversions of Shares, the safe keeping of the Register and the maintenance of the Company's accounting records.

The relationship between the Company and the Administrative Agent is subject to the terms of the administration agency, register and transfer agency agreement entered into between the Company and the Administrative Agent with effect to 27 December 2010 for an unlimited period of time. The Company and the Administrative Agent may terminate the agreement upon prior written notice of six (6) months.

In connection with the calculation of the Net Asset Value, the Administrative Agent may rely on information supplied by third parties (such as administrative and valuation agents or managers of underlying Investments including UCIs) or by the General Partner. In the absence of manifest error, the Administrative Agent will not be liable for the accuracy of the relevant information received or for any errors in the Net Asset Value calculation resulting from the inaccuracy of the relevant information received by the Administrative Agent. In relation to assets which are non-listed, the Administrative Agent may in good faith rely on the valuations provided for by the General Partner or by any third party authorised to that effect by the General Partner. The Administrative Agent shall also not be responsible for any trading decisions of the Company or the impact and effect of such investment decisions on the performance of the Company.

Trident Trust Company (Luxembourg) SA has further been appointed as the domiciliary agent of the Company, herein referred as the Domiciliary Agent.

The relationship between the Company and the Domiciliary Agent is subject to the terms of the domiciliation agreement entered into between the Company and the Domiciliary Agent with effect to 27 December 2010 for an unlimited period of time. The Company and the Domiciliary Agent may terminate the agreement upon prior written notice of six (6) months.

6.5 Investment Manager

The Managers representing the General Partner shall have exclusive authority to make all decisions and are vested with the broadest powers to perform all acts necessary or useful for accomplishing the Fund's corporate purpose, in compliance with the investment policy of the Fund as determined in its Articles of Incorporation and the Issuing Document.

The General Partner may delegate the investment management of a relevant Compartment to one or more Investment Managers pursuant to an investment management agreement between the Company and that Investment Manager. Such an appointment will be done under the responsibility and the supervision of the General Partner and disclosed in the relevant Special Section.

Subject to the prior approval of the General Partner, the Investment Manager may appoint one or more sub-managers or advisers based on their particular knowledge, skills and experience which may be necessary or recommendable for the achievement of the investment objectives of the relevant Compartment. Such a sub-manager or adviser will in principle provide its services under the costs and the responsibility of the Investment Manager.

6.6 Investment Adviser

The General Partner may appoint one or more Investment Advisers in order to receive support in relation to the management of the Assets of a relevant Compartment.

Subject to the approval of the General Partner, the Investment Adviser may appoint for each Compartment one or more sub-advisers based on its particular knowledge, skills and experience required by the investment policy of the relevant Compartment. Such a sub-adviser will provide its services under the costs and the responsibility of the Investment Adviser.

6.7 Advisory Committee

The General Partner is entitled to create for each Compartment an Advisory Committee whose purpose will be to provide advices and recommendations in relation to the management of the relevant Compartment.

The purpose, the organisation and the members of the Advisory Committee will be described in the relevant Special Section of the Compartment for which the General Partner created an Advisory Committee. The members of the Advisory Committee will be selected by the General Partner based on their experience, knowledge, reputation or relationships with the investment community or the investment industry.

Except as otherwise stated in the relevant Special Section, the Advisory Committee has in principle only an advisory function and neither power nor discretion to take any decision for the account of the Compartment. Except as otherwise stated in the relevant Special Section, the General Partner is entitled to revoke each member of the Advisory Committee with or without cause.

6.8 Investment Committee

The General Partner is entitled to create for each Compartment an Investment Committee whose role will be to provide advices, recommendations and to perform management of the assets in accordance with the investment policy set out in the Special Section of the relevant Compartment. The investment decisions taken by the Investment Committee shall be taken under the strict supervision of the board of managers of the General Partner.

The purpose, the organisation and the members of the Investment Committee will be described in the relevant Special Section of the Compartment. The members of the Investment Committee will be carefully selected by the General Partner based on their experience, knowledge, reputation or relationships with the investment community or the investment industry.

The General Partner is entitled to revoke each member of the Investment Committee with or without cause.

6.9 Auditor

Through the General Meeting of 27 September 2010 Grant Thornton Lux Audit has been appointed as the Auditor and shall fulfil all duties prescribed by the 2007 Act.

The terms of office of the Auditor will expire in 2012.

7. RISK MANAGEMENT

In order to organize the work of the General Partner and in accordance with the 2007 Act, the General Partner has appointed the company Crestbridge S.A. (the “**Risk Manager**”) a company subject to Luxembourg laws with registered seat at 9A Boulevard Prince Henri L-1724 Luxembourg and registered at the Luxembourg Trade and Commercial Register under the registration number B-144617.

The permanent risk management function has been delegated pursuant to an agreement with the Risk Manager represented by Mrs Daniela Klasen-Martin dated on 20th June 2013.

The Risk Manager will be used as an expert in order to ease and make the reviewing work in an efficient and independent manner. The Risk Manager will be responsible for organizing the compliance review on an annual basis, liaising with the General Partner.

A legal advisor or an external expert may be used in order to assist and advise the Risk Manager on issues concerning compliance rules and new developments around regulations that may affect the level of controls and the way of implementing them.

Mr Richard Van 't Hof as member of the board of managers of the General Partner is responsible for the oversight of the function of the risk manager of the Fund.

The Fund and the General Partner will cooperate closely with the Risk Manager to structure and implement a risk management system to insure full transparency for investors and authorities and to manage risks pro-actively.

The General Partner's risk management strategy recognises the requirements of the 2007 Act to detect measure and monitor in an appropriate manner risk positions and their contribution to the overall risk profile of the Fund's portfolio.

The permanent risk management process for the Fund will involve the following:

- set the objectives, responsibilities and role of the Risk Management function;
- establish its independence and permanence;
- describe the relationship with other departments and functions as well as any need of delegation and/or coordination;
- grant the Risk Management function the access right to any information necessary to carry out its responsibilities;
- acknowledge its right to conduct investigations;
- define the reporting lines;
- establish the right to contact the General Partner, and, where applicable, the Auditor;
- define the conditions under which the function can have recourse to external experts.

The parties responsible for performing the Risk Management function have taken the necessary steps to cover the following areas through internal procedures for a proper corporate governance:

- Code of conduct, Procedure pertaining to the management of conflict of interest.

8. CONFLICTS OF INTEREST

Investors should be aware that there may be situations in which each and any of the Managers, any agent of the Company including the relevant Investment Manager or the relevant Investment Adviser encounter a conflict of interest in connection with the Company. In particular, Investors should be aware of the following:

- (a) A Manager, an agent of the Company including an Investment Manager or an Investment Adviser may control, directly or indirectly, entities in which they may have a financial or managerial interest (the **Affiliated Company**). An Affiliated Company may be entitled to receive a portion, or all, of the brokerage commissions, transaction charges, advisory fees, investment management fees or any other type of remuneration paid out of the relevant Compartment. An Affiliated Company may be in conflict of interest with the relevant Manager, the relevant Investment Manager, the relevant Investment Adviser or any other agent of the Company.
- (b) Any Investment Manager and any Investment Adviser may advise or make, as the case may be, investments for the account of other persons and entities without making the same for the Company where, in regard to its relevant obligations, the Investment Manager or the Investment Adviser consider that it acts in the best interests of the Company, so far as reasonably practicable having regard to its obligations to those other persons and entities.
- (c) Any Investment Manager, any Investment Adviser or any of their directors, officers, employees, agents and Affiliates and any Managers and any person or entity with whom they may be affiliated or by whom they may be employed (each an **Interested Party**) may be involved in other financial, investment or other professional activities including in connection with the UCIs which may cause a conflict of interest with the Company. Furthermore, Interested Parties may provide services similar to those provided to the Company to other entities and will not be liable to account for any profit earned from these services. An Interested Party may also acquire investments in which a relevant Compartment is or intends to invest into.
- (d) The Company may acquire securities from or dispose of securities to any Interested Party or any other UCI or account advised or managed by an Interested Party. An Interested Party may provide professional services to the Company or hold Shares and buy, hold and deal in any investments for its own account notwithstanding that similar investment may be held by the Company. An Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of the Company, or is interested in any such contract or transaction.
- (e) Furthermore, an Interested Party may receive a remuneration in relation to any sale or purchase of an investment of the Company for the account of a relevant Compartment provided that in each case the terms are no less beneficial to that Compartment than a transaction involving a disinterested party and that the relevant remuneration is in line with market practice.

9. PREVENTION FOR MONEY LAUNDERING AND TERRORIST FINANCING

The Luxembourg act of 12 November 2004 relating to the prevention of money laundering and terrorist financing, as amended and the CSSF circular 08/387, as amended or replaced from time to time, requires from all professionals of the financial sector to prevent the use of a Luxembourg UCI for the purpose of money laundering and terrorist financing.

Within this context procedures for the identification of Investors have been imposed requiring from each Investor

- (a) which is a company certified copies of the articles of incorporation and, where applicable, an extract from the relevant trade and company's register and documents providing evidence of shareholder structure and the beneficial ownership structure;
- (b) who is a natural person a certified copy of his/her identity card or a valid passport and any additional document providing evidence of his/her identification.

Failure to provide proper documentation may result in a rejection of the subscription or the withholding of redemption proceeds.

10. LATE TRADING AND MARKET TIMING

Prospective investors and Shareholders should note that the Company may reject or cancel any subscription or conversion orders for any reason and in particular in order to comply with Circular 04/146.

For example, excessive trading of shares in response to short-term fluctuations in the market, a trading technique sometimes referred to as Market Timing, has a disruptive effect on portfolio management and increases the Compartments' expenses. Accordingly, the Company may, in the sole discretion of the General Partner, compulsorily redeem Shares or reject any subscription orders and conversions orders from any investor that the Company reasonably believes has engaged in Market Timing activity. For these purposes, the General Partner may consider an investor's trading history in the Compartments and accounts under common control or ownership.

In addition to the redemption or conversion fees which may be of application to such orders as set forth in the Special Section of the relevant Compartment, the Company may impose a penalty of maximum 5% of the Net Asset Value of the Shares subscribed or converted where the Company reasonably believes that an Investor has engaged in market timing activity. The penalty shall be credited to the relevant Compartment. The Company and the General Partner will not be held liable for any loss resulting from rejected orders or mandatory redemption.

Furthermore, the Company will ensure that the relevant cut-off time for requests for subscriptions, redemptions or conversions are strictly complied with and will therefore take all adequate measures to prevent practices known as Late Trading.

11. RESTRICTION ON OWNERSHIP OF SHARES

11.1 Restriction on ownership of GP Shares and Ordinary Shares

GP Shares are strictly reserved to the General Partner.

Ordinary Shares are strictly reserved to Well-Informed Investors (defined in Clause 11.2 of this Section) who are not Restricted Persons (defined in Clause 11.3 of this Section).

11.2 Well-Informed Investor

The issuing and the sale of Ordinary Shares is restricted to Well-Informed Investors as defined in article 2 of the 2007 Act:

- (a) Institutional Investors;
- (b) Professional Investors;

- (c) Experienced Investors, i.e. investors fulfilling the following conditions
 - (i) he/she/it has confirmed in writing that he/she/it adheres to the status of Well-Informed Investor; and
 - (ii) he/she/it invests a minimum of EUR 125,000 in the Company; or

he/she/it has been the subject of an assessment made by a credit institution within the meaning of Directive 2006/48/EC, by an investment firm within the meaning of Directive 2004/39/EC or by a management company within the meaning of Directive 2001/107/EC certifying his/her/its expertise, his/her/its experience and his/her/its knowledge in adequately appraising an investment in the Company.

11.3 Restricted Persons

The General Partner may restrict or prevent the ownership of Ordinary Shares by any individual or legal entity:

- (a) if in the opinion of the General Partner such holding may be detrimental to the Company; or
- (b) if it may result in a breach of any law or regulation, whether Luxembourg Law or other law (including anti-money laundering and terrorism financing laws and regulations); or
- (c) if as a result thereof the Company may become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred;
- (d) if such individual or legal entity is not a Well-Informed Investor or is a US Person (as such term is understood under U.S. securities laws);

(such individual or legal entities are to be determined by the General Partner and are defined herein as **Restricted Persons**).

11.4 Specific mechanisms to restrict or prevent the ownership of Ordinary Shares by Restricted Persons

For such purposes the General Partner is entitled:

- (a) decline to issue any Ordinary Shares and decline to register any Transfer of Ordinary Shares, where such registration or Transfer would result in legal or beneficial ownership of these Ordinary Shares by a Restricted Person; and
- (b) at any time require any person whose name is entered in the Register or who seeks to register a Transfer in the Register to deliver to the Company any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not the beneficial ownership of these Ordinary Shares rests with a Restricted Person, or whether the registration will result in the beneficial ownership of Ordinary Shares by a Restricted Person.

If it appears that a Shareholder is a Restricted Person, the General Partner is entitled to, in its absolute discretion,

- (a) decline to accept the vote of the Restricted Person at the General Meeting;
- (b) retain all dividends paid or other sums distributed with regard to the Ordinary Shares held by the Restricted Person;
- (c) instruct the Restricted Person to sell his/her/its Ordinary Shares and to demonstrate to the Company that this sale was made within thirty (30) days of the sending of the relevant notice; and/or
- (d) compulsorily redeem all Shares held by the Restricted Person at a price based on the latest calculated Net Asset Value, less a penalty fee equal to, in the absolute discretion of the General Partner, either (i) 20% of the Net Asset Value of the relevant Shares or (ii) the costs incurred by the Company as a result of the holding of Shares by the Restricted Person (including all costs linked to the compulsory redemption).

12. SHARES

12.1 GP Shares and Ordinary Shares

In its capacity as an unlimited shareholder of the Company, the General Partner will hold at least one GP Share in the Company.

The General Partner is allowed to hold one or more Ordinary Shares.

Limited Shareholders can only hold Ordinary Shares.

12.2 General description of Shares

The Shares are issued in registered form (*actions nominatives*) only. Shares are issued without par value and must be fully paid upon issue. The inscription of the Investor's name in the Register evidences his/her/its right of ownership of the registered Shares.

The Register will be kept by the Administrative Agent on behalf of the Company, and the Register (including the Shareholders' personal data contained therein) will be available for inspection by any Shareholder. The Register will contain the name of each owner of registered Shares, his/her/its residence or elected domicile as indicated to the Company and the number and Class of Shares held by that Shareholder and the Transfer of Shares and the dates of such Transfers. The ownership of the Shares will be established by the entry in the Register.

Each Shareholder will provide the Company with an address to which all notices and announcements may be sent. Such address shall also be entered into the Register. Shareholders may, at any time, change their address as entered into the register of Shareholders by way of a written notification sent to the Company.

Subject to the relevant Special Section, the General Partner may decide that a relevant Compartment issues bearer Shares (*actions au porteur*). If the General Partner decides to issue bearer Shares, these bearer Shares will be materialised by an electronic registration on a bank account with a Luxembourg credit institution or the Luxembourg branch of an EU credit institution.

The Company will recognise only one holder per Share. In case a Share is held by more than one person, the Company has the right to suspend the exercise of all rights attached to that Share until one person has been appointed as sole owner in relation to the Company. The same rule shall apply in the case of conflict between a pledgor and a pledgee. In case a Share is held by an usufruct holder (*usufruitier*) and a bare owner (*nu-propriétaire*), the usufruct holder (*usufruitier*) will be appointed as sole owner in relation to the Company and will therefore exercise all rights attached to that Share, unless otherwise provided for in the relevant usufruct agreement or deed.

Shares shall have the same voting rights and shall have no pre-emptive subscription rights. All Shareholders have the right to vote at the General Meeting. This vote can be exercised in person or by proxy. Each Share entitles its holder to one vote whereby no resolution can be adopted at a General Meeting without the vote of the holder of the GP Shares (i.e. the General Partner).

The Company's share capital is at all times equal to its Net Asset Value. The Company's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed and no special announcements or publicity are necessary in relation thereto.

With the exception of the GP Share, fractional Shares will be issued up to four decimals, and such fractional Shares will not be entitled to vote (except where their number is so that they represent a whole Share, in which case they confer a voting right) but will be entitled to a participation in the net results and in the proceeds of liquidation attributable to the relevant Class in the relevant Compartment on a pro rata basis.

Unless otherwise provided for in the relevant Special Section, the Company may discretionarily agree to issue Shares as consideration for a contribution in kind of securities or other assets, provided that such securities or other assets comply with the investment objective and strategy of the relevant Compartment and are in compliance with Luxembourg Law. Any costs incurred in connection with a contribution in kind will be borne by the relevant Investor.

13. SUBSCRIPTION OF SHARES

13.1 General information on the subscription of Shares

The conditions for an Investor to subscribe or to commit to subscribe Shares are determined for each Compartment in the relevant Special Section.

Each Compartment or Class will issue fully paid Shares as stated in the relevant Special Section. Each Investor subscribing for Shares must execute the Subscription Agreement, unless otherwise stated in the relevant Special Section. The Subscription Agreement may include inter alia the Commitment of the relevant Investor and contains certain representations and warranties to be made by the relevant Investor to the Company.

The General Partner may decide that Shares of a relevant Compartment or Class are issued for the first time during an Initial Offering Period or at an Initial Offering Date as determined in the relevant Special Section.

The General Partner may also determine a minimum subscription amount, a minimum Commitment amount, the conditions related to subsequent Commitments, default interests or specific restrictions on ownership. Such other conditions will be determined and more fully described in the Special Section.

The Company may, in its absolute discretion, accept or reject (in whole or in part) any request for subscription for Shares or any Commitment to subscribe Shares.

The General Partner may decide to issue Shares as consideration for a contribution in kind of Investments upon the request of an Investor in accordance with the conditions set forth by Luxembourg Law, and in particular the obligation to deliver a valuation report from the Auditor which shall be available for inspection, and provided that such securities comply with the investment objectives and policies of the relevant Compartment. Any costs incurred in connection with a contribution in kind of appraisable Investments shall be borne by the relevant Investor.

The General Partner may at any time and at its discretion decide to temporarily discontinue, cease or restrict the issuing of Shares for a relevant Compartment or Class to each Investor or to specific Investors being resident or domiciled in certain countries or territories.

13.2 Subscription of Shares upon a Drawdown Notice

Subject to the relevant Special Section, an Investor may commit to subscribe Shares on one or more dates or periods as determined by the General Partner and taking place between the First Closing Date and the Final Closing Date (each such date or period a Closing) and which shall be indicated and more fully described in the Special Section. Investors the Commitment of which will have been accepted by the Company during this period shall be required to make Capital Contributions with respect to their Commitments in consideration for the issuance of fully paid Shares by the Company in accordance with the terms and provisions of the relevant Special Section, the Articles and each Investor's Subscription Agreement.

Payments for the subscription Shares will be made upon the receipt of a Drawdown Notice in accordance with the terms and conditions contained in the Drawdown Notice and the relevant Special Section.

13.3 Failure to comply with a Drawdown Notice

Unless otherwise provided for in the relevant Special Section, this Section is applicable to an Investor who fails to:

- (a) advance to the relevant Compartment the amount which is the subject of a Drawdown Notice on or before the relevant Drawdown Date; or
- (b) perform or observe any other term, covenant or condition in his/her/its Subscription Agreement, the Articles or this Issuing Document.

Investors must be aware that the timely compliance with Drawdown Notices is essential to the ability of the relevant Compartment to conduct its business successfully. Notwithstanding any provision of this Issuing Document to the contrary, if any Investor fails for whatever reason (including where such failure is due to such Investor's bankruptcy, insolvency, dissolution, liquidation or other similar event) to:

- (a) advance to the relevant Compartment the amount which is the subject of a Drawdown Notice on or before the relevant Drawdown Date; or
- (b) perform or observe any other term, covenant or condition in its Subscription Agreement, the Articles or this Issuing Document,

and has not advanced such amount or performed such term, covenant or condition of the issue of a Default Notice from the General Partner, the General Partner shall have the right (but not the obligation) to declare such Investor a Defaulting Investor with effect from the Default Date.

An Investor may remedy its default by paying the following amounts to the relevant Compartment on or before the Default Date:

- (a) the amount requested under the Drawdown Notice;
- (b) interest on the amount outstanding under (a) at the Default Rate, compounded quarterly from the payment date specified in the relevant Drawdown Notice up to the date of payment thereof;
- (c) an amount sufficient to reimburse the General Partner or, as the case may be, the relevant Compartment with respect to any other related Default Expenses.

If an Investor does not remedy its Default by the Default Date, then the General Partner will be entitled to declare the Investor a Defaulting Investor and all of the Defaulting Investor's Shares have their voting rights suspended and do not carry right to dividend or distribution until payment is made and the Company shall have the right but not the obligation to exercise one or more of the following remedies:

- (a) repurchase the Defaulting Investor's Shares at the lesser of (i) 50 % of the latest calculated Net Asset Value of the Shares of the Defaulting Investor, at the Default Date (or for no consideration if the Net Asset Value of the Shares is equal to zero or negative) and (ii) 50 % of the aggregate Capital Contributions of the Defaulting Investor;
- (b) require the Investors other than the Non-Defaulting Investors to contribute additional amounts to cover any defaulted amounts, provided that the total Commitments of the Non-Defaulting Investors shall not be increased on account of such Default;
- (c) exercise an option to buy the Shares and Undrawn Commitment of the Defaulting Investor at a price equal to the lesser of (i) 50 % of the aggregate Capital Contributions of the Defaulting Investor or (ii) 50 % of the latest calculated Net Asset Value of the Shares of the Defaulting Investor (or for no consideration if the Net Asset Value of the Shares is equal to zero or negative), in which case, the General Partner will, after having acquired the Shares and Undrawn Commitment of the Defaulting Investor pursuant to the exercise of its option, offer the Shares and Undrawn Commitment of the Defaulting Investor to a third party (or parties) identified by the General Partner (which party or parties may include another Investor or any Affiliate of the initiators) provided that before offering the Defaulting Investor's Shares and Undrawn Commitment to any third party, the General Partner shall offer them to the Non-Defaulting Investors, who shall have a reasonable period

of time to be determined by the General Partner to accept the offer. Any Non-Defaulting Investors expressing an interest in such a purchase will be offered it pro rata based on their existing Commitments. Any Transfer of Shares pursuant to this Clause shall be subject to the terms and provision of Section 10 of this General Section;

- (d) to maintain the Defaulting Investor's obligation to pay, based on its Commitment prior to the Default, its pro rata share of cost and expenses (including the Management Fee) of the relevant Compartment as if the Default had not occurred;
- (e) cause the Company to pursue any available legal remedies against the Defaulting Investor to collect any and all of the Commitments due from the Defaulting Investor and any other damages (including consequential damages); and
- (f) reduce or terminate the Defaulting Investor's Undrawn Commitment.

In the event that the Company exercises its option to buy and the General Partner then transfers the Shares and Undrawn Commitment of a Defaulting Investor, any amounts which would, in the absence of such Default, have been for the account of the relevant Defaulting Investor, shall be held by the Company for the benefit of any purchaser of the Shares and Undrawn Commitment of the Defaulting Investor (subject to the right of the General Partner to deduct therefrom any costs and expenses triggered by the Default) and upon the purchaser becoming an Investor such amounts will be paid over to the purchaser. The proceeds of sale shall, following receipt by the General Partner and subject to the deduction of such costs and expenses as aforementioned, be paid to the relevant Defaulting Investor.

With effect from the Default Date, the Shares/Undrawn Commitment of the relevant Defaulting Investor shall be disregarded for all purposes in relation to this Issuing Document, including for the holding of any General Meeting or the exercise of any voting rights pursuant to the Articles.

Any exercise of any or none of the remedies set out above will not prejudice the right of the Company or the General Partner to pursue any other available legal remedies against any Defaulting Investor. The Company shall have the right to set-off any of its obligation to pay any amount to the Defaulting Investor as a result of the exercise of any of its rights against any obligation of the Defaulting Investor owed to the Company (and in particular, but without limitation, its obligation to pay the amount set out above).

13.4 Payment of subscription of Shares

The modes of payment in relation to the subscription of Shares will be determined by the General Partner.

Payment has to be made in the Reference Currency of the Compartment or Class in principle by an electronic bank transfer net of all bank charges (except where local banking practices do not allow electronic bank transfers) to the order of the Custodian. Shares will be allotted upon the receipt of a notification from the Custodian that an authenticated electronic money transfer advice or SWIFT message has been received by the Administrative Agent.

14. REDEMPTION OF SHARES

14.1 Redemption rights of Limited Shareholders

Ordinary Shares may be redeemed at the request of the Limited Shareholders on those Valuation Days as it is determined in the relevant Special Section. The Special Section may also stipulate that the redemption of request is not admitted until the dissolution term of the relevant Compartment or Class or subject to specific conditions such as the expiration of a Lock-up Period or the consent of the General Partner.

A Limited Shareholder who redeems his/her/its Ordinary Shares will receive an amount per Ordinary Share redeemed equal to the Net Asset Value per Ordinary Share as of the relevant Valuation Day (less, as the case may be, the applicable Redemption Fee to be determined in the Special Section, if any, as well as any costs, tax or duties which may be imposed on the redemption of the Ordinary Shares).

Payment of the redemption proceeds is generally made within 15 Business Days following the availability of the redemption amount. Where a Limited Shareholder redeems Ordinary Shares that have not yet been paid for, the General Partner is entitled to retain on the redemption amount the pending payment for the benefit of the relevant Compartment.

Redemption of Ordinary Shares may be suspended for certain periods of time as described under Section 18 of this General Section.

The General Partner reserves the right to reduce proportionally all requests for redemptions in a Compartment to be executed as of a relevant Valuation Day whenever the total proceeds to be paid for the Ordinary Shares so tendered for redemption exceed 10% (ten per cent) of the total net assets of that Compartment or Class. The portion of the non-proceeded redemptions will then be proceeded by priority to later requests on a subsequent Valuation Day (but subject always to the foregoing ten per cent limit) and in compliance with the principle of equal treatment of Shareholders.

Redemption requests are irrevocable (except during any period where the determination of the Net Asset Value, the issue, redemption and conversion of Shares is suspended). The General Partner reserves the right not to redeem any Ordinary Shares if it has not been provided with evidence satisfactory to the Company that the redemption request was made by a Shareholder. Failure to provide appropriate documentation to the Administrative Agent may result in the withholding of redemption proceeds.

The General Partner may, at the request of a Limited Shareholder, agree to make, in whole or in part, a redemption in kind of the Investments of the relevant Compartment to that Limited Shareholder in lieu of paying to that Limited Shareholder the redemption proceeds in cash. The General Partner will agree to do so if they determine that such a transaction would not be detrimental to the best interests of the remaining Shareholders. Such redemption will be done at the applicable Net Asset Value per Share. The Investments to be transferred to that Shareholder will be determined by the General Partner (or by a duly appointed agent, e.g. the Investment Manager) and the Custodian. The relevant Limited Shareholder may incur brokerage, local taxes or other charges due to the transfer of the Investments within the context of such a redemption in kind. The net proceeds from the redemption in kind may be more or less than the corresponding redemption price of Shares at the applicable Net Asset

Value inter alia due to market or timing conditions. The selection, valuation and transfer of Investments shall be subject to the review and approval of the Auditor.

14.2 Redemption of Ordinary Shares at the initiative of the General Partner

Ordinary Shares may be redeemed at the initiative of the General Partner in accordance with, and in the circumstances set out in the Articles and this Issuing Document.

The General Partner may in particular decide to

- (a) redeem Ordinary Shares of any Class and Compartment, on a pro rata basis among Shareholders in order to distribute proceeds generated by an Investment through returns or its disposal on a pro rata basis among Shareholders, subject to compliance with the relevant distribution scheme (and, as the case may be, reinvestment rights) as provided for each Compartment in the relevant Special Section, if any;
- (b) compulsorily redeem Ordinary Shares:
 - (i) held by a Restricted Person;
 - (ii) in case of liquidation or merger of Compartments or Classes, in accordance with the provisions of Section 22 of this General Section;
 - (iii) held by a Defaulting Investor further to Clause 13.2 and Clause 13.3 above; and
 - (iv) in all other circumstances, in accordance with the terms and conditions set out in the Subscription Agreement, the Articles and this Issuing Document.

15. CONVERSION OF SHARES

15.1 General principle of prohibition to convert Shares

Unless otherwise specified in the Special Section, Shareholders are not entitled to convert all or part of their Shares of a particular Class into Shares of another Class of Shares (as far as available) within the same Compartment or Shares of the same or different Classes (as far as available) of another Compartment.

GP Shares cannot be converted into Ordinary Shares and Ordinary Shares may not be converted into GP Shares.

15.2 Conditions required for the conversion of Ordinary Shares

If the conversion of Ordinary Shares is permitted by the Special Section of a relevant Compartment, the following applies.

Shareholders who wish to convert all or part of their Shares must submit an application by facsimile, telex or by mail to the Administrative Agent, specifying the relevant Compartment and Class and the number and type of Ordinary Shares to be converted.

The conversion of Ordinary Shares will be treated as a redemption of Ordinary Shares followed simultaneously by the subscription of Ordinary Shares of the relevant Compartment or Class. A converting Limited Shareholder may, therefore, realise a taxable gain or loss in connection with the conversion under the laws of the country of that Shareholder's citizenship, residence or domicile.

All terms and conditions regarding the redemption of Ordinary Shares shall equally apply to the conversion of Ordinary Shares. Limited Shareholders whose application for conversion are received by the Administrative Agent before the appropriate cut-off time (as determined in the Special Section of the relevant Compartment) will have their Ordinary Shares converted on the basis of the applicable Net Asset Value of the relevant Ordinary Shares as of the relevant Valuation Day.

No interest will be generated between the time where Ordinary Shares have been redeemed upon the request of conversion and Ordinary Shares of the other Compartment Class have been subscribed.

The Special Section will determine if a conversion fee will be charged upon the conversion of Ordinary Shares and the beneficiary of that conversion fee.

The rate at which one or more Ordinary Shares in the relevant Compartment or Class are converted into one or more Ordinary Shares in another Compartment or Class is determined in accordance with the following formula:

$$\frac{A = B \times C \times E}{D}$$

where:

- A is the number of Ordinary Shares to be allocated to the new Compartment or Class;
- B is the number of Ordinary Shares of the initial Compartment or Class;
- C is the Net Asset Value per Ordinary Share of the initial Compartment or Class as of the relevant Valuation Day;
- D is the Net Asset Value per Ordinary Share of the new Compartment or Class as of the relevant Valuation Day; and
- E is the actual rate of exchange as of the day to be applied for the conversion between the relevant Ordinary Shares (for the case the Compartments or Classes have not the same Reference Currency).

16. TRANSFER OF SHARES

16.1 Transfer of GP Shares

The General Partner shall not transfer all or any part of its GP Shares or voluntarily withdraw as the general partner of the Company except if the General Meeting (with the consent of the General Partner) decides to replace the General Partner or to convert the legal form of the Company by amending the Articles.

16.2 Transfer of Ordinary Shares

The sale, assignment, transfer, exchange, pledge, encumbrance or other disposition (each of them a Transfer) of Ordinary Shares (to the exclusion of the GP Shares) in any Compartment or Class is subject to the provisions of this Clause 16.2.

No Transfer of Ordinary Shares, whether direct or indirect, voluntary or involuntary (including, without limitation, to an Affiliate or by operation of law), shall be valid or effective if:

- (a) the Transfer would result in a violation of Luxembourg Law or subject the Company to any other adverse tax, legal or regulatory consequences as determined by the General Partner;
- (b) the Transfer would result in a violation of any term or condition of the Articles or of the Issuing Document;
- (c) the Transfer would result in the Company being required to register as an investment company under the US Investment Company Act;

and

- (d) it shall be a condition of any Transfer (whether permitted or required) that:
 - (i) such Transfer be approved ex ante by the General Partner, such approval not to be unreasonably withheld;
 - (ii) the transferee represents in a form acceptable to the General Partner that such transferee is not a Restricted Person, and that the proposed Transfer itself does not violate any laws or regulations (including, without limitation, any securities laws) applicable to it;
 - (iii) the transferee is a Well-Informed Investor; and
 - (iv) the transferee is not a Restricted Person.

17. CALCULATION OF THE NET ASSET VALUE

17.1 General

The Net Asset Value per Share of each Compartment and Class is determined at least once a year (unless otherwise provided in the relevant Special Section) in accordance with Luxembourg Law and the Articles. The Net Asset Value will be expressed in the Reference Currency of the relevant Compartment or Class.

In accordance with the Articles, different Series of Shares may be issued within a relevant Class. From an accounting point of view, each Series of Shares will be treated as a sub-class of Shares.

If the General Partner decided to issue profit shares (*parts bénéficiaires*), the provisions of this Section 17 will be applied *mutatis mutandis* to the profit shares.

17.2 Calculation of the Net Asset Value

The Administrative Agent shall under the supervision of the Company compute the Net Asset Value per Share of each Compartment and Class as follows.

The value of the total portfolio and distribution entitlements attributed to a relevant Compartment and Class as of a relevant Valuation Day adjusted with the liabilities relating to that Compartment and Class as that Valuation Day represents the total Net Asset Value attributable to that Compartment and Class on that Valuation Day.

A separate Net Asset Value per Share will be calculated for each Compartment and Class as follows: the Net Asset Value of the relevant Compartment and Class on the relevant Valuation Day divided by the total number of Shares of that Compartment and Class then outstanding as of that Valuation Day.

For the purpose of calculating the Net Asset Value per Class of a particular Compartment, the Net Asset Value of each Compartment shall be determined by calculating the aggregate of:

- (a) the value of all assets of the Company which are allocated to the relevant Compartment in accordance with the provisions of the Articles; less
- (b) all the liabilities of the Company which are allocated to the relevant Compartment in accordance with the provisions of the Articles, and all fees attributable to the relevant Compartment, which fees have accrued but are unpaid on the relevant Valuation Day.

The value of the assets shall be determined as follows:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- (b) the value of assets, which are listed or dealt in on any stock exchange or on any other Regulated Market (including units or shares of listed closed-ended UCIs), is based on the last available price on the stock exchange or other Regulated Market, which is normally the principal market for such assets;
- (c) the value of assets dealt in on any other Regulated Market is based on their last available price;
- (d) in the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (ii) or (iii) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith pursuant to the procedures established by the General Partner;

- (e) the liquidating value of futures, spot, forward or options contracts not traded on exchanges or on other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the General Partner, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, spot, forward or options contracts traded on exchanges or on other Regulated Markets shall be based upon the last available prices of these contracts on the relevant exchanges and/or Regulated Markets on which the particular futures, spot, forward or options contracts are traded by the Company, provided that if a futures, spot, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the General Partner may deem fair and reasonable;
- (f) units or shares of open-ended UCIs will be valued on the basis of the latest net asset value determined according to the provisions of the particular issuing documents of the relevant UCIs or, at their latest unofficial net asset values (i.e. estimates of net asset values which are not generally used for the purposes of subscription and redemption or which may be provided by a pricing source – including the investment manager of the underlying UCI – other than the administrative agent of the underlying UCI) if more recent than their official net asset values. The Net Asset Value calculated on the basis of unofficial net asset values of UCIs may differ from the Net Asset Value which would have been calculated, on the relevant Valuation Day, on the basis of the official net asset values determined by the administrative agents of the UCIs. However, such Net Asset Value is final and binding notwithstanding any different later determination. In case of the occurrence of an evaluation event that is not reflected in the latest available net asset value of such shares or units issued by such UCIs, the valuation of the shares or units issued by such UCIs may be estimated with prudence and in good faith in accordance with procedures established by the General Partner to take into account this evaluation event. The following events qualify as evaluation events (without limitation): capital calls, distributions or redemptions effected by the UCIs or one or more of its underlying investments as well as any material events or developments affecting either the underlying investments or the UCIs themselves;
- (g) all other securities and other permissible assets as well as any of the above mentioned assets for which the valuation in accordance with the above subparagraphs would not be possible or practicable, or would not be representative of their fair value, will be valued at fair market value, as determined in good faith pursuant to procedures established by the General Partner;
- (h) the value of money market instruments not admitted to official listing on any stock exchange or dealt on any Regulated Market and with remaining maturity of less than twelve (12) months and of more than ninety (90) days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money market instruments with a remaining maturity of ninety (90) days or less and not traded on any market will be valued by the amortised cost method, which approximates market value.

For the purpose of determining the value of the Company's assets, the Administrative Agent, having due regards to the standard of care and due diligence in this respect, may, when calculating the Net Asset Value, rely, unless there is manifest error, upon the valuations provided (i) by various pricing sources available on the market such as pricing agencies (e.g., Bloomberg or Reuters) or fund administrators, (ii) by prime brokers and brokers, or (iii) by (a) specialist(s) duly authorised to that effect by the General Partner. Finally, in the case no prices are found or when the valuation may not correctly be assessed, the Administrative Agent may rely upon the valuation provided by the General Partner.

In circumstances where (i) one or more pricing sources fails to provide valuations to the Administrative Agent, which could have a significant impact on the Net Asset Value, or where (ii) the value of any asset(s) may not be determined as rapidly and accurately as required, the Administrative Agent is authorised not to calculate the Net Asset Value calculation and as a result may be unable to determine subscription, conversion and redemption prices. The General Partner shall be informed immediately by the Administrative Agent should this situation arise. The General Partner may then decide to suspend the calculation of the Net Asset Value in accordance with the procedures described under Section 18 of the General Section.

All assets denominated in a currency other than the Reference Currency of the respective Compartment shall be converted at the conversion rate between the Reference Currency and the currency of denomination as at closing of the Valuation Day. The Net Asset Value per Share may be rounded up or down to the nearest whole cent of the currency in which the Net Asset Value of the relevant shares are calculated.

17.3 For the purpose of this Section 17

Shares to be issued by the Company shall be treated as being in issue as from the time specified by the General Partner on the Valuation Day with respect to which such valuation is made and from such time and until received by the Company the price therefore shall be deemed to be an asset of the Company;

Shares of the Company to be redeemed (if any) shall be treated as existing and taken into account until the date fixed for redemption, and from such time and until paid by the Company the price therefore shall be deemed to be a liability of the Company;

all investments, cash balances and other assets expressed in currencies other than the Reference Currency of the respective Compartment/Class shall be valued after taking into account the market rate or rates of exchange in force as of the Valuation Day; and

where on any Valuation Day the Company has contracted to

- (i) purchase any asset, the value of the consideration to be paid for such asset shall be shown as a liability of the Company and the value of the asset to be acquired shall be shown as an asset of the Company;

- (ii) sell any asset, the value of the consideration to be received for such asset shall be shown as an asset of the Company and the asset to be delivered by the Company shall not be included in the assets of the Company;

provided, however, that if the exact value or nature of such consideration or such asset is not known on such Valuation Day, then its value shall be estimated by the General Partner.

17.4 Allocation of assets and liabilities

The assets and liabilities of the Company shall be allocated as follows:

- (i) the proceeds to be received from the issue of Shares of any Class shall be applied in the books of the Company to the Compartment corresponding to that Class, provided that if several Classes are outstanding in such Compartment, the relevant amount shall increase the proportion of the net assets of such Compartment attributable to that Class;
- (ii) the assets and liabilities and income and expenditure applied to a Compartment shall be attributable to the Class or Classes corresponding to such Compartment;
- (iii) where any asset is derived from another asset, such asset shall be attributable in the books of the Company to the same Class or Classes as the assets from which it is derived and on each revaluation of such asset, the increase or decrease in value shall be applied to the relevant Class or Classes;
- (iv) where the Company incurs a liability in relation to any asset of a particular Class or particular Classes within a Compartment or in relation to any action taken in connection with an asset of a particular Class or particular Classes within a Compartment, such liability shall be allocated to the relevant Class or Classes within such Compartment;
- (v) in the case where any asset or liability of the Company cannot be considered as being attributable to a particular Compartment, such asset or liability shall be allocated to all the Compartments pro rata to their respective Net Asset Values or in such other manner as determined by the General Partner acting in good faith, provided that (i) where assets of several Compartments are held in one account by an agent of the Company, the respective right of each Compartment shall correspond to the prorated portion resulting from the contribution of the relevant Compartment to the relevant account, and (ii) such right shall vary in accordance with the contributions and withdrawals made for the account of the Compartment, as described in the Issuing Document;
- (vi) upon the payment of distributions to the Shareholders of any Class, the Net Asset Value of such Class shall be reduced by the amount of such distributions.

17.5 General rules

All valuation regulations and determinations shall be interpreted and made in accordance with Luxembourg Law;

for the avoidance of doubt, the provisions of this Section 17.5 are rules for determining the Net Asset Value per Share and are not intended to affect the treatment for accounting or legal purposes of the assets and liabilities of the Company or any Shares issued by the Company;

the Net Asset Value per Share of each Class in each Compartment will be made available to the Investors at the registered office of the Company and available at the offices of the Administrative Agent as soon as it is finalised and the Company will use its best efforts to ensure that the Net Asset Value will be established within a reasonable period of time as from the relevant Valuation, although in certain circumstances, the Net Asset Value could be made available later;

The General Partner in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Company.

18. SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE

The General Partner may temporarily suspend the determination of the Net Asset Value of any Compartment or Class or the issue, redemption and/or conversion of Shares from its Shareholders

- (a) during any period when any of the principal stock exchanges or other Regulated Markets on which a substantial part of the Compartment is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation on the portfolio of that Compartment thereon; or
- (b) during the existence of any state of affairs which constitutes an emergency in the opinion of the General Partner as a result of which disposals or valuation of assets owned by the Company would be impracticable; or
- (c) during any breakdown in the means of communication normally employed in determining the price or value of any of the investments of the Company or the current price or values on any stock exchange or other market in respect of the assets attributable to the Company; or
- (d) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of the Shares or during which any transfer of funds involved in the realisation or acquisition, of investments or payments due on redemption of Shares cannot in the opinion of the General Partner be effected at normal rates of exchange; or
- (e) when the General Partner so decides, provided all Shareholders are treated on an equal footing and all relevant laws and regulations are applied (i) as soon as an extraordinary General Meeting or a Compartment has been convened for the purpose of deciding on the liquidation or dissolution or the merger or absorption of the Company or a Compartment and (ii) when the General Partner is empowered to decide on this matter, upon their decision to liquidate or dissolve or merge or absorb a Compartment;
- (f) upon the publication of a notice convening a General Meeting for the purpose of resolving the winding-up of the Company.

Any such suspension may be notified by the Company in such manner as it may deem appropriate to the persons likely to be affected thereby. The Company shall notify Shareholders requesting redemption or conversion of their shares of such suspension.

Such suspension as to any Compartment will have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Compartment.

Any request for subscription, conversion or redemption shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value, in which case Shareholders may give notice that they wish to withdraw their application. If no such notice is received by the Company, such application will be dealt with as of the first Valuation Day, as determined for each relevant Compartment, following the end of the period of suspension.

Under exceptional circumstances that may adversely affect the interests of Shareholders, or in case of massive redemption applications within a Compartment, the General Partner reserves the right only to determine the issue/redemption or conversion price after having executed, as soon as possible, the necessary sales of securities or other assets on behalf of the relevant Compartment. In this case, subscription, redemption and conversion applications in process shall be dealt with on the basis of the Net Asset Value thus calculated.

19. FEES AND EXPENSES

19.1 General

Unless otherwise stated in the relevant Special Section, the Company shall pay out of the assets of the relevant Compartment and Class all expenses payable by that Compartment and Class which shall include but not be limited to:

- (a) Fees payable to the Service Providers including the Custodian, the paying agent(s), the correspondent(s), the Prime Broker(s), the Administrative Agent, the Domiciliary Agent, the Investment Manager(s), the Investment Adviser(s), placing agent(s), the Auditor, valuation agent(s), lawyer(s) and consultant(s) and their reasonable disbursements and out-of-pocket expenses, as applicable;
- (b) Management Fee and any reasonable disbursements and out-of-pocket expenses of the General Partner in relation to the management of the Company;
- (c) Fees to the relevant regulatory authorities (including the CSSF) and fees and expenses involved in registering and maintaining the registration of the Company with any governmental agencies or stock exchanges in Luxembourg and in any other country;
- (d) All direct and indirect taxes which may be due on the assets and the income of a relevant Compartment including the *taxe d'abonnement* (the subscription tax) and the capital duty;
- (e) Usual banking and transactional fees on Assets;

- (f) The cost of any liability insurance or fidelity bonds covering any costs, expenses or losses arising out of any liability of, or claim for damage or other relief asserted against the Company, the General Partner, its Managers and any person or company with whom they are affiliated or by whom they are employed and/or the Custodian or other agents of the Company for violation of any law or failure to comply with their respective obligations under the Articles or otherwise with respect to the Company;
- (g) The costs and expenses of the preparation and printing of written confirmations of Shares; the costs and expenses of preparing and/or filing and printing of all other documents concerning the Company including registration statements, the Issuing Document and explanatory memoranda with the relevant authorities (including local securities dealers' associations); the costs and expenses of preparing translations, financial reports, investment reports and such other reports or documents as may be required; the cost of accounting, bookkeeping and the calculating the Net Asset Value; the cost of preparing and distributing public notices to the Shareholders; lawyers' and auditor's fees; and all similar administrative charges, including all advertising expenses, promoting of the Company and/or a relevant Compartment and other expenses directly incurred by the issuing or distribution of the Shares.

All recurring charges will be charged first against income, then against capital gains and then against assets. Other charges may be amortised over a period not exceeding five (5) years.

19.2 Formation and launching expenses of the Company and an additional Compartment

The Company will bear the third party out-of-pocket formation costs of the Company (including the preparation of this Issuing Document, the Articles and agreements with the Service Providers, any translation thereof and of any other documentation in relation to the Company, as well as related taxes, duties and any other publication expenses).

If borne by the Company, these expenses will be borne by the initial Compartment(s) and will be capitalised to the extent possible and amortised over a period which may not exceed five (5) years.

Unless otherwise stated in the Special Section of a relevant Compartment, the costs and expenses incurred in connection with the creation of any additional Compartment will be written off over a period not exceeding five (5) years against the assets of that Compartment. The newly created Compartment may bear au pro-rata the costs and expenses incurred in connection with its formation and the initial issue of Shares which have not already been written off at the time of the creation of that Compartment.

20. FISCAL YEAR AND REPORTING

The Fiscal Year will begin on 1 January of each year and ends on 31 December of each year, except for the first Fiscal Year which will begin at the date of incorporation of the Company and end on 31 December 2010.

The Company shall publish annually a report on its activities, on its investments and on the management of its investments. The report shall include, inter alia, audited financial statements, a description of the assets of the Company, a report from the Auditor and a calculation of the value of the assets of the Company as per the Fiscal Year end.

The annual report will be sent to all Shareholders and will be submitted to the annual General Meeting for approval within six (6) months after the end of each Fiscal Year. The first annual report will be established as at 31 December 2010 and submitted to the Shareholders' approval at the first annual General Meeting of the Company.

Any other financial information to be made available to the Shareholders (including the Net Asset Value any suspension of the Net Asset Value) will be made available either

- (a) on the website of the Administrative Agent or another platform accessible on internet or
- (b) at the registered office of the Company, the Administrative and Domiciliary Agent.

To the extent required by Luxembourg law or decided by the General Partner, information notices will be sent to Shareholders at their address as indicated in the Register.

The following documents are available for inspection by Shareholders free of charge, during usual business hours at the registered office of the Company in Luxembourg:

- (c) this Issuing Document;
- (d) the Articles;
- (e) the latest available annual report;
- (f) the custodian agreement;
- (g) the administrative agency, registrar and transfer agency agreement;
- (h) the domiciliation agreement;
- (i) the relevant investment management agreement, if any; and
- (j) the relevant investment advisory agreement, if any.

21. DISTRIBUTION

Each year the General Meeting will decide, based on a proposal from the General Partner, for each Compartment, on the use of the balance of the year's net income of the investments. A dividend may be distributed either in cash or Shares. Further, dividends may include a capital distribution, provided that after distribution the net assets of the Company total more than EUR 1,250,000 (or the equivalent amount in EUR).

The Company may create within each Compartment an Accumulation Class or a Distribution Class, as indicated in the relevant Special Section. Accumulation Classes capitalise in principle their entire earnings whereas Distribution Classes pay dividends.

Over and above the distributions mentioned in the preceding paragraph, the General Partner may determine the payment of interim dividends in the form and under the conditions as provided by law. Interim dividends may be declared and distributed from time to time at a frequency determined by the General Partner.

Payments will be made in the Reference Currency of the relevant Compartment and/or Class. Dividends remaining unclaimed for five (5) years after their declaration will be forfeited and revert to the relevant Compartment.

Dividends may be declared separately in respect of each Compartment by a resolution of the Shareholders of the Compartment concerned at the annual General Meeting.

22. DISSOLUTION AND LIQUIDATION

22.1 Dissolution and Liquidation of the Company

The Company and each of the Compartments have been established for an unlimited period of time. The Company may at any time be dissolved by a resolution of the General Meeting subject to the quorum and majority as described in the Articles. Whenever the share capital falls below two-thirds of the minimum capital indicated, the question of the dissolution of the Company shall be referred to the General Meeting by the General Partner. The General Meeting, for which no quorum shall be required, will decide by simple majority of the votes of the Shares represented at that General Meeting.

The minimum capital of the Company shall be at least the equivalent of one million two hundred and fifty thousand in Euro (EUR 1,250,000) within a period of twelve (12) months following the authorisation of the Company.

The question of the dissolution of the Company will further be referred to the General Meeting whenever the share capital falls below one-fourth of the minimum capital; in such an event, the General Meeting will be held without any quorum requirements and the dissolution may be decided by Shareholders holding one-fourth of the votes of the Shares represented at that General Meeting. The General Meeting must be convened so that it is held within a period of forty (40) days from ascertainment that the net assets of the Company have fallen below two-thirds or one-fourth of the legal minimum.

The liquidation will be carried out by one or several liquidators, who may be physical persons or legal entities, appointed by the General Meeting which shall determine their powers and the compensation.

The event leading to the dissolution of the Company will be notified to the Shareholders in such other manner as may be deemed appropriate by the General Partner.

The General Meeting or, as the case may be, the liquidator it has appointed, will realise the assets of the Company or of the relevant Class or Compartment in the best interest of the Shareholders thereof, and upon instructions given by the General Meeting, the Custodian will distribute the net proceeds from such liquidation, after deducting all liabilities and liquidation expenses relating thereto, amongst the Shareholders of the relevant Class or Compartment in a proportion to the number of Shares held by them. The General Meeting may distribute the assets of the Company, the relevant Class or the relevant Compartment wholly or partly in kind to any Shareholder who agrees in compliance with the conditions set forth by the General Meeting (including, without limitation, delivery of independent valuation report issued by the Auditor) and under the principle of equal treatment of the Shareholders.

At the closing of the liquidation of the Company, the proceeds thereof corresponding to Shares not surrendered will be kept in safe custody with the Luxembourg *Caisse de Consignation* until the prescription period has elapsed. As far as the liquidation of any Class or Compartment is concerned, the proceeds thereof corresponding to the Shares not surrendered for repayment at the closing of the liquidation will be kept in safe custody with the Custodian during a period not exceeding nine (9) months as from the date of the closing of the liquidation; after this delay, these proceeds will be kept in safe custody at the Luxembourg *Caisse de Consignation*.

22.2 Termination of a Class or Compartment

If, for any reason the value of the total net assets in any Compartment or the value of the net assets of any Class within a Compartment has decreased to, or has not reached, an amount determined by the General Partner to be the minimum level for such Compartment, or such Class of Shares, to be operated in an economically efficient manner or in case of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation, the General Partner may decide to offer to the Shareholders of such Compartment or Class the conversion of their Shares into Shares of another Compartment or Class under terms fixed by the General Partner or to redeem all the Shares of the relevant Class or Compartment at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. The Company shall serve a notice to the Shareholders of the relevant Class or Classes of Shares prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations. Registered Shareholders shall be notified in writing.

Any request for subscription shall be suspended as from the moment of the announcement of the termination of the relevant Compartment or Class.

Notwithstanding the powers conferred to the General Partner by the preceding paragraph, the General Meeting of any Class or of any Compartment will, in any other circumstances, have the power, upon proposal from the General Partner, to redeem all the Shares of the relevant Compartment or Class and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day, at which such decision will take effect. There will be no quorum requirements for such General Meeting, which will decide by resolution taken by simple majority of those present or represented and voting at such General Meeting.

Any request for subscription shall be suspended as from the moment of the announcement of the termination, the merger or the transfer of the relevant Compartment or Class.

Assets which may not be distributed upon the implementation of the redemption will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto within the applicable time period.

All redeemed Shares may be cancelled.

22.3 Merger or Class and Compartment

Under the same circumstances as provided under Section 22.2 above, the General Partner may decide to allocate the assets of any Compartment to those of another existing Compartment within the Company or to another undertaking for collective investment organised under the provisions of the 2007 Act or of part II of the act of 20 December 2002 on undertakings for collective investment, as amended or to another sub-fund within such other undertaking for collective investment (the **New Compartment**) and to redesignate the Shares of the Compartment concerned as Shares of the New Compartment (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to the relevant Shareholders). Such decision will be notified in the same manner as described under Section 22.2 above one (1) month before its effectiveness (and, in addition, the publication will contain information in relation to the New Compartment), in order to enable Shareholders to request redemption of their Shares, free of charge, during such period.

Any request for subscription shall be suspended as from the moment of the announcement of the merger or the transfer of the relevant Compartment.

Notwithstanding the powers conferred to the General Partner by this Section 22.3 above, a contribution of the assets and liabilities attributable to any Compartment to another Compartment within the Company may, in any other circumstances, be decided upon by a General Meeting of the Compartment concerned for which there will be no quorum requirements and which will decide upon such an merger by resolution taken by simple majority of those present or represented and voting at such General Meeting.

Furthermore, in other circumstances than those described in Section 22.2 above, a contribution of the assets and of the liabilities attributable to any Compartment to another undertaking for collective investment referred to in Section 22.2 above or to another sub-fund within such other undertaking for collective investment will require a resolution of the Shareholders of the Compartment concerned taken with 50% quorum requirement of the Shares in issue and adopted at a 2/3 majority of the Shares present or represented and voting, except when such an merger is to be implemented with a Luxembourg undertaking for collective investment of the contractual type (*fonds commun de placement*) or a foreign based undertaking for collective investment, in which case resolutions will be binding only on such Shareholders who have voted in favour of such merger.

23. GOVERNING LANGUAGE

English language is the governing language of the Issuing Document.

24. TAX STATUS IN LUXEMBOURG

24.1 Luxembourg

The Company's assets are subject to tax (*taxe d'abonnement*) in Luxembourg of 0.01% p.a. on net assets, payable quarterly. In case some Compartments are invested in other Luxembourg undertakings for collective investment, which in turn are subject to the subscription tax provided for by the 2007 Act or the 2002 Act no subscription tax is due from the Company on the portion of assets invested therein.

The Company's income is not taxable in Luxembourg. Income received from the Company may be subject to withholding taxes in the country of origin of the issuer of the security, in respect of which such income is paid. No duty or tax is payable in Luxembourg in connection with the issue of Shares of the Company.

Investors should consult their professional advisors on the possible tax or other consequences of buying, holding, redeeming, converting, transferring or selling any Shares under the laws of their countries of citizenship, residence or domicile.

Under current legislation, Shareholders are not subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg, except for (i) those Shareholders domiciled, resident or having a permanent establishment in Luxembourg, or (ii) non-residents of Luxembourg who are not protected by a double tax treaty and who hold 10% or more of the issued share capital of the Company and who dispose of all or part of their holdings within six months from the date of acquisition or (iii) in some limited cases some former residents of Luxembourg, who hold 10% or more of the issued share capital of the Company.

24.2 Savings Directive

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted the Savings Directive. The Savings Directive is applied by Member States as from 1 July 2005 and has been implemented in Luxembourg by the act of 21 June 2005.

The Company is currently considered by the Luxembourg tax authorities as out of scope the Savings Directive. However, as the operation of the Savings Directive will be reviewed after three years, it cannot therefore be excluded that the scope of the Savings Directive and/or other articles of the Savings Directive would be amended at that point in time. Possible (future) Savings Directive implications should thus be monitored on a continuing basis.

24.3 Other jurisdictions

Interest, dividend and other income realised by the Company on the sale of securities of non-Luxembourg issuers, may be subject to withholding and other taxes levied by the jurisdictions in which the income is sourced. It is impossible to predict the rate of foreign tax the Company will pay since the amount of the assets to be invested in various countries and the ability of the Company to reduce such taxes is not known.

The information set out above is a summary of those tax issues which could arise in Luxembourg and does not purport to be a comprehensive analysis of the tax issues which could affect a prospective Investor. It is expected that Investors may be resident for tax purposes in many different countries. Consequently, no attempt is made in this Issuing Document to summarise the tax consequences for each prospective Investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in an Investor's country of citizenship, residence, domicile or incorporation and with his/her/its personal circumstances.

24.4 Future changes in applicable law

The foregoing description of Luxembourg 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.

The tax and other matters described in this issuing document do not constitute, and should not be considered as, legal or tax advice to prospective investors. Prospective investors should consult their own counsel regarding tax laws and regulations of any other jurisdiction which may be applicable to them.

25. GENERAL MEETING

The annual ordinary General Meeting will be held at the registered office of the Company in Luxembourg on the second Monday of the month of June, or on the previous Business Day if such day is not a Business Day, at 11.00 (Luxembourg Time).

The Shareholders of a relevant Compartment or Class may hold General Meetings to decide on any matters which relate exclusively to that Compartment or that Class. The provisions applicable to the General Meetings provided herein shall apply *mutatis mutandis* to the General Meetings dedicated to the relevant Compartment or the relevant Class.

Each Share entitles its holder to one vote and all Shares participate equally in the decisions to be taken in General Meeting.

26. ANNOUNCEMENTS AND CONFIDENTIALITY

All public disclosure or announcement of the existence or the subject matter of this Issuing Document shall be subject to the approval of the General Partner or its delegate. This shall not affect any announcement or disclosure by an Investor for the cases mentioned below but the Investor required to make an announcement or disclosure shall consult with the General Partner or its delegate insofar as is reasonably practicable before complying with such an obligation.

Each Investor shall procure that its directors, managers, employees, officers, partners, investors, agents, consultants and advisers and any Affiliate (and their directors, employees, officers, partners, investors, agents, consultants and advisers) keep confidential and shall not disclose any information provided to him/her/it by or on behalf of the Company or otherwise obtained by or in connection with this Issuing Document or which may come to his/her/its knowledge concerning the affairs of the Company or any investment made or proposed by the Company, save to the extent that:

- (i) disclosure is required by any applicable law or any court of law or any relevant regulator or tax authority;
- (ii) disclosure is necessary in order for an Investor to enforce his/her/its rights under the terms of this Issuing Document;
- (iii) the information concerned is already in the public domain prior to disclosure (other than as a result of a breach of any obligation by any Investor);

- (iv) disclosure is made to an Investor's bona fide legal, tax or accountancy advisers or auditors, provided that such disclosure is made on a confidential basis and such advisers or auditors undertake an equivalent duty of confidentiality to that set out in this Section; or
- (v) disclosure is required in good faith and only where reasonably necessary to any Affiliate of that Investor, provided that such disclosure is made on a confidential basis and such Affiliate undertakes an equivalent duty of confidentiality to that set out in this Section.

27. AMENDMENTS TO THE GENERAL SECTION

Subject to regulatory approval, the General Partner may amend the provisions of this General Section as follows:

- (i) where the change is determined by the General Partner not to be material, upon decision of the General Partner; or
- (ii) where the change is determined by the General Partner to be material, only following the Company's Consent.

Shareholders will be notified by the General Partner of all amendments that are adopted in accordance with Clause 27(i) of this Section.

No variation may be made to this Section 27 without unanimous consent of all Shareholders.

SPECIAL SECTION I LUXIF – SERANTES ROCK

This Special Section is valid only if accompanied by the General Section.

This Special Section refers only to Luxif – Serantes Rock (the “**Compartment**”).

1. INVESTMENT POLICY

1.1 Investment Objective

A. Variety of instruments

The investment objective of the Compartment is to achieve long term capital growth and an appropriate return by applying the principle of risk diversification through investments in a variety of instruments including but not limited to any type of funds, shares, bonds, certificates, notes, fiduciary or other types of deposits, options, warrants, commodities, precious metals, currencies, financial futures, derivative products and other money market instruments, closed-end and open-end investment funds, structured products, and any other type of financial asset which may be or not be quoted/traded on official securities exchanges in recognised jurisdictions or on other regulated or over the counter markets in recognised countries in accordance with the investment restrictions.

In this context, a recognised jurisdiction is a member state of the Organisation for Economic Cooperation and Development (OECD) and all other countries in Europe, North and South-America and Asia; and a regulated market is a market which is recognised and open to the public and whose operation is properly regulated.

More specifically, the initial investment objective of the Compartment is to invest primarily its assets, either directly or indirectly, in a diversified portfolio of bonds and equity investments generally issued by well-known entities principally in currencies such as EUR, USD, CHF, GBP, JPY, HKD and CAD.

B. Liquid Assets

Besides investments as above explained, the Investment Manager will constitute a cash reserve that will generally amount to between 5 % and 20 % of the Net Asset Value of the Compartment. Deposits and other short-term instruments will be privileged as instruments.

In adverse market conditions, the reserve may be increased up to 100 % of the Compartment’s assets when so justified, however, the Investment Manager will at any time intend to comply with the applicable framework in terms of risk spreading rules and therefore will not allocate more than 30 % of the Compartment’s assets in the same financial instrument issued by the same issuer except in the case of government bonds issued by the following states: USA, CANADA, GERMANY, FRANCE, UNITED KINGDOM, SWITZERLAND and JAPAN.

C. Leverage

From time to time, the Investment Manager might have recourse to leverage. It is expected that this leverage will not exceed 50 % of the Net Asset Value of the Compartment.

D. Hedging Policy

In addition, in order to hedge investments of the Compartment, the latter may invest on an ancillary basis in financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of instruments in which the Compartment may invest according to the above-mentioned Investment Objective;
- the financial derivative instruments do not expose the Compartment to risks that it could not otherwise assume;
- the counterparties to OTC derivative transactions are credit institutions or other institutions subject to prudential supervision in a recognised jurisdiction as defined above; and
- the OTC derivatives are subject to reliable and verifiable valuation on a regular basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Compartment's initiative.

The risk exposure of the Compartment to a counterparty in an OTC derivative transaction may not exceed 20 % of its Net Asset Value when the counterparty is a credit institution and 50% of its Net Asset Value in other cases.

No assurance can be given that the Compartment's investment objective and policy will be achieved or there will be any return of capital and investment results may vary substantially over time.

1.2 Investment restrictions

The Compartment is subject to the investment restrictions laid down under Section 4.2 of the General Section.

In addition, the Compartment shall be subject to the following investment restrictions:

- (a) The Compartment shall not incur a currency exposure risk exceeding 150% of its Net Asset Value; and
- (b) The maximum borrowing amount on a permanent basis for investment purposes shall not exceed 50% of its Net Asset Value.

The Compartment has to comply with these investment restrictions within six months (6) months after the end of the Initial Offering Period.

2. TERM OF THE COMPARTMENT

The Compartment has been created with an undetermined duration.

3. REFERENCE CURRENCY AND CLASSES

The Reference Currency of the Compartment is EUR.

The General Partner has decided to issue a single class of Ordinary Shares: Ordinary Shares (CAP), which is an Accumulation Class (capitalisation type).

Ordinary Shares may be subscribed by any Investor who is a Well-Informed Investor and who is not a

Restricted Investor further to the conditions set out in the General Section.

In the event that additional Class(es) would be created, this Special Section would be amended accordingly.

4. VALUATION DAY

Each Class of the Compartment will be valued on a quarterly basis, as of the last Business Day of each calendar quarter, *i.e.* last Business Day of March, June, September and December of each Fiscal Year (each a **Valuation Day**).

The General Partner may however decide at its discretion to calculate additional Net Asset Value of each Class of the Compartment within a Fiscal Year among others to permit redemptions of Shares before the end of the relevant calendar quarter. In this case, the General Partner shall pay due regard to the principal of equal treatment of all Shareholders of each Class of the Compartment and the redeeming Shareholders will support the cost of the additional Net Asset Value calculation.

5. SUBSCRIPTION OF SHARES DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of Ordinary Shares (CAP) started on 1st February 2012 and ended on 10th February 2012, subject to the discretion of the General Partner to extend the Initial Offering Period up to 1st March 2012.

The Initial Offering Price of Ordinary Shares (CAP) is EUR 1,000.- per Share.

The relevant Investor must deliver to the account of the Compartment at the Custodian cleared funds in EUR for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

The General Partner reserves the right to refuse at its discretion any subscription request.

For the avoidance of doubt, no Subscription Fee shall be charged in favour of the Investment Manager.

6. SUBSCRIPTION OF SHARES AFTER THE INITIAL OFFERING PERIOD

After the Initial Offering Period, Investors may subscribe Shares in accordance with the terms and provisions set out below.

The relevant Investor must submit a Subscription Agreement to the Administrative Agent to be received by the Administrative Agent before 1:00 pm Luxembourg time (“cut-off time”) no later than two (2) Business Days prior to the relevant Valuation Day. Subscription Agreements received after this cut-off time shall be deemed to be received and will be processed on the next following Valuation Day.

The minimum initial subscription amount per Investor is EUR 125,000. Subsequent minimum investment by existing Shareholders of the Compartment amounts to EUR 10,000.- subject to the discretion of the Investment Manager to reduce such amount.

The relevant Investor must deliver to the account of the Compartment at the Custodian cleared funds in EUR for the full amount of the subscription pursuant to the subscription request before the relevant Valuation Day.

Notwithstanding the above, the Investment Manager may, at any time after the Initial Offering Period, decide to close the Compartment for further subscriptions or to accept new subscriptions only from

existing Shareholders in the Compartment.

For the avoidance of doubt, no Subscription Fee shall be charged in favour of the Investment Manager.

7. REDEMPTION OF SHARES

Redemption requests must be sent in writing to the Administrative Agent or such other place as the Company may indicate. Redemption requests must be received by the Administrative Agent before 1:00 pm Luxembourg time (“cut-off time”) no later than thirty (30) calendar days prior to the relevant Valuation Day. Redemption requests received after this cut-off time shall be deemed to be received on the next following Valuation Day and the redemption price shall be calculated on the basis of the Net Asset Value per Share of the Compartment as of that next following Valuation Day.

The redemption notice period applicable to all Shareholders may be reduced by the General Partner at its discretion.

A Redemption Fee of up to 5 % of the Net Asset Value of the Shares redeemed will be charged for the benefit of the Compartment. The Redemption Fee can be waived in whole or in part by the General Partner at its discretion.

Any redemption request must be in respect of a minimum of ten (10) Shares, subject to the discretion of the General Partner to accept a smaller number of Shares to be redeemed.

8. CONVERSION OF SHARES

No conversion of Shares of this Compartment in Shares of another Compartment is permitted.

However, conversion of Shares of a Class into Shares of another Class within this Compartment except for GP Shares which are restricted to the General Partner is authorized with respect to each Valuation Day, for a fixed fee of EUR 250.- per conversion request.

Conversion requests must be received by the Administrative Agent before 1:00 pm Luxembourg time (“cut-off time”) no later than fifteen (15) calendar days prior to the relevant Valuation Day. Conversion requests received after this cut-off time shall be deemed to be received on the next following Valuation Day and the applicable conversion ratios shall be calculated on the basis of the Net Asset Value per Share of the Class as of that next following Valuation Day.

Any conversion request must be in respect of a minimum of ten (10) Shares, subject to the discretion of the General Partner to accept a smaller number of Shares to be converted.

9. ADVISORY COMMITTEE

The General Partner has not established for this Compartment an Advisory Committee as determined under Section 6.7 of the General Section.

10. INVESTMENT MANAGER

10.1 General

The Company has appointed Mr Hector Alejandro MARTINEZ CASTRO with residence at Avenida Quintana, 416, 7° 1021 – Buenos Aires – Argentina as the Investment Manager of the Compartment pursuant to the investment management agreement dated 1st February 2012.

The Investment Manager is a 52 year old Argentine Economist, who graduated in Economics (1980)

and in Econometrics (1982) at the University of Geneva, Switzerland, where he also lectured in International Finance from the age of 20 years old. Thereafter he worked for several international banks: Banque Cantrade Ormond Burrus (UBS Group), Banque Privée Edmond de Rothschild and Coutts & Co (Natwest / RBS Group) in the capacity of financial analyst, fixed-income broker, portfolio manager, investment adviser and member of management. In 2000 he joined Gramercy Communications Partners, a New York-based TMT private equity partnership sponsored by Telefonica of Spain and the Onex Group of Canada, raising EUR 1.5 billion in 12 months. For the last ten years, he has worked as an independent economist / financial counselor, advising Argentinian and European family groups.

The Investment Manager has received full authority to act on behalf of the Company in all matters concerned with the daily portfolio management and affairs of the Compartment.

More specifically, the General Partner authorizes the Investment Manager to invest and re-invest all monies and assets of the Compartment and to exercise any rights in relation with such assets, held (now and in the future) with the Custodian, in its complete and absolute discretion. Such discretion is, however, to be exercised in compliance with the investment restrictions defined under the Investment Management Agreement

For the purpose of achieving its duties and missions, the Investment Manager, inter alia

- shall have the broadest powers necessary to manage, as the case may be, the assets of the Compartment and to conduct, on a discretionary basis, the implementation of the investment policy of the Compartment;
- shall monitor the Compartment's investments, so as to ensure that the Compartment's portfolio is managed in accordance with the provisions of the General Section and the Special Section;
- shall, as the case may be, purchase and sell underlying assets of the Compartment and otherwise manage its assets on a daily basis, under the overall supervision of the General Partner;
- shall provide the necessary support required so as to properly conduct the management of the Compartment; and
- shall provide the General Partner with advice, reports and recommendations in connection with the management of the assets of the Compartment and with the assets constituting the Compartment's portfolio.

10.2 Constitution of the Investment Committee

The General Partner has not established for this Compartment an Investment Committee as determined under Section 6.8 of the General Section.

10.3 Investment Management Fee

The Investment Manager is entitled to receive an annual Investment Management Fee of 1 % of the Net Asset Value of the Compartment. The Management Fee is calculated and accrued on each Valuation Day on the basis of the net assets of the Compartment and payable quarterly in arrears.

10.4 Performance Fee

For the avoidance of doubt, no Performance Fees shall be payable to the Investment Manager.

11. DISTRIBUTION POLICY

It is not the intention of the General Partner to adopt a distribution policy for each Class of Shares.

As a consequence, no dividend or interim dividend shall be distributed in cash and/in kind to Shareholders of any Classes of Shares.

12. AMENDMENTS TO THIS SPECIAL SECTION

Subject to regulatory approval, the General Partner may amend the provisions of this Special Section as follows:

- (i) where the change is determined by the General Partner not to be material, upon decision of the General Partner; or
- (ii) where the change is determined by the General Partner to be material, only following the Compartment's Consent.

Shareholders will be notified by the General Partner of all amendments that are adopted without their consent in accordance with Section 12 of this Special Section.

No variation may be made to this Section 12 without unanimous consent of all Shareholders of the Compartment.

13. SPECIFIC RISK FACTORS

An investment in the Company is associated with a certain degree of risk. Prospective investors should consider, amongst others, the following factors before subscribing to the Shares:

13.1 General economic conditions

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

13.2 Lack of operating history

The Compartment is newly formed. There can be no assurance that the Compartment will achieve its investment objectives. The past investment performance of the Investment Manager may not be construed as an indication of the future results of an investment in the Compartment.

13.3 Lack of liquidity in markets

Despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and instruments may have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Compartment, both in the realisation of the prices which are quoted and in the execution of orders at desired prices.

13.4 Net Asset Value considerations

The Net Asset Value per Share of each Compartment is expected to fluctuate over time with the performance of such Compartment's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder.

13.5 Interest rate risk

Investments in bonds or other fixed income securities may fall in value if the interest rates change. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

13.6 Leverage - credit risk

While the use of leverage may increase the return on the invested capital, it also creates greater potential for loss. There can be no assurance that the Compartment, in incurring debt, will be able to meet its loan obligations.

Credit risk involves the risk that an issuer of a bond or similar money-market instruments or OTC derivative held by the Compartment may default on its obligations to pay revenue and repay principal and the Compartment will not recover its investment.

13.7 Investing in Derivatives

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for hedging purposes. Should the Investment Manager expectations in employing such techniques and instruments be incorrect, the Company may suffer a substantial loss, having an adverse effect on the Net Asset Value of the Shares.

13.8 Financial Derivative Instruments and Hedging Strategies

Investments of the Company may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the net asset value of the Company concerned.

In case of a hedging purpose of such transactions, the existence of a direct link between them and the assets to be hedged is necessary, which means in principle that the volume of deals made in a given currency or market cannot exceed the total value of the assets denominated in that currency, invested in this market or the term for which the portfolio assets are held. In principle no additional market risks are inflicted by such operations. The additional risks are therefore limited to the derivative specific risks.

The Company may use financial derivative instruments to attempt to hedge or reduce the overall risk of its investments. The Company's ability to use these strategies may be limited by, amongst other factors: market conditions, regulatory limits and tax considerations. The use of these strategies involves special risks, including:

1. dependence on the Investment Manager's ability to predict movements in the price of securities being hedged, currency fluctuations and movements in interest rates;
2. imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant

Company;

3. the absence of a liquid market for any particular instrument at any particular time;
4. the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in future trading means that futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Company, and
5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of the Company's assets will be segregated to cover its obligations.

13.9 Counterparty risk

The Company will be exposed to credit risk on the counterparties with which it trades in relation to financial derivative instrument contracts that are not traded on a recognised exchange. Such instruments do not afford the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance of guarantee of an exchange clearing house. The Company will be subject to the possibility of insolvency, bankruptcy or default of a counter party with which the Company trades such instruments, which could result in substantial loss to a Fund.

13.10 Investing in High Yield Bonds

High yield bonds are regarded as being predominately speculative as to the issuer's ability to make payments of principal and interest. Investment in such securities involves substantial risk. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, the Company may experience losses and incur costs.

The investments of the Compartment are subject to market fluctuations and the risks inherent to investments in transferable securities and other eligible assets. There is no guarantee that the investment-return objective will be achieved. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial investments.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in an investment in the Company. Prospective investors should read the entire Issuing Document and fully evaluate all other information that they deem to be necessary for determining whether to invest in the Compartment. Prospective investors should ensure that they fully understand the contents of this Issuing Document and, if in any doubt, should consult their own professional advisers.

SPECIAL SECTION II LUXIF – EUROPEAN RESIDENTIAL & OFFICE PROPERTIES

This Special Section is valid only if accompanied by the General Section.

This Special Section refers only to Luxif – European Residential & Office Properties (the “**Compartment**”).

For the purpose of the Compartment, the following term shall bear the following meaning:

Repurchase agreement: shall mean a sale and purchase agreement providing for a possibility for the seller (initial owner) to buy back from the acquirer the asset(s) object of the contract at a specified time and price.

For the avoidance of doubt, there shall be no equalisation process applicable in the Compartment, as a consequence no Equalisation Fee Payments shall be requested or shall occur.

1. INVESTMENT POLICY

1.1 Investment objectives

A. Investment in the Real Estate Sector

The investment objectives of the Compartment is to achieve long term capital growth and an appropriate return by applying the principle of risk diversification through investments directly or indirectly via special purpose vehicles or entities not owned or partially owned by the Compartment domiciled either in Luxembourg or in an European country (the “**Entities**”, or each individually the “**Entity**”).

The Compartment will offer investors with exposure to high quality assets across among others the principal residential and office markets in Western Europe with a particular focus on the French market.

Notwithstanding the above, the Compartment may also consider investing, in the same geographical area, in a diversified portfolio of real estate assets including but not limited to, (i) residential properties, (ii) built and non-built lands, (iii) offices, (iv) parks, (v) malls, (vi) infrastructures, (vii) hotels, and (viii) touristic resorts (the “**Properties**”) with an average acquisition value per transaction ranging from EUR 0.5 Million to EUR 30 Million.

The investments of the Compartment may also be diversified as per their respective nature and shall span all aspects of properties acquisition, disposal and development processes, from the identification and acquisition of land(s), to the planning, execution, construction and marketing of the financed real estate projects.

Investments directly conducted by the Compartment may take the form of the acquisition of various debt instruments (Bonds, Notes, Profit Participating Notes, etc...) or equity instruments (shares, equity-like instruments or other equity securities participations) issued by the Entities with a direct or indirect exposure to the real estate sector in Western Europe.

In the case of private equity investments (the “**Participations**”), participations in the capital of the targeted Entity that represent the majority of the capital of such Entity will be privileged. For the avoidance of doubt, the Compartment may however, by way of exception, also hold Participations in Entities representing the minority in the capital of the respective Entity. Evaluation of the

Participations shall be conducted upon their acquisition and on an annual basis in accordance with section 4 of this Special Section.

The Compartment, still acting through the Entities, may, in addition, contemplate various investment strategies in relation with the Properties such as entering into (i) buy-and-hold, (ii) buy-and-sell, (iii) sell and leaseback, (iv) leasehold, and (v) lifetime leasing strategies (*transactions en viager*).

Although the Compartment does not intend to directly acquire Properties, the latter shall also provide the necessary financing means to Entities to enter into repurchase transactions (*transactions à réméré*) which shall be conducted on the basis of a fixed pre-determined price between the Entities and the initial owners. Should the initial owners be willing not to exercise the option to repurchase their Properties or be defaulting in the repurchase of their Properties, following the terms of the repurchase agreement, the Compartment shall then consider disposing the Properties directly owned by the Entities with any third-party buyers within 18 months since the notification by the initial owners.

The Compartment considers that the average holding duration of the acquired Properties will be between 12 months to 60 months. The Entities shall also perceive the proceeds from the rent of the Properties for the duration of the repurchase agreement.

It is envisaged by the Compartment to proceed to an average of ten to fifteen acquisitions on a yearly basis since the second year.

On an ancillary basis, the Compartment may also invest in construction companies domiciled in Europe and active in the building of Properties, in the building of energy efficient Properties and installation of energy efficient improvements for Properties (the "**Construction Companies**").

Construction Companies include any company that performs renovations, optimisations, new constructions or any other works or construction measures with respect to the Properties.

In this respect, the Compartment's investments in Construction Companies can be realised through debt instruments (Bonds, Notes, Profit Participating Notes, etc...) or private equity (shares or other equity instruments or equity-like instruments) in accordance with the present section of this Special Section.

The Compartment may also, on an ancillary basis, invest in utility companies domiciled in Europe providing utility services, with respect to water, electricity, telecommunications, internet, waste disposal and other infrastructural utilities related to Properties (the "**Utility Companies**"). The services provided by Utility Companies may not only include the installation of utility infrastructure but also subsequent services such as maintenance and operating services.

In this respect, the Compartment's investments in Utility Companies can be realised through debt instruments (Bonds, Notes, Profit Participating Notes, etc...) or private equity investments (shares or other equity instruments or equity-like instruments) in accordance with this section of this Special Section.

B. Liquid Assets

Besides investments as above explained, the General Partner will constitute a cash reserve that will generally amount between 2 % and 7 % of the Net Asset Value of the Compartment. Deposits, corporate bonds or government bonds that must be rated at least "A" or better in the credit-rating agencies' opinion and other short-term instruments will be privileged as instruments.

For the selection of bonds, the General Partner shall rely on the credit-quality rating of the issuer by independent rating agencies.

In adverse market conditions, the reserve may be increased up to 100 % of the Compartment's assets when so justified, however, the General Partner will at any time intend to comply with the applicable framework in terms of risk spreading rules and therefore will not allocate more than 30 % of the Compartment's assets in the same financial instrument issued by the same issuer except in the case of government bonds issued by an OECD Member State.

The Compartment has to comply with the diversification principle for real estate investments within four (4) years after the end of the Initial Offering Period.

C. Leverage

From time to time, the General Partner might have recourse to leverage. It is expected that this leverage will not exceed 50 % of the Net Asset Value of the Compartment.

D. Hedging Policy

In addition, in order to hedge investments of the Compartment, the latter may invest on an ancillary basis in financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives") included but not limited to currency swap agreements, provided that:

- the underlying consists of instruments in which the Compartment may invest according to the above-mentioned Investment Objective;
- the financial derivative instruments do not expose the Compartment to risks that it could not otherwise assume;
- the counterparties to OTC derivative transactions are major and reliable credit institutions or other institutions subject to prudential supervision in a recognised jurisdiction; and
- the OTC derivatives are subject to reliable and verifiable valuation on a regular basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Compartment's initiative.

The risk exposure of the Compartment to a counterparty in an OTC derivative transaction may not exceed 20 % of its Net Asset Value when the counterparty is a credit institution and 30 % of its Net Asset Value in other cases.

No assurance can be given that the Compartment's investment objective and policy will be achieved or there will be any return of capital and investment results may vary substantially over time.

1.2 Investment restrictions

The Compartment is subject to the investment restrictions laid down under Section 4.2 of the General Section.

In addition, the Compartment shall be subject to the following investment restrictions:

- (a) The Compartment shall not incur a currency exposure risk exceeding 10% of its Net Asset Value; and
- (b) The maximum borrowing amount on a permanent basis for investment purposes shall not exceed 50% of its Net Asset Value.

The Compartment has to comply with these investment restrictions within six months (6) after the end of the Initial Offering Period. For investment in real estate, this period shall be increased up to three (3) years after the end of the Initial Offering Period.

2. TERM OF THE COMPARTMENT

The Compartment has been created with an undetermined duration.

3. REFERENCE CURRENCY AND CLASSES

The Reference Currency of the Compartment is EUR.

The General Partner has decided to issue two classes of Ordinary Shares:

- (i) Class A Ordinary Shares (CAP-A), which is an Accumulation Class (capitalisation type) denominated in EUR with ISIN LU0733427081 and,
- (ii) Class B Ordinary Shares (CAP-B), which is an Accumulation Class (capitalisation type) denominated in USD with ISIN LU0733427321 and,

Both classes of Ordinary Shares may be subscribed by any Investor who is a Well-Informed Investor and who is not a Restricted Investor further to the conditions set out in the General Section.

In the event that additional Class(es) would be created, this Special Section would be amended accordingly.

4. VALUATION DAY

Each Class of the Compartment shall be valued on a yearly basis on the last Business Day of each calendar year, *i.e.* the last Business Day of each Fiscal Year (the “**Valuation Day**”).

The General Partner may however decide at its discretion to calculate additional Net Asset Value of each Class of the Compartment within a Fiscal Year among others to allow redemptions of Shares before the end of the relevant calendar period. In this case, the General Partner shall pay due regard to the principal of equal treatment of all Shareholders of each Class of the Compartment and the redeeming Shareholders shall support the cost of the additional Net Asset Value calculation.

Independent Valuers

All Properties owned directly or indirectly by the Compartment will be valued by an independent valuer (the “**Independent Valuer**”) provided that such valuation may be used throughout the following Fiscal Year unless there is a change in the general economic situation or in the condition of the relevant properties, which requires new valuations to be carried out under the same conditions as the annual valuation.

For the avoidance of doubt, the acquisition or the disposal of real estate Properties will not be subject to independent valuation from the Independent Valuer unless it is required by the General Partner.

The Company has appointed **Credit Foncier Expertise SAS**, a company subject to French laws with registered office at 19 rue des Capucines, 75001 Paris, France, registered at the Paris Register of Trade and Commerce with registration number RCS Paris 788 276 806 as the independent valuer for the valuation on a yearly basis of the portfolio of real estate properties entrusted into the Compartment.

Further, all Participations held directly or indirectly by the Compartment will be valued (i) for initial acquisition purposes and (ii) on an annual basis by an independent valuer (the “**Independent Participation Valuer**”) with sufficient expertise provided that such valuation may be used throughout

the following Fiscal Year unless there is a change in the general economic situation or in the condition of the relevant participations, which requires new valuations to be carried out under the same conditions as the annual valuation.

The remuneration for the services of the Independent Valuer and the Independent Participation Valuer will be paid out by the Compartment.

The method and process of valuation will be performed by the Independent Valuers and the Independent Participation Valuer in accordance with the principles set out in Section 17 of the General Section.

5. SUBSCRIPTION OF SHARES DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of CAP-A and CAP-B starts on the 18th January 2012 and ends on the 17th February 2012, subject to the discretion of the General Partner to extend the Initial Offering Period.

The Initial Offering Price of Class A Ordinary Shares (CAP-A) is set at EUR 1,000.- per Share.

The Initial Offering Price of Class B Ordinary Shares (CAP-B) is set at USD 1,000.- per Share.

The relevant Investor must deliver to the account of the Compartment at the Custodian cleared funds in EUR for CAP-A, in USD for CAP-B for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period, and before 1:00 pm Luxembourg time (“cut-off time”).

The General Partner reserves the right to refuse at its discretion any subscription request.

6. SUBSCRIPTION OF SHARES AFTER THE INITIAL OFFERING PERIOD

After the Initial Offering Period, Investors may subscribe Shares in accordance with the terms and provisions set out below.

The relevant Investor must submit a Subscription Agreement to the Administrative Agent to be received by the Administrative Agent before 1:00 pm Luxembourg time (“cut-off time”) no later than two (2) Business Days prior to the relevant Valuation Day. Subscription Agreements received after this cut-off time shall be deemed to be received and will be processed on the next following Valuation Day.

The minimum initial subscription amount per Investor for CAP-A is set at EUR 125,000 (One hundred twenty-five thousand) or equivalent in USD for CAP-B.

Subsequent minimum investment by existing Shareholders of the Compartment amounts to EUR 25,000 (Twenty-five thousand) or equivalent in USD for CAP-B subject to the discretion of the General Partner to reduce such amount.

The relevant Investor must deliver to the account of the Compartment at the Custodian cleared funds in EUR for CAP-A, in USD for CAP-B for the full amount of the subscription pursuant to the subscription request before the relevant Valuation Day.

Notwithstanding the above, the General Partner may, at any time after the Initial Offering Period, decide to close the Compartment for further subscriptions or to accept new subscriptions only from existing Shareholders in the Compartment.

7. REDEMPTION OF SHARES

Redemption requests must be sent in writing to the Administrative Agent or such other place as the

Company may indicate. Redemption requests must be received by the Administrative Agent before 1:00 pm Luxembourg time (“cut-off time”) no later than thirty (30) calendar days prior to the relevant Valuation Day. Redemption requests received after this cut-off time shall be deemed to be received on the next following Valuation Day and the redemption price shall be calculated on the basis of the Net Asset Value per Share of the Compartment as of that next following Valuation Day.

The redemption notice period applicable to all Shareholders may be reduced by the General Partner at its discretion.

For both Classes of Shares, a Redemption Fee of up to 2 % of the Net Asset Value of the Shares redeemed will be charged for the benefit of the Compartment. The Redemption Fee can be waived in whole or in part by the General Partner at its discretion.

Any redemption request must be in respect of a minimum of ten (10) Shares, subject to the discretion of the General Partner to accept a smaller number of Shares to be redeemed.

To protect the best interest of the Shareholders, any redemption application which exceeds in value 5% of the Compartment’s net asset value may solely be dealt following the express consent of the General Partner. Should the General Partner decline the redemption application, the request will be dealt on the basis of the net asset value calculated on the next Valuation Day.

Such an extended period may, upon the General Partner’s discretion, also apply in case of successive redemption applications by the same investor over a limited period of time, which altogether exceed in value 5% of the Compartment’s net asset value.

8. CONVERSION OF SHARES

No conversion of Shares of this Compartment in Shares of another Compartment is permitted.

However, conversion of Shares of a Class into Shares of another Class within this Compartment except for GP Shares which are restricted to the General Partner is authorized with respect to each Valuation Day, for a fixed fee of EUR 250.- per conversion request.

Conversion requests must be received by the Administrative Agent before 1:00 pm Luxembourg time (“cut-off time”) no later than ten (10) calendar days prior to the relevant Valuation Day. Conversion requests received after this cut-off time shall be deemed to be received on the next following Valuation Day and the applicable conversion ratios shall be calculated on the basis of the Net Asset Value per Share of the Class as of that next following Valuation Day.

Any conversion request must be in respect of a minimum of ten (10) Shares, subject to the discretion of the General Partner to accept a smaller number of Shares to be converted.

9. ADVISORY COMMITTEE

The General Partner has not established for this Compartment an Advisory Committee as determined under Section 6.7 of the General Section.

10. THE GENERAL PARTNER AND THE INVESTMENT ADVISER

10.1 General

The Compartment’s portfolio will be directly managed by the General Partner which shall have the broadest powers necessary to manage, as the case may be, the assets of the Compartment and to conduct, on a discretionary basis, the implementation of the investment policy of the Compartment and shall monitor the Compartment’s investments, so as to ensure that the Compartment’s portfolio is

managed in accordance with the provisions of the General Section and the Special Section with the assistance of the Investment Adviser (as defined below), who will provide investment advisory services in relation to the Compartment.

The Company has appointed Skyrich Trading Limited, a company subject to Hong-Kong laws, having its registered office at 2503 bank of America Tower, 12, Harcourt Road, Central – Hong Kong, incorporated on the 25th July 2011, registered at the Hong Kong special administrative region with registration number 1641882 as the Investment Adviser of the Compartment pursuant to the investment advisory agreement dated 16th Mars 2017.

The Investment Adviser is represented by Mr Francois Mauron, a Swiss asset manager. Mr Francois Mauron graduated in Economics majoring in Finance from the High Commercial Studies (H.E.C.) of the University Lausanne in 1994. Thereafter he started his career as a broker in derivative products for Citibank and as a stock and derivative products broker for Darier Hentsch and Co. Mr Francois Mauron then occupied various positions as private banker and portfolio manager for various institutions such as Atag Asset Management and Discount Bank. In March 2002, strong of 10 years of experience, he then decided to set-up his fund management company named as “Quanta Finance S.A.” based in Geneva and since that time progressively diversified the activities from pure asset management to family office services and real estate investments. Servicing high net worth individuals and ultra-high net worth individuals in the real estate sector for the last 10 years, Mr Mauron has then acquired a specific knowledge in the area of managing investments in the sector of luxury properties.

The Investment Adviser shall be responsible for advising the General Partner through the issuance of non-binding recommendations by phone, emails, letters or meetings to be held in Luxembourg, in relation to, *inter alia*, the management of the Compartment’s assets. The Investment Adviser shall not be vested with the power to take investment decisions.

For the purpose of achieving its duties and missions, the Investment Adviser, *inter alia*:

(i) Assistance and advice with respect to:

- Evaluation of potential investment opportunities for the Compartment;
- Determination of purchase prices;
- Conduct of due diligence;
- Transaction structuring; and
- Negotiating of deal terms.

(ii) Assistance and advice with respect to portfolio management of the Compartment which shall include, without limitation:

- Performing advisory functions;
- Investment valuation in the case of follow-on financings;
- Monitoring and analysing the market area and industry of the investments;
- Conduct due diligence;
- Identify exit opportunities and any other activity or activities which are reasonable to ensure the rights and duties of the Compartment as shareholder;
- Preparing written reports as to the composition of the portfolio of investments as often as the General Partner requests; and
- Preparing material for inclusion in the periodical reports required by applicable law.

(iii) Liaising with the various agents of the Compartment, as set out below.

The Investment Adviser shall be remunerated for its services in relation with the Investment Advisory Fees exclusively out of the remuneration allocated to the General Partner.

10.2 Constitution of the Investment Committee

The General Partner has not established for this Compartment an Investment Committee as determined under Section 6.8 of the General Section.

10.3 Intermediaries, and Property Managers

On a case by case basis the General Partner may consider potential co-operation with third party acting as business introducers (the “**Business Introducers**”) in order to identify Properties to be invested in.

The General Partner may also appoint, on a case by case basis, property managers (the “**Property Managers**”) entrusted with the day-to-day monitoring and administration of one or several repurchase transactions.

Fees to be paid either to Business Introducers, and/or to Property Managers may be borne by the General Partner or the Entities in accordance with section 18.1 of the General Section.

10.4 Subscription Fee

A Subscription Fee of up to 2% of any subscription amount will be charged in favour of the General Partner, subject to the discretion of the General Partner to (i) waive such Subscription Fee in all or in part, and (ii) may retrocede such Subscription Fee to a third party.

As a result of such Subscription Fee, investors may be allocated a number of Shares that is lower than the amount of their subscription divided by the applicable Initial Offering Price of the Compartment.

Subscription Fees may be used to compensate intermediaries in order to constitute or maintain an efficient distribution network.

For the avoidance of doubt, Subscription Fees shall apply to both Classes of Shares.

10.5 Investment Management Fee

The General Partner is entitled to receive an annual Investment Management Fee of 0,5 % of the Net Asset Value of the Compartment. The Management Fee is calculated and accrued on each Valuation Day on the basis of the net assets of the Compartment and payable quarterly in arrears.

For the avoidance of doubt, Investment Management Fees shall apply to both Classes of Shares.

10.6 Performance Fee

The Compartment shall also levy Performance Fee to the benefit of the General Partner calculated and accrued annually and payable in arrears for the performance of its services. The Performance Fee is based on the net performance of the Shares of the Compartment above the Hurdle Rate (as defined below). The Performance Fee is subject to a High Watermark principle, as further described below.

The Performance Fee is set at 25 % of the net increase in the Net Asset Value per Share above the net performance which exceeds a hurdle rate of 8 % p.a. multiplied by the number of Shares in issue as at the end of the relevant Fiscal Year and shall be payable if the Net Asset Value per Share at the end of the Fiscal Year exceeds the Hurdle Rate applicable.

With respect to any Fiscal Year, the applicable “Hurdle Rate” is equal to the highest of:

- 108 % of the High Watermark (as defined below); or
- 108 % of the Net Asset Value per Share (as defined below) as of the last valuation of the Net Asset Value.

For the purpose of the present Section, the “High Watermark” shall be the highest Net Asset Value per Share of the Compartment in respect of which a Performance Fee has been paid. The “High Watermark” is defined in the course of the Fiscal Year and shall be recalculated or redefined on a yearly basis at the beginning of each Fiscal Year.

If Shares are redeemed during the course of the Fiscal Year, any Performance Fee accrued in respect of such Shares shall be crystallised as of the valuation on which the Shares are redeemed and the crystallised amount of Performance Fee shall be paid to the General Partner, out of the assets of the Compartment, immediately after the end of the relevant period.

If, at the end of any Fiscal Year, the NAV has decreased, no Performance Fee shall be paid in respect of such Fiscal Year and it shall in any case not impact any future payment of Performance Fees. For the avoidance of doubt, in case the NAV decreases, the General Partner may not be requested to repay any portion of Performance Fees already due and paid.

For the avoidance of doubt, Performance Fees shall apply to both Classes of Shares.

11. DISTRIBUTION POLICY

It is not the intention of the General Partner to adopt a distribution policy for each Class of Shares.

As a consequence, no dividend or interim dividend shall be distributed in cash and/in kind to Shareholders of any Classes of Shares.

12. AMENDMENTS TO THIS SPECIAL SECTION

Subject to regulatory approval, the General Partner may amend the provisions of this Special Section as follows:

- (i) where the change is determined by the General Partner not to be material, upon decision of the General Partner; or
- (ii) where the change is determined by the General Partner to be material, only following the Compartment's Consent.

Shareholders will be notified by the General Partner of all amendments that are adopted without their consent in accordance with Section 12 of this Special Section.

No variation may be made to this Section 12 without unanimous consent of all Shareholders of the Compartment.

13. SPECIFIC RISK FACTORS

An investment in the Company is associated with a certain degree of risk. Prospective investors should consider, amongst others, the following factors before subscribing to the Shares:

13.1 General economic conditions

The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and financial asset prices in general as well as the liquidity of the markets for both equities and interest-rate-sensitive securities. Certain market conditions,

including unexpected volatility or illiquidity in the market in which the Compartment directly or indirectly holds positions, including secondary markets for trading energy saving certificates, could impair the Compartment's ability to achieve its objectives and/or cause it to incur losses.

13.2 Lack of operating history

There can be no assurance that the Compartment will achieve its investment objectives. The past investment performance of the General Partner may not be construed as an indication of the future results of an investment in the Compartment.

13.3 Lack of liquidity

Some markets, on which the Compartment may invest, may prove at time to be insufficiently liquid or illiquid. This affects the market price of such a Compartment's investment and therefore its Net Asset Value.

13.4 Net Asset Value considerations

The Net Asset Value per Share of each Compartment is expected to fluctuate over time with the performance of such Compartment's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder.

13.5 Interest Rate Risk

Investments in bonds or other fixed income securities may fall in value if the interest rates change. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

13.6 Leverage - Credit Risk

While the use of leverage may increase the return on the invested capital, it also creates greater potential for loss. There can be no assurance that the Compartment, in incurring debt, will be able to meet its loan obligations.

13.7 Financial Derivative Instruments and Hedging Strategies

Investments of the Company may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the net asset value of the Company concerned.

In case of a hedging purpose of such transactions, the existence of a direct link between them and the assets to be hedged is necessary, which means in principle that the volume of deals made in a given currency or market cannot exceed the total value of the assets denominated in that currency, invested in this market or the term for which the portfolio assets are held. In principle, no additional market risks are inflicted by such operations. The additional risks are therefore limited to the derivative specific risks.

The Company may use financial derivative instruments to attempt to hedge or reduce the overall risk of its investments. The Company's ability to use these strategies may be limited by, amongst other factors: market conditions, regulatory limits and tax considerations. The use of these strategies involves special risks, including:

1. dependence on the General Partner's ability to predict movements in the price of

- securities being hedged, currency fluctuations and movements in interest rates;
2. imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Company;
 3. the absence of a liquid market for any particular instrument at any particular time;
 4. the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in future trading means that futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Company, and
 5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of the Company's assets will be segregated to cover its obligations.

13.8 Counterparty Risk

The Company will be exposed to credit risk on the counterparties with which it trades in relation to financial derivative instrument contracts that are not traded on a recognised exchange. Such instruments do not afford the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance of guarantee of an exchange clearing house. The Company will be subject to the possibility of insolvency, bankruptcy or default of a counter party with which the Company trades such instruments, which could result in substantial loss to a Fund.

13.9 Real Estate Risk

Real estate as an asset class does not necessarily fluctuate in the same patterns as equity and fixed income securities. Investors may envisage periods where real estate does not perform as well as other asset classes. In particular, real estate assets may fluctuate in value caused by factors like for instance changing interest rates, inflation and the level of activity in the economy.

13.10 Acquisition Risks

Acquisitions of real estate investments include risks that investments may not perform in accordance with expectations and that anticipated costs of improvements to bring an acquired property up to the standards established for the market position intended for that property may exceed budgeted amounts, as well as general investment risks associated with any new real estate investment.

13.11 Changes in applicable law

The Compartment must comply with various legal requirements, including requirements imposed by the securities laws, company laws, CEE Laws, construction laws and local laws in various jurisdictions, including France and Luxembourg. Should any of those laws change over the term of the Compartment, the legal requirements to which the Compartment and the Shareholders may be subject could differ materially from current requirements.

13.12 Reliance on the General Partner

The Compartment's success will depend largely on the services of its General Partner, its officers, employees and agents, and, in part, on the continuing ability of the General Partner to hire and retain knowledgeable personnel. There can be no assurance that the General Partner will be able to retain the

employees who may be critical to the performance of its obligations or to implement successfully the strategies that the Compartment intends to pursue. There can also be no assurance that the strategies that the General Partner, assisted from the Investment Adviser, wishes to pursue in this regard will result in a profit for the Compartment.

13.13 Risks linked to equity Investments

In order to gain exposure to real estate projects, the Compartment may invest in various types of equity. Equity investments can experience failures or substantial declines in value at any stage. The investments made by the Compartment may be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. Sales of equity may not always be possible, and may therefore have to be made at substantial discounts. Equity holders have in general an inferior rank towards debt holders and are therefore exposed to higher risks, should the company, the Compartment has invested in, become subject to any insolvency proceedings, dissolution, liquidation or any involuntary reorganisation. Those investments have private equity characteristics and typically involve uncertainties that cannot be compared to those arising in the case of other type of assets. Further, the risks as set forth under section 5.1 (d) of the General Section have to be taken into consideration.

13.14 Reliance on independent valuers

The Compartment will use external valuations in several contexts for determining an investment's market value, the Compartment's NAV and NAV per Share. Each of the Compartment's real estate Properties will be valued externally by an Independent Valuer and the Compartment's Participations will be valued externally by the Independent Participation Valuer, both at least once every twelve months at the end of each Fiscal Year and in addition the Compartment may receive advice before any acquisition or sale of any Property or Participation.

An appraisal or a valuation is only an estimate of value and is not a precise measure of realisable value. Ultimate realisation of the market value of a real estate asset or equity participation depends to a great extent on economic and other conditions beyond the control of the Compartment or the General Partner.

Further, appraised or otherwise determined values do not necessarily represent the price at which a real estate investment or equity participation should be sold since market prices of real estate investments or equity participations may definitely only be determined by negotiations between a willing buyer and seller.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in an investment in the Company. Prospective investors should read the entire Issuing Document and fully evaluate all other information that they deem to be necessary for determining whether to invest in the Compartment. Prospective investors should ensure that they fully understand the contents of this Issuing Document and, if in any doubt, should consult their own professional advisers.

SPECIAL SECTION III LUXIF – SQUARE ONE

This Special Section is valid only if accompanied by the General Section.

The provisions of this Special Section only refer to Luxif – Square One (the "**Compartment**").

1. INVESTMENT POLICY

1.1 Investment Objective

The investment objective of the Compartment is to achieve long term capital growth and an appropriate return by applying the principle of risk diversification through investments in a variety of instruments including but not limited to any type of shares, bonds, options, futures, derivative products and any other type of financial asset which may or may not be quoted/traded on official securities exchanges in recognised jurisdictions.

In this context, a recognised jurisdiction is a member state of the Organisation for Economic Cooperation and Development (OECD) excluding Asian members and a regulated market is a market which is recognised and open to the public and whose operation is properly regulated.

1.2 Investment Strategy

The Compartment aims to achieve positive non-benchmarked returns for its shareholders, with a loose correlation to the equity indices of mature markets (S&P500, STOXX50). Shareholder capital will be primarily invested in listed companies of U.S. and Western European countries. Residual capital will be placed in deposits, corporate and government bonds.

Derivatives may also be used both for hedging and for trading purposes. Thus all derivatives used, mainly interest rate derivatives, currency derivatives, equity indices futures and options as well contract for differences (CFDs), shall be exchange traded save for CFDs where the underlying equities will be all traded on exchanges.

The central strategy of the Compartment is to identify a limited number of investment ideas with a multiple month or even multiyear time horizon and with outsize upside potential. This involves in-depth research of companies with the aim of uncovering undervalued stocks entering a long-term uptrend either due to an exceptional growth story or because of restructuring and/or M&A potential. Long term investment ideas may also involve currency trades, interest rate trades or other asset classes.

In parallel to this main objective, the AIFM will also engage in short-term trading to take advantage of - and also help smooth out-the effect of market fluctuations.

The AIFM is very sensitive to the preservation of capital of its Shareholders. Risk monitoring techniques will be used and drastic action will be taken to aggressively reduce or even eliminate exposure when adverse circumstances prevail. A non-benchmark fund reacts to a crisis in a similar way to real economy business: while the business slashes costs, the Fund reduces its exposure.

The AIFM will at any time intend to comply with the applicable framework in terms of risk spreading rules and therefore will not allocate more than 30% of the Compartment in the same financial instrument issued by the same issuer except in the case of government bonds issued by an OECD

Member States.

The AIFM will actively manage the Compartment using a due diligence, research and negotiation-driven strategy in selecting investments.

All the securities in which the Compartment invests may be denominated in various international currencies.

The Compartment shall not invest in real estate.

Leverage

From time to time, the Compartment may have recourse to leverage. It is expected that this leverage will not exceed 100 % of the Net Asset Value of the Compartment.

Reference Currency and Currency Hedging

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

The AIFM may seek to hedge any foreign currency exposure of the Compartment to currencies other than the Reference Currency primarily through entering into spot and forward foreign exchange contracts such as options and futures on a regulated market and/or dealt in over-the-counter ("OTC derivatives"), foreign exchange futures contracts, put or call options on foreign exchange, cross-currency swap transactions, or by using other methods of reducing exposure to currency fluctuations provided that:

- the financial derivative instruments do not expose the Compartment to risks that it could not otherwise assume;
- the counterparties to OTC derivative transactions are credit institutions or other institutions subject to prudential supervision in a recognised jurisdiction as defined above; and
- the OTC derivatives are subject to reliable and verifiable valuation on a regular basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Compartment's initiative.

Currency hedging is mainly used by the AIFM in an attempt to ensure that the value of the Compartment's portfolio is not diminished by adverse currency movements.

The AIFM may attempt to hedge this exposure for the benefit of the range of the Compartment portfolio for which it applies the investment approach detailed above. In any case the total exposure through derivatives may never exceed 100 % of the Net Asset Value of the Compartment. Such hedging transactions will be labelled by the AIFM as "portfolio hedging".

Portfolio hedging may incur costs (directly or indirectly related to the spread between bid and offer rates) which will be allocated to the Compartment, pro rata, according to the size of the respective hedge positions. The profits or losses from any currency hedges will also be allocated in the same proportion to the Compartment.

The Sub-Fund has to comply with the diversification principle for the eligible assets comprising the portfolio of the Sub-Fund within six (6) months after the end of the Initial Offering Period (as defined below).

No assurance can be given that the Compartment's investment objective and strategy will be achieved or there will be any return of capital and investment results may vary substantially over time.

1.3 Investment restrictions

The Compartment is subject to the investment restrictions laid down under Section 4.2 of the General Section.

The Compartment has to comply with these investment restrictions within six (6) months after the end of the Initial Offering Period.

2. TERM OF THE COMPARTMENT

The Compartment has been created with an undetermined duration.

3. REFERENCE CURRENCY AND CLASSES OF SHARES

The Reference Currency of the Compartment is EUR.

The General Partner has decided to issue a single class of Ordinary Shares: **Ordinary Shares (CAP)**, which is an Accumulation Class (capitalisation type).

Ordinary Shares (CAP) may be subscribed by any Investor who is a Well-Informed Investor and who is not a Restricted Investor further to the conditions set out in the General Section.

In the event that in the future additional Classes are created, this Special Section would be amended accordingly.

4. VALUATION DAY

Each Class of the Compartment shall be valued on a monthly basis, on the last Business Day of each calendar month (each a "**Valuation Day**") and made available within 5 Business Days to Shareholders.

The General Partner may however decide at its discretion to calculate an additional Net Asset Value of each Class of the Compartment within a Fiscal Year inter alia to permit redemptions of Shares before the end of the relevant calendar month. In this case, the General Partner shall pay due regard to the principle of equal treatment of all Shareholders of each Class of the Compartment and the redeeming Shareholders shall support the cost of the additional Net Asset Value calculation.

5. SUBSCRIPTION OF SHARES DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of Ordinary Shares (CAP) shall start on 15 July 2015 and end on 31 August 2015, subject to the discretion of the General Partner to extend this Initial Offering Period.

The cut-off time is set at 1:00 pm C.E.T.

The Initial Offering Price of Ordinary Shares (CAP) is EUR 1,000.- per Share.

The relevant Investor must deliver to the account of the Compartment at the Custodian cleared funds in EUR for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

The General Partner reserves the right to refuse at its discretion any subscription request.

For the avoidance of doubt, no Subscription Fee shall be charged in favour of the Investment Manager.

6. SUBSCRIPTION OF SHARES AFTER THE INITIAL OFFERING PERIOD

After the Initial Offering Period, Investors may subscribe Shares in accordance with the terms and provisions set out below.

The relevant Investor must submit a Subscription Agreement to the Administrative Agent to be received by the Administrative Agent before 1:00 pm C.E.T. ("cut-off time") no later than two (2) Business Days prior to the relevant Valuation Day. Subscription Agreements received after this cut-off time shall be deemed to be received and will be processed on the following Valuation Day.

The minimum initial subscription amount per Investor is EUR 125,000. Subsequent minimum investment by existing Shareholders of the Compartment is EUR 10,000.- subject to the discretion of the General Partner to reduce such amount.

The relevant Investor must deliver to the account of the Compartment at the Custodian cleared funds in EUR for the full amount of the subscription pursuant to the subscription request before the relevant Valuation Day.

Notwithstanding the above, the General Partner may, at any time after the Initial Offering Period, decide to close the Compartment for further subscriptions or to accept new subscriptions only from existing Shareholders in the Compartment.

For the avoidance of doubt, no Subscription Fee shall be charged in favour of the AIFM.

7. REDEMPTION OF SHARES

Redemption requests must be sent in writing to the Administrative Agent or such other place as the Company may indicate. Redemption requests must be received by the Administrative Agent before 1:00 pm C.E.T. ("**cut-off time**") no later than thirty (30) calendar days prior to the relevant Valuation Day. Redemption requests received after this cut-off time shall be deemed to be received on the following Valuation Day and the redemption price shall be calculated on the basis of the Net Asset Value per Share of the Compartment as of that one following Valuation Day.

The redemption notice period applicable to all Shareholders may be reduced by the General Partner at its absolute discretion.

Any redemption request must be in respect of a minimum of ten (10) Shares, subject to the discretion of the General Partner to accept a smaller number of Shares to be redeemed.

For the avoidance of doubt, no Redemption Fee shall be charged in favour of the Compartment.

8. CONVERSION OF SHARES

No conversion of Shares of this Compartment into Shares of another Compartment is permitted.

9. ADVISORY COMMITTEE

The General Partner has not established for this Compartment an Advisory Committee as determined under Section 6.7 of the General Section.

10. INVESTMENT MANAGER

The Company has not appointed any external investment manager for the management of the portfolio of the Compartment.

The Compartment's portfolio will be directly managed by the General Partner with the assistance of the Investment Adviser, who will provide investment advisory services in relation to the Compartment.

The General Partner is authorized to invest and re-invest all monies and assets of the Compartment and to exercise any rights in relation to such assets, held (now and in the future) with the Custodian, in its complete and absolute discretion. Such discretion is, however, to be exercised in compliance with the investment restrictions and the investment policy defined in this Special Section.

For the purpose of achieving its duties and missions, the General Partner shall, inter alia:

- have the broadest powers necessary to manage, as the case may be, the assets of the Compartment and to conduct, on a discretionary basis, the implementation of the investment policy of the Compartment;
- monitor the Compartment's investments, so as to ensure that the Compartment's portfolio is managed in accordance with the provisions of the General Section and the Special Section;
- as the case may be, purchase and sell underlying assets of the Compartment and otherwise manage its assets on a daily basis;
- provide the necessary support required so as to properly conduct the management of the Compartment.

The General Partner will be entitled to the Management Fee.

11. INVESTMENT ADVISER

In accordance with Section 6.6 of the General Section, the General Partner has appointed Mr. Emmanouil Troullinos, a portfolio manager registered with the Hellenic Capital Market Commission and registered under registration number Γ1126/20.8.08, to act as Investment Adviser to the Compartment pursuant to a resolution dated August 6th 2015.

The Investment Adviser shall be responsible for advising the General Partner through its participation in meetings to be held in Luxembourg, in relation to, inter alia, the management of the Compartment's assets. The Investment Adviser shall not be vested with the power to take investment decisions.

The services, which are provided by the Investment Adviser subject to the overall responsibility of the General Partner, include, without limitation:

- (i) identifying, analysing and structuring of new investments;
- (ii) preparing and assisting in negotiating the terms and the financing of investments;
- (iii) making recommendations as to capital improvements, financing, refinancing, acquisition and disposition of investments; and
- (iv) reporting on a regular basis to the General Partner.

The Investment Adviser will be entitled to the Investment Advisory Fee.

Any further details on the duties, rights and obligations of the Investment Adviser are outlined in the Investment Advisory Agreement.

Mr. Emmanouil TROULLINOS is a 61 years old Greek economist (B.Sc., M.Sc. Econ. London School of Economics, England) who is also a certified portfolio manager (December 2006, Hellenic Capital Market Commission). Mr. TROULLINOS worked, advised and occupied various positions including the position of Managing Director and Chairman for over 30 years in several asset management firms and banking institutions in Greece: Fiman Ltd, Dorian Bank SA, Triiris Investment Services SA, Marfin Bank SA, Marfin Global Asset Management SA.

12. INVESTMENT ADVISORY FEE

Pursuant to a resolution dated August 6th 2015 adopted by the General Partner, the Investment Adviser is entitled to receive an Investment Advisory Fee of 0,20% per annum of the Net Asset Value of the Compartment, as remuneration for its investment advisory services provided to the Compartment.

The Investment Advisory Fee is calculated and accrued on each Valuation Day on the basis of the Net Asset Value of the Compartment and payable monthly in arrears.

According to the provisions of Section 6.6, a portion of the Investment Advisory Fee may discretionarily be used by the Investment Adviser for purposes of remunerating any sub-advisers.

13. MANAGEMENT FEE

The General Partner is entitled to receive a Management Fee of 1,80% per annum of the Net Asset Value of the Compartment, as remuneration for its investment management services provided to the Compartment.

The Management Fee is calculated and accrued on each Valuation Day on the basis of the Net Asset Value of the Compartment and payable monthly in arrears.

14. PERFORMANCE FEE

No performance fee shall be charged in favour of the AIFM.

15. DISTRIBUTION POLICY

It is not the intention of the General Partner to adopt a distribution policy for each Class of Shares.

As a consequence, no dividend or interim dividend shall be distributed in cash and/in kind to Shareholders of any Classes of Shares.

16. AMENDMENTS TO THIS SPECIAL SECTION

Subject to regulatory approval, the General Partner may amend the provisions of this Special Section as follows:

- (i) where the change is determined by the General Partner not to be material, upon decision of the General Partner; or
- (ii) where the change is determined by the General Partner to be material, only following the Compartment's Consent.

Shareholders will be notified by the General Partner of all amendments that are adopted without their consent in accordance with Section 13 of this Special Section.

No variation may be made to this Section 13 without the unanimous consent of all Shareholders of the Compartment.

17. SPECIFIC RISK FACTORS

An investment in the Company is associated with a certain degree of risk. Prospective investors should consider, amongst others, risk factors as described in Section 5 "General Risk Factors" of the General Section of the Issuing Document and the following factors before subscribing to the Shares:

17.1 General economic conditions

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

17.2 Lack of operating history

The Compartment is newly formed. There can be no assurance that the Compartment will achieve its investment objectives. The past investment performance of the Investment Manager may not be construed as an indication of the future results of an investment in the Compartment.

17.3 Lack of liquidity in markets

Despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and instruments may have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Compartment, both in the realisation of the prices which are quoted and in the execution of orders at desired prices.

17.4 Net Asset Value considerations

The Net Asset Value per Share of each Compartment is expected to fluctuate over time with the performance of such Compartment's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder.

17.5 Interest rate risk

Investments in bonds or other fixed income securities may fall in value if the interest rates change. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

17.6 Leverage - credit risk

While the use of leverage may increase the return on the invested capital, it also creates greater potential for loss. There can be no assurance that the Compartment, in incurring debt, will be able to meet its loan obligations.

Credit risk involves the risk that an issuer of a bond or similar money-market instruments or OTC derivative held by the Compartment may default on its obligations to pay revenue and repay principal and the Compartment will not recover its investment.

17.7 Investing in Derivatives

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for hedging purposes. Should the Investment Manager expectations in employing such techniques and instruments be incorrect, the Company may suffer a substantial loss, having an adverse effect on the Net Asset Value of the Shares.

17.8 Financial Derivative Instruments and Hedging Strategies

Investments of the Company may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the net asset value of the Company concerned. Investments using derivatives may be undertaken both for hedging and for trading purposes.

Where such transactions are used for hedging purposes, the existence of a direct link between them and the assets to be hedged is necessary, which means in principle that the volume of deals made in a given currency or market cannot exceed the total value of the assets denominated in that currency, invested in this market or the term for which the portfolio assets are held. In principle no additional market risks are inflicted by such operations. The additional risks are therefore limited to the derivative specific risks.

The Company may use financial derivative instruments to attempt to hedge or reduce the overall risk of its investments. The Company's ability to use these strategies may be limited by, amongst other factors, market conditions, regulatory limits and tax considerations. The use of these strategies involves special risks, including:

1. dependence on the Investment Manager's ability to predict movements in the price of securities being hedged, currency fluctuations and movements in interest rates;
2. imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Company;
3. the absence of a liquid market for any particular instrument at any particular time;
4. the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in future trading means that futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Company, and
5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of the Company's assets will be segregated to cover its obligations.

17.9 Counterparty risk

The Company will be exposed to credit risk on the counterparties with which it trades in relation to financial derivative instrument contracts that are not traded on a recognised exchange. Such instruments do not afford the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance of guarantee of an exchange clearing house. The Company will be subject to the possibility of insolvency, bankruptcy or default of a counter party with which the Company trades such instruments, which could result in substantial loss to a Fund.

17.10 Investing in High Yield Bonds

High yield bonds are regarded as being predominately speculative as to the issuer's ability to make payments of principal and interest. Investment in such securities involves substantial risk. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, the Company may experience losses and incur costs.

The investments of the Compartment are subject to market fluctuations and the risks inherent to investments in transferable securities and other eligible assets. There is no guarantee that the investment- return objective will be achieved. The value of investments and the income they generate may increase or decrease as well as up and it is possible that investors will not recover their initial investments.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in an investment in the Company. Prospective investors should read the entire Issuing Document and fully evaluate all other information that they deem to be necessary for determining whether to invest in the Compartment. Prospective investors should ensure that they fully understand the contents of this Issuing Document and, if in any doubt, should consult their own professional advisers.

SPECIAL SECTION IV LUXIF – AMATHUS CONSERVATIVE PORTFOLIO

This Special Section is valid only if accompanied by the General Section.

The provisions of this Special Section only refer to Luxif – Amathus Conservative Portfolio (the "**Compartment**").

Introduction

The Compartment aims to provide investors with stable returns whilst constantly thriving to maintain a low volatility. The investment objective of the Compartment is to produce positive absolute returns with low volatility and low correlation with global fixed income and equity markets.

The Compartment will identify, assess, select and manage investments in strategically preferred asset classes, aiming to preserve the investor's capital and to provide an adequate rate of return on investment. The overall strategy is to focus on a low volatility of the portfolio and its returns to answer the needs of investors who wish to achieve steady returns whilst avoiding the sharp swings that financial markets experience.

The Compartment may also make investments for hedging purposes in order to address perceived misalignment between the Compartment's investment exposures and current or anticipated market conditions.

1. INVESTMENT POLICY

1.1 Investment Objective

The investment objective of the Compartment is to achieve long-term capital appreciation and preservation of capital while lowering volatility.

The objective of the Compartment will be to maximise income yields and achieve long-term capital growth for its investors by investing into a portfolio of equity investment funds, structured products, emerging market bond funds, higher yielding European bonds, real estate funds and/or funds of funds and cash. Investment into other investment funds is permitted without limit.

The prime attraction of investing in the fund should be to achieve:

- Low correlation to broader equity and bond markets;
- Consistent and sustainable returns;
- Low volatility risk;
- Enhanced degree of capital preservation.

The Compartment expects to return between 3% and 6% per annum, net of fees, over a five to seven-year investment horizon with low volatility (usually between 1 % and 6 % with a maximum annualised volatility of 6 % in the currency of the Share Class).

1.2 Investment Strategy

The Compartment will primarily focus on downside protection and creating returns which are the drivers of long-term performance.

The Compartment will construct a portfolio combining several types of securities within the investment limits as outlined below with corresponding yield targets over a five-seven-year investment horizon:

- Up to 65 % to various issues of Euro Medium Term Notes yield target 8% p.a.);
- Up to 30 % in structured products (yield target 8-10% p.a.);
- Up to 40 % in high yielding bonds (yield target 5% p.a.);
- Up to 65 % into daily/weekly dealing investment funds (yield target 8-10% p.a.);
- Up to 65 % into regulated or unregulated investment funds and funds of funds with less frequent dealing (yield target 5% p.a.);
- Up to 65 % into Luxembourg securitisation funds and/or Luxembourg securitisation companies (yield target 5% p.a.);
- Up to 20 % in cash deposits (yield target 1% p.a.);
- Up to 10% in listed equities.

By blending and spreading the portfolio's assets across a broad range of types of securities, sub-strategies and individual funds from the extensive choice available within the investment universe, a diversified and non-correlated portfolio can be achieved.

In order to mitigate the currency risk, the Compartment will have the possibility to hedge any currency exposure into the currency of the Share Class (see point 3).

The Compartment will make selective asset allocation decisions based on a sound assessment of underlying investment potential offered by each security. The investment strategy will be process driven, following a strategy of diversification over a broad number of investments and portfolio limits to avoid over exposure to any specific security.

The Compartment's investment strategy is based on five steps:

- Assessing the investment universe, on-going review of the alternative sectors.
- Development of a target asset allocation, using an optimizer to construct a portfolio with low volatility.
- Definition of optimal portfolio composition, qualitatively assessing each target investment for portfolio allocation.
- Rigorous quantitative and qualitative due diligence process (Track Record & Value Analysis, Ratings Surveillance, Reference Checks, Legal Due Diligence).
- Portfolio Management: Performance Measurement, Return enhancement, Risk control, Reporting, Predictability and Transparency.

Pursuant to the CSSF's Circular 07/309, the AIFM will at any time intend to comply with the applicable framework in terms of risk spreading rules and therefore will not allocate more than 30% of the Compartment in the same financial instrument issued by the same issuer except in the case of government bonds issued by an OECD Member States.

All the securities in which the Compartment invests may be denominated in various international currencies.

Leverage

The Compartment may not borrow money, except on an ancillary basis in order to meet redemptions of Shares.

Liquidity Policy

The Compartment will always maintain an appropriate cash balance or very liquid assets to face potential redemption and new opportunities. The intention is that 30% of the portfolio should be realisable to cash within 90 days in normal market conditions.

Form of Investments

The Compartment will primarily hold indirect investments and will have the ability to hold direct investments, cash, investment funds, structured products and especially fixed income issues (“EMTNs”) from other fund structures.

The net assets of the Compartment will be invested in assets admitted to the official listing of a stock exchange or negotiated on a regulated market but it will also invest into less regulated markets. These investments may be denominated in various currencies.

The Compartment will not grant any loan to any entity in which it will invest.

Reference Currency and Currency Hedging

The Reference Currency of the Sub-Fund is the GBP.

The AIFM may seek to hedge any foreign currency exposure of the various Share Classes to currencies other than the Reference Currency primarily through entering into spot and forward foreign exchange contracts such as **options** and **futures** on a regulated market and/or dealt in over-the-counter (“**OTC derivatives**”), foreign exchange futures contracts, put or call options on foreign exchange, cross-currency swap transactions, or by using other methods of reducing exposure to currency fluctuations provided that:

- the financial derivative instruments do not expose the Compartment to risks that it could not otherwise assume;
- the counterparties to OTC derivative transactions are credit institutions or other institutions subject to prudential supervision in a recognised jurisdiction as defined above; and
- the OTC derivatives are subject to reliable and verifiable valuation on a regular basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Compartment's initiative.

Currency hedging is mainly used by the AIFM in an attempt to ensure that the value of the Compartment's portfolio is not diminished by adverse currency movements.

The AIFM may attempt to hedge this exposure for the benefit of the range of the Compartment portfolio for which it applies the investment approach detailed above. In any case the total exposure through derivatives may never exceed 100 % of the Net Asset Value of the Compartment. Such hedging transactions will be labelled by the AIFM as “portfolio hedging”. The AIFM may appoint an adviser to manage the hedging process on behalf of the AIFM.

Portfolio hedging may incur costs (directly or indirectly related to the spread between bid and offer rates) which will be allocated to the Compartment, pro rata, according to the size of the respective hedge positions. The profits or losses from any currency hedges will also be allocated in the same proportion to the Compartment.

The Sub-Fund has to comply with the diversification principle for the eligible assets comprising the portfolio of the Sub-Fund within six (6) months after the end of the Initial Offering Period (as defined below).

No assurance can be given that the Compartment's investment objective and strategy will be achieved or there will be any return of capital and investment results may vary substantially over time.

1.3 Investment restrictions and passive breach

The Compartment is subject to the investment restrictions laid down under Section 4.2 of the General Section.

In order to comply with the laws and regulations of the countries where the Shares are offered or placed, the Compartment may have further investment restrictions as shall be compatible with or be in the interest of the Investors. In such a case, the Special Section will be amended accordingly.

The Compartment has to comply with these investment restrictions within six (6) months after the end of the Initial Offering Period.

The investment restrictions may be breached as a result of changes in the price or value of assets of the Compartment brought about solely through movements in the market (“passive breach”). In such circumstances the AIFM shall take all necessary steps to bring the Compartment back within the investment restrictions except where the AIFM reasonably believes that this would be prejudicial to the interests of the Compartment or of the Investors.

2. TERM OF THE COMPARTMENT

The Compartment has been created with an undetermined duration.

3. REFERENCE CURRENCY AND CLASSES OF SHARES

The Reference Currency of the Compartment is GBP.

The General Partner has decided to issue three classes of Ordinary Shares:

Ordinary Shares Class A (CAP-A), which is an Accumulation Class (capitalisation type), denominated in EURO and reserved to Well-Informed Investors.

Ordinary Shares Class B (CAP-B), which is an Accumulation Class (capitalisation type), denominated in USD and reserved to Well-Informed Investors.

Ordinary Shares Class C (CAP-C), which is an Accumulation Class (capitalisation type), denominated in GBP and reserved to Well-Informed Investors.

The exposure to currencies other than the currency denomination of the Share Class or the Reference Currency of the Compartment may be hedged into the currency of the Share Class.

All classes of Ordinary Shares (CAP) may be subscribed by any Investor who is a Well-Informed Investor and who is not a Restricted Investor further to the conditions set out in the General Section.

In the event that in the future additional Classes are created, this Special Section would be amended accordingly.

4. VALUATION DAY AND VALUATION METHODOLOGY

Each Class of Shares of the Compartment shall be valued on a fortnightly basis, i.e. on the 2nd and 4th Friday of every month (each a "**Valuation Day**") and made available within 5 Business Days to Shareholders.

The Compartment's investments are reviewed and evaluated on a regular basis. The Investments are evaluated on a consistent basis, using the regular pricing updates issued by investment funds holding and market values for direct holdings.

The value of any assets will be determined as follows:

1. The value of any cash on hand or on deposit, money market instruments, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
2. Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or using an amortised cost method. This amortised cost method may result in periods during which the value deviates from the price the Compartment would receive if it sold the investment. The AIFM and the Investment Adviser may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the AIFM and the Investment Adviser. If the AIFM in conjunction with the Investment Adviser believes that a deviation from the amortised cost method may result in material dilution or other unfair results to Investors, the AIFM shall take such corrective action, if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results. All other securities and other assets will be valued at fair market value as determined in good faith pursuant to the procedures established by the AIFM. The value of all assets and liabilities not expressed in the Reference Currency (as below defined) of the Compartment will be converted into the Reference Currency of the Compartment at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the AIFM and the Investment Adviser.

The AIFM and the Investment Adviser, in their discretion and in respect of the industry guidelines, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Compartment.

For the avoidance of doubt, should the related provisions of the General Section conflict with the above-mentioned valuation methodology, the latter shall prevail for the Compartment.

5. SUBSCRIPTION OF SHARES DURING THE INITIAL OFFERING PERIOD

Ordinary Shares Class A (CAP-A)

The Initial Offering Period of Ordinary Shares Class A (CAP-A) shall start on 01st September 2016 and end on 30th September 2016, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class A (CAP) is EUR 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in EUR for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

The AIFM shall be entitled to receive subscription fee amounting up to 5 % of the nominal amount to be subscribed per each investor.

Ordinary Shares Class B (CAP-B)

The Initial Offering Period of Ordinary Shares Class B (CAP-B) shall start on 01st September 2016 and end on 30th September 2016, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class B (CAP-B) is USD 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in USD for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

For the avoidance of doubt, no Subscription Fee shall be levied for **Ordinary Shares Class B (CAP-B)**.

Ordinary Shares Class C (CAP-C)

The Initial Offering Period of Ordinary Shares Class C (CAP) shall start on 01st September 2016 and end on 30th September 2016, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class C (CAP-C) is GBP 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in GBP for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

For the avoidance of doubt, no Subscription Fee shall be levied for **Ordinary Shares Class C (CAP-C)**.

The General Partner reserves the right to refuse at its discretion any subscription request.

6. SUBSCRIPTION OF SHARES AFTER THE INITIAL OFFERING PERIOD

After the Initial Offering Period, Investors may subscribe Shares in accordance with the terms and provisions set out below.

The relevant Investor must submit a Subscription Agreement to the Administrative Agent to be received by the Administrative Agent before 1:00 pm C.E.T. ("**cut-off time**") no later than **one (1) Business Day** prior to the relevant Valuation Day. Subscription Agreements received after this cut-off time shall be deemed to be received and will be processed on the following Valuation Day.

The minimum initial subscription amount per Investor is EUR 10,000 or equivalent in GBP or USD unless otherwise provided under Article 2 (1) of the law of 13 February 2007 on Specialised Investment Funds as amended whereby an initial subscription amount per Investor set at EUR 125,000.- may be required, in that specific situation, subsequent minimum investment by existing Shareholders of the Compartment is EUR 10,000.- subject to the discretion of the General Partner to reduce such amount.

Subsequent investments and redemptions by the same investor can be for lower amounts with a minimum at all times to be not less than EUR 100 or equivalent in GBP or USD.

For the **Ordinary Shares Class A (CAP-A)** the General Partner shall be entitled to receive subscription fee amounting up to 5 % of the nominal amount to be subscribed per each investor.

For the avoidance of doubt, no Subscription Fee shall be levied for **Ordinary Shares Class B (CAP-B)** and **Ordinary Shares Class C (CAP-C)**.

The relevant Investor must deliver to the account of the Custodian cleared funds in EUR or equivalent in the relevant currency of each class of Shares for the full amount of the subscription pursuant to the subscription request within three Business Days following the relevant Valuation Day at the latest. In case of non-payment of the subscription request monies, the request(s) can be cancelled by the General Partner. In case of late payment of the subscription requests' monies, the request may be executed at the next Valuation Day.

Notwithstanding the above, the General Partner may, at any time after the Initial Offering Period, decide to close the Compartment for further subscriptions or to accept new subscriptions only from existing Shareholders in the Compartment.

7. REDEMPTION OF SHARES

Redemption requests must be sent in writing to the Administrative Agent or such other place as the Company may indicate. Redemption requests must be received by the Administrative Agent before 1:00 pm C.E.T. ("**cut-off time**") no later than **one (1) Business Day** prior to the relevant Valuation Day. Redemption requests received after this cut-off time shall be deemed to be received on the following Valuation Day and the redemption price shall be calculated on the basis of the Net Asset Value per Share of the Compartment as of that one following Valuation Day.

The redemption notice period applicable to all Shareholders may be reduced by the General Partner at its absolute discretion.

Any redemption request must be in respect of a minimum of ten (10) Shares, subject to the discretion of the General Partner to accept a smaller number of Shares to be redeemed.

For the **Ordinary Shares Class A (CAP-A)** and the General Partner shall not be entitled to levy any redemption fee.

For the **Ordinary Shares Class B (CAP-B)** and the **Ordinary Shares Class C (CAP-C)**, the General Partner may levy redemption fee as follows:

- 6 % if the redemption occurs within 24 months after the date of subscription.
- 5 % if the redemption occurs between 25 months and 36 months after the date of subscription.
- 4 % if the redemption occurs between 37 months and 48 months after the date of subscription.

- 3 % if the redemption occurs between 49 months and 60 months after the date of subscription.
- No redemption fees if the redemption occurs 61 months after the date of subscription.

The above-mentioned redemption fee rates shall be calculated out of the redeemed amount to be paid to the Shareholders.

The redemption proceeds will normally be paid in the currency of the Share Class within a maximum of 10 (ten) Business Days after the relevant Valuation Day.

8. CONVERSION OF SHARES

The general principle of prohibition of conversion of Shares from one Compartment to another does not apply in this Compartment, as a consequence, upon the strict conditions of Article 15.2 “*Conditions required for the conversion of Ordinary Shares*” of the General Section, the Shares of the Compartment may be solely and exceptionally converted into the Shares of another compartment of the Company referred to as “Luxif – Amathus Balanced Growth” and reciprocally.

For the avoidance of doubt, Shares cannot be converted into the shares of another compartment of the Company save for the above-mentioned exception and shares of another compartment of the Company may not be converted into Shares of the Compartment save for the above-mentioned exception.

The general principle of prohibition of conversion GP Shares into Ordinary Shares remains however fully applicable.

9. INVESTMENT COMMITTEE

The General Partner has not established any Investment Committee for this Compartment.

10. INVESTMENT MANAGER

The Company has not appointed any external investment manager for the management of the portfolio of the Compartment.

The Compartment's portfolio will be directly managed by the General Partner with the assistance of the Investment Adviser, who will provide investment advisory services in relation to the Compartment.

The General Partner is authorized to invest and re-invest all monies and assets of the Compartment and to exercise any rights in relation to such assets, held (now and in the future) with the Custodian, in its complete and absolute discretion. Such discretion is, however, to be exercised in compliance with the investment restrictions and the investment policy defined in this Special Section.

For the purpose of achieving its duties and missions, the General Partner shall, inter alia:

- have the broadest powers necessary to manage, as the case may be, the assets of the Compartment and to conduct, on a discretionary basis, the implementation of the investment policy of the Compartment;
- monitor the Compartment's investments, so as to ensure that the Compartment's portfolio is managed in accordance with the provisions of the General Section and the Special Section;

- as the case may be, purchase and sell underlying assets of the Compartment and otherwise manage its assets on a daily basis;
- provide the necessary support required so as to properly conduct the management of the Compartment.

The General Partner shall be entitled to receive a Management Fee.

11. INVESTMENT ADVISER

In accordance with Section 6.6 of the General Section, the General Partner has appointed **Cogent Asset Management Ltd**, a company having established its registered seat at Unit Level 11(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia and registered with the Labuan Financial Services Authority under the registration number LL09838 as investment adviser (the **Investment Adviser**) to the Compartment pursuant to a resolution dated on or around 15th September 2016.

The Investment Adviser shall be responsible for advising the General Partner through its participation in meetings to be held in Luxembourg, in relation to, inter alia, the management of the Compartment's assets. The Investment Adviser shall not be vested with the power to take investment decisions.

The services, which are provided by the Investment Adviser subject to the overall responsibility of the General Partner, include, without limitation:

- (i) identifying, analysing and structuring of new investments;
- (ii) preparing and assisting in negotiating the terms and the financing of investments;
- (iii) making recommendations as to capital improvements, financing, refinancing, acquisition and disposition of investments; and
- (iv) reporting on a regular basis to the General Partner.

The Investment Adviser will be entitled to subscription fee, investment advisory Fee and performance fee.

Any further details on the duties, rights and obligations of the Investment Adviser are outlined in the Investment Advisory Agreement.

12. INVESTMENT ADVISORY FEE

Pursuant to a resolution dated 15th September 2016 adopted by the General Partner, the Investment Adviser, as remuneration for its investment advisory services provided to the Compartment, is entitled to receive an annual investment advisory fee of 0.20% per annum of the net assets value of the Compartment on assets up to EUR 40 million and 0.15% per annum of the net asset value of the Compartment on the incremental net asset value over EUR 40 million paid out of the Management Fee plus 50% of the Performance Fee (if any).

The investment advisory fee is payable monthly in arrears.

According to the provisions of Section 6.6, a portion of the Investment Advisory Fee may discretionarily be used by the Investment Adviser for purposes of remunerating any sub-advisers.

13. MANAGEMENT FEE

The General Partner is entitled to receive a Management Fee per annum out of the Net Asset Value of the Compartment that will differ for each Ordinary Shares Classes as follows, as remuneration for the investment management services provided to the Compartment

- Ordinary Shares Class A (CAP-A): 0.7%
- Ordinary Shares Class B (CAP-B): 1.35%
- Ordinary Shares Class C (CAP-C): 1.35%

The Management Fee is calculated and accrued on each Valuation Day on the basis of the net assets of the Compartment and payable quarterly in arrears.

14. PERFORMANCE FEE

The General Partner shall be entitled to receive an annual performance fee calculated following the High Watermark principle and payable quarterly in arrears. The performance fee consists of 20% of performance of the Net Asset Value of the Share Class in excess of a hurdle rate set at 4 % per annum.

15. DISTRIBUTION FEE

The General Partner shall be entitled to an annual distribution fee which shall consist in a monthly payment of EUR 1,000.- paid out of the assets of the Compartment.

16. DISTRIBUTION POLICY

It is not the intention of the General Partner to adopt a distribution policy for each Class of Shares.

As a consequence, no dividend or interim dividend shall be distributed in cash and/in kind to Shareholders of any Classes of Shares.

17. AMENDMENTS TO THIS SPECIAL SECTION

Subject to regulatory approval, the General Partner may amend the provisions of this Special Section as follows:

- (i) where the change is determined by the General Partner not to be material, upon decision of the General Partner; or
- (ii) where the change is determined by the General Partner to be material, only following the Compartment's Consent.

Shareholders will be notified by the General Partner of all amendments that are adopted without their consent in accordance with Section 17 of this Special Section.

No variation may be made to this Section 17 without the unanimous consent of all Shareholders of the Compartment.

18. CONFLICT OF INTERESTS AND DIVERGENT INTERESTS

The members of the governing body of the General Partner currently manage and operate other entities where the assets of the Compartment may be invested in. These entities may have similar, divergent or different objectives as those of the Compartment.

As a result, the representatives of the General Partner may be engaged directly or indirectly in substantial activities other than on behalf of the Fund and may have differing or divergent economic interests in respect of such activities and may have conflicts of interest in allocating investment opportunities and their time between the Compartment and the aforementioned entities.

Each investor should be aware of the conflicting or/and divergent interests inherent in such matters, notwithstanding all attempts at fairness and completeness, and make whatever due diligence efforts he or she deems prudent and necessary before undertaking an investment in the Compartment.

19. SPECIFIC RISK FACTORS

An investment in the Compartment is associated with a certain degree of risk and it is possible that an investor may lose a substantial proportion or all of its investment in the Compartment. The value of an investment may decline due to general market conditions, such as real or perceived adverse economic conditions or general adverse investment sentiment. Prospective investors should consider, amongst others, risk factors as described in Section 5 "General Risk Factors" of the General Section of the Issuing Document and the following factors before subscribing to the Shares:

19.1 General economic conditions

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

19.2 Lack of operating history

The Compartment is newly formed. There can be no assurance that the Compartment will achieve its investment objectives. The past investment performance of the Investment Adviser may not be construed as an indication of the future results of an investment in the Compartment.

19.3 Lack of liquidity in markets

Despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and instruments may have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Compartment, both in the realisation of the prices which are quoted and in the execution of orders at desired prices. In addition, some of the investments in the portfolio may have a period of up to five years from the date of original investment for the investment to be realised.

19.4 Net Asset Value considerations

The Net Asset Value per Share of each Compartment is expected to fluctuate over time with the performance of such Compartment's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder.

19.5 Interest rate risk

Investments in bonds or other fixed income securities may fall in value if the interest rates change. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

19.6 Leverage - credit risk

While the use of leverage may increase the return on the invested capital, it also creates greater potential for loss. There can be no assurance that the Compartment, in incurring debt, will be able to meet its loan obligations.

Credit risk involves the risk that an issuer of a bond or similar money-market instruments or OTC derivative held by the Compartment may default on its obligations to pay revenue and repay principal and the Compartment will not recover its investment.

19.7 Investing in Derivatives

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for hedging purposes. Should the Investment Manager expectations in employing such techniques and instruments be incorrect, the Company may suffer a substantial loss, having an adverse effect on the Net Asset Value of the Shares.

19.8 Financial Derivative Instruments and Hedging Strategies

Investments of the Company may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the net asset value of the Company concerned. Investments using derivatives may be undertaken both for hedging and for trading purposes.

Where such transactions are used for hedging purposes, the existence of a direct link between them and the assets to be hedged is necessary, which means in principle that the volume of deals made in a given currency or market cannot exceed the total value of the assets denominated in that currency, invested in this market or the term for which the portfolio assets are held. In principle, no additional market risks are inflicted by such operations. The additional risks are therefore limited to the derivative specific risks.

The Company may use financial derivative instruments to attempt to hedge or reduce the overall risk of its investments. The Company's ability to use these strategies may be limited by, amongst other factors, market conditions, regulatory limits and tax considerations. The use of these strategies involves special risks, including:

1. dependence on the Investment Manager's ability to predict movements in the price of securities being hedged, currency fluctuations and movements in interest rates;
2. imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Company;
3. the absence of a liquid market for any particular instrument at any particular time;
4. the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in future trading means that futures trading may be highly leveraged).

Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Company, and

5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of the Company's assets will be segregated to cover its obligations.

19.9 Counterparty risk

The Company will be exposed to credit risk on the counterparties with which it trades in relation to financial derivative instrument contracts that are not traded on a recognised exchange. Such instruments do not afford the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance of guarantee of an exchange clearing house. The Company will be subject to the possibility of insolvency, bankruptcy or default of a counter party with which the Company trades such instruments, which could result in substantial loss to a Fund.

19.10 Investing in High Yield Bonds

High yield bonds are regarded as being predominately speculative as to the issuer's ability to make payments of principal and interest. Investment in such securities involves substantial risk. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, the Company may experience losses and incur costs.

The investments of the Compartment are subject to market fluctuations and the risks inherent to investments in transferable securities and other eligible assets. There is no guarantee that the investment- return objective will be achieved. The value of investments and the income they generate may increase or decrease as well as up and it is possible that investors will not recover their initial investments.

19.11 Concentration and diversification

While it is the intention of the Compartment to build-up a diversified portfolio of assets, the Compartment may be exposed during a specific period of time (e.g. the ramp-up period or the liquidation stage) to a limited number of investments.

The provisions of the CSSF's Circular 07/309 on risk spreading related to specialised investment funds above-mentioned will have to be complied with on an on-going-basis.

19.12 Risks linked to the valuation of the assets

The Compartment may hold a minor portion of its assets in unlisted assets, the valuation of unlisted assets depends on subjective factors and can be difficult to realize with accuracy.

Furthermore, the accounting, auditing and financial reporting standards in specific may not correspond to International Financial Accounting Standards or are not equivalent to those applicable in more developed market economies. This is because accounting and auditing has been carried out solely as a function of compliance with tax legislation. The reliability and quality of information which will be collected in order to value the assets of the Compartment may therefore be less reliable than in respect of investments in more developed markets economies.

19.13 Risks linked to debt investments

In order to gain exposure to targeted assets the Compartment may invest in various types of debt instruments. Consequently, the Compartment may be exposed to credit risk including default, interest risk and credit spread risk. Furthermore, the Compartment may be exposed to the integrity of the issuer's management, its commitment to repay the loan, its qualification, its operating record, its emphasis in strategic direction, financial philosophy, operational management and control systems. In particular, the Compartment may be exposed to the capacity of the issuer's ability to generate cash flow to repay its debt obligations.

19.14 Risks linked to equity Investments

In order to gain exposure to real estate projects, the Compartment may invest in various types of equity. Equity investments can experience failures or substantial declines in value at any stage. The investments made by the Compartment may be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. Sales of equity may not always be possible, and may therefore have to be made at substantial discounts. Equity holders have in general an inferior rank towards debt holders and so are exposed to higher risks. Furthermore, the Compartment is entitled to take privately negotiated equity participations in entities investing, financing, developing managing and trading environmental, energy and water assets. Those investments have private equity characteristics and typically involve uncertainties that cannot be compared to those arising in the case of other type of assets.

19.15 Structured Products

Securitised or structured debt instruments (collectively referred to as the "**Structured Products**"), including, among others, asset-backed securities, collateralised debt instruments and collateralised loan obligations imply specific risks.

Structured products provide exposure, synthetically or otherwise, to underlying assets and the risk/return profile is determined by the cash flows derived from such assets. Some of such products involve multiple instruments and cash flow profiles such that it is not possible to predict with certainty the outcome from all market scenarios. Also, the price of such an investment could be contingent on, or highly sensitive to, changes in the underlying components of the Structured Products. The underlying assets can take many forms including, but not limited to, any type of receivables from a company or structured vehicle that has regular cash flows from its customers. Some Structured Products may employ leverage which can cause the price of the instruments to be more volatile than if they had not employ leverage. In addition, investments in Structured Products may be less liquid than other securities. The lack of liquidity may cause the current market price of assets to become disconnected from the underlying asset's value, making the Compartment more susceptible to liquidity risk. The liquidity of a Structured Products can be less than a regular bond or debt instrument and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

Investing in a Structured Products, imply a market risk and a counterparty risk. The importance of this risk is linked to the level of solvability of the issuer. The risks associated with Structured Products, especially those products that present risks of loss of principal due to market movements, are similar to those risks involved with options.

In the case of a "principal protected" product, these Structured Products may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company.

Structure Products bear the additional risk of a credit event or early redemption of the reference bond which may have a negative impact on the value of the product and result in an early redemption of the product.

19.16 Risk of Conflict of Interests and Divergent interests.

The General Partner may be subject to a conflict of interests or exposed to divergent interests, it cannot be assured that such conflict of interests or divergent interests will always be resolved in a manner that the shareholders of the Compartment perceive to be in their best interest.

If such risk materialises, the ability of the Compartment to generate income may be adversely affected. As a result, profitability of the Compartment may be impaired leading to reduced returns to shareholders.

19.17 Co-Investment Risk

The AIFM intends to pursue its investment strategy by making co-investments in companies or issuers of securities which are open to third party investors and also managed by the representatives of the AIFM or on which the latter may have influence.

The Compartment is subject to the risk that the representatives of the AIFM may consider favorably the interests of third party investors and therefore may not always act in the interest of the shareholders of the Compartment.

If any of the above risks materialises, the ability of the Compartment to generate income may be adversely affected. As a result, profitability of the Fund may be impaired leading to reduced returns to shareholders.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in an investment in the Company. Prospective investors should read the entire Issuing Document and fully evaluate all other information that they deem to be necessary for determining whether to invest in the Compartment. Prospective investors should ensure that they fully understand the contents of this Issuing Document and, if in any doubt, should consult their own professional advisers.

SPECIAL SECTION V

LUXIF – AMATHUS BALANCED GROWTH

This Special Section is valid only if accompanied by the General Section.

The provisions of this Special Section only refer to **Luxif – Amathus Balanced Growth** (the "**Compartment**").

Introduction

The Compartment aims to provide investors with stable returns whilst constantly thriving to maintain a low volatility. The investment objective of the Compartment is to produce positive absolute returns with low volatility and low correlation with global fixed income and equity markets.

The Compartment will identify, assess, select and manage investments in strategically preferred asset classes, aiming to preserve the investor's capital and to provide an adequate rate of return on investment. The overall strategy is to focus on a low volatility of the portfolio and its returns to answer the needs of investors who wish to achieve steady returns whilst avoiding the sharp swings that financial markets experience.

The Compartment may also make investments for hedging purposes in order to address perceived misalignment between the Compartment's investment exposures and current or anticipated market conditions.

1. INVESTMENT POLICY

1.1 Investment Objective

The investment objective of the Compartment is to achieve long-term capital appreciation and preservation of capital while lowering volatility.

The objective of the Compartment will be to maximise income yields and achieve long-term capital growth for its investors by investing into a portfolio of equity investment funds, structured products, emerging market bond funds, higher yielding European bonds, real estate funds and/or funds of funds and cash. Investment into other investment funds is permitted as defined in the Section "Investment Strategy & Policy" below.

The prime attraction of investing in the fund should be to achieve:

- Medium correlation to broader equity and bond markets;
- Consistent and sustainable returns;
- Medium volatility risk;
- Enhanced degree of capital preservation.

The Compartment expects to return between 5% and 10% per annum net of fees, over a five to seven-year investment horizon with medium volatility (usually between 8 % and 18 % with a maximum annualised volatility of 18 % in the currency of the Share Class).

1.2 Investment Strategy

The Compartment will primarily focus on downside protection and creating returns which are the drivers of long-term performance.

The Compartment will construct a portfolio combining several types of securities within the investment limits as outlined below with corresponding yield targets over a five-seven-year investment horizon:

- Up to 65 % to various issues of Euro Medium Term Notes (yield target 8% p.a.);
- Up to 30 % structured products (yield target 8-10% p.a.);
- Up to 40 % in high yielding bonds (yield target 5%p.a.);
- Up to 65 % into daily/weekly dealing investment funds (yield target 8-10% p.a.);
- Up to 65 % into regulated or unregulated investment funds and funds of funds with less frequent dealing (yield target 5% p.a.);
- Up to 65 % into Luxembourg securitisation funds and/or Luxembourg securitisation companies;
- Up to 20 % in cash deposits (yield target 1% p.a.);
- Up to 20% in listed equities.

By blending and spreading the portfolio's assets across a broad range of types of securities, sub-strategies and individual funds from the extensive choice available within the investment universe, a diversified and non-correlated portfolio can be achieved.

In order to mitigate the currency risk, the Compartment will have the possibility to hedge any currency exposure into the currency of the Share Class (see point 3).

The Compartment will make selective asset allocation decisions based on a sound assessment of underlying investment potential offered by each security. The investment strategy will be process driven, following a strategy of diversification over a broad number of investments and portfolio limits to avoid over exposure to any specific security.

The Compartment's investment strategy is based on five steps:

- Assessing the investment universe, on-going review of the alternative sectors.
- Development of a target asset allocation, using an optimizer to construct a portfolio with low volatility.
- Definition of optimal portfolio composition, qualitatively assessing each target investment for portfolio allocation.
- Rigorous quantitative and qualitative due diligence process (Track Record & Value Analysis, Ratings Surveillance, Reference Checks, Legal Due Diligence).
- Portfolio Management: Performance Measurement, Return enhancement, Risk control, Reporting, Predictability and Transparency.

Pursuant to the CSSF's Circular 07/309, the AIFM will at any time intend to comply with the applicable framework in terms of risk spreading rules and therefore will not allocate more than 30% of the Compartment in the same financial instrument issued by the same issuer except in the case of government bonds issued by an OECD Member States.

All the securities in which the Compartment invests may be denominated in various international currencies.

Leverage

The Compartment may not borrow money, except on an ancillary basis in order to meet redemptions of Shares.

Liquidity Policy

The Compartment will always maintain an appropriate cash balance or very liquid assets to face potential redemption and new opportunities. The intention is that 30% of the portfolio should be realisable to cash within 90 days in normal market conditions.

Form of Investments

The Compartment will primarily hold indirect investments and will have the ability to hold direct investments, cash, investment funds, structured products and especially fixed income issues (“EMTNs”) from other fund structures.

The net assets of the Compartment will be invested in assets admitted to the official listing of a stock exchange or negotiated on a regulated market but it will also invest into less regulated markets. These investments may be denominated in various currencies.

The Compartment will not grant any loan to any entity in which it will invest.

Reference Currency and Currency Hedging

The Reference Currency of the Sub-Fund is GBP.

The AIFM may seek to hedge any foreign currency exposure of the various Share Classes to currencies other than the Reference Currency primarily through entering into spot and forward foreign exchange contracts such as **options** and **futures** on a regulated market and/or dealt in over-the-counter ("**OTC derivatives**"), foreign exchange futures contracts, put or call options on foreign exchange, cross-currency swap transactions, or by using other methods of reducing exposure to currency fluctuations provided that:

- the financial derivative instruments do not expose the Compartment to risks that it could not otherwise assume;
- the counterparties to OTC derivative transactions are credit institutions or other institutions subject to prudential supervision in a recognised jurisdiction as defined above; and
- the OTC derivatives are subject to reliable and verifiable valuation on a regular basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Compartment's initiative.

Currency hedging is mainly used by the AIFM in an attempt to ensure that the value of the Compartment's portfolio is not diminished by adverse currency movements.

The AIFM may attempt to hedge this exposure for the benefit of the range of the Compartment portfolio for which it applies the investment approach detailed above. In any case the total exposure through derivatives may never exceed 100 % of the Net Asset Value of the Compartment. Such hedging transactions will be labelled by the AIFM as "portfolio hedging". The AIFM may appoint an adviser to manage the hedging process on behalf of the AIFM.

Portfolio hedging may incur costs (directly or indirectly related to the spread between bid and offer rates) which will be allocated to the Compartment, pro rata, according to the size of the respective hedge positions. The profits or losses from any currency hedges will also be allocated in the same proportion to the Compartment.

The Sub-Fund has to comply with the diversification principle for the eligible assets comprising the portfolio of the Sub-Fund within six (6) months after the end of the Initial Offering Period (as defined below).

No assurance can be given that the Compartment's investment objective and strategy will be achieved or there will be any return of capital and investment results may vary substantially over time.

1.3 Investment restrictions and passive breach

The Compartment is subject to the investment restrictions laid down under Section 4.2 of the General Section.

In order to comply with the laws and regulations of the countries where the Shares are offered or placed, the Compartment may have further investment restrictions as shall be compatible with or be in the interest of the Investors. In such a case, the Special Section will be amended accordingly.

The Compartment has to comply with these investment restrictions within six (6) months after the end of the Initial Offering Period.

The investment restrictions may be breached as a result of changes in the price or value of assets of the Compartment brought about solely through movements in the market ("passive breach"). In such circumstances the AIFM shall take all necessary steps to bring the Compartment back within the investment restrictions except where the AIFM reasonably believes that this would be prejudicial to the interests of the Compartment or of the Investors.

2. TERM OF THE COMPARTMENT

The Compartment has been created with an undetermined duration.

3. REFERENCE CURRENCY AND CLASSES OF SHARES

The Reference Currency of the Compartment is GBP.

The General Partner has decided to issue three classes of Ordinary Shares:

Ordinary Shares Class A (CAP-A), which is an Accumulation Class (capitalisation type), denominated in EURO and reserved to Well-Informed Investors.

Ordinary Shares Class B (CAP-B), which is an Accumulation Class (capitalisation type), denominated in USD and reserved to Well-Informed Investors.

Ordinary Shares Class C (CAP-C), which is an Accumulation Class (capitalisation type), denominated in GBP and reserved to Well-Informed Investors.

The exposure to currencies other than the currency denomination of the Share Class or the Reference Currency of the Compartment may be hedged into the currency of the Share Class.

All classes of Ordinary Shares (CAP) may be subscribed by any Investor who is a Well-Informed Investor and who is not a Restricted Investor further to the conditions set out in the General Section.

In the event that in the future additional Classes are created, this Special Section would be amended accordingly.

4. VALUATION DAY AND VALUATION METHODOLOGY

Each Class of Shares of the Compartment shall be valued on a fortnightly basis, i.e. on the 2nd and 4th Friday of every month (each a "**Valuation Day**") and made available within 5 Business Days to Shareholders.

The Compartment's investments are reviewed and evaluated on a regular basis. The Investments are evaluated on a consistent basis, using the regular pricing updates issued by investment funds holding and market values for direct holdings.

The value of any assets will be determined as follows:

1. The value of any cash on hand or on deposit, money market instruments, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
2. Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or using an amortised cost method. This amortised cost method may result in periods during which the value deviates from the price the Compartment would receive if it sold the investment. The AIFM and the Investment Adviser may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the AIFM and the Investment Adviser. If the AIFM in conjunction with the Investment Adviser believes that a deviation from the amortised cost method may result in material dilution or other unfair results to Investors, the AIFM shall take such corrective action, if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results. All other securities and other assets will be valued at fair market value as determined in good faith pursuant to the procedures established by the AIFM. The value of all assets and liabilities not expressed in the Reference Currency (as below defined) of the Compartment will be converted into the Reference Currency of the Compartment at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the AIFM and the Investment Adviser.

The AIFM and the Investment Adviser, in their discretion and in respect of the industry guidelines, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Compartment.

For the avoidance of doubt, should the related provisions of the General Section conflict with the above-mentioned valuation methodology, the latter shall prevail for the Compartment.

5. SUBSCRIPTION OF SHARES DURING THE INITIAL OFFERING PERIOD

Ordinary Shares Class A (CAP-A)

The Initial Offering Period of Ordinary Shares Class A (CAP-A) shall start on 01st September 2016 and end on 30th September 2016, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class A (CAP) is EUR 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in EUR for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

The AIFM shall be entitled to receive subscription fee amounting up to 5 % of the nominal amount to be subscribed per each investor.

Ordinary Shares Class B (CAP-B)

The Initial Offering Period of Ordinary Shares Class B (CAP-B) shall start on 01st September 2016 and end on 30th September 2016, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class B (CAP-B) is USD 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in USD for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

For the avoidance of doubt, no Subscription Fee shall be levied for **Ordinary Shares Class B (CAP-B)**.

Ordinary Shares Class C (CAP-C)

The Initial Offering Period of Ordinary Shares Class C (CAP) shall start on 01st September 2016 and end on 30th September 2016, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class C (CAP-C) is GBP 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in GBP for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

For the avoidance of doubt, no Subscription Fee shall be levied for **Ordinary Shares Class C (CAP-C)**.

The General Partner reserves the right to refuse at its discretion any subscription request.

6. SUBSCRIPTION OF SHARES AFTER THE INITIAL OFFERING PERIOD

After the Initial Offering Period, Investors may subscribe Shares in accordance with the terms and provisions set out below.

The relevant Investor must submit a Subscription Agreement to the Administrative Agent to be received by the Administrative Agent before 1:00 pm C.E.T. ("cut-off time") no later than **one (1) Business Day** prior to the relevant Valuation Day. Subscription Agreements received after this cut-off time shall be deemed to be received and will be processed on the following Valuation Day.

The minimum initial subscription amount per Investor is EUR 10,000 or equivalent in GBP or USD unless otherwise provided under Article 2 (1) of the law of 13 February 2007 on Specialised Investment Funds as amended whereby an initial subscription amount per Investor set at EUR 125,000.- may be required, in that specific situation, subsequent minimum investment by existing Shareholders of the Compartment is EUR 10,000.- subject to the discretion of the General Partner to reduce such amount.

Subsequent investments and redemptions by the same investor can be for lower amounts with a minimum at all times to be not less than EUR 100 or equivalent in GBP or USD.

For the **Ordinary Shares Class A (CAP-A)** the General Partner shall be entitled to receive subscription fee amounting up to 5 % of the nominal amount to be subscribed per each investor.

For the avoidance of doubt, no Subscription Fee shall be levied for **Ordinary Shares Class B (CAP-B)** and **Ordinary Shares Class C (CAP-C)**.

The relevant Investor must deliver to the account of the Custodian cleared funds in EUR or equivalent in the relevant currency of each class of Shares for the full amount of the subscription pursuant to the subscription request within three Business Days following the relevant Valuation Day at the latest. In case of non-payment of the subscription request monies, the request(s) can be cancelled by the General Partner. In case of late payment of the subscription requests' monies, the request may be executed at the next Valuation Day.

Notwithstanding the above, the General Partner may, at any time after the Initial Offering Period, decide to close the Compartment for further subscriptions or to accept new subscriptions only from existing Shareholders in the Compartment.

7. REDEMPTION OF SHARES

Redemption requests must be sent in writing to the Administrative Agent or such other place as the Company may indicate. Redemption requests must be received by the Administrative Agent before 1:00 pm C.E.T. ("cut-off time") no later than **one (1) Business Day** prior to the relevant Valuation Day. Redemption requests received after this cut-off time shall be deemed to be received on the

following Valuation Day and the redemption price shall be calculated on the basis of the Net Asset Value per Share of the Compartment as of that one following Valuation Day.

The redemption notice period applicable to all Shareholders may be reduced by the General Partner at its absolute discretion.

Any redemption request must be in respect of a minimum of ten (10) Shares, subject to the discretion of the General Partner to accept a smaller number of Shares to be redeemed.

For the **Ordinary Shares Class A (CAP-A)** the General Partner shall not be entitled to levy any redemption fee.

For the **Ordinary Shares Class B (CAP-B)** and the **Ordinary Shares Class C (CAP-C)**, the General Partner may levy redemption fee as follows:

- 6 % if the redemption occurs within 24 months after the date of subscription.
- 5 % if the redemption occurs between 25 months and 36 months after the date of subscription.
- 4 % if the redemption occurs between 37 months and 48 months after the date of subscription.
- 3 % if the redemption occurs between 49 months and 60 months after the date of subscription.
- No redemption fees if the redemption occurs 61 months after the date of subscription.

The above-mentioned redemption fee rates shall be calculated out of the redeemed amount to be paid to the Shareholders.

The redemption proceeds will normally be paid in the currency of the Share Class within a maximum of 10 (ten) Business Days after the relevant Valuation Day.

8. CONVERSION OF SHARES

The general principle of prohibition of conversion of Shares from one compartment to another does not apply in this Compartment, as a consequence, upon the strict conditions of Article 15.2 “*Conditions required for the conversion of Ordinary Shares*” of the General Section, the Shares of the Compartment may be solely and exceptionally converted into the Shares of another compartment of the Company referred to as “Luxif – Amathus Conservative Portfolio” and reciprocally.

For the avoidance of doubt, Shares cannot be converted into the shares of another compartment of the Company save for the above-mentioned exception and shares of another compartment of the Company may not be converted into Shares of the Compartment save for the above-mentioned exception.

The general principle of prohibition of conversion GP Shares into Ordinary Shares remains however fully applicable.

9. INVESTMENT COMMITTEE

The General Partner has not established any Investment Committee for this Compartment.

10. INVESTMENT MANAGER

The Company has not appointed any external investment manager for the management of the portfolio of the Compartment.

The Compartment's portfolio will be directly managed by the General Partner with the assistance of the Investment Adviser, who will provide investment advisory services in relation to the Compartment.

The General Partner is authorized to invest and re-invest all monies and assets of the Compartment and to exercise any rights in relation to such assets, held (now and in the future) with the Custodian, in its complete and absolute discretion. Such discretion is, however, to be exercised in compliance with the investment restrictions and the investment policy defined in this Special Section.

For the purpose of achieving its duties and missions, the General Partner shall, inter alia:

- have the broadest powers necessary to manage, as the case may be, the assets of the Compartment and to conduct, on a discretionary basis, the implementation of the investment policy of the Compartment;
- monitor the Compartment's investments, so as to ensure that the Compartment's portfolio is managed in accordance with the provisions of the General Section and the Special Section;
- as the case may be, purchase and sell underlying assets of the Compartment and otherwise manage its assets on a daily basis;
- provide the necessary support required so as to properly conduct the management of the Compartment.

The General Partner shall be entitled to receive a Management Fee.

11. INVESTMENT ADVISER

In accordance with Section 6.6 of the General Section, the General Partner has appointed **Cogent Asset Management Ltd**, a company having established its registered seat at Unit Level 11(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia and registered with the Labuan Financial Services Authority under the registration number LL09838 as investment adviser (the **Investment Adviser**) to the Compartment pursuant to a resolution dated on or around 15th September 2016.

The Investment Adviser shall be responsible for advising the General Partner through its participation in meetings to be held in Luxembourg, in relation to, inter alia, the management of the Compartment's assets. The Investment Adviser shall not be vested with the power to take investment decisions.

The services, which are provided by the Investment Adviser subject to the overall responsibility of the General Partner, include, without limitation:

- (i) identifying, analysing and structuring of new investments;
- (ii) preparing and assisting in negotiating the terms and the financing of investments;
- (iii) making recommendations as to capital improvements, financing, refinancing, acquisition and disposition of investments; and
- (iv) reporting on a regular basis to the General Partner.

The Investment Adviser will be entitled to subscription fee, investment advisory Fee and performance fee.

Any further details on the duties, rights and obligations of the Investment Adviser are outlined in the Investment Advisory Agreement.

12. INVESTMENT ADVISORY FEE

Pursuant to a resolution dated 15th September 2016 adopted by the General Partner, the Investment Adviser, as remuneration for its investment advisory services provided to the Compartment, is entitled to receive an annual investment advisory fee of 0.20% per annum of the net assets value of the Compartment on assets up to EUR 40 million and 0.15% per annum of the net asset value of the Compartment on the incremental net asset value over EUR 40 million paid out of the Management Fee plus 50% of the Performance Fee (if any).

The investment advisory fee is payable monthly in arrears.

According to the provisions of Section 6.6, a portion of the Investment Advisory Fee may discretionarily be used by the Investment Adviser for purposes of remunerating any sub-advisers.

13. MANAGEMENT FEE

The General Partner is entitled to receive a Management Fee per annum out of the Net Asset Value of the Compartment that will differ for each Ordinary Shares Classes as follows, as remuneration for the investment management services provided to the Compartment:

- Ordinary Shares Class A (CAP-A): 1.1%
- Ordinary Shares Class B (CAP-B): 1.55%
- Ordinary Shares Class C (CAP-C): 1.55%

The Management Fee is calculated and accrued on each Valuation Day on the basis of the net assets of the Compartment and payable quarterly in arrears.

14. PERFORMANCE FEE

The General Partner shall be entitled to receive an annual performance fee calculated following the High Watermark principle and payable quarterly in arrears. The performance fee consists of 20% of performance of the Net Asset Value of the Share Class in excess of a hurdle rate set at 6 % per annum.

15. DISTRIBUTION FEE

The General Partner shall be entitled to an annual distribution fee which shall consist in a monthly payment of EUR 1,000.- paid out of the assets of the Compartment.

16. DISTRIBUTION POLICY

It is not the intention of the General Partner to adopt a distribution policy for each Class of Shares.

As a consequence, no dividend or interim dividend shall be distributed in cash and/in kind to Shareholders of any Classes of Shares.

17. AMENDMENTS TO THIS SPECIAL SECTION

Subject to regulatory approval, the General Partner may amend the provisions of this Special Section as follows:

- (i) where the change is determined by the General Partner not to be material, upon decision of the General Partner; or
- (ii) where the change is determined by the General Partner to be material, only following the Compartment's Consent.

Shareholders will be notified by the General Partner of all amendments that are adopted without their consent in accordance with Section 17 of this Special Section.

No variation may be made to this Section 17 without the unanimous consent of all Shareholders of the Compartment.

18. CONFLICT OF INTERESTS AND DIVERGENT INTERESTS

The members of the governing body of the General Partner currently manage and operate other entities where the assets of the Compartment may be invested in. These entities may have similar, divergent or different objectives as those of the Compartment.

As a result, the representatives of the General Partner may be engaged directly or indirectly in substantial activities other than on behalf of the Fund and may have differing or divergent economic interests in respect of such activities and may have conflicts of interest in allocating investment opportunities and their time between the Compartment and the aforementioned entities.

Each investor should be aware of the conflicting or/and divergent interests inherent in such matters, notwithstanding all attempts at fairness and completeness, and make whatever due diligence efforts he or she deems prudent and necessary before undertaking an investment in the Compartment.

19. SPECIFIC RISK FACTORS

An investment in the Compartment is associated with a certain degree of risk and it is possible that an investor may lose a substantial proportion or all of its investment in the Compartment. The value of an investment may decline due to general market conditions, such as real or perceived adverse economic conditions or general adverse investment sentiment. Prospective investors should consider, amongst others, risk factors as described in Section 5 "General Risk Factors" of the General Section of the Issuing Document and the following factors before subscribing to the Shares:

19.1 General economic conditions

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

19.2 Lack of operating history

The Compartment is newly formed. There can be no assurance that the Compartment will achieve its investment objectives. The past investment performance of the Investment Adviser may not be construed as an indication of the future results of an investment in the Compartment.

19.3 Lack of liquidity in markets

Despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and instruments may have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Compartment, both in the realisation of the prices which are quoted and in the execution of orders at desired prices. In addition, some of the investments in the portfolio may have a period of up to five years from the date of original investment for the investment to be realised.

19.4 Net Asset Value considerations

The Net Asset Value per Share of each Compartment is expected to fluctuate over time with the performance of such Compartment's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder.

19.5 Interest rate risk

Investments in bonds or other fixed income securities may fall in value if the interest rates change. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

19.6 Leverage - credit risk

While the use of leverage may increase the return on the invested capital, it also creates greater potential for loss. There can be no assurance that the Compartment, in incurring debt, will be able to meet its loan obligations.

Credit risk involves the risk that an issuer of a bond or similar money-market instruments or OTC derivative held by the Compartment may default on its obligations to pay revenue and repay principal and the Compartment will not recover its investment.

19.7 Investing in Derivatives

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for hedging purposes. Should the Investment Manager expectations in employing such techniques and instruments be incorrect, the Company may suffer a substantial loss, having an adverse effect on the Net Asset Value of the Shares.

19.8 Financial Derivative Instruments and Hedging Strategies

Investments of the Company may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the net asset value of the Company concerned. Investments using derivatives may be undertaken both for hedging and for trading purposes.

Where such transactions are used for hedging purposes, the existence of a direct link between them and the assets to be hedged is necessary, which means in principle that the volume of deals made in a given currency or market cannot exceed the total value of the assets denominated in that currency, invested in this market or the term for which the portfolio assets are held. In principle, no additional market risks are inflicted by such operations. The additional risks are therefore limited to the derivative specific risks.

The Company may use financial derivative instruments to attempt to hedge or reduce the overall risk of its investments. The Company's ability to use these strategies may be limited by, amongst other factors, market conditions, regulatory limits and tax considerations. The use of these strategies involves special risks, including:

1. dependence on the Investment Manager's ability to predict movements in the price of securities being hedged, currency fluctuations and movements in interest rates;
2. imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Company;
3. the absence of a liquid market for any particular instrument at any particular time;
4. the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in future trading means that futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Company, and
5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of the Company's assets will be segregated to cover its obligations.

19.9 Counterparty risk

The Company will be exposed to credit risk on the counterparties with which it trades in relation to financial derivative instrument contracts that are not traded on a recognised exchange. Such instruments do not afford the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance of guarantee of an exchange clearing house. The Company will be subject to the possibility of insolvency, bankruptcy or default of

a counter party with which the Company trades such instruments, which could result in substantial loss to a Fund.

19.10 Investing in High Yield Bonds

High yield bonds are regarded as being predominately speculative as to the issuer's ability to make payments of principal and interest. Investment in such securities involves substantial risk. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, the Company may experience losses and incur costs.

The investments of the Compartment are subject to market fluctuations and the risks inherent to investments in transferable securities and other eligible assets. There is no guarantee that the investment- return objective will be achieved. The value of investments and the income they generate may increase or decrease as well as up and it is possible that investors will not recover their initial investments.

19.11 Concentration and diversification

While it is the intention of the Compartment to build-up a diversified portfolio of assets, the Compartment may be exposed during a specific period of time (e.g. the ramp-up period or the liquidation stage) to a limited number of investments.

The provisions of the CSSF's Circular 07/309 on risk spreading related to specialised investment funds above-mentioned will have to be complied with on an on-going-basis.

19.12 Risks linked to the valuation of the assets

The Compartment may hold a minor portion of its assets in unlisted assets, the valuation of unlisted assets depends on subjective factors and can be difficult to realize with accuracy.

Furthermore, the accounting, auditing and financial reporting standards in specific may not correspond to International Financial Accounting Standards or are not equivalent to those applicable in more developed market economies. This is because accounting and auditing has been carried out solely as a function of compliance with tax legislation. The reliability and quality of information which will be collected in order to value the assets of the Compartment may therefore be less reliable than in respect of investments in more developed markets economies.

19.13 Risks linked to debt investments

In order to gain exposure to targeted assets the Compartment may invest in various types of debt instruments. Consequently, the Compartment may be exposed to credit risk including default, interest risk and credit spread risk. Furthermore, the Compartment may be exposed to the integrity of the issuer's management, its commitment to repay the loan, its qualification, its operating record, its emphasis in strategic direction, financial philosophy, operational management and control systems. In particular, the Compartment may be exposed to the capacity of the issuer's ability to generate cash flow to repay its debt obligations.

19.14 Risks linked to equity Investments

In order to gain exposure to real estate projects, the Compartment may invest in various types of equity. Equity investments can experience failures or substantial declines in value at any stage. The investments made by the Compartment may be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. Sales of equity may not always be possible, and may therefore have to be made at substantial discounts. Equity holders have in general an inferior rank towards debt holders and so are exposed to higher risks. Furthermore, the Compartment is entitled to take privately negotiated equity participations in entities investing, financing, developing managing and trading environmental, energy and water assets. Those investments have private equity characteristics and typically involve uncertainties that cannot be compared to those arising in the case of other type of assets.

19.15 Structured Products

Securitised or structured debt instruments (collectively referred to as the "Structured Products"), including, among others, asset-backed securities, collateralised debt instruments and collateralised loan obligations imply specific risks.

Structured products provide exposure, synthetically or otherwise, to underlying assets and the risk/return profile is determined by the cash flows derived from such assets. Some of such products involve multiple instruments and cash flow profiles such that it is not possible to predict with certainty the outcome from all market scenarios. Also the price of such an investment could be contingent on, or highly sensitive to, changes in the underlying components of the Structured Products. The underlying assets can take many forms including, but not limited to, any type of receivables from a company or structured vehicle that has regular cash flows from its customers. Some Structured Products may employ leverage which can cause the price of the instruments to be more volatile than if they had not employ leverage. In addition, investments in Structured Products may be less liquid than other securities. The lack of liquidity may cause the current market price of assets to become disconnected from the underlying asset's value, making the Compartment more susceptible to liquidity risk. The liquidity of a Structured Products can be less than a regular bond or debt instrument and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

Investing in a Structured Products, imply a market risk and a counterparty risk. The importance of this risk is linked to the level of solvability of the issuer. The risks associated with Structured Products, especially those products that present risks of loss of principal due to market movements, are similar to those risks involved with options.

In the case of a "principal protected" product, these Structured Products may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company.

Structure Products bear the additional risk of a credit event or early redemption of the reference bond which may have a negative impact on the value of the product and result in an early redemption of the product.

19.16 Risk of Conflict of Interests and Divergent interests.

The General Partner may be subject to a conflict of interests or exposed to divergent interests, it cannot be assured that such conflict of interests or divergent interests will always be resolved in a manner that the shareholders of the Compartment perceive to be in their best interest.

If such risk materialises, the ability of the Compartment to generate income may be adversely affected. As a result, profitability of the Compartment may be impaired leading to reduced returns to shareholders.

19.17 Co-Investment Risk

The AIFM intends to pursue its investment strategy by making co-investments in companies or issuers of securities which are open to third party investors and also managed by the representatives of the AIFM or on which the latter may have influence.

The Compartment is subject to the risk that the representatives of the AIFM may consider favorably the interests of third party investors and therefore may not always act in the interest of the shareholders of the Compartment.

If any of the above risks materialises, the ability of the Compartment to generate income may be adversely affected. As a result, profitability of the Fund may be impaired leading to reduced returns to shareholders.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in an investment in the Company. Prospective investors should read the entire Issuing Document and fully evaluate all other information that they deem to be necessary for determining whether to invest in the Compartment. Prospective investors should ensure that they fully understand the contents of this Issuing Document and, if in any doubt, should consult their own professional advisers.

SPECIAL SECTION VI

LUXIF – AION ADVENTUROUS FUND

This Special Section is valid only if accompanied by the General Section.

The provisions of this Special Section only refer to **Luxif – Aion Adventurous Fund** (the "**Compartment**").

Introduction

The Compartment aims to provide investors with stable returns whilst constantly striving to maintain a low volatility. The investment objective of the Compartment is to produce positive absolute returns with low volatility and low correlation with global fixed income and equity markets.

The Compartment will identify, assess, select and manage investments in strategically preferred asset classes, aiming to preserve the investor's capital and to provide an adequate rate of return on investment. The overall strategy is to focus on a low volatility of the portfolio and its returns to answer the needs of investors who wish to achieve steady returns whilst avoiding the sharp swings that financial markets experience.

The Compartment may also make investments for hedging purposes in order to address perceived misalignment between the Compartment's investment exposures and current or anticipated market conditions.

1. INVESTMENT POLICY

1.1 Investment Objective

The investment objective of the Compartment is to achieve long-term capital appreciation and preservation of capital while lowering volatility.

The Compartment will invest its assets primarily in alternative investment funds as well as in hedge funds.

The objective of the Compartment will be to maximise income yields and achieve long-term capital growth for its investors by investing into a portfolio of equity investment funds, structured products, emerging market bond funds, higher yielding European bonds, real estate funds and/or funds of funds and cash. Investment into other investment funds is permitted as defined in the Section "Investment Strategy & Policy" below.

The prime attraction of investing in the fund should be to achieve:

- Medium correlation to broader equity and bond markets;
- Consistent and sustainable returns;
- Medium volatility risk;
- Enhanced degree of capital preservation.

The Compartment expects to return an average of between 4% and 10% per annum net of fees, over a five to seven year investment horizon.

1.2 Investment Strategy

The Compartment will primarily focus on downside protection and creating returns which are the drivers of long-term performance.

The Compartment will construct a portfolio combining several types of securities within the investment limits as outlined below with corresponding yield targets over a five-seven year investment horizon:

- Up to 40 % to various issues of corporate Euro Medium Term Notes (yield target 4 - 8% p.a.);
- Up to 30 % into structured products (yield target 5% p.a.);
- Up to 40 % into daily/weekly dealing investment funds (yield target 8-10% p.a.);
- Up to 75 % into Luxembourg securitisation funds and/or Luxembourg securitisation companies with less frequent dealing i.e. twice monthly;
- Up to 20 % in cash deposits (yield target 1% p.a.);
- Up to 75% in listed equities.

By blending and spreading the portfolio's assets across a broad range of types of securities, sub-strategies and individual funds from the extensive choice available within the investment universe, a diversified and non-correlated portfolio can be achieved.

In order to mitigate the currency risk, the Compartment will have the possibility to hedge any currency exposure into the currency of the Share Class (see point 3).

The Compartment will make selective asset allocation decisions based on a sound assessment of underlying investment potential offered by each security. The investment strategy will be process driven, following a strategy of diversification over a broad number of investments and portfolio limits to avoid over exposure to any specific security.

The Compartment's investment strategy is based on five steps:

- Assessing the investment universe, on-going review of the alternative sectors.
- Development of a target asset allocation, using an optimizer to construct a portfolio with low volatility.
- Definition of optimal portfolio composition, qualitatively assessing each target investment for portfolio allocation.
- Rigorous quantitative and qualitative due diligence process (Track Record & Value Analysis, Ratings Surveillance, Reference Checks, Legal Due Diligence).
- Portfolio Management: Performance Measurement, Return enhancement, Risk control, Reporting, Predictability and Transparency.

Pursuant to the CSSF's Circular 07/309, the AIFM will at any time intend to comply with the applicable framework in terms of risk spreading rules and therefore will not allocate more than 30% of the Compartment in the same financial instrument issued by the same issuer except in the case of government bonds issued by an OECD Member States.

With respect to the diversification requirements set down in this Special Section, the Compartment's investment targets will be located, *inter alia*, predominantly in the European Union, i.e. for instance Germany, the United Kingdom or Luxembourg, but also in non-European jurisdictions as the Cayman Islands, the Channel Islands or the Isle of Man.

All the securities in which the Compartment invests may be denominated in various international currencies.

Leverage

The Compartment may not borrow money, except on an ancillary basis in order to meet redemptions of Shares.

Liquidity Policy

The Compartment will always maintain an appropriate cash balance or very liquid assets to face potential redemption and new opportunities. The intention is that 30% of the portfolio should be realisable to cash within 90 days in normal market conditions.

Form of Investments

The Compartment will primarily hold indirect investments and will have the ability to hold direct investments, cash, investment funds, structured products and especially fixed income issues ("EMTNs") from other fund structures.

The net assets of the Compartment will be invested in assets admitted to the official listing of a stock exchange or negotiated on a regulated market but it will also invest into less regulated markets. These investments may be denominated in various currencies.

The Compartment will not grant any loan to any entity in which it will invest.

Reference Currency and Currency Hedging

The Reference Currency of the Sub-Fund is GBP.

The AIFM may seek to hedge any foreign currency exposure of the various Shares classes to currencies other than the Reference Currency primarily through entering into spot and forward foreign exchange contracts such as **options** and **futures** on a regulated market, foreign exchange futures contracts, put or call options on foreign exchange, cross-currency swap transactions, or by using other methods of reducing exposure to currency fluctuations provided that the financial derivative instruments do not expose the Compartment to risks that it could not otherwise assume.

Currency hedging is mainly used by the AIFM in an attempt to ensure that the value of the Compartment's portfolio is not diminished by adverse currency movements.

The AIFM may attempt to hedge this exposure for the benefit of the range of the Compartment portfolio for which it applies the investment approach detailed above. In any case the total exposure through derivatives may never exceed 100 % of the Net Asset Value of the Compartment. Such hedging transactions will be labelled by the AIFM as "portfolio hedging". The AIFM may appoint an adviser to manage the hedging process on behalf of the AIFM.

Portfolio hedging may incur costs (directly or indirectly related to the spread between bid and offer rates) which will be allocated to the Compartment, pro rata, according to the size of the respective hedge positions. The profits or losses from any currency hedges will also be allocated in the same proportion to the Compartment.

The Sub-Fund has to comply with the diversification principle for the eligible assets comprising the portfolio of the Sub-Fund within six (6) months after the end of the Initial Offering Period (as defined below).

No assurance can be given that the Compartment's investment objective and strategy will be achieved or there will be any return of capital and investment results may vary substantially over time.

1.3 Investment restrictions and passive breach

The Compartment is subject to the investment restrictions laid down under Section 4.2 of the General Section.

The Compartment will not engage or have recourse to prime brokers.

In order to comply with the laws and regulations of the countries where the Shares are offered or placed, the Compartment may have further investment restrictions as shall be compatible with or be in the interest of the Investors. In such a case, the Special Section will be amended accordingly.

The Compartment has to comply with these investment restrictions within six (6) months after the end of the Initial Offering Period.

The investment restrictions may be breached as a result of changes in the price or value of assets of the Compartment brought about solely through movements in the market ("passive breach"). In such circumstances the AIFM shall take all necessary steps to bring the Compartment back within the investment restrictions except where the AIFM reasonably believes that this would be prejudicial to the interests of the Compartment or of the Investors.

2. TERM OF THE COMPARTMENT

The Compartment has been created with an undetermined duration.

3. REFERENCE CURRENCY AND CLASSES OF SHARES

The Reference Currency of the Compartment is GBP.

The General Partner has decided to issue two classes of Ordinary Shares:

Ordinary Shares Class A (CAP-A), which is an Accumulation Class (capitalisation type), denominated in GBP and reserved to Well-Informed or Professional Investors.

Ordinary Shares Class B (CAP-B), which is an Accumulation Class (capitalisation type), denominated in GBP and reserved to Well-Informed or Professional Investors.

The exposure to currencies other than the currency denomination of the Share Class may be hedged into the currency of the Share Class.

All classes of Ordinary Shares (CAP) may be subscribed by any Investor who is a Well-Informed Investor or a Professional Investor and who is not a Restricted Investor further to the conditions set out in the General Section.

In the event that in the future additional Classes are created, this Special Section would be amended accordingly.

4. VALUATION DAY AND VALUATION METHODOLOGY

Each Class of Shares of the Compartment shall be valued on a fortnightly basis, i.e. on the 2nd and 4th Friday of every month (each a "**Valuation Day**") and made available within 5 Business Days to Shareholders.

The Compartment's investments are reviewed and evaluated on a regular basis. The Investments are evaluated on a consistent basis, using the regular pricing updates issued by investment funds holding and market values for direct holdings.

The value of any assets will be determined as follows:

1. The value of any cash on hand or on deposit, money market instruments, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

2. Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or using an amortised cost method. This amortised cost method may result in periods during which the value deviates from the price the Compartment would receive if it sold the investment. The AIFM and the Investment Adviser may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the AIFM and the Investment Adviser. If the AIFM in conjunction with the Investment Adviser believes that a deviation from the amortised cost method may result in material dilution or other unfair results to Investors, the AIFM shall take such corrective action, if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results. All other securities and other assets will be valued at fair market value as determined in good faith pursuant to the procedures established by the AIFM. The value of all assets and liabilities not expressed in the Reference Currency (as below defined) of the Compartment will be converted into the Reference Currency of the Compartment at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the AIFM and the Investment Adviser.

The AIFM and the Investment Adviser, in their discretion and in respect of the industry guidelines, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Compartment.

For the avoidance of doubt, should the related provisions of the General Section conflict with the above-mentioned valuation methodology, the latter shall prevail for the Compartment.

5. SUBSCRIPTION OF SHARES DURING THE INITIAL OFFERING PERIOD

Ordinary Shares Class A (CAP-A)

The Initial Offering Period of Ordinary Shares Class A (CAP-A) shall start on 01st July 2017 and end on 31st July 2017, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class A (CAP) is GBP 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in GBP for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

The AIFM shall be entitled to receive subscription fee amounting up to 5 % of the nominal amount to be subscribed per each investor. This fee may be shared with any Introducer or Distributor.

Ordinary Shares Class B (CAP-B)

The Initial Offering Period of Ordinary Shares Class B (CAP-B) shall start on 01st July 2017 and end on 31st July 2017, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class B (CAP-B) is GBP 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in GBP for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

For the avoidance of doubt, no Subscription Fee shall be levied for **Ordinary Shares Class B (CAP-B)**.

The General Partner reserves the right to refuse at its discretion any subscription request.

6. SUBSCRIPTION OF SHARES AFTER THE INITIAL OFFERING PERIOD

After the Initial Offering Period, Investors may subscribe Shares in accordance with the terms and provisions set out below.

The relevant Investor must submit a Subscription Agreement to the Administrative Agent to be received by the Administrative Agent before 1:00 pm C.E.T. ("cut-off time") no later than **one (1) Business Day** prior to the relevant Valuation Day. Subscription Agreements received after this cut-off time shall be deemed to be received and will be processed on the following Valuation Day.

The minimum initial subscription amount per Investor is GBP 10,000 unless otherwise provided under Article 2 (1) of the law of 13 February 2007 on Specialised Investment Funds as amended whereby an initial subscription amount per Investor set at EUR 125,000.- may be required, in that specific situation, subsequent minimum investment by existing Shareholders of the Compartment is GBP 10,000.- subject to the discretion of the General Partner to reduce such amount.

Subsequent investments and redemptions by the same investor can be for lower amounts with a minimum at all times to be not less than GBP 100.

For the **Ordinary Shares Class A (CAP-A)** the General Partner shall be entitled to receive subscription fee amounting up to 5 % of the nominal amount to be subscribed per each investor.

For the avoidance of doubt, no Subscription Fee shall be levied for **Ordinary Shares Class B (CAP-B)**.

The relevant Investor must deliver to the account of the Custodian cleared funds in GBP or equivalent in the relevant currency of each class of Shares for the full amount of the subscription pursuant to the subscription request within three Business Days following the relevant Valuation Day at the latest. In case of non-payment of the subscription request monies, the request(s) can be cancelled by the General Partner. In case of late payment of the subscription requests' monies, the request may be executed at the next Valuation Day.

Notwithstanding the above, the General Partner may, at any time after the Initial Offering Period, decide to close the Compartment for further subscriptions or to accept new subscriptions only from existing Shareholders in the Compartment.

7. REDEMPTION OF SHARES

Redemption requests must be sent in writing to the Administrative Agent or such other place as the Company may indicate. Redemption requests must be received by the Administrative Agent before 1:00 pm C.E.T. ("**cut-off time**") no later than **five (5) Business Days** prior to the relevant Valuation Day. Redemption requests received after this cut-off time shall be deemed to be received on the following Valuation Day and the redemption price shall be calculated on the basis of the Net Asset Value per Share of the Compartment as of that one following Valuation Day.

The redemption notice period applicable to all Shareholders may be reduced by the General Partner at its absolute discretion.

Any redemption request must be in respect of a minimum of ten (10) Shares, subject to the discretion of the General Partner to accept a smaller number of Shares to be redeemed.

For the **Ordinary Shares Class A (CAP-A)** the General Partner shall not be entitled to levy any redemption fee.

For the **Ordinary Shares Class B (CAP-B)**, the General Partner may levy redemption fee as follows:

- 6 % if the redemption occurs within 24 months after the date of subscription.
- 5 % if the redemption occurs between 25 months and 36 months after the date of subscription.
- 4 % if the redemption occurs between 37 months and 48 months after the date of subscription.
- 3 % if the redemption occurs between 49 months and 60 months after the date of subscription.
- No redemption fees if the redemption occurs 60 months after the date of subscription.

The above-mentioned redemption fee rates shall be calculated out of the redeemed amount to be paid to the Shareholders.

The redemption proceeds will normally be paid in the currency of the Share Class within a maximum of 10 (ten) Business Days after the relevant Valuation Day.

8. CONVERSION OF SHARES

The general principle of prohibition of conversion of Shares from one Compartment to another does not apply in this Compartment, as a consequence upon the strict conditions of Article 15.2 “Conditions required for the conversion of Ordinary Shares” of the General Section, the Shares of the Compartment may be solely and exceptionally converted into the Shares of another compartment of the Company referred to as “Luxif – Aion Cautious Fund” and reciprocally.

For the avoidance of doubt, Shares cannot be converted into the shares of another compartment of the Company save for the above-mentioned exception and shares of another compartment of the Company may not be converted into Shares of the Compartment save for the above-mentioned exception.

The general principle of prohibition of conversion GP Shares into Ordinary Shares remains however fully applicable.

9. INVESTMENT COMMITTEE

The General Partner has not established any Investment Committee for this Compartment.

10. INVESTMENT MANAGER

The Company has not appointed any external investment manager for the management of the portfolio of the Compartment.

The Compartment's portfolio will be directly managed by the General Partner with the assistance of the Investment Adviser, who will provide investment advisory services in relation to the Compartment.

The General Partner is authorized to invest and re-invest all monies and assets of the Compartment and to exercise any rights in relation to such assets, held (now and in the future) with the Custodian, in its complete and absolute discretion. Such discretion is, however, to be exercised in compliance with the investment restrictions and the investment policy defined in this Special Section.

For the purpose of achieving its duties and missions, the General Partner shall, inter alia:

- have the broadest powers necessary to manage, as the case may be, the assets of the Compartment and to conduct, on a discretionary basis, the implementation of the investment policy of the Compartment;
- monitor the Compartment's investments, so as to ensure that the Compartment's portfolio is managed in accordance with the provisions of the General Section and the Special Section;
- as the case may be, purchase and sell underlying assets of the Compartment and otherwise manage its assets on a daily basis;
- provide the necessary support required so as to properly conduct the management of the Compartment.

The General Partner shall be entitled to receive a Management Fee.

11. INVESTMENT ADVISER

In accordance with Section 6.6 of the General Section, the General Partner has appointed Cogent Asset Management Ltd, a company having established its registered seat at Unit Level 11(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia and registered with the Labuan Financial Services Authority under the registration number LL09838 as investment adviser (the **Investment Adviser**) to the Compartment pursuant to a resolution dated on or around 15th July 2017.

The Investment Adviser shall be responsible for advising the General Partner through its participation in meetings to be held in Luxembourg, in relation to, inter alia, the management of the Compartment's assets. The Investment Adviser shall not be vested with the power to take investment decisions.

The services, which are provided by the Investment Adviser subject to the overall responsibility of the General Partner, include, without limitation:

- (i) identifying, analysing and structuring of new investments;
- (ii) preparing and assisting in negotiating the terms and the financing of investments;
- (iii) making recommendations as to capital improvements, financing, refinancing, acquisition and disposition of investments; and
- (iv) reporting on a regular basis to the General Partner.

The Investment Adviser will be entitled to investment advisory Fee and performance fee.

Any further details on the duties, rights and obligations of the Investment Adviser are outlined in the Investment Advisory Agreement.

12. INVESTMENT ADVISORY FEE

Pursuant to a resolution dated 15th July 2017 adopted by the General Partner, the Investment Adviser, as remuneration for its investment advisory services provided to the Compartment, is entitled to receive an annual investment advisory fee out of the Management Fee of 0.20% per annum of the net assets value of the Compartment on assets up to GBP 40 million and 0.15% per annum of the net asset value of the Compartment on the incremental net asset value over GBP 40 million paid out of the Management Fee.

The investment advisory fee is payable monthly in arrears.

According to the provisions of Section 6.6, a portion of the Investment Advisory Fee may discretionarily be used by the Investment Adviser for purposes of remunerating any sub-advisers.

13. MANAGEMENT FEE

The General Partner is entitled to receive a Management Fee per annum out of the Net Asset Value of the Compartment that will differ for each Ordinary Shares Classes as follows, as remuneration for the investment management services provided to the Compartment:

- Ordinary Shares Class A (CAP-A): 0.5%
- Ordinary Shares Class B (CAP-B): 1.5%

The Management Fee is calculated and accrued on each Valuation Day on the basis of the net assets of the Compartment and payable quarterly in arrears.

14. PERFORMANCE FEE

No performance fee is currently envisaged.

15. DISTRIBUTION POLICY

It is not the intention of the General Partner to adopt a distribution policy for each Class of Shares. However, should there be a distribution of capital from one or more of the underlying investments, a capital distribution from the fund may be offered.

Normally, no dividend or interim dividend shall be distributed in cash and/in kind to Shareholders of any Classes of Shares.

16. AMENDMENTS TO THIS SPECIAL SECTION

Subject to regulatory approval, the General Partner may amend the provisions of this Special Section as follows:

- (i) where the change is determined by the General Partner not to be material, upon decision of the General Partner; or
- (ii) where the change is determined by the General Partner to be material, only following the Compartment's Consent.

Shareholders will be notified by the General Partner of all amendments that are adopted without their consent in accordance with Section 16 of this Special Section.

No variation may be made to this Section 16 without the unanimous consent of all Shareholders of the Compartment.

17. CONFLICT OF INTERESTS AND DIVERGENT INTERESTS

The members of the governing body of the General Partner currently manage and operate other entities where the assets of the Compartment may be invested in. These entities may have similar, divergent or different objectives as those of the Compartment.

As a result, the representatives of the General Partner may be engaged directly or indirectly in substantial activities other than on behalf of the Fund and may have differing or divergent economic

interests in respect of such activities and may have conflicts of interest in allocating investment opportunities and their time between the Compartment and the aforementioned entities.

Each investor should be aware of the conflicting or/and divergent interests inherent in such matters, notwithstanding all attempts at fairness and completeness, and make whatever due diligence efforts he or she deems prudent and necessary before undertaking an investment in the Compartment.

18. SPECIFIC RISK FACTORS

An investment in the Compartment is associated with a certain degree of risk and it is possible that an investor may lose a substantial proportion or all of its investment in the Compartment. The value of an investment may decline due to general market conditions, such as real or perceived adverse economic conditions or general adverse investment sentiment. Prospective investors should consider, amongst others, risk factors as described in Section 5 "General Risk Factors" of the General Section of the Issuing Document and the following factors before subscribing to the Shares:

18.1 General economic conditions

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

18.2 Lack of operating history

The Compartment is newly formed. There can be no assurance that the Compartment will achieve its investment objectives. The past investment performance of the Investment Adviser may not be construed as an indication of the future results of an investment in the Compartment.

18.3 Lack of liquidity in markets

Despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and instruments may have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Compartment, both in the realisation of the prices which are quoted and in the execution of orders at desired prices. In addition, some of the investments in the portfolio may have a period of up to five years from the date of original investment for the investment to be realised.

18.4 Net Asset Value considerations

The Net Asset Value per Share of each Compartment is expected to fluctuate over time with the performance of such Compartment's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder.

18.5 Interest rate risk

Investments in bonds or other fixed income securities may fall in value if the interest rates change. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

18.6 Leverage - credit risk

While the use of leverage may increase the return on the invested capital, it also creates greater potential for loss. There can be no assurance that the Compartment, in incurring debt, will be able to meet its loan obligations.

Credit risk involves the risk that an issuer of a bond or similar money-market instruments held by the Compartment may default on its obligations to pay revenue and repay principal and the Compartment will not recover its investment.

18.7 Investing in Derivatives

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for hedging purposes. Should the Investment Manager expectations in employing such techniques and instruments be incorrect, the Company may suffer a substantial loss, having an adverse effect on the Net Asset Value of the Shares.

18.8 Financial Derivative Instruments and Hedging Strategies

Investments of the Company may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the net asset value of the Company concerned. Investments using derivatives may be undertaken both for hedging and for trading purposes.

Where such transactions are used for hedging purposes, the existence of a direct link between them and the assets to be hedged is necessary, which means in principle that the volume of deals made in a given currency or market cannot exceed the total value of the assets denominated in that currency, invested in this market or the term for which the portfolio assets are held. In principle no additional market risks are inflicted by such operations. The additional risks are therefore limited to the derivative specific risks.

The Company may use financial derivative instruments to attempt to hedge or reduce the overall risk of its investments. The Company's ability to use these strategies may be limited by, amongst other factors, market conditions, regulatory limits and tax considerations. The use of these strategies involves special risks, including:

1. dependence on the Investment Manager's ability to predict movements in the price of securities being hedged, currency fluctuations and movements in interest rates;
2. imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Company;
3. the absence of a liquid market for any particular instrument at any particular time;
4. the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in future trading means that futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Company, and
5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of the Company's assets will be segregated to cover its obligations.

18.9 Counterparty risk

The Company will be exposed to credit risk on the counterparties with which it trades in relation to financial derivative instrument contracts that are not traded on a recognised exchange. Such instruments do not afford the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance of guarantee of an exchange clearing house. The Company will be subject to the possibility of insolvency, bankruptcy or default of a counter party with which the Company trades such instruments, which could result in substantial loss to a Fund.

18.10 Investing in High Yield Bonds

High yield bonds are regarded as being predominately speculative as to the issuer's ability to make payments of principal and interest. Investment in such securities involves substantial risk. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, the Company may experience losses and incur costs.

The investments of the Compartment are subject to market fluctuations and the risks inherent to investments in transferable securities and other eligible assets. There is no guarantee that the investment- return objective will be achieved. The value of investments and the income they generate may increase or decrease as well as up and it is possible that investors will not recover their initial investments.

18.11 Concentration and diversification

While it is the intention of the Compartment to build-up a diversified portfolio of assets, the Compartment may be exposed during a specific period of time (e.g. the ramp-up period or the liquidation stage) to a limited number of investments.

The provisions of the CSSF's Circular 07/309 on risk spreading related to specialised investment funds above-mentioned will have to be complied with on an on-going-basis.

18.12 Risks linked to the valuation of the assets

The Compartment may hold a minor portion of its assets in unlisted assets, the valuation of unlisted assets depends on subjective factors and can be difficult to realize with accuracy.

Furthermore the accounting, auditing and financial reporting standards in specific may not correspond to International Financial Accounting Standards or are not equivalent to those applicable in more developed market economies. This is because accounting and auditing has been carried out solely as a function of compliance with tax legislation. The reliability and quality of information which will be collected in order to value the assets of the Compartment may therefore be less reliable than in respect of investments in more developed markets economies.

18.13 Risks linked to debt investments

In order to gain exposure to targeted assets the Compartment may invest in various types of debt instruments. Consequently the Compartment may be exposed to credit risk including default, interest risk and credit spread risk. Furthermore the Compartment may be exposed to the integrity of the issuer's management, its commitment to repay the loan, its qualification, its operating record, its emphasis in strategic direction, financial philosophy, operational management and control systems. In

particular, the Compartment may be exposed to the capacity of the issuer's ability to generate cash flow to repay its debt obligations.

18.14 Risks linked to equity Investments

In order to gain exposure to real estate projects, the Compartment may invest in various types of equity. Equity investments can experience failures or substantial declines in value at any stage. The investments made by the Compartment may be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. Sales of equity may not always be possible, and may therefore have to be made at substantial discounts. Equity holders have in general an inferior rank towards debt holders and so are exposed to higher risks. Furthermore the Compartment is entitled to take privately negotiated equity participations in entities investing, financing, developing managing and trading environmental, energy and water assets. Those investments have private equity characteristics and typically involve uncertainties that cannot be compared to those arising in the case of other type of assets.

18.15 Structured Product

Investing in a structured product, imply a market risk and a counterparty risk. The importance of this risk is linked to the level of solvability of the issuer. The risks associated with structured products, especially those products that present risks of loss of principal due to market movements, are similar to those risks involved with options.

In the case of a "principal protected" product, these products may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company.

This product bears the additional risk of a credit event or early redemption of the reference bond which may have a negative impact on the value of the product and result in an early redemption of the product.

18.16 Risk of Conflict of Interests and Divergent interests.

The General Partner may be subject to a conflict of interests or exposed to divergent interests, it cannot be assured that such conflict of interests or divergent interests will always be resolved in a manner that the shareholders of the Compartment perceive to be in their best interest.

If such risk materialises, the ability of the Compartment to generate income may be adversely affected. As a result, profitability of the Compartment may be impaired leading to reduced returns to shareholders.

18.17 Co-Investment Risk

The AIFM intends to pursue its investment strategy by making co-investments in companies or issuers of securities which are open to third party investors and also managed by the representatives of the AIFM or on which the latter may have influence.

The Compartment is subject to the risk that the representatives of the AIFM may consider favorably the interests of third party investors and therefore may not always act in the interest of the shareholders of the Compartment.

If any of the above risks materialises, the ability of the Compartment to generate income may be adversely affected. As a result, profitability of the Fund may be impaired leading to reduced returns to shareholders.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in an investment in the Company. Prospective investors should read the entire Issuing Document and fully evaluate all other information that they deem to be necessary for determining whether to invest in the Compartment. Prospective investors should ensure that

they fully understand the contents of this Issuing Document and, if in any doubt, should consult their own professional advisers.

SPECIAL SECTION VII LUXIF – AION CAUTIOUS FUND

This Special Section is valid only if accompanied by the General Section.

The provisions of this Special Section only refer to **Luxif – Aion Cautious Fund** (the "**Compartment**").

Introduction

The Compartment aims to provide investors with stable returns whilst constantly striving to maintain a low volatility. The investment objective of the Compartment is to produce positive absolute returns with low volatility and low correlation with global fixed income and equity markets.

The Compartment will identify, assess, select and manage investments in strategically preferred asset classes, aiming to preserve the investor's capital and to provide an adequate rate of return on investment. The overall strategy is to focus on a low volatility of the portfolio and its returns to answer the needs of investors who wish to achieve steady returns whilst avoiding the sharp swings that financial markets experience.

The Compartment may also make investments for hedging purposes in order to address perceived misalignment between the Compartment's investment exposures and current or anticipated market conditions.

1. INVESTMENT POLICY

1.1 Investment Objective

The investment objective of the Compartment is to achieve long-term capital appreciation and preservation of capital while lowering volatility.

The Compartment will primarily invest its assets in alternative investment funds as well as in hedge funds.

The objective of the Compartment will be to maximise income yields and achieve long-term capital growth for its investors by investing into a portfolio of equity investment funds, structured products, emerging market bond funds, higher yielding European bonds, real estate funds and/or funds of funds and cash. Investment into other investment funds is permitted as defined in the Section "Investment Strategy & Policy" below.

The prime attraction of investing in the fund should be to achieve:

- Medium correlation to broader equity and bond markets;
- Consistent and sustainable returns;
- Medium volatility risk;
- Enhanced degree of capital preservation.

The Compartment expects to return an average of between 4% and 10% per annum net of fees, over a five to seven year investment horizon.

1.2 Investment Strategy

The Compartment will primarily focus on downside protection and creating returns which are the drivers of long-term performance.

The Compartment will construct a portfolio combining several types of securities within the investment limits as outlined below with corresponding yield targets over a five-seven year investment horizon:

- Up to 40 % to various issues of corporate Euro Medium Term Notes (yield target 4 - 8% p.a.);
- Up to 30 % into structured products (yield target 5% p.a.);
- Up to 40 % into daily/weekly dealing investment funds (yield target 8-10% p.a.);
- Up to 75 % into Luxembourg securitisation funds and/or Luxembourg securitisation companies with less frequent dealing i.e. twice monthly;
- Up to 20 % in cash deposits (yield target 1% p.a.);
- Up to 25% in listed equities.

By blending and spreading the portfolio's assets across a broad range of types of securities, sub-strategies and individual funds from the extensive choice available within the investment universe, a diversified and non-correlated portfolio can be achieved.

In order to mitigate the currency risk, the Compartment will have the possibility to hedge any currency exposure into the currency of the Share Class (see point 3).

The Compartment will make selective asset allocation decisions based on a sound assessment of underlying investment potential offered by each security. The investment strategy will be process driven, following a strategy of diversification over a broad number of investments and portfolio limits to avoid over exposure to any specific security.

The Compartment's investment strategy is based on five steps:

- Assessing the investment universe, on-going review of the alternative sectors.
- Development of a target asset allocation, using an optimizer to construct a portfolio with low volatility.
- Definition of optimal portfolio composition, qualitatively assessing each target investment for portfolio allocation.
- Rigorous quantitative and qualitative due diligence process (Track Record & Value Analysis, Ratings Surveillance, Reference Checks, Legal Due Diligence).
- Portfolio Management: Performance Measurement, Return enhancement, Risk control, Reporting, Predictability and Transparency.

Pursuant to the CSSF's Circular 07/309, the AIFM will at any time intend to comply with the applicable framework in terms of risk spreading rules and therefore will not allocate more than 30% of the Compartment in the same financial instrument issued by the same issuer except in the case of government bonds issued by an OECD Member States.

With respect to the diversification requirements set down in this Special Section, the Compartment's investment targets will be located, *inter alia*, predominantly in the European Union, i.e. for instance Germany, the United Kingdom or Luxembourg, but also in non-European jurisdictions as the Cayman Islands, the Channel Islands or the Isle of Man.

All the securities in which the Compartment invests may be denominated in various international currencies.

Leverage

The Compartment may not borrow money, except on an ancillary basis in order to meet redemptions of Shares.

Liquidity Policy

The Compartment will always maintain an appropriate cash balance or very liquid assets to face potential redemption and new opportunities. The intention is that 30% of the portfolio should be realisable to cash within 90 days in normal market conditions.

Form of Investments

The Compartment will primarily hold indirect investments and will have the ability to hold direct investments, cash, investment funds, structured products and especially fixed income issues ("EMTNs") from other fund structures.

The net assets of the Compartment will be invested in assets admitted to the official listing of a stock exchange or negotiated on a regulated market but it will also invest into less regulated markets. These investments may be denominated in various currencies.

The Compartment will not grant any loan to any entity in which it will invest.

Reference Currency and Currency Hedging

The Reference Currency of the Sub-Fund is GBP.

The AIFM may seek to hedge any foreign currency exposure of the various Shares classes to currencies other than the Reference Currency primarily through entering into spot and forward foreign exchange contracts such as **options** and **futures** on a regulated market, foreign exchange futures contracts, put or call options on foreign exchange, cross-currency swap transactions, or by using other methods of reducing exposure to currency fluctuations provided that the financial derivative instruments do not expose the Compartment to risks that it could not otherwise assume.

Currency hedging is mainly used by the AIFM in an attempt to ensure that the value of the Compartment's portfolio is not diminished by adverse currency movements.

The AIFM may attempt to hedge this exposure for the benefit of the range of the Compartment portfolio for which it applies the investment approach detailed above. In any case the total exposure through derivatives may never exceed 100 % of the Net Asset Value of the Compartment. Such hedging transactions will be labelled by the AIFM as "portfolio hedging". The AIFM may appoint an adviser to manage the hedging process on behalf of the AIFM.

Portfolio hedging may incur costs (directly or indirectly related to the spread between bid and offer rates) which will be allocated to the Compartment, pro rata, according to the size of the respective hedge positions. The profits or losses from any currency hedges will also be allocated in the same proportion to the Compartment.

The Sub-Fund has to comply with the diversification principle for the eligible assets comprising the portfolio of the Sub-Fund within six (6) months after the end of the Initial Offering Period (as defined below).

No assurance can be given that the Compartment's investment objective and strategy will be achieved or there will be any return of capital and investment results may vary substantially over time.

1.3 Investment restrictions and passive breach

The Compartment is subject to the investment restrictions laid down under Section 4.2 of the General Section.

The Compartment will not engage or have recourse to prime brokers.

In order to comply with the laws and regulations of the countries where the Shares are offered or placed, the Compartment may have further investment restrictions as shall be compatible with or be in the interest of the Investors. In such a case, the Special Section will be amended accordingly.

The Compartment has to comply with these investment restrictions within six (6) months after the end of the Initial Offering Period.

The investment restrictions may be breached as a result of changes in the price or value of assets of the Compartment brought about solely through movements in the market ("passive breach"). In such circumstances the AIFM shall take all necessary steps to bring the Compartment back within the investment restrictions except where the AIFM reasonably believes that this would be prejudicial to the interests of the Compartment or of the Investors.

2. TERM OF THE COMPARTMENT

The Compartment has been created with an undetermined duration.

3. REFERENCE CURRENCY AND CLASSES OF SHARES

The Reference Currency of the Compartment is GBP.

The General Partner has decided to issue two classes of Ordinary Shares:

Ordinary Shares Class A (CAP-A), which is an Accumulation Class (capitalisation type), denominated in GBP and reserved to Well-Informed or Professional Investors.

Ordinary Shares Class B (CAP-B), which is an Accumulation Class (capitalisation type), denominated in GBP and reserved to Well-Informed or Professional Investors.

The exposure to currencies other than the currency denomination of the Share Class may be hedged into the currency of the Share Class.

All classes of Ordinary Shares (CAP) may be subscribed by any Investor who is a Well-Informed Investor or a Professional Investor and who is not a Restricted Investor further to the conditions set out in the General Section.

In the event that in the future additional Classes are created, this Special Section would be amended accordingly.

4. VALUATION DAY AND VALUATION METHODOLOGY

Each Class of Shares of the Compartment shall be valued on a fortnightly basis, i.e. on the 2nd and 4th Friday of every month (each a "**Valuation Day**") and made available within 5 Business Days to Shareholders.

The Compartment's investments are reviewed and evaluated on a regular basis. The Investments are evaluated on a consistent basis, using the regular pricing updates issued by investment funds holding and market values for direct holdings.

The value of any assets will be determined as follows:

1. The value of any cash on hand or on deposit, money market instruments, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at

after making such discount as may be considered appropriate in such case to reflect the true value thereof.

2. Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or using an amortised cost method. This amortised cost method may result in periods during which the value deviates from the price the Compartment would receive if it sold the investment. The AIFM and the Investment Adviser may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the AIFM and the Investment Adviser. If the AIFM in conjunction with the Investment Adviser believes that a deviation from the amortised cost method may result in material dilution or other unfair results to Investors, the AIFM shall take such corrective action, if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results. All other securities and other assets will be valued at fair market value as determined in good faith pursuant to the procedures established by the AIFM. The value of all assets and liabilities not expressed in the Reference Currency (as below defined) of the Compartment will be converted into the Reference Currency of the Compartment at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the AIFM and the Investment Adviser.

The AIFM and the Investment Adviser, in their discretion and in respect of the industry guidelines, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Compartment.

For the avoidance of doubt, should the related provisions of the General Section conflict with the above-mentioned valuation methodology, the latter shall prevail for the Compartment.

5. SUBSCRIPTION OF SHARES DURING THE INITIAL OFFERING PERIOD

Ordinary Shares Class A (CAP-A)

The Initial Offering Period of Ordinary Shares Class A (CAP-A) shall start on 01st July 2017 and end on 31st July 2017, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class A (CAP) is GBP 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in GBP for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

The AIFM shall be entitled to receive subscription fee amounting up to 5 % of the nominal amount to be subscribed per each investor. This fee may be shared with any Introducer or Distributor.

Ordinary Shares Class B (CAP-B)

The Initial Offering Period of Ordinary Shares Class B (CAP-B) shall start on 01st July 2017 and end on 31st July 2017, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class B (CAP-B) is GBP 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in GBP for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

For the avoidance of doubt, no Subscription Fee shall be levied for **Ordinary Shares Class B (CAP-B)**.

The General Partner reserves the right to refuse at its discretion any subscription request.

6. SUBSCRIPTION OF SHARES AFTER THE INITIAL OFFERING PERIOD

After the Initial Offering Period, Investors may subscribe Shares in accordance with the terms and provisions set out below.

The relevant Investor must submit a Subscription Agreement to the Administrative Agent to be received by the Administrative Agent before 1:00 pm C.E.T. ("cut-off time") no later than **one (1) Business Day** prior to the relevant Valuation Day. Subscription Agreements received after this cut-off time shall be deemed to be received and will be processed on the following Valuation Day.

The minimum initial subscription amount per Investor is GBP 10,000 unless otherwise provided under Article 2 (1) of the law of 13 February 2007 on Specialised Investment Funds as amended whereby an initial subscription amount per Investor set at EUR 125,000.- may be required, in that specific situation, subsequent minimum investment by existing Shareholders of the Compartment is GBP 10,000.- subject to the discretion of the General Partner to reduce such amount.

Subsequent investments and redemptions by the same investor can be for lower amounts with a minimum at all times to be not less than GBP 100.

For the **Ordinary Shares Class A (CAP-A)** the General Partner shall be entitled to receive subscription fee amounting up to 5 % of the nominal amount to be subscribed per each investor.

For the avoidance of doubt, no Subscription Fee shall be levied for **Ordinary Shares Class B (CAP-B)**.

The relevant Investor must deliver to the account of the Custodian cleared funds in GBP or equivalent in the relevant currency of each class of Shares for the full amount of the subscription pursuant to the subscription request within three Business Days following the relevant Valuation Day at the latest. In case of non-payment of the subscription request monies, the request(s) can be cancelled by the General Partner. In case of late payment of the subscription requests' monies, the request may be executed at the next Valuation Day.

Notwithstanding the above, the General Partner may, at any time after the Initial Offering Period, decide to close the Compartment for further subscriptions or to accept new subscriptions only from existing Shareholders in the Compartment.

7. REDEMPTION OF SHARES

Redemption requests must be sent in writing to the Administrative Agent or such other place as the Company may indicate. Redemption requests must be received by the Administrative Agent before 1:00 pm C.E.T. ("**cut-off time**") no later than **five (5) Business Days** prior to the relevant Valuation Day. Redemption requests received after this cut-off time shall be deemed to be received on the following Valuation Day and the redemption price shall be calculated on the basis of the Net Asset Value per Share of the Compartment as of that one following Valuation Day.

The redemption notice period applicable to all Shareholders may be reduced by the General Partner at its absolute discretion.

Any redemption request must be in respect of a minimum of ten (10) Shares, subject to the discretion of the General Partner to accept a smaller number of Shares to be redeemed.

For the **Ordinary Shares Class A (CAP-A)** the General Partner shall not be entitled to levy any redemption fee.

For the **Ordinary Shares Class B (CAP-B)**, the General Partner may levy redemption fee as follows:

- 6 % if the redemption occurs within 24 months after the date of subscription.
- 5 % if the redemption occurs between 25 months and 36 months after the date of subscription.
- 4 % if the redemption occurs between 37 months and 48 months after the date of subscription.
- 3 % if the redemption occurs between 49 months and 60 months after the date of subscription.
- No redemption fees if the redemption occurs 60 months after the date of subscription.

The above-mentioned redemption fee rates shall be calculated out of the redeemed amount to be paid to the Shareholders.

The redemption proceeds will normally be paid in the currency of the Share Class within a maximum of 10 (ten) Business Days after the relevant Valuation Day.

8. CONVERSION OF SHARES

The general principle of prohibition of conversion of Shares from one Compartment to another does not apply in this Compartment, as a consequence upon the strict conditions of Article 15.2 “Conditions required for the conversion of Ordinary Shares” of the General Section, the Shares of the Compartment may be solely and exceptionally converted into the Shares of another compartment of the Company referred to as “Luxif – Aion Adventurous Fund” and reciprocally.

For the avoidance of doubt, Shares cannot be converted into the shares of another compartment of the Company save for the above-mentioned exception and shares of another compartment of the Company may not be converted into Shares of the Compartment save for the above-mentioned exception.

The general principle of prohibition of conversion GP Shares into Ordinary Shares remains however fully applicable.

9. INVESTMENT COMMITTEE

The General Partner has not established any Investment Committee for this Compartment.

10. INVESTMENT MANAGER

The Company has not appointed any external investment manager for the management of the portfolio of the Compartment.

The Compartment's portfolio will be directly managed by the General Partner with the assistance of the Investment Adviser, who will provide investment advisory services in relation to the Compartment.

The General Partner is authorized to invest and re-invest all monies and assets of the Compartment and to exercise any rights in relation to such assets, held (now and in the future) with the Custodian, in

its complete and absolute discretion. Such discretion is, however, to be exercised in compliance with the investment restrictions and the investment policy defined in this Special Section.

For the purpose of achieving its duties and missions, the General Partner shall, inter alia:

- have the broadest powers necessary to manage, as the case may be, the assets of the Compartment and to conduct, on a discretionary basis, the implementation of the investment policy of the Compartment;
- monitor the Compartment's investments, so as to ensure that the Compartment's portfolio is managed in accordance with the provisions of the General Section and the Special Section;
- as the case may be, purchase and sell underlying assets of the Compartment and otherwise manage its assets on a daily basis;
- provide the necessary support required so as to properly conduct the management of the Compartment.

The General Partner shall be entitled to receive a Management Fee.

11. INVESTMENT ADVISER

In accordance with Section 6.6 of the General Section, the General Partner has appointed Cogent Asset Management Ltd, a company having established its registered seat at Unit Level 11(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia and registered with the Labuan Financial Services Authority under the registration number LL09838 as investment adviser (the **Investment Adviser**) to the Compartment pursuant to a resolution dated on or around 15th July 2017.

The Investment Adviser shall be responsible for advising the General Partner through its participation in meetings to be held in Luxembourg, in relation to, inter alia, the management of the Compartment's assets. The Investment Adviser shall not be vested with the power to take investment decisions.

The services, which are provided by the Investment Adviser subject to the overall responsibility of the General Partner, include, without limitation:

- (i) identifying, analysing and structuring of new investments;
- (ii) preparing and assisting in negotiating the terms and the financing of investments;
- (iii) making recommendations as to capital improvements, financing, refinancing, acquisition and disposition of investments; and
- (iv) reporting on a regular basis to the General Partner.

The Investment Adviser will be entitled to investment advisory Fee and performance fee.

Any further details on the duties, rights and obligations of the Investment Adviser are outlined in the Investment Advisory Agreement.

12. INVESTMENT ADVISORY FEE

Pursuant to a resolution dated 15th July 2017 adopted by the General Partner, the Investment Adviser, as remuneration for its investment advisory services provided to the Compartment, is entitled to receive an annual investment advisory fee out of the Management Fee of 0.20% per annum of the net assets value of the Compartment on assets up to GBP 40 million and 0.15% per annum of the net asset

value of the Compartment on the incremental net asset value over GBP 40 million paid out of the Management Fee.

The investment advisory fee is payable monthly in arrears.

According to the provisions of Section 6.6 of the General Section, a portion of the Investment Advisory Fee may discretionarily be used by the Investment Adviser for purposes of remunerating any sub-advisers.

13. MANAGEMENT FEE

The General Partner is entitled to receive a Management Fee per annum out of the Net Asset Value of the Compartment that will differ for each Ordinary Shares Classes as follows, as remuneration for the investment management services provided to the Compartment:

- Ordinary Shares Class A (CAP-A): 0.5%
- Ordinary Shares Class B (CAP-B): 1.5%

The Management Fee is calculated and accrued on each Valuation Day on the basis of the net assets of the Compartment and payable quarterly in arrears.

14. PERFORMANCE FEE

No performance fee is currently envisaged.

15. DISTRIBUTION POLICY

It is not the intention of the General Partner to adopt a distribution policy for each Class of Shares. However, should there be a distribution of capital from one or more of the underlying investments, a capital distribution from the fund may be offered.

Normally, no dividend or interim dividend shall be distributed in cash and/in kind to Shareholders of any Classes of Shares.

16. AMENDMENTS TO THIS SPECIAL SECTION

Subject to regulatory approval, the General Partner may amend the provisions of this Special Section as follows:

- (i) where the change is determined by the General Partner not to be material, upon decision of the General Partner; or
- (ii) where the change is determined by the General Partner to be material, only following the Compartment's Consent.

Shareholders will be notified by the General Partner of all amendments that are adopted without their consent in accordance with Section 16 of this Special Section.

No variation may be made to this Section 16 without the unanimous consent of all Shareholders of the Compartment.

17. CONFLICT OF INTERESTS AND DIVERGENT INTERESTS

The members of the governing body of the General Partner currently manage and operate other entities where the assets of the Compartment may be invested in. These entities may have similar, divergent or different objectives as those of the Compartment.

As a result, the representatives of the General Partner may be engaged directly or indirectly in substantial activities other than on behalf of the Fund and may have differing or divergent economic interests in respect of such activities and may have conflicts of interest in allocating investment opportunities and their time between the Compartment and the aforementioned entities.

Each investor should be aware of the conflicting or/and divergent interests inherent in such matters, notwithstanding all attempts at fairness and completeness, and make whatever due diligence efforts he or she deems prudent and necessary before undertaking an investment in the Compartment.

18. SPECIFIC RISK FACTORS

An investment in the Compartment is associated with a certain degree of risk and it is possible that an investor may lose a substantial proportion or all of its investment in the Compartment. The value of an investment may decline due to general market conditions, such as real or perceived adverse economic conditions or general adverse investment sentiment. Prospective investors should consider, amongst others, risk factors as described in Section 5 "General Risk Factors" of the General Section of the Issuing Document and the following factors before subscribing to the Shares:

18.1 General economic conditions

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

18.2 Lack of operating history

The Compartment is newly formed. There can be no assurance that the Compartment will achieve its investment objectives. The past investment performance of the Investment Adviser may not be construed as an indication of the future results of an investment in the Compartment.

18.3 Lack of liquidity in markets

Despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and instruments may have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Compartment, both in the realisation of the prices which are quoted and in the execution of orders at desired prices. In addition, some of the investments in the portfolio may have a period of up to five years from the date of original investment for the investment to be realised.

18.4 Net Asset Value considerations

The Net Asset Value per Share of each Compartment is expected to fluctuate over time with the performance of such Compartment's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder.

18.5 Interest rate risk

Investments in bonds or other fixed income securities may fall in value if the interest rates change. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

18.6 Leverage - credit risk

While the use of leverage may increase the return on the invested capital, it also creates greater potential for loss. There can be no assurance that the Compartment, in incurring debt, will be able to meet its loan obligations.

Credit risk involves the risk that an issuer of a bond or similar money-market instruments held by the Compartment may default on its obligations to pay revenue and repay principal and the Compartment will not recover its investment.

18.7 Investing in Derivatives

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for hedging purposes. Should the Investment Manager expectations in employing such techniques and instruments be incorrect, the Company may suffer a substantial loss, having an adverse effect on the Net Asset Value of the Shares.

18.8 Financial Derivative Instruments and Hedging Strategies

Investments of the Company may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the net asset value of the Company concerned. Investments using derivatives may be undertaken both for hedging and for trading purposes.

Where such transactions are used for hedging purposes, the existence of a direct link between them and the assets to be hedged is necessary, which means in principle that the volume of deals made in a given currency or market cannot exceed the total value of the assets denominated in that currency, invested in this market or the term for which the portfolio assets are held. In principle no additional market risks are inflicted by such operations. The additional risks are therefore limited to the derivative specific risks.

The Company may use financial derivative instruments to attempt to hedge or reduce the overall risk of its investments. The Company's ability to use these strategies may be limited by, amongst other factors, market conditions, regulatory limits and tax considerations. The use of these strategies involves special risks, including:

1. dependence on the Investment Manager's ability to predict movements in the price of securities being hedged, currency fluctuations and movements in interest rates;
2. imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Company;
3. the absence of a liquid market for any particular instrument at any particular time;
4. the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in future trading means that futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Company, and
5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of the Company's assets will be segregated to cover its obligations.

18.9 Counterparty risk

The Company will be exposed to credit risk on the counterparties with which it trades in relation to financial derivative instrument contracts that are not traded on a recognised exchange. Such instruments do not afford the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance of guarantee of an exchange clearing house. The Company will be subject to the possibility of insolvency, bankruptcy or default of a counter party with which the Company trades such instruments, which could result in substantial loss to a Fund.

18.10 Investing in High Yield Bonds

High yield bonds are regarded as being predominately speculative as to the issuer's ability to make payments of principal and interest. Investment in such securities involves substantial risk. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, the Company may experience losses and incur costs.

The investments of the Compartment are subject to market fluctuations and the risks inherent to investments in transferable securities and other eligible assets. There is no guarantee that the investment- return objective will be achieved. The value of investments and the income they generate may increase or decrease as well as up and it is possible that investors will not recover their initial investments.

18.11 Concentration and diversification

While it is the intention of the Compartment to build-up a diversified portfolio of assets, the Compartment may be exposed during a specific period of time (e.g. the ramp-up period or the liquidation stage) to a limited number of investments.

The provisions of the CSSF's Circular 07/309 on risk spreading related to specialised investment funds above-mentioned will have to be complied with on an on-going-basis.

18.12 Risks linked to the valuation of the assets

The Compartment may hold a minor portion of its assets in unlisted assets, the valuation of unlisted assets depends on subjective factors and can be difficult to realize with accuracy.

Furthermore the accounting, auditing and financial reporting standards in specific may not correspond to International Financial Accounting Standards or are not equivalent to those applicable in more developed market economies. This is because accounting and auditing has been carried out solely as a function of compliance with tax legislation. The reliability and quality of information which will be collected in order to value the assets of the Compartment may therefore be less reliable than in respect of investments in more developed markets economies.

18.13 Risks linked to debt investments

In order to gain exposure to targeted assets the Compartment may invest in various types of debt instruments. Consequently the Compartment may be exposed to credit risk including default, interest risk and credit spread risk. Furthermore the Compartment may be exposed to the integrity of the issuer's management, its commitment to repay the loan, its qualification, its operating record, its emphasis in strategic direction, financial philosophy, operational management and control systems. In

particular, the Compartment may be exposed to the capacity of the issuer's ability to generate cash flow to repay its debt obligations.

18.14 Risks linked to equity Investments

In order to gain exposure to real estate projects, the Compartment may invest in various types of equity. Equity investments can experience failures or substantial declines in value at any stage. The investments made by the Compartment may be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. Sales of equity may not always be possible, and may therefore have to be made at substantial discounts. Equity holders have in general an inferior rank towards debt holders and so are exposed to higher risks. Furthermore the Compartment is entitled to take privately negotiated equity participations in entities investing, financing, developing managing and trading environmental, energy and water assets. Those investments have private equity characteristics and typically involve uncertainties that cannot be compared to those arising in the case of other type of assets.

18.15 Structured Product

Investing in a structured product, imply a market risk and a counterparty risk. The importance of this risk is linked to the level of solvability of the issuer. The risks associated with structured products, especially those products that present risks of loss of principal due to market movements, are similar to those risks involved with options.

In the case of a "principal protected" product, these products may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company.

This product bears the additional risk of a credit event or early redemption of the reference bond which may have a negative impact on the value of the product and result in an early redemption of the product.

18.16 Risk of Conflict of Interests and Divergent interests.

The General Partner may be subject to a conflict of interests or exposed to divergent interests, it cannot be assured that such conflict of interests or divergent interests will always be resolved in a manner that the shareholders of the Compartment perceive to be in their best interest.

If such risk materialises, the ability of the Compartment to generate income may be adversely affected. As a result, profitability of the Compartment may be impaired leading to reduced returns to shareholders.

18.17 Co-Investment Risk

The AIFM intends to pursue its investment strategy by making co-investments in companies or issuers of securities which are open to third party investors and also managed by the representatives of the AIFM or on which the latter may have influence.

The Compartment is subject to the risk that the representatives of the AIFM may consider favorably the interests of third party investors and therefore may not always act in the interest of the shareholders of the Compartment.

If any of the above risks materialises, the ability of the Compartment to generate income may be adversely affected. As a result, profitability of the Fund may be impaired leading to reduced returns to shareholders.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in an investment in the Company. Prospective investors should read the entire Issuing Document and fully evaluate all other information that they deem to be necessary for determining whether to invest in the Compartment. Prospective investors should ensure that

they fully understand the contents of this Issuing Document and, if in any doubt, should consult their own professional advisers.

SPECIAL SECTION VIII LUXIF – THE KEYHOLDER FUND

This Special Section is valid only if accompanied by the General Section.

The provisions of this Special Section only refer to **Luxif – The Keyholder Fund** (the "**Compartment**").

Introduction

The Compartment aims to provide investors with stable returns whilst constantly striving to maintain a low volatility. The investment objective of the Compartment is to produce positive absolute returns with low volatility and low correlation with global fixed income and equity markets.

The Compartment will identify, assess, select and manage investments in strategically preferred asset classes, aiming to preserve the investor's capital and to provide an adequate rate of return on investment. The overall strategy is to focus on a low volatility of the portfolio and its returns to answer the needs of investors who wish to achieve steady returns whilst avoiding the sharp swings that financial markets experience.

The Compartment may also make investments for hedging purposes in order to address perceived misalignment between the Compartment's investment exposures and current or anticipated market conditions.

1. INVESTMENT POLICY

1.1 Investment Objective

The investment objective of the Compartment is to achieve long-term capital appreciation and preservation of capital while lowering volatility.

The objective of the Compartment will be to maximise income yields and achieve long-term capital growth for its investors by investing into a portfolio of equity investment funds, structured products, emerging market bond funds, higher yielding European bonds, real estate funds and/or funds of funds and cash. Investment into other investment funds is permitted as defined in the Section "Investment Strategy & Policy" below.

The Compartment will invest its assets primarily in alternative investment funds as well as in hedge funds.

The prime attraction of investing in the fund should be to achieve:

- Medium correlation to broader equity and bond markets;
- Consistent and sustainable returns;
- Medium volatility risk;
- Enhanced degree of capital preservation.

The Compartment expects to return an average of between 4% and 10% per annum net of fees, over a five to seven year investment horizon.

1.2 Investment Strategy

The Compartment will primarily focus on downside protection and creating returns which are the drivers of long-term performance.

The Compartment will construct a portfolio combining several types of securities within the investment limits as outlined below with corresponding yield targets over a five-seven year investment horizon:

- Up to 40 % to various issues of corporate Euro Medium Term Notes (yield target 4 - 8% p.a.);
- Up to 30 % into structured products (yield target 5% p.a.);
- Up to 40 % into daily/weekly dealing investment funds (yield target 8-10% p.a.);
- Up to 75 % into Luxembourg securitisation funds and/or Luxembourg securitisation companies with less frequent dealing i.e. twice monthly;
- Up to 20 % in cash deposits (yield target 1% p.a.);
- Up to 75% in listed equities.

Approximately 60 % of the net assets of the Compartment will be allocated to companies (or to investment vehicles) dedicated to cancer research, the remaining part of the investments will be diversified pursuant to the policy as set out here below.

By blending and spreading the portfolio's assets across a broad range of types of securities, sub-strategies and individual funds from the extensive choice available within the investment universe, a diversified and non-correlated portfolio can be achieved.

In order to mitigate the currency risk, the Compartment will have the possibility to hedge any currency exposure into the currency of the Share Class (see point 3).

The Compartment will make selective asset allocation decisions based on a sound assessment of underlying investment potential offered by each security. The investment strategy will be process driven, following a strategy of diversification over a broad number of investments and portfolio limits to avoid over exposure to any specific security.

The Compartment's investment strategy is based on five steps:

- Assessing the investment universe, on-going review of the alternative sectors.
- Development of a target asset allocation, using an optimizer to construct a portfolio with low volatility.
- Definition of optimal portfolio composition, qualitatively assessing each target investment for portfolio allocation.
- Rigorous quantitative and qualitative due diligence process (Track Record & Value Analysis, Ratings Surveillance, Reference Checks, Legal Due Diligence).
- Portfolio Management: Performance Measurement, Return enhancement, Risk control, Reporting, Predictability and Transparency.

Pursuant to the CSSF's Circular 07/309, the AIFM will at any time intend to comply with the applicable framework in terms of risk spreading rules and therefore will not allocate more than 30% of the Compartment in the same financial instrument issued by the same issuer except in the case of government bonds issued by an OECD Member States.

With respect to the diversification requirements set down in this Special Section, the Compartment's investment targets will be located, inter alia, predominantly in the European Union, i.e. for instance Germany, the United Kingdom or Luxembourg, but also in non-European jurisdictions as the Cayman Islands, the Channel Islands or the Isle of Man.

All the securities in which the Compartment invests may be denominated in various international currencies.

Leverage

The Compartment may not borrow money, except on an ancillary basis in order to meet redemptions of Shares.

Liquidity Policy

The Compartment will always maintain an appropriate cash balance or very liquid assets to face potential redemption and new opportunities. The intention is that 30% of the portfolio should be realisable to cash within 90 days in normal market conditions.

Form of Investments

The Compartment will primarily hold indirect investments and will have the ability to hold direct investments, cash, investment funds, structured products and especially fixed income issues ("EMTNs") from other fund structures.

The net assets of the Compartment will be invested in assets admitted to the official listing of a stock exchange or negotiated on a regulated market but it will also invest into less regulated markets. These investments may be denominated in various currencies.

The Compartment will not grant any loan to any entity in which it will invest.

Reference Currency and Currency Hedging

The Reference Currency of the Sub-Fund is GBP.

The AIFM may seek to hedge any foreign currency exposure of the various Shares classes to currencies other than the Reference Currency primarily through entering into spot and forward foreign exchange contracts such as **options** and **futures** on a regulated market, foreign exchange futures contracts, put or call options on foreign exchange, cross-currency swap transactions, or by using other methods of reducing exposure to currency fluctuations provided that the financial derivative instruments do not expose the Compartment to risks that it could not otherwise assume.

Currency hedging is mainly used by the AIFM in an attempt to ensure that the value of the Compartment's portfolio is not diminished by adverse currency movements.

The AIFM may attempt to hedge this exposure for the benefit of the range of the Compartment portfolio for which it applies the investment approach detailed above. In any case the total exposure through derivatives may never exceed 100 % of the Net Asset Value of the Compartment. Such hedging transactions will be labelled by the AIFM as "portfolio hedging". The AIFM may appoint an adviser to manage the hedging process on behalf of the AIFM.

Portfolio hedging may incur costs (directly or indirectly related to the spread between bid and offer rates) which will be allocated to the Compartment, pro rata, according to the size of the respective hedge positions. The profits or losses from any currency hedges will also be allocated in the same proportion to the Compartment.

The Sub-Fund has to comply with the diversification principle for the eligible assets comprising the portfolio of the Sub-Fund within six (6) months after the end of the Initial Offering Period (as defined below).

No assurance can be given that the Compartment's investment objective and strategy will be achieved or there will be any return of capital and investment results may vary substantially over time.

1.3 Investment restrictions and passive breach

The Compartment is subject to the investment restrictions laid down under Section 4.2 of the General Section.

The Compartment will not engage or have recourse to prime brokers.

In order to comply with the laws and regulations of the countries where the Shares are offered or placed, the Compartment may have further investment restrictions as shall be compatible with or be in the interest of the Investors. In such a case, the Special Section will be amended accordingly.

The Compartment has to comply with these investment restrictions within six (6) months after the end of the Initial Offering Period.

The investment restrictions may be breached as a result of changes in the price or value of assets of the Compartment brought about solely through movements in the market ("passive breach"). In such circumstances the AIFM shall take all necessary steps to bring the Compartment back within the investment restrictions except where the AIFM reasonably believes that this would be prejudicial to the interests of the Compartment or of the Investors.

2. TERM OF THE COMPARTMENT

The Compartment has been created with an undetermined duration.

3. REFERENCE CURRENCY AND CLASSES OF SHARES

The Reference Currency of the Compartment is GBP.

The General Partner has decided to issue three classes of Ordinary Shares:

Ordinary Shares Class A GBP (CAP-A), which is an Accumulation Class (capitalisation type), denominated in GBP and reserved to Well-Informed or Professional Investors.

Ordinary Shares Class B USD (CAP-B), which is an Accumulation Class (capitalisation type), denominated in USD and reserved to Well-Informed or Professional Investors.

Ordinary Shares Class B GBP (CAP-B), which is an Accumulation Class (capitalisation type), denominated in GBP and reserved to Well-Informed or Professional Investors.

The exposure to currencies other than the currency denomination of the Share Class may be hedged into the currency of the Share Class.

All classes of Ordinary Shares (CAP) may be subscribed by any Investor who is a Well-Informed Investor or a Professional Investor and who is not a Restricted Investor further to the conditions set out in the General Section.

In the event that in the future additional Classes are created, this Special Section would be amended accordingly.

4. VALUATION DAY AND VALUATION METHODOLOGY

Each Class of Shares of the Compartment shall be valued on a fortnightly basis, i.e. on the 2nd and 4th Friday of every month (each a "**Valuation Day**") and made available within 5 Business Days to Shareholders.

The Compartment's investments are reviewed and evaluated on a regular basis. The Investments are evaluated on a consistent basis, using the regular pricing updates issued by investment funds holding and market values for direct holdings.

The value of any assets will be determined as follows:

1. The value of any cash on hand or on deposit, money market instruments, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
2. Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or using an amortised cost method. This amortised cost method may result in periods during which the value deviates from the price the Compartment would receive if it sold the investment. The AIFM and the Investment Adviser may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the AIFM and the Investment Adviser. If the AIFM in conjunction with the Investment Adviser believes that a deviation from the amortised cost method may result in material dilution or other unfair results to Investors, the AIFM shall take such corrective action, if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results. All other securities and other assets will be valued at fair market value as determined in good faith pursuant to the procedures established by the AIFM. The value of all assets and liabilities not expressed in the Reference Currency (as below defined) of the Compartment will be converted into the Reference Currency of the Compartment at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the AIFM and the Investment Adviser.

The AIFM and the Investment Adviser, in their discretion and in respect of the industry guidelines, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Compartment.

For the avoidance of doubt, should the related provisions of the General Section conflict with the above-mentioned valuation methodology, the latter shall prevail for the Compartment.

5. SUBSCRIPTION OF SHARES DURING THE INITIAL OFFERING PERIOD

Ordinary Shares Class A GBP (CAP-A)

The Initial Offering Period of Ordinary Shares Class A GBP (CAP-A) shall start on 01st July 2017 and end on 31st July 2017, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class A GBP (CAP-A) is GBP 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in GBP for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

Ordinary Shares Class B USD (CAP-B)

The Initial Offering Period of Ordinary Shares Class B USD (CAP-B) shall start on 01st July 2017 and end on 31st July 2017, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class B USD (CAP-B) is USD 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in USD for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

Ordinary Shares Class B GBP (CAP-B)

The Initial Offering Period of Ordinary Shares Class B GBP (CAP-B) shall start on 01st July 2017 and end on 31st July 2017, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class B GBP (CAP-B) is GBP 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in GBP for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

For the avoidance of doubt, no Subscription Fee shall be levied for **Ordinary Shares Class B GBP (CAP-B)**.

The General Partner reserves the right to refuse at its discretion any subscription request.

6. SUBSCRIPTION OF SHARES AFTER THE INITIAL OFFERING PERIOD

After the Initial Offering Period, Investors may subscribe Shares in accordance with the terms and provisions set out below.

The relevant Investor must submit a Subscription Agreement to the Administrative Agent to be received by the Administrative Agent before 1:00 pm C.E.T. ("cut-off time") no later than **one (1) Business Day** prior to the relevant Valuation Day. Subscription Agreements received after this cut-off time shall be deemed to be received and will be processed on the following Valuation Day.

The minimum initial subscription amount per Investor is GBP 10,000 unless otherwise provided under Article 2 (1) of the law of 13 February 2007 on Specialised Investment Funds as amended whereby an initial subscription amount per Investor set at EUR 125,000.- may be required, in that specific situation, subsequent minimum investment by existing Shareholders of the Compartment is GBP 10,000.- subject to the discretion of the General Partner to reduce such amount.

Subsequent investments and redemptions by the same investor can be for lower amounts with a minimum at all times to be not less than GBP 100.

For the avoidance of doubt, no Subscription Fee shall be levied for **Ordinary Shares Class A GBP (CAP-A), Ordinary Shares Class B USD (CAP-B) or Ordinary Shares Class B GBP (CAP-B)**.

The relevant Investor must deliver to the account of the Custodian cleared funds in GBP or equivalent in the relevant currency of each class of Shares for the full amount of the subscription pursuant to the subscription request within three Business Days following the relevant Valuation Day at the latest. In case of non-payment of the subscription request monies, the request(s) can be cancelled by the General Partner. In case of late payment of the subscription requests' monies, the request may be executed at the next Valuation Day.

Notwithstanding the above, the General Partner may, at any time after the Initial Offering Period, decide to close the Compartment for further subscriptions or to accept new subscriptions only from existing Shareholders in the Compartment.

7. REDEMPTION OF SHARES

Redemption requests must be sent in writing to the Administrative Agent or such other place as the Company may indicate. Redemption requests must be received by the Administrative Agent before 1:00 pm C.E.T. ("**cut-off time**") no later than **five (5) Business Days** prior to the relevant Valuation Day. Redemption requests received after this cut-off time shall be deemed to be received on the following Valuation Day and the redemption price shall be calculated on the basis of the Net Asset Value per Share of the Compartment as of that one following Valuation Day.

The redemption notice period applicable to all Shareholders may be reduced by the General Partner at its absolute discretion.

Any redemption request must be in respect of a minimum of ten (10) Shares, subject to the discretion of the General Partner to accept a smaller number of Shares to be redeemed.

For the **Ordinary Shares Class B GBP (CAP-B) and Ordinary Shares Class B USD (CAP-B)** the General Partner shall not be entitled to levy any redemption fee.

For the **Ordinary Shares Class A GBP (CAP-A)**, the General Partner may levy redemption fee as follows:

- 6 % if the redemption occurs within 24 months after the date of subscription.
- 5 % if the redemption occurs between 25 months and 36 months after the date of subscription.
- 4 % if the redemption occurs between 37 months and 48 months after the date of subscription.
- 3 % if the redemption occurs between 49 months and 60 months after the date of subscription.
- No redemption fees if the redemption occurs 60 months after the date of subscription.

The above-mentioned redemption fee rates shall be calculated out of the redeemed amount to be paid to the Shareholders.

The redemption proceeds will normally be paid in the currency of the Share Class within a maximum of 10 (ten) Business Days after the relevant Valuation Day.

8. CONVERSION OF SHARES

No conversion of Shares of this Compartment in Shares of another Compartment is permitted.

9. INVESTMENT COMMITTEE

The General Partner has not established any Investment Committee for this Compartment.

10. INVESTMENT MANAGER

The Company has not appointed any external investment manager for the management of the portfolio of the Compartment.

The Compartment's portfolio will be directly managed by the General Partner with the assistance of the Investment Adviser, who will provide investment advisory services in relation to the Compartment.

The General Partner is authorized to invest and re-invest all monies and assets of the Compartment and to exercise any rights in relation to such assets, held (now and in the future) with the Custodian, in

its complete and absolute discretion. Such discretion is, however, to be exercised in compliance with the investment restrictions and the investment policy defined in this Special Section.

For the purpose of achieving its duties and missions, the General Partner shall, inter alia:

- have the broadest powers necessary to manage, as the case may be, the assets of the Compartment and to conduct, on a discretionary basis, the implementation of the investment policy of the Compartment;
- monitor the Compartment's investments, so as to ensure that the Compartment's portfolio is managed in accordance with the provisions of the General Section and the Special Section;
- as the case may be, purchase and sell underlying assets of the Compartment and otherwise manage its assets on a daily basis;
- provide the necessary support required so as to properly conduct the management of the Compartment.

The General Partner shall be entitled to receive a Management Fee.

11. INVESTMENT ADVISER

In accordance with Section 6.6 of the General Section, the General Partner has appointed Cogent Asset Management Ltd, a company having established its registered seat at Unit Level 11(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia and registered with the Labuan Financial Services Authority under the registration number LL09838 as investment adviser (the **Investment Adviser**) to the Compartment pursuant to a resolution dated on or around 15th July 2017.

The Investment Adviser shall be responsible for advising the General Partner through its participation in meetings to be held in Luxembourg, in relation to, inter alia, the management of the Compartment's assets. The Investment Adviser shall not be vested with the power to take investment decisions.

The services, which are provided by the Investment Adviser subject to the overall responsibility of the General Partner, include, without limitation:

- (i) identifying, analysing and structuring of new investments;
- (ii) preparing and assisting in negotiating the terms and the financing of investments;
- (iii) making recommendations as to capital improvements, financing, refinancing, acquisition and disposition of investments; and
- (iv) reporting on a regular basis to the General Partner.

The Investment Adviser will be entitled to investment advisory Fee and performance fee.

Any further details on the duties, rights and obligations of the Investment Adviser are outlined in the Investment Advisory Agreement.

12. INVESTMENT ADVISORY FEE

Pursuant to a resolution dated 15th July 2017 adopted by the General Partner, the Investment Adviser, as remuneration for its investment advisory services provided to the Compartment, is entitled to receive an annual investment advisory fee out of the Management Fee of 0.20% per annum of the net assets value of the Compartment on assets up to GBP 40 million and 0.15% per annum of the net asset

value of the Compartment on the incremental net asset value over GBP 40 million paid out of the Management Fee.

The investment advisory fee is payable monthly in arrears.

According to the provisions of Section 6.6, a portion of the Investment Advisory Fee may discretionarily be used by the Investment Adviser for purposes of remunerating any sub-advisers.

13. MANAGEMENT FEE

The General Partner is entitled to receive a Management Fee per annum out of the Net Asset Value of the Compartment that will differ for each Ordinary Shares Classes as follows, as remuneration for the investment management services provided to the Compartment:

- Ordinary Shares Class A GBP (CAP-A): 0.5%
- Ordinary Shares Class B USD (CAP-B): 1.5%
- Ordinary Shares Class B GBP (CAP-B): 1.5%

The Management Fee is calculated and accrued on each Valuation Day on the basis of the net assets of the Compartment and payable quarterly in arrears.

14. PERFORMANCE FEE

No performance fee is currently envisaged.

15. DISTRIBUTION POLICY

It is not the intention of the General Partner to adopt a distribution policy for each Class of Shares. However, should there be a distribution of capital from one or more of the underlying investments, a capital distribution from the fund may be offered.

Normally, no dividend or interim dividend shall be distributed in cash and/in kind to Shareholders of any Classes of Shares.

16. AMENDMENTS TO THIS SPECIAL SECTION

Subject to regulatory approval, the General Partner may amend the provisions of this Special Section as follows:

- (i) where the change is determined by the General Partner not to be material, upon decision of the General Partner; or
- (ii) where the change is determined by the General Partner to be material, only following the Compartment's Consent.

Shareholders will be notified by the General Partner of all amendments that are adopted without their consent in accordance with Section 16 of this Special Section.

No variation may be made to this Section 16 without the unanimous consent of all Shareholders of the Compartment.

17. CONFLICT OF INTERESTS AND DIVERGENT INTERESTS

The members of the governing body of the General Partner currently manage and operate other entities where the assets of the Compartment may be invested in. These entities may have similar, divergent or different objectives as those of the Compartment.

As a result, the representatives of the General Partner may be engaged directly or indirectly in substantial activities other than on behalf of the Fund and may have differing or divergent economic interests in respect of such activities and may have conflicts of interest in allocating investment opportunities and their time between the Compartment and the aforementioned entities.

Each investor should be aware of the conflicting or/and divergent interests inherent in such matters, notwithstanding all attempts at fairness and completeness, and make whatever due diligence efforts he or she deems prudent and necessary before undertaking an investment in the Compartment.

18. SPECIFIC RISK FACTORS

An investment in the Compartment is associated with a certain degree of risk and it is possible that an investor may lose a substantial proportion or all of its investment in the Compartment. The value of an investment may decline due to general market conditions, such as real or perceived adverse economic conditions or general adverse investment sentiment. Prospective investors should consider, amongst others, risk factors as described in Section 5 "General Risk Factors" of the General Section of the Issuing Document and the following factors before subscribing to the Shares:

18.1 General economic conditions

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

18.2 Lack of operating history

The Compartment is newly formed. There can be no assurance that the Compartment will achieve its investment objectives. The past investment performance of the Investment Adviser may not be construed as an indication of the future results of an investment in the Compartment.

18.3 Lack of liquidity in markets

Despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and instruments may have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Compartment, both in the realisation of the prices which are quoted and in the execution of orders at desired prices. In addition, some of the investments in the portfolio may have a period of up to five years from the date of original investment for the investment to be realised.

18.4 Net Asset Value considerations

The Net Asset Value per Share of each Compartment is expected to fluctuate over time with the performance of such Compartment's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder.

18.5 Interest rate risk

Investments in bonds or other fixed income securities may fall in value if the interest rates change. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

18.6 Leverage - credit risk

While the use of leverage may increase the return on the invested capital, it also creates greater potential for loss. There can be no assurance that the Compartment, in incurring debt, will be able to meet its loan obligations.

Credit risk involves the risk that an issuer of a bond or similar money-market instruments held by the Compartment may default on its obligations to pay revenue and repay principal and the Compartment will not recover its investment.

18.7 Investing in Derivatives

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for hedging purposes. Should the Investment Manager expectations in employing such techniques and instruments be incorrect, the Company may suffer a substantial loss, having an adverse effect on the Net Asset Value of the Shares.

18.8 Financial Derivative Instruments and Hedging Strategies

Investments of the Company may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the net asset value of the Company concerned. Investments using derivatives may be undertaken both for hedging and for trading purposes.

Where such transactions are used for hedging purposes, the existence of a direct link between them and the assets to be hedged is necessary, which means in principle that the volume of deals made in a given currency or market cannot exceed the total value of the assets denominated in that currency, invested in this market or the term for which the portfolio assets are held. In principle no additional market risks are inflicted by such operations. The additional risks are therefore limited to the derivative specific risks.

The Company may use financial derivative instruments to attempt to hedge or reduce the overall risk of its investments. The Company's ability to use these strategies may be limited by, amongst other factors, market conditions, regulatory limits and tax considerations. The use of these strategies involves special risks, including:

1. dependence on the Investment Manager's ability to predict movements in the price of securities being hedged, currency fluctuations and movements in interest rates;
2. imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Company;
3. the absence of a liquid market for any particular instrument at any particular time;
4. the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in future trading means that futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Company, and

5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of the Company's assets will be segregated to cover its obligations.

18.9 Counterparty risk

The Company will be exposed to credit risk on the counterparties with which it trades in relation to financial derivative instrument contracts that are not traded on a recognised exchange. Such instruments do not afford the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance of guarantee of an exchange clearing house. The Company will be subject to the possibility of insolvency, bankruptcy or default of a counter party with which the Company trades such instruments, which could result in substantial loss to a Fund.

18.10 Investing in High Yield Bonds

High yield bonds are regarded as being predominately speculative as to the issuer's ability to make payments of principal and interest. Investment in such securities involves substantial risk. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, the Company may experience losses and incur costs.

The investments of the Compartment are subject to market fluctuations and the risks inherent to investments in transferable securities and other eligible assets. There is no guarantee that the investment- return objective will be achieved. The value of investments and the income they generate may increase or decrease as well as up and it is possible that investors will not recover their initial investments.

18.11 Concentration and diversification

While it is the intention of the Compartment to build-up a diversified portfolio of assets, the Compartment may be exposed during a specific period of time (e.g. the ramp-up period or the liquidation stage) to a limited number of investments.

The provisions of the CSSF's Circular 07/309 on risk spreading related to specialised investment funds above-mentioned will have to be complied with on an on-going-basis.

18.12 Risks linked to the valuation of the assets

The Compartment may hold a minor portion of its assets in unlisted assets, the valuation of unlisted assets depends on subjective factors and can be difficult to realize with accuracy.

Furthermore the accounting, auditing and financial reporting standards in specific may not correspond to International Financial Accounting Standards or are not equivalent to those applicable in more developed market economies. This is because accounting and auditing has been carried out solely as a function of compliance with tax legislation. The reliability and quality of information which will be collected in order to value the assets of the Compartment may therefore be less reliable than in respect of investments in more developed markets economies.

18.13 Risks linked to debt investments

In order to gain exposure to targeted assets the Compartment may invest in various types of debt instruments. Consequently the Compartment may be exposed to credit risk including default, interest

risk and credit spread risk. Furthermore the Compartment may be exposed to the integrity of the issuer's management, its commitment to repay the loan, its qualification, its operating record, its emphasis in strategic direction, financial philosophy, operational management and control systems. In particular, the Compartment may be exposed to the capacity of the issuer's ability to generate cash flow to repay its debt obligations.

18.14 Risks linked to equity Investments

In order to gain exposure to real estate projects, the Compartment may invest in various types of equity. Equity investments can experience failures or substantial declines in value at any stage. The investments made by the Compartment may be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. Sales of equity may not always be possible, and may therefore have to be made at substantial discounts. Equity holders have in general an inferior rank towards debt holders and so are exposed to higher risks. Furthermore the Compartment is entitled to take privately negotiated equity participations in entities investing, financing, developing managing and trading environmental, energy and water assets. Those investments have private equity characteristics and typically involve uncertainties that cannot be compared to those arising in the case of other type of assets.

18.15 Structured Product

Investing in a structured product, imply a market risk and a counterparty risk. The importance of this risk is linked to the level of solvability of the issuer. The risks associated with structured products, especially those products that present risks of loss of principal due to market movements, are similar to those risks involved with options.

In the case of a "principal protected" product, these products may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company.

This product bears the additional risk of a credit event or early redemption of the reference bond which may have a negative impact on the value of the product and result in an early redemption of the product.

18.16 Risk of Conflict of Interests and Divergent interests.

The General Partner may be subject to a conflict of interests or exposed to divergent interests, it cannot be assured that such conflict of interests or divergent interests will always be resolved in a manner that the shareholders of the Compartment perceive to be in their best interest.

If such risk materialises, the ability of the Compartment to generate income may be adversely affected. As a result, profitability of the Compartment may be impaired leading to reduced returns to shareholders.

18.17 Co-Investment Risk

The AIFM intends to pursue its investment strategy by making co-investments in companies or issuers of securities which are open to third party investors and also managed by the representatives of the AIFM or on which the latter may have influence.

The Compartment is subject to the risk that the representatives of the AIFM may consider favorably the interests of third party investors and therefore may not always act in the interest of the shareholders of the Compartment.

If any of the above risks materialises, the ability of the Compartment to generate income may be adversely affected. As a result, profitability of the Fund may be impaired leading to reduced returns to shareholders.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in an investment in the Company. Prospective investors should read the entire Issuing Document and fully evaluate all other information that they deem to be necessary for determining whether to invest in the Compartment. Prospective investors should ensure that they fully understand the contents of this Issuing Document and, if in any doubt, should consult their own professional advisers.

SPECIAL SECTION IX LUXIF – AMATHUS BLUE FUND

This Special Section is valid only if accompanied by the General Section.

The provisions of this Special Section only refer to **Luxif – Amathus Blue Fund** (the "**Compartment**").

Introduction

The Compartment aims to provide investors with stable returns whilst constantly striving to maintain a low volatility. The investment objective of the Compartment is to produce positive absolute returns with low volatility and low correlation with global fixed income and equity markets.

The Compartment will identify, assess, select and manage investments in strategically preferred asset classes, aiming to preserve the investor's capital and to provide an adequate rate of return on investment. The overall strategy is to focus on a low volatility of the portfolio and its returns to answer the needs of investors who wish to achieve steady returns whilst avoiding the sharp swings that financial markets experience.

The Compartment may also make investments for hedging purposes in order to address perceived misalignment between the Compartment's investment exposures and current or anticipated market conditions.

1. INVESTMENT POLICY

1.1 Investment Objective

The investment objective of the Compartment is to achieve long-term capital appreciation and preservation of capital while lowering volatility.

The objective of the Compartment will be to maximise income yields and achieve long-term capital growth for its investors by investing into a portfolio of equity investment funds, structured products, emerging market bond funds, higher yielding European bonds, real estate funds and/or funds of funds and cash. Investment into other investment funds is permitted as defined in the Section "Investment Strategy" below.

The Compartment will invest its assets primarily in alternative investment funds as well as in hedge funds.

The prime attraction of investing in the fund should be to achieve:

- Medium correlation to broader equity and bond markets;
- Consistent and sustainable returns;
- Medium volatility risk;
- Enhanced degree of capital preservation.

The Compartment expects to return an average of between 4% and 10% per annum net of fees, over a five to seven year investment horizon.

1.2 Investment Strategy

The Compartment will primarily focus on downside protection and creating returns which are the drivers of long-term performance.

The Compartment will construct a portfolio combining several types of securities within the investment limits as outlined below with corresponding yield targets over a five-seven year investment horizon:

- Up to 40 % to various issues of corporate Euro Medium Term Notes (yield target 4 - 8% p.a.);
- Up to 30 % into structured products (yield target 5% p.a.);
- Up to 40 % into daily/weekly dealing investment funds (yield target 8-10% p.a.);
- Up to 75 % into Luxembourg securitisation funds and/or Luxembourg securitisation companies with less frequent dealing i.e. twice monthly;
- Up to 20 % in cash deposits (yield target 1% p.a.);
- Up to 75% in listed equities.

By blending and spreading the portfolio's assets across a broad range of types of securities, sub-strategies and individual funds from the extensive choice available within the investment universe, a diversified and non-correlated portfolio can be achieved.

In order to mitigate the currency risk, the Compartment will have the possibility to hedge any currency exposure into the currency of the Share Class (see point 3).

The Compartment will make selective asset allocation decisions based on a sound assessment of underlying investment potential offered by each security. The investment strategy will be process driven, following a strategy of diversification over a broad number of investments and portfolio limits to avoid over exposure to any specific security.

The Compartment's investment strategy is based on five steps:

- Assessing the investment universe, on-going review of the alternative sectors.
- Development of a target asset allocation, using an optimizer to construct a portfolio with low volatility.
- Definition of optimal portfolio composition, qualitatively assessing each target investment for portfolio allocation.
- Rigorous quantitative and qualitative due diligence process (Track Record & Value Analysis, Ratings Surveillance, Reference Checks, Legal Due Diligence).
- Portfolio Management: Performance Measurement, Return enhancement, Risk control, Reporting, Predictability and Transparency.

Pursuant to the CSSF's Circular 07/309, the AIFM will at any time intend to comply with the applicable framework in terms of risk spreading rules and therefore will not allocate more than 30% of the Compartment in the same financial instrument issued by the same issuer except in the case of government bonds issued by an OECD Member States.

With respect to the diversification requirements set down in this Special Section, the Compartment's investment targets will be located, *inter alia*, predominantly in the European Union, i.e. for instance Germany, the United Kingdom or Luxembourg, but also in non-European jurisdictions as the Cayman Islands, the Channel Islands or the Isle of Man.

All the securities in which the Compartment invests may be denominated in various international currencies.

Leverage

The Compartment may not borrow money, except on an ancillary basis in order to meet redemptions of Shares.

Liquidity Policy

The Compartment will always maintain an appropriate cash balance or very liquid assets to face potential redemption and new opportunities. The intention is that 30% of the portfolio should be realisable to cash within 90 days in normal market conditions.

Form of Investments

The Compartment will primarily hold indirect investments and will have the ability to hold direct investments, cash, investment funds, structured products and especially fixed income issues (“EMTNs”) from other fund structures.

The net assets of the Compartment will be invested in assets admitted to the official listing of a stock exchange or negotiated on a regulated market but it will also invest into less regulated markets. These investments may be denominated in various currencies.

The Compartment will not grant any loan to any entity in which it will invest.

Reference Currency and Currency Hedging

The Reference Currency of the Sub-Fund is GBP.

The AIFM may seek to hedge any foreign currency exposure of the various Shares classes to currencies other than the Reference Currency primarily through entering into spot and forward foreign exchange contracts such as **options** and **futures** on a regulated market, foreign exchange futures contracts, put or call options on foreign exchange, cross-currency swap transactions, or by using other methods of reducing exposure to currency fluctuations provided that the financial derivative instruments do not expose the Compartment to risks that it could not otherwise assume.

Currency hedging is mainly used by the AIFM in an attempt to ensure that the value of the Compartment's portfolio is not diminished by adverse currency movements.

The AIFM may attempt to hedge this exposure for the benefit of the range of the Compartment portfolio for which it applies the investment approach detailed above. In any case the total exposure through derivatives may never exceed 100 % of the Net Asset Value of the Compartment. Such hedging transactions will be labelled by the AIFM as "portfolio hedging". The AIFM may appoint an adviser to manage the hedging process on behalf of the AIFM.

Portfolio hedging may incur costs (directly or indirectly related to the spread between bid and offer rates) which will be allocated to the Compartment, pro rata, according to the size of the respective hedge positions. The profits or losses from any currency hedges will also be allocated in the same proportion to the Compartment.

The Sub-Fund has to comply with the diversification principle for the eligible assets comprising the portfolio of the Sub-Fund within six (6) months after the end of the Initial Offering Period (as defined below).

No assurance can be given that the Compartment's investment objective and strategy will be achieved or there will be any return of capital and investment results may vary substantially over time.

1.3 Investment restrictions and passive breach

The Compartment is subject to the investment restrictions laid down under Section 4.2 of the General Section.

The Compartment will not engage or have recourse to prime brokers.

In order to comply with the laws and regulations of the countries where the Shares are offered or placed, the Compartment may have further investment restrictions as shall be compatible with or be in the interest of the Investors. In such a case, the Special Section will be amended accordingly.

The Compartment has to comply with these investment restrictions within six (6) months after the end of the Initial Offering Period.

The investment restrictions may be breached as a result of changes in the price or value of assets of the Compartment brought about solely through movements in the market ("passive breach"). In such circumstances the AIFM shall take all necessary steps to bring the Compartment back within the investment restrictions except where the AIFM reasonably believes that this would be prejudicial to the interests of the Compartment or of the Investors.

2. TERM OF THE COMPARTMENT

The Compartment has been created with an undetermined duration.

3. REFERENCE CURRENCY AND CLASSES OF SHARES

The Reference Currency of the Compartment is GBP.

The General Partner has decided to issue two classes of Ordinary Shares:

Ordinary Shares Class A (CAP-A), which is an Accumulation Class (capitalisation type), denominated in GBP and reserved to Well-Informed or Professional Investors.

Ordinary Shares Class B (CAP-B), which is an Accumulation Class (capitalisation type), denominated in GBP and reserved to Well-Informed or Professional Investors.

The exposure to currencies other than the currency denomination of the Share Class may be hedged into the currency of the Share Class.

All classes of Ordinary Shares (CAP) may be subscribed by any Investor who is a Well-Informed Investor or a Professional Investor and who is not a Restricted Investor further to the conditions set out in the General Section.

In the event that in the future additional Classes are created, this Special Section would be amended accordingly.

4. VALUATION DAY AND VALUATION METHODOLOGY

Each Class of Shares of the Compartment shall be valued on a fortnightly basis, i.e. on the 2nd and 4th Friday of every month (each a "**Valuation Day**") and made available within 5 Business Days to Shareholders.

The Compartment's investments are reviewed and evaluated on a regular basis. The Investments are evaluated on a consistent basis, using the regular pricing updates issued by investment funds holding and market values for direct holdings.

The value of any assets will be determined as follows:

1. The value of any cash on hand or on deposit, money market instruments, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at

after making such discount as may be considered appropriate in such case to reflect the true value thereof.

2. Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or using an amortised cost method. This amortised cost method may result in periods during which the value deviates from the price the Compartment would receive if it sold the investment. The AIFM and the Investment Adviser may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the AIFM and the Investment Adviser. If the AIFM in conjunction with the Investment Adviser believes that a deviation from the amortised cost method may result in material dilution or other unfair results to Investors, the AIFM shall take such corrective action, if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results. All other securities and other assets will be valued at fair market value as determined in good faith pursuant to the procedures established by the AIFM. The value of all assets and liabilities not expressed in the Reference Currency (as below defined) of the Compartment will be converted into the Reference Currency of the Compartment at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the AIFM and the Investment Adviser.

The AIFM and the Investment Adviser, in their discretion and in respect of the industry guidelines, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Compartment.

For the avoidance of doubt, should the related provisions of the General Section conflict with the above-mentioned valuation methodology, the latter shall prevail for the Compartment.

5. SUBSCRIPTION OF SHARES DURING THE INITIAL OFFERING PERIOD

Ordinary Shares Class A (CAP-A)

The Initial Offering Period of Ordinary Shares Class A (CAP-A) shall start on 01st July 2017 and end on 31st July 2017, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class A (CAP) is GBP 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in GBP for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

The AIFM shall be entitled to receive subscription fee amounting up to 5 % of the nominal amount to be subscribed per each investor. This fee may be shared with any Introducer or Distributor.

Ordinary Shares Class B (CAP-B)

The Initial Offering Period of Ordinary Shares Class B (CAP-B) shall start on 01st July 2017 and end on 31st July 2017, subject to the discretion of the General Partner to extend this Initial Offering Period.

The Initial Offering Price of Ordinary Shares Class B (CAP-B) is GBP 100 per Share.

The cut-off time is set at 1:00 pm C.E.T.

The relevant Investor must deliver to the account of the Custodian cleared funds in GBP for the full amount of the subscription pursuant to the Subscription Agreement before the end of the Initial Offering Period.

For the avoidance of doubt, no Subscription Fee shall be levied for **Ordinary Shares Class B (CAP-B)**.

The General Partner reserves the right to refuse at its discretion any subscription request.

6. SUBSCRIPTION OF SHARES AFTER THE INITIAL OFFERING PERIOD

After the Initial Offering Period, Investors may subscribe Shares in accordance with the terms and provisions set out below.

The relevant Investor must submit a Subscription Agreement to the Administrative Agent to be received by the Administrative Agent before 1:00 pm C.E.T. ("cut-off time") no later than **one (1) Business Day** prior to the relevant Valuation Day. Subscription Agreements received after this cut-off time shall be deemed to be received and will be processed on the following Valuation Day.

The minimum initial subscription amount per Investor is GBP 10,000 unless otherwise provided under Article 2 (1) of the law of 13 February 2007 on Specialised Investment Funds as amended whereby an initial subscription amount per Investor set at EUR 125,000.- may be required, in that specific situation, subsequent minimum investment by existing Shareholders of the Compartment is GBP 10,000.- subject to the discretion of the General Partner to reduce such amount.

Subsequent investments and redemptions by the same investor can be for lower amounts with a minimum at all times to be not less than GBP 100.

For the **Ordinary Shares Class A (CAP-A)** the General Partner shall be entitled to receive subscription fee amounting up to 5 % of the nominal amount to be subscribed per each investor.

For the avoidance of doubt, no Subscription Fee shall be levied for **Ordinary Shares Class B (CAP-B)**.

The relevant Investor must deliver to the account of the Custodian cleared funds in GBP or equivalent in the relevant currency of each class of Shares for the full amount of the subscription pursuant to the subscription request within three Business Days following the relevant Valuation Day at the latest. In case of non-payment of the subscription request monies, the request(s) can be cancelled by the General Partner. In case of late payment of the subscription requests' monies, the request may be executed at the next Valuation Day.

Notwithstanding the above, the General Partner may, at any time after the Initial Offering Period, decide to close the Compartment for further subscriptions or to accept new subscriptions only from existing Shareholders in the Compartment.

7. REDEMPTION OF SHARES

Redemption requests must be sent in writing to the Administrative Agent or such other place as the Company may indicate. Redemption requests must be received by the Administrative Agent before 1:00 pm C.E.T. ("**cut-off time**") no later than **five (5) Business Days** prior to the relevant Valuation Day. Redemption requests received after this cut-off time shall be deemed to be received on the following Valuation Day and the redemption price shall be calculated on the basis of the Net Asset Value per Share of the Compartment as of that one following Valuation Day.

The redemption notice period applicable to all Shareholders may be reduced by the General Partner at its absolute discretion.

Any redemption request must be in respect of a minimum of ten (10) Shares, subject to the discretion of the General Partner to accept a smaller number of Shares to be redeemed.

For the **Ordinary Shares Class A (CAP-A)** the General Partner shall not be entitled to levy any redemption fee.

For the **Ordinary Shares Class B (CAP-B)**, the General Partner may levy redemption fee as follows:

- 6 % if the redemption occurs within 24 months after the date of subscription.
- 5 % if the redemption occurs between 25 months and 36 months after the date of subscription.
- 4 % if the redemption occurs between 37 months and 48 months after the date of subscription.
- 3 % if the redemption occurs between 49 months and 60 months after the date of subscription.
- No redemption fees if the redemption occurs 61 months after the date of subscription.

The above-mentioned redemption fee rates shall be calculated out of the redeemed amount to be paid to the Shareholders.

The redemption proceeds will normally be paid in the currency of the Share Class within a maximum of 10 (ten) Business Days after the relevant Valuation Day.

8. CONVERSION OF SHARES

No conversion of Shares of this Compartment in Shares of another Compartment is permitted.

However, conversion of Shares of a Class into Shares of another Class within this Compartment except for GP Shares which are restricted to the General Partner is authorized with respect to each Valuation Day, for a fixed fee of GBP 250.- per conversion request.

Conversion requests must be received by the Administrative Agent before 1:00 pm Luxembourg time ("cut-off time") no later than fifteen (15) calendar days prior to the relevant Valuation Day. Conversion requests received after this cut-off time shall be deemed to be received on the next following Valuation Day and the applicable conversion ratios shall be calculated on the basis of the Net Asset Value per Share of the Class as of that next following Valuation Day.

Any conversion request must be in respect of a minimum of ten (10) Shares, subject to the discretion of the General Partner to accept a smaller number of Shares to be converted.

9. INVESTMENT COMMITTEE

The General Partner has not established any Investment Committee for this Compartment.

10. INVESTMENT MANAGER

The Company has not appointed any external investment manager for the management of the portfolio of the Compartment.

The Compartment's portfolio will be directly managed by the General Partner with the assistance of the Investment Adviser, who will provide investment advisory services in relation to the Compartment.

The General Partner is authorized to invest and re-invest all monies and assets of the Compartment and to exercise any rights in relation to such assets, held (now and in the future) with the Custodian, in

its complete and absolute discretion. Such discretion is, however, to be exercised in compliance with the investment restrictions and the investment policy defined in this Special Section.

For the purpose of achieving its duties and missions, the General Partner shall, inter alia:

- have the broadest powers necessary to manage, as the case may be, the assets of the Compartment and to conduct, on a discretionary basis, the implementation of the investment policy of the Compartment;
- monitor the Compartment's investments, so as to ensure that the Compartment's portfolio is managed in accordance with the provisions of the General Section and the Special Section;
- as the case may be, purchase and sell underlying assets of the Compartment and otherwise manage its assets on a daily basis;
- provide the necessary support required so as to properly conduct the management of the Compartment.

The General Partner shall be entitled to receive a Management Fee.

11. INVESTMENT ADVISER

In accordance with Section 6.6 of the General Section, the General Partner has appointed Cogent Asset Management Ltd, a company having established its registered seat at Unit Level 11(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia and registered with the Labuan Financial Services Authority under the registration number LL09838 as investment adviser (the **Investment Adviser**) to the Compartment pursuant to a resolution dated on or around 15th July 2017.

The Investment Adviser shall be responsible for advising the General Partner through its participation in meetings to be held in Luxembourg, in relation to, inter alia, the management of the Compartment's assets. The Investment Adviser shall not be vested with the power to take investment decisions.

The services, which are provided by the Investment Adviser subject to the overall responsibility of the General Partner, include, without limitation:

- (i) identifying, analysing and structuring of new investments;
- (ii) preparing and assisting in negotiating the terms and the financing of investments;
- (iii) making recommendations as to capital improvements, financing, refinancing, acquisition and disposition of investments; and
- (iv) reporting on a regular basis to the General Partner.

The Investment Adviser will be entitled to investment advisory Fee and performance fee.

Any further details on the duties, rights and obligations of the Investment Adviser are outlined in the Investment Advisory Agreement.

12. INVESTMENT ADVISORY FEE

Pursuant to a resolution dated 15th July 2017 adopted by the General Partner, the Investment Adviser, as remuneration for its investment advisory services provided to the Compartment, is entitled to receive an annual investment advisory fee out of the Management Fee of 0.20% per annum of the net assets value of the Compartment on assets up to GBP 40 million and 0.15% per annum of the net asset

value of the Compartment on the incremental net asset value over GBP 40 million paid out of the Management Fee.

The investment advisory fee is payable monthly in arrears.

According to the provisions of Section 6.6, a portion of the Investment Advisory Fee may discretionarily be used by the Investment Adviser for purposes of remunerating any sub-advisers.

13. MANAGEMENT FEE

The General Partner is entitled to receive a Management Fee per annum out of the Net Asset Value of the Compartment that will differ for each Ordinary Shares Classes as follows, as remuneration for the investment management services provided to the Compartment:

- Ordinary Shares Class A (CAP-A): 1.5%
- Ordinary Shares Class B (CAP-B): 2.5%

The Management Fee is calculated and accrued on each Valuation Day on the basis of the net assets of the Compartment and payable quarterly in arrears.

14. PERFORMANCE FEE

No performance fee is currently envisaged.

15. DISTRIBUTION POLICY

It is not the intention of the General Partner to adopt a distribution policy for each Class of Shares. However, should there be a distribution of capital from one or more of the underlying investments, a capital distribution from the fund may be offered.

Normally, no dividend or interim dividend shall be distributed in cash and/in kind to Shareholders of any Classes of Shares.

16. AMENDMENTS TO THIS SPECIAL SECTION

Subject to regulatory approval, the General Partner may amend the provisions of this Special Section as follows:

- (i) where the change is determined by the General Partner not to be material, upon decision of the General Partner; or
- (ii) where the change is determined by the General Partner to be material, only following the Compartment's Consent.

Shareholders will be notified by the General Partner of all amendments that are adopted without their consent in accordance with Section 16 of this Special Section.

No variation may be made to this Section 16 without the unanimous consent of all Shareholders of the Compartment.

17. CONFLICT OF INTERESTS AND DIVERGENT INTERESTS

The members of the governing body of the General Partner currently manage and operate other entities where the assets of the Compartment may be invested in. These entities may have similar, divergent or different objectives as those of the Compartment.

As a result, the representatives of the General Partner may be engaged directly or indirectly in substantial activities other than on behalf of the Fund and may have differing or divergent economic interests in respect of such activities and may have conflicts of interest in allocating investment opportunities and their time between the Compartment and the aforementioned entities.

Each investor should be aware of the conflicting or/and divergent interests inherent in such matters, notwithstanding all attempts at fairness and completeness, and make whatever due diligence efforts he or she deems prudent and necessary before undertaking an investment in the Compartment.

18. SPECIFIC RISK FACTORS

An investment in the Compartment is associated with a certain degree of risk and it is possible that an investor may lose a substantial proportion or all of its investment in the Compartment. The value of an investment may decline due to general market conditions, such as real or perceived adverse economic conditions or general adverse investment sentiment. Prospective investors should consider, amongst others, risk factors as described in Section 5 "General Risk Factors" of the General Section of the Issuing Document and the following factors before subscribing to the Shares:

18.1 General economic conditions

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

18.2 Lack of operating history

The Compartment is newly formed. There can be no assurance that the Compartment will achieve its investment objectives. The past investment performance of the Investment Adviser may not be construed as an indication of the future results of an investment in the Compartment.

18.3 Lack of liquidity in markets

Despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and instruments may have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Compartment, both in the realisation of the prices which are quoted and in the execution of orders at desired prices. In addition, some of the investments in the portfolio may have a period of up to five years from the date of original investment for the investment to be realised.

18.4 Net Asset Value considerations

The Net Asset Value per Share of each Compartment is expected to fluctuate over time with the performance of such Compartment's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder.

18.5 Interest rate risk

Investments in bonds or other fixed income securities may fall in value if the interest rates change. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

18.6 Leverage - credit risk

While the use of leverage may increase the return on the invested capital, it also creates greater potential for loss. There can be no assurance that the Compartment, in incurring debt, will be able to meet its loan obligations.

Credit risk involves the risk that an issuer of a bond or similar money-market instruments held by the Compartment may default on its obligations to pay revenue and repay principal and the Compartment will not recover its investment.

18.7 Investing in Derivatives

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for hedging purposes. Should the Investment Manager expectations in employing such techniques and instruments be incorrect, the Company may suffer a substantial loss, having an adverse effect on the Net Asset Value of the Shares.

18.8 Financial Derivative Instruments and Hedging Strategies

Investments of the Company may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the net asset value of the Company concerned. Investments using derivatives may be undertaken both for hedging and for trading purposes.

Where such transactions are used for hedging purposes, the existence of a direct link between them and the assets to be hedged is necessary, which means in principle that the volume of deals made in a given currency or market cannot exceed the total value of the assets denominated in that currency, invested in this market or the term for which the portfolio assets are held. In principle no additional market risks are inflicted by such operations. The additional risks are therefore limited to the derivative specific risks.

The Company may use financial derivative instruments to attempt to hedge or reduce the overall risk of its investments. The Company's ability to use these strategies may be limited by, amongst other factors, market conditions, regulatory limits and tax considerations. The use of these strategies involves special risks, including:

1. dependence on the Investment Manager's ability to predict movements in the price of securities being hedged, currency fluctuations and movements in interest rates;
2. imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Company;
3. the absence of a liquid market for any particular instrument at any particular time;
4. the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in future trading means that futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Company, and
5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of the Company's assets will be segregated to cover its obligations.

18.9 Counterparty risk

The Company will be exposed to credit risk on the counterparties with which it trades in relation to financial derivative instrument contracts that are not traded on a recognised exchange. Such instruments do not afford the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance of guarantee of an exchange clearing house. The Company will be subject to the possibility of insolvency, bankruptcy or default of a counter party with which the Company trades such instruments, which could result in substantial loss to a Fund.

18.10 Investing in High Yield Bonds

High yield bonds are regarded as being predominately speculative as to the issuer's ability to make payments of principal and interest. Investment in such securities involves substantial risk. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, the Company may experience losses and incur costs.

The investments of the Compartment are subject to market fluctuations and the risks inherent to investments in transferable securities and other eligible assets. There is no guarantee that the investment- return objective will be achieved. The value of investments and the income they generate may increase or decrease as well as up and it is possible that investors will not recover their initial investments.

18.11 Concentration and diversification

While it is the intention of the Compartment to build-up a diversified portfolio of assets, the Compartment may be exposed during a specific period of time (e.g. the ramp-up period or the liquidation stage) to a limited number of investments.

The provisions of the CSSF's Circular 07/309 on risk spreading related to specialised investment funds above-mentioned will have to be complied with on an on-going-basis.

18.12 Risks linked to the valuation of the assets

The Compartment may hold a minor portion of its assets in unlisted assets, the valuation of unlisted assets depends on subjective factors and can be difficult to realize with accuracy.

Furthermore the accounting, auditing and financial reporting standards in specific may not correspond to International Financial Accounting Standards or are not equivalent to those applicable in more developed market economies. This is because accounting and auditing has been carried out solely as a function of compliance with tax legislation. The reliability and quality of information which will be collected in order to value the assets of the Compartment may therefore be less reliable than in respect of investments in more developed markets economies.

18.13 Risks linked to debt investments

In order to gain exposure to targeted assets the Compartment may invest in various types of debt instruments. Consequently the Compartment may be exposed to credit risk including default, interest risk and credit spread risk. Furthermore the Compartment may be exposed to the integrity of the issuer's management, its commitment to repay the loan, its qualification, its operating record, its emphasis in strategic direction, financial philosophy, operational management and control systems. In

particular, the Compartment may be exposed to the capacity of the issuer's ability to generate cash flow to repay its debt obligations.

18.14 Risks linked to equity Investments

In order to gain exposure to real estate projects, the Compartment may invest in various types of equity. Equity investments can experience failures or substantial declines in value at any stage. The investments made by the Compartment may be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. Sales of equity may not always be possible, and may therefore have to be made at substantial discounts. Equity holders have in general an inferior rank towards debt holders and so are exposed to higher risks. Furthermore the Compartment is entitled to take privately negotiated equity participations in entities investing, financing, developing managing and trading environmental, energy and water assets. Those investments have private equity characteristics and typically involve uncertainties that cannot be compared to those arising in the case of other type of assets.

18.15 Structured Product

Investing in a structured product, imply a market risk and a counterparty risk. The importance of this risk is linked to the level of solvability of the issuer. The risks associated with structured products, especially those products that present risks of loss of principal due to market movements, are similar to those risks involved with options.

In the case of a "principal protected" product, these products may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company.

This product bears the additional risk of a credit event or early redemption of the reference bond which may have a negative impact on the value of the product and result in an early redemption of the product.

18.16 Risk of Conflict of Interests and Divergent interests.

The General Partner may be subject to a conflict of interests or exposed to divergent interests, it cannot be assured that such conflict of interests or divergent interests will always be resolved in a manner that the shareholders of the Compartment perceive to be in their best interest.

If such risk materialises, the ability of the Compartment to generate income may be adversely affected. As a result, profitability of the Compartment may be impaired leading to reduced returns to shareholders.

18.17 Co-Investment Risk

The AIFM intends to pursue its investment strategy by making co-investments in companies or issuers of securities which are open to third party investors and also managed by the representatives of the AIFM or on which the latter may have influence.

The Compartment is subject to the risk that the representatives of the AIFM may consider favorably the interests of third party investors and therefore may not always act in the interest of the shareholders of the Compartment.

If any of the above risks materialises, the ability of the Compartment to generate income may be adversely affected. As a result, profitability of the Fund may be impaired leading to reduced returns to shareholders.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in an investment in the Company. Prospective investors should read the entire Issuing Document and fully evaluate all other information that they deem to be necessary for determining whether to invest in the Compartment. Prospective investors should ensure that

they fully understand the contents of this Issuing Document and, if in any doubt, should consult their own professional advisers.