

12 November 2024

### **Update: Funds formerly known as ‘Cornhill Designated Funds’**

International Investment Platform o.c.p., a.s. (“IIP” or the “Company”) wishes to provide the following update in respect of various investments previously known as Cornhill Designated Funds (“Designated Funds” or “Funds” or singularly the “Fund”). Our previous update was dated 30 May 2024.

IIP has retained external lawyers to provide advice to the Company and implement a recovery programme for Clients (“Clients” or “Investors”). These include b-avocats SàRL (“b-avocats”) in Luxembourg, CANDEY Limited (“CANDEY”) in London and Advokátska kancelária RELEVANS s.r.o. (“RELEVANS”) in Bratislava.

The initial costs of this work are being borne by the Company. Additional legal opinions on specific matters have been obtained from other lawyers where appropriate.

We wish to update Investors as follows:

#### **LUXIF SICAV SIF (“LUXIF”)**

1. As previously advised, LUXIF was placed in liquidation in December 2022 following the resignation of the General Partner, Luxif Management SàRL, and the withdrawal of LUXIF from the official list of specialized investment funds by CSSF in December 2021.
2. This is a complex liquidation: although IIP’s Clients are primarily invested in 2 sub funds, LUXIF is an umbrella structure with 9 sub funds, a number of which IIP’s Clients have no exposure to, but all of which need to be liquidated.
3. The appointed liquidator is Yann Baden (the “LUXIF Liquidator”) of Baden & Baden, Luxembourg, an experienced liquidator and lawyer.
4. The majority of LUXIF sub funds where IIP’s Clients have exposure are invested in a range of structures managed by Xantis S.A. (see further below) and the LUXIF Liquidator is considering what actions are required to recover these investments.
5. IIP is in contact with the LUXIF Liquidator on a regular basis and collaborating on matters of shared interest. Some specific transactions are under review as part of this.
6. The LUXIF Liquidator has advised he is not in a position to issue a formal update while the affairs of LUXIF are being reconstructed, however he has reconfirmed to us that he has not seen anything that would rule out actions against business partners and that the questions of liability and litigation are still being addressed.
7. Complex liquidations of this type take some time, and the liquidation has not been closed down for lack of recoverable assets.
8. As previously advised, the LUXIF Liquidator has received funds from World Strategy Portfolios SICAV UCITS, another fund in liquidation, providing resources and liquidity for ongoing actions on behalf of LUXIF for the benefit of its shareholders.

#### **Investments managed by Xantis S.A. (“Xantis”)**

9. From documentation available we understand Xantis to be (or have been) the management company of a number of different Luxembourg vehicles including:

- a. Lombard 82 Securitisation Fund (“Lombard 82”)
- b. Xantis Investments Securitisation Fund, with sub funds including:
  - i. Xantis Private Equity Sub Fund (“Xantis PE1”)
  - ii. Xantis Private Equity 2 Sub Fund (“Xantis PE2”)
  - iii. Xantis Private Equity 3 Sub Fund (“Xantis PE 3”)
  - iv. Xantis Private Equity 4 Sub Fund
  - v. Xantis Private Equity 5 Sub Fund
  - vi. Aphrodite Fund Sub Fund (“Aphrodite”)
- c. Paraiba Brazilian Opportunities Fund (“Paraiba”)
- d. Theseus Special Opportunities Fund (“Theseus”)
- e. Blue Vale Securitisation Fund (“Blue Vale”)
- f. ForexMax Securitisation Fund
- g. Magistral Private Equity Fund (formerly known as Aegeus Securitisation Fund and Keyholder Fund Three Securitisation Fund)
- h. Xantis Aion Securitisation Fund (“Xantis AION”)
- i. Keyholder Fund One Securitisation Fund (“Keyholder 1”)
- j. Keyholder Fund Two Securitisation Fund (“Keyholder 2”)
- k. Perseus Securitisation Fund (formerly known as Keyholder Fund Four Securitisation Fund).

10. IIP’s Clients have exposure to 11 of these vehicles either directly or via LUXIF.
11. Some of the vehicles do not appear to be registered with Registre de Commerce et des Sociétés (“RCS”) as required by Luxembourg Securitisation Law of 22 March 2004 as amended on 9 February 2022. The legal status of these structures is therefore currently unclear. Other vehicles have been registered on the basis of management regulations amended unilaterally by Xantis (including, for example, to retrospectively decorrelate its monthly fees from the value of assets).
12. We have not been able to reconfirm who are the current business partners are (including Bankers, Auditors and Registrars/Transfer Agents). Additionally, the last financial statements received by IIP (where they exist) are almost 5 years old now.
13. As previously noted, b-avocats continues to assist us in implementing a recovery programme for Investors, with additional legal support in other jurisdictions. The status of these actions is outlined below. We expect further cases to be filed in coming weeks in respect of other Funds and transactions. Filings with other authorities are being made as appropriate.
14. We understand that Michael Chambers is the sole owner, sole director and sole employee of Xantis. RCS also shows that on 1 August 2024 Mr. Chambers registered himself as the Auditor of Xantis, backdated to October 2021, creating an obvious conflict of interest.
15. We have been made aware through the Luxembourg courts of other actions against Xantis involving the Public Prosecutor and Tax Authority. IIP is not involved with these cases which are independent of our own actions. We have also been advised that the former UK subsidiary of Xantis, previously known as Cornhill Management (London) Limited, has recently been placed in compulsory liquidation.
16. We understand that Xantis and/or other parties are currently seeking to raise funding from Investors for ongoing costs. IIP suggests any Clients take independent advice on such matters, as the Company will not take responsibility for recovering these costs as part of its own action plan.
17. Finally, we are interested to note that the 2022 accounts for Xantis, filed this month, show the company declared an annual profit of €207,657 by booking management fees from the various Funds as revenue.

## Lombard 82 EMTNs (“Lombard 82” – All Series)

### 18. Compulsory Redemption

On 13 September 2024, IIP received a resolution from Xantis indicating that the Company was to be prohibited from holding notes issued by the Fund. The action, published the same day on our website, gave two options:

- a. Notes could be transferred to an alternative nominee by 31 October 2024, or
- b. Notes would be subject to compulsory redemption at a value of GBP0.0001, EUR0.00012 or USD0.000133 per note

IIP did not receive any requests from Clients to transfer their holdings to an alternative nominee. This would be a decision for Clients to make and instruct and not an action that IIP would instigate.

Accordingly on 31 October 2024, IIP received a contract note from Xantis together with confirmation that all holdings held by IIP on behalf of Clients have been removed from the register of Lombard 82. We were further advised that redemption monies will be issued “*within 20 business days of this contract note, subject to liquidity.*”

IIP has been advised that a compulsory redemption would be unlawful for a number of reasons. Accordingly, the Company filed a legal case **TAL-2024-07956** (summary proceedings involving a limited assessment of the facts) before the President of the Tribunal d'Arrondissement asking for the redemption to be blocked. Whilst this case was not directly successful, the ruling of the Interim Relief Judge was that the case “*falls outside the summary judgement judge’s power of assessment*” and consequently “*we refer the case to the appropriate court*” [meaning: proceedings based on the merits involving a detailed analysis of the case].

Our lawyers will therefore file a further case in the Commercial Courts shortly.

### 19. Other cases

The following cases are also in process in the Luxembourg courts:

- a. Case **TAL-2023-01036**. This case relates to an outstanding debt owed by Xantis to IIP.  
  
The case was decided in IIP’s favour for €81,750 plus interest and has been appealed by Xantis. We are awaiting a date from the court for the hearing of the appeal.
- b. Case **TAL-2023-09486**. This case relates to Clients for whom the Fund issued a contract note but sale proceeds were not received.  
  
The case was decided in IIP’s favour for €14,007,780.09 plus interest and has been challenged by Xantis. A hearing was due on 12 November 2024 under reference **TAL-2024-03620**, however Xantis did not appear at the court and the case has been rescheduled to 9 December 2024, making the recovery of these creditor claims more protracted.
- c. Case **TAL-2024-0622**. This is a case filed asking the Tribunal d'Arrondissement to instruct Xantis to produce up to date financial statements and related documentation and/or appoint a Provisional Administrator to do so.

Whilst the initial judgement was not in IIP’s favour, we believe this was based on a misunderstanding by the Judge on the segregation of Clients’ funds. Consequently, an appeal has been filed and will be heard in April 2025.

20. IIP has not received any audited financial statements for Lombard 82 since the December 2019 year end. We did however receive a statement of the Fund's assets at 30 September 2021 from W Conseil, the Administrator and Transfer Agent in office at that point.
21. This is a changing situation and the Company will use its best endeavours to keep Clients updated on developments on the cases listed above as well as additional cases to be introduced in coming weeks.
22. IIP is aware of claims made by Xantis that the Company is a debtor to the Fund. IIP categorically rejects these claims. Since there are no debts there is no requirement for any negotiation with Xantis and we have invited Xantis to bring its claims in front of the courts as the appropriate forum for handling such disputes. Despite Xantis having been under the direction of Michael Chambers for over 3 years, no such actions have materialized.

### **Other Investments Managed by Xantis**

23. We are aware that some of IIP's Clients have direct exposure to other structures managed by Xantis included in the list above. To our knowledge these are Xantis PE, Xantis PE3, Paraiba, Blue Vale, Aphrodite, Keyholder 1 and Keyholder 2.
24. These structures were used by a very small number of higher value investors. IIP is therefore in contact with these Clients directly and a recovery plan is being actioned by b-avocats.
25. Legal cases have been filed as follows in connection with the recovery of funds:

Case **TAL-2023-09913** re Paraiba  
Case **TAL-2023-09914** re Aphrodite  
Case **TAL-2023-09915** re Blue Vale  
Case **TAL-2024-02746** re Xantis PE1 (\*)

These cases are due to be heard in January 2025, with the exception of the case marked (\*) which involves a third party and a date is awaited.

26. A further case will be filed shortly in connection with Xantis PE3.
27. Where appropriate, we are collaborating with other interested parties having exposure to the same Funds.
28. IIP has not received any audited financial statements for any of the structures above, and therefore has little insight into the underlying assets of the Funds.
29. IIP Clients also have indirect exposure to Xantis PE2, Theseus and Xantis AION through investments in LUXIF. Since the Company has no direct holdings, the LUXIF Liquidator will be responsible for instructing the appropriate legal actions in respect of these Funds.

### **World Investment Opportunities Funds SICAV UCITS ("WIOF")**

### **World Strategy Portfolios SICAV UCITS ("WSP")**

### **World Performance Portfolios SICAV UCITS ("WPP")**

### **Providence Investment Funds PCC Limited ("Providence")**

30. As advised in our previous communications, proceeds from the liquidation of the above funds were credited to Clients' accounts in November 2023 (WIOF, WSP, WPP) and February 2024 (Providence).
31. The liquidation of some older sub funds of WIOF and WPP is still being completed, however we do not believe any of IIP's Clients are affected by this.

32. From discussions with the respective liquidators we understand that no further recoveries are likely, and that any creditor claims received have been determined. Our understanding is therefore that any claims by Lombard 82 in respect of these Funds have also been settled. Any additional information we obtain will be passed on to Clients in future communications, otherwise no further updates on these funds will be provided.

## **INTERNATIONAL INVESTMENT PLATFORM O.C.P., A.S.**

*Note:*

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