

LFP I SICAV SIF S.A.
Registered office: 16 Rue Erasme, L-1468 Luxembourg
B151371
("the Fund")

29 April 2020

Dear Shareholders,

Our quarterly report to shareholders since our board appointment late 2018, and implementation of AIFM status as a self-managed fund in late February 2019, with CSSF approval, is presented below. Please note that the Fund which is subject to the amended law dated 13 February 2007 relating to specialised investment funds has been withdrawn from the official list of specialised investment funds by a decision of the CSSF dated 3 July 2019, and who currently acts as supervisory commissioner. Judicial proceedings before the Luxembourg Administrative Tribunal to challenge the delisting are in due course and the next court hearing is scheduled in May 2021.

Your shares are held in segregated compartments (Aventor Funds, Blackstar Commodities Fund, Columna Commodities Fund, Equity Power Fund, 21C, etc..) as part of the Fund, so structured as an umbrella-fund. The compartments are not legal entities per se and they are governed by the articles of incorporation of LFP I SICAV SIF S.A and applicable Luxembourg laws.

Please note that Fund has a new domiciliation agent, Solution Fiduciaire Luxembourg S.A., and will transfer its registered office to 9-11 rue Louvigny, L-1946 Luxembourg with effective date 1 May 2020.

With regards to shareholders' decision to restate the 2017 accounts and given the lack of supporting documentation (missing bank statements from the former custodian bank, Société Générale Bank & Trust, and investing documentation from the former AIFM, Alter Domus Management Company, "Alter Domus") we experienced difficulties in amending the 2017 accounts and completing the 2018 ones. We are currently reconciling the transactions with the assistance of the administrator and the custodian, and hope to be in a position to convene the 2018 AGM in the following months.

The claim for discovery of documents against the former AIFM, Alter Domus, advanced as the Chairman of the Luxembourg Bar has deemed Alter Domus' legal representation by Allen & Overy conflicted. An appeal has been lodged by the latter, such procedure being delayed by coronavirus concerns.

At the Fund level, with respect to our recovery mandate and following intensive investigation, we initiated and are currently managing more than 20 legal proceedings (criminal, civil and money laundering) against alleged perpetrators for wrongdoings ranging from breaches of contract, breaches of trust, to Ponzi schemes that led to dissipation of approx. € 100 million of the Fund's assets. The civil claims have a cumulative value of approx. €400 million highlighting multi-faceted failures of former service providers. A detailed report corresponding to the compartment you invested in is presented below.

Please note, certain recovery actions involving identified criminal activity are in the hands of investigating judges and law enforcement teams, and the directors are not in a position to elaborate on such criminal proceedings.

Aventor Funds ("Aventor") – identified as a Ponzi Scheme

Our investigations have shown the following:

- Almost 80% of Aventor's assets, investments referenced RMP and PWCS #1, were technically in default in December 2014 for the first time.
- These defaults continued as interest arrears grew (and dividends were paid), until both positions were written down in late 2016 with zero recovery to date.
- The 2014 audit, with PWC sign-off 2 July 2015, failed to mention any asset impairment whatsoever
- The 2015 audit was signed-off by PWC on 28 October 2016, with a qualification re Aventor, and the NAV was suspended 3 days later (yet only announced in December 2016)
- The credit insurance backing the assets was ineffectively constructed.
- Former Fund director Mark Stephens and colleagues purchased the investment advisor, Finite Management in early 2016, after acquiring a majority ownership stake in Bruin Holding Limited (managed by RMP Capital) 1 January 2016 through Blackstar Capital. By March 2016 Blackstar had notified various 3rd parties (BDO et al..) and by early April RMP Capital's financial statements were proven to be impaired.
- Legal actions alleging breach of contract, fraud, breach of fiduciary duty and conversion against RMP Capital et al were filed in US Superior Courts in April and May 2016 by other creditors. The US District Attorney's Office in New York is now investigating RMP Capital Corp.
- Aventor's NAV was maintained at 100 until suspended October 2016, as announced December 2016, backdated to June 2016. Aventor also continued to pay dividends into 2016, despite asset collapse.

We have also done the following:

- Worked(ing) with US law enforcement and liaised with Cayman liquidators re RMP, which is now subject to investigation.
- Notified Alter Domus of their responsibility re losses.
- Filed a civil complaint against PWC in the Commercial District Court of Luxembourg for losses based on mis-stating 2014 audited accounts re. maturity of loans and integrity of assets, as well as flawed credit insurance protection, alleging damages of approx. €5.85 million. Next court hearing is in June 2020.
- Filed a criminal complaint that the directors/manager/advisor/administrator were running Aventor as a Ponzi Scheme. This proceeding has a civil claim attached for damages of approx. €5.8 million. The claim is now with the investigating judge.
- Resolved formally to re-base the NAV to zero from January 2016 onwards and for subscribers in 2016 to be treated as creditors.
- Reported to the CSSF and Luxembourg law enforcement authorities that the fund was being operated as a Ponzi scheme, a criminal breach of investment regulations.

The court-appointed judicial expert terminated his mandate for lack of HR-resources after 9 months of inactivity, despite our preliminary meeting and calls for action all along the period.

This is a disappointing setback as certain is key to our investigation and could only be obtained through a court appointed judicial expert, however a new expert is to be appointed by the Court of Appeal shortly.

Blackstar Commodities

Our activities to date continue to be frustrated by former director Mark Stephens, who questions legitimacy in every step we take to verify and even sell assets. This has resulted in significant delays to the liquidation process.

In meeting with PWC Cayman, the liquidators of the Brighton Kijani Commodity Fund position, this investment has been deemed worthless. We have proposed a possible process to recover some value, but this is long-term and for PWC to opine the merits of such an action as proposed. Questions have been raised as to why a commodities fund was investing in a 3rd party commodities fund.

Blackstar conducted all most of its trades through World Accord Limited in HK, and one iron ore position of 75,000 tonnes is to be sold, which in current market conditions is valued at US\$ 7 million. The directors have finally taken control of World Accord, despite interference from Stephens, and have secured some records with regards to the location of the iron ore deposit.

The directors have identified transactions with a UK group (resulting in 2 losses) that is known to the directors and that has been involved in defrauding a bank in another country. Investigations continue.

An investigation into Capricorn in Australia, with ex-Blackstar advisor Daniel McGrath as director, also meets with frustration for now, while legal steps are being prepared.

Columna Commodities ("Columna") - identified as a Ponzi Scheme

With our investigations and legal strategy now nearing completion, we are currently managing 9 legal proceedings against alleged perpetrators for dissipation of more than €48 million of the sub-funds assets. Cumulative value of claims of approx. €256 million.

Analysis of the cash flow statements confirm that Columna was a Ponzi scheme, with repayments back to the fund through the Hong Kong subsidiary Global Hill being made from investments made a few days after a new loan drawdown was made. Our conclusions have been forwarded to the investigation judge and we are following closely towards debuting the indictment process.

Steps taken :

- We have filed civil claims for damages against the former directors of the Fund for irresponsible investment decisions, which appeared to have been based on derisory and/or inaccurate due diligence. Alleged damage €48 million. Next court hearing TBA re COVID-19 re-scheduling
- We have filed a civil claim for damages in Luxembourg against the former AIFM, Alter Domus for asset management wrongdoings and lack of investment monitoring and supervision. Despite a number of meetings with ADMC and their owners with respect to reaching an out-of-court settlement agreement for Columna's losses, as well as other sub-funds, our efforts have been rebuffed by Alter Domus. Furthermore, our former legal counsel, Allen & Overy, jumped ship to represent Alter Domus and we complained to the Bar council. A decision of the Chairman of the Bar was issued in our favour, but as part of delaying tactics an appeal was lodged by Allen & Overy and awaits an appeal judgement. Alleged damage €48 million. Final decision of the Disciplinary Council of the Bar to be rendered subject to COVID-19 re-scheduling.

- We filed a civil claim in Luxembourg against Société Générale Bank & Trust, the former custodian, for losses relating to the September/October 2016 US\$ 8.98 million remittances to unauthorised counterparties. The claim has been increased for other custodial failures and currently the alleged damage totals €42 million. Next court hearing in May 2020.
- A similar claim for damages was filed against BGL BNP PARIBAS (formerly ABN AMRO Bank Luxembourg) for payments issued by the custodian bank to unauthorized third parties for approx.. €9 million. The claim is being currently will be increased to €24 million and the next court hearing TBA re COVID-19 re-scheduling
- We have filed an EU payment order against debtors of the sub-fund, which was granted, and to fast track recovery of assets.
- We have instigated criminal actions and money laundering reports in several jurisdictions where wrongdoings and flow of funds occurred.
- While the fund has still been denied its own bank statements by Société Générale Bank & Trust, ex-custodian, bank account analysis for the Global Hill subsidiary identified a clear pattern reflecting an investment Ponzi scheme. This criminality has been reported accordingly.
- Following an analysis of high-volume redemption activity in 2016 as the fund collapsed, we reported insider trading and NAV manipulation suspicions to the CSSF's Market Abuses department. While this investigation is ongoing, the directors resolved formally to re-base the NAV to zero from June 2016 onwards, and as such all new subscribers inclusive and thereafter are now to be accounted for as creditors.

Equity Power Fund ("EPF") - identified as a Ponzi Scheme

Our activities to date have focussed on investigating the extensive alleged fraud of the investment portfolio, marketed as short-term credit facilities but in fact medium term loans against a technology company and real-estate portfolio in Belgium, both managed by a party close to the former Investment Advisor, Equity Experts Sarl. This party, Mr Levi Dewaegnaere, is also a shareholder in EPF after a flawed contribution in kind in exchange for shares.

- During site visits in early 2019 (the first conducted in almost 4 years by the Fund), the directors visited properties listed as part of the investment portfolio of EPF, receiving first-hand accounts of planned project developments for value creation.
- In March 2019, the directors agreed upon the Sub-fund initiator/Investment Advisor/Distributor suggestion to migrate EPF to a different platform given the Fund's problems in other compartments. We also proceeded with financing of two ongoing investments (from 2015 and 2016) as the fund was incurring significant third party interest costs and risked impairment of the projects for late financing.
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- In April/May 2019 investment follow-up due diligence exercise revealed that most properties in EPF's portfolio had been sold without the Fund's knowledge, prior to the directors' visit at the beginning of 2019. A re-financing of a US loan facility in March has now been investigated, showing valuations based on fake documents and forged signatures, false US business addresses and even fake IRS tax ID's in contracts, as provided by the Investment Advisor and Belgian property developer.
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- The planned migration of EPF to a new structure was terminated, in light of the alleged asset thefts and alleged fraud. The advisors to the fund have a long history of "issues" with investors and tax authorities, adding to concerns of the Board of Directors of the Fund about recovering the assets due to third-party pledges etc.
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- Work with the custodian bank KBL revealed no custodial oversight of these assets, some of which were paid for by KBL but not registered properly thereafter, and as such legal counsel is in communication with KBL, who have terminated their custodial agreement. Legal proceedings for recovery have been filed for damages of €7.2 million. The claim is currently increased to account for the unaccounted €3.5 million equity investment in WAE Newco (see below).
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- EPF's WAE Newco investment (again with Mr Dewaegnaere as director and shareholder of the entity) was notified and then represented at a 3rd party bankruptcy proceeding by another creditor in March 2020, with EPF's debt of € 4 million registered. It transpires that the € 3.5 million of preferred shares and interest, though recorded in the 2016 audited accounts, were never notarised or registered, and furthermore such investment flows were routed through a third party bank account and lost. Legal steps have been initiated re the non-registration of the preferred shares and the loss of this investment. WAE Newco was declared bankrupt by court. On the registry of claims, more than € 18 million are due to third parties.
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- Upon investigation and analysis of the bank accounts of EPF and the Belgian subsidiary companies, identifying EPF as a Ponzi scheme, we initiated criminal actions in several jurisdictions where wrongdoings and flow of funds occurred. Alleged damage approx.. €36.5 million. A further criminal complaint alleging participation in a Ponzi scheme of service providers of EPF (former AIFM, Administrator) is currently being prepared.
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- We managed to get appointed judicial administration in EPF subsidiaries to safeguard remaining assets.
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- We enacted the cancellation of Mr Dewaegnaere's participation in EPF (62 719 out of 472 591 EPF shares) under a call option agreement issued by Dewaegnaere to EPF, and the NAV will be redistributed over the remaining shares.
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- Following the suspension of subscriptions/redemptions from March 2019 inclusive NAVs onwards, decided in June 2019, given the discovery of wrongdoings, the NAVs for calendar year 2019 have been completed and submitted to the regulator.
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- An updated list with subscriptions/redemptions to be rejected (following the suspension from March 2019 NAV onwards) has been submitted to regulator and awaits approval.
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- Following alleged shareholders' requests and claim to migrate EPF to Open Capital platform, following the refusal of service providers to be engaged for a migration to a RAIF platform (due to defamatory actions of the alleged perpetrators) we will submit to regulator's approval an updated convening EGM request to:
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1. Distribute the liquidities of the Fund (approx. €18 million) to shareholders following the cancellation of Mr Dewaegenare's shares, a budgeted balance to be discussed for on-going legal proceedings and obtaining building permits for two remaining assets.
 2. Approval of a migration to new platform. Please note that the majority of the Board strongly disapproves this option given the fraud uncovered, the further implication of the former Investment Advisor/Distributor and project developer, and probably the cessation of all legal proceedings against them/ other service providers deemed to recover the dissipated assets.
- The directors and fund lawyers have been subjected to tremendous social media pressure, blackmail, defamation, lawsuits etc. by the well-funded alleged fraudsters, but with secured evidence handed to prosecutors and law enforcement we are working hand in hand with the CSSF on this matter. Criminal actions re alleged blackmail and defamation are currently being prepared by directors. Data breaches of shareholders have been reported and forwarded to appropriate law enforcement bodies.
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 - The director continue to work on the recovery of assets, in particular realising value for the real estate assets in Belgium, while legal action for recovery due to service provider losses continues.

21C

The Board of Directors are in the process of transferring the assets into a re-structuring vehicle and winding up this sub-fund.

REA Strategy Fund of Funds

The sub-Fund is in liquidation since November 2017 with ongoing discussions re recovery of assets expected within the year.

The Board of Directors maintains its focus on returning funds to investors, and maintaining an aggressive approach given the severe institutional resistance to such recovery actions. We remind shareholders that criminals reserve the right to hit back, especially when sitting on multi-millions of defrauded funds. After all, their legal budget is not their money. Despite the blackmail, social media smearing, the threats to friends and family, the directors are holding their course and slowly meeting with receptivity from the law enforcement community.

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