

# Confidential Offering Memorandum

28 MARCH 2025

## RIV CAPITAL SICAV-RAIF

*société d'investissement à capital variable – fonds d'investissement alternatif réservé  
à compartiments multiples sous forme de société en commandite par actions*

**RIV CAPITAL SICAV- RAIF IS NOT SUBJECT TO THE SUPERVISION OF THE COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER (CSSF) AND HAS NOT BEEN AUTHORISED BY THE CSSE, AS (I) AN UNDERTAKING FOR COLLECTIVE INVESTMENT UNDER THE LAW OF 17 DECEMBER 2010 ON UNDERTAKINGS FOR COLLECTIVE INVESTMENT, AS (II) A SPECIALISED INVESTMENT FUND UNDER THE LAW OF 13 FEBRUARY 2007 ON SPECIALISED INVESTMENT FUNDS, NOR AS (III) AN INVESTMENT COMPANY IN RISK CAPITAL (SICAR) UNDER THE LAW OF 15 JUNE 2004 RELATING TO THE INVESTMENT COMPANY IN RISK CAPITAL**

**APPLICATIONS FOR SUBSCRIPTION WILL BE RESERVED TO WELL-INFORMED INVESTORS AS DEFINED IN THE LAW OF 23 JULY 2016 ON RESERVED ALTERNATIVE INVESTMENT FUNDS, WHO/WHICH ARE NOT RESTRICTED PERSONS. MARKETING OF SHARES IN THE EU UNDER THE PASSPORT IN ACCORDANCE WITH ARTICLE 30 OF THE LAW OF 12 JULY 2013 ON ALTERNATIVE INVESTMENT FUND MANAGERS, AS AMENDED, IS LIMITED TO PROFESSIONAL INVESTORS ONLY<sup>1</sup>. EACH INVESTOR WILL HAVE TO MAKE HIS/HER OWN ASSESSMENT OF THE CONDITIONS OF HIS/HER PARTICIPATION IN RIV CAPITAL SICAV-RAIF. IT IS THE RESPONSIBILITY OF THE INVESTORS TO DETERMINE WHETHER A PARTICIPATION IN RIV CAPITAL SICAV-RAIF IS SUITABLE FOR THEM OR NOT.**

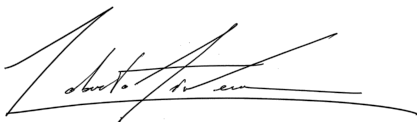


Alvise Di Stefano - Class A Manager

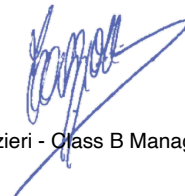


Xavier Soulard - Class B Manager

Roberto Rivera - Class A Manager



Eric Tazzieri - Class B Manager



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By accepting this confidential offering memorandum (the **Memorandum**) the recipient agrees to be bound by the following:

### **A Memorandum – Articles – Subscription Agreement**

This Memorandum is submitted on a private placement basis to a number of Investors who/which have expressed an interest in subscribing for Shares in a Compartment of RIV CAPITAL SICAV-RAIF, a Luxembourg *société d'investissement à capital variable – fonds d'investissement alternative réservé* (investment company with variable capital – reserved alternative investment fund) established in the form of a *société en commandite par actions* (corporate partnership limited by shares) under the 2016 Act (the “Fund”). Unless the context otherwise requires, references to the Fund shall include the relevant Compartment of the Fund in which an Investor intends to subscribe or has subscribed for Shares. Unless otherwise defined, capitalised terms used throughout this Memorandum shall have the meanings ascribed to such terms in the Article “Definitions” of the General Section.

This Memorandum supersedes and replaces any other information provided by the Fund, its initiators, representatives or agents in respect of the Fund. The Memorandum is provided for information only and is not intended to be taken as the basis for any investment decision. By accepting this Memorandum and any other information supplied to Investors by the Fund or its initiators the recipient agrees that such information is confidential. The recipient and any of its directors, employees or agents acknowledge that this Memorandum may not be photocopied, reproduced or distributed to others without the prior written consent of the Fund or its initiators.

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

Prior to subscribing for Shares, Investors should obtain a copy of the Subscription Agreement, which contains inter alia representations on which the Fund may accept an Investor’s subscription. The Articles, the Service Agreements, the Subscription Agreement 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 Service Agreements, the Subscription Agreement and related documentation, including any amendment thereto.

Prior to investing in the Fund, Investors should conduct their own investigation and analysis of an investment in the Fund and consult with their legal advisers and their investment, accounting, regulatory and tax advisers to determine the consequences of an investment in the Fund and arrive at an independent evaluation of such investment, including the applicability of any legal sales or investment restrictions without reliance on the Fund, the Service Providers, the initiators or any of their respective officers, members, employees, representatives or agents. Neither the Fund, the Service Providers, the initiators nor any of their respective officers, members, employees, representatives or agents accepts any responsibility or liability whatsoever for the appropriateness of any Investors investing in the Fund. Investors are urged to request any additional information they may consider necessary or desirable in making an informed investment decision. Each Investor is encouraged, prior to the consummation of their investment, to ask questions of, and receive answers from, the initiators concerning the Fund and this offering and to request any additional information in order to verify the accuracy of the information contained in this Memorandum or otherwise.

Certain statements contained in this Memorandum are forward-looking statements. These forward- looking statements are based on current expectations, estimates and projections about markets, in which the Fund will operate, and the beliefs and assumptions of the Fund. 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. Among the factors that could cause actual results to differ materially are

the general economic climate, inflationary trends, interest rate levels, the availability of financing, changes in tax and corporate regulations and other risks associated with the ownership and acquisition of Investments and changes in the legal or regulatory environment or that operation costs may be greater than anticipated. The remote chance of “extreme events” is also contemplated (i.e. pandemics, wars, extreme natural events, etc.) and it can cause decisions of so-called “force majeure”.

The Managing General Partner has taken all reasonable care to ensure that the information contained in this Memorandum is accurate as of the date of this Memorandum (or such other date as stated herein). Other than as required under the 2013 Act, the 2016 Act or in this Memorandum, the Managing General Partner has no specific obligation to update this Memorandum.

Any translation of this Memorandum or of any other transaction document into any other language will only be for convenience of the relevant Investors having requested such translation. In the case of any discrepancy due to translation, the English version of the Memorandum and of any other transaction document will prevail.

## **B Eligibility of Investors**

The Shares may under no circumstances be beneficially or legally held or owned by a person who is not an Eligible Investor. An Eligible Investor is an investor who qualifies as:

- (a) "Well-Informed Investor"; which is at the same time
- (b) (i) in the EEA, a "Professional Investor"; and/or
  - (ii) such other category of investor as may be additionally defined in relation to or is specifically applicable to investors from a specific jurisdiction.

For these purposes, Well-Informed Investor shall be an institutional investor, a professional investor or any other investor who meets the following conditions:

- (a) he has stated in writing that he adheres to the status of well-informed investor and
- (b) (i) he invests a minimum of 100,000 euros in the reserved alternative investment fund, or
  - (ii) he has been the subject of an assessment made by a credit institution within the meaning of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, by an investment firm within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC or by a management company within the meaning of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) or by an AIFM within the meaning of the AIFMD, certifying his expertise, his experience and his knowledge to adequately appraise an investment in the reserved alternative investment fund.

Furthermore, the Managing General Partner will not give its approval to any transfer of Shares that would result in an Investor who is not an Eligible Investor becoming an investor. The Managing General Partner will refuse the transfer of Shares if there is insufficient evidence that the person to whom the Shares are to be transferred is an Eligible Investor.

In considering whether an acquirer or a transferee qualifies as an Eligible Investor, the Managing General Partner will have due regard to applicable Luxembourg laws and regulations or recommendations (if any) of

the CSSF. Investors acquiring in their own name, but on behalf of a third party, must certify that such acquisitions are made on behalf of an Eligible Investor and the Managing General Partner and/or any of the agents of the Managing General Partner may require evidence that the beneficial owner of the Shares is an Eligible Investor.

### **C Marketing in the EU**

Shares can be marketed to Professional Investors in the EU in accordance with article 30 of the 2013 Act.

Marketing of Shares outside the EU to Eligible Investors must comply with applicable national private placement regimes to the extent applicable. Those Investors are required to inform themselves on the conditions imposed by their local requirements before investing in the Fund and to assess the impact and the risks they may be exposed to when investing into the Fund. This Memorandum has been provided to those Investors upon their own request and the Fund declines any liability for damages caused by any restriction imposed to such Investors.

Where Shares are subscribed by an Investor in the EU who does not qualify as Professional Investor, the Fund (or its agent) shall provide to this Investor a key investor document in accordance with Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 supplementing Regulation (EU) N°1286/2014 on key information document for packaged retail and insurance-based investment products (PRIIPs).

### **D United Arab Emirates**

Notice to prospective investors in the United Arab Emirates (not including the Dubai International Financial Centre or Abu Dhabi Global Markets).

This Memorandum is strictly private and confidential and is provided only to institutional investors who meet the criteria to be classified as "Professional Investors" as defined in the SCA decision No. (13/Chairman) of 2021 on the SCA Rulebook, and is only intended for such persons. As such, any financial promotion of Shares made in this Memorandum to Professional Investors would be an exempt promotion under the SCA Rulebook.

No Shares referred to in this Memorandum have been or are being publicly offered, sold, promoted or advertised in the UAE, outside of any of the financial free zones. This Memorandum has not been approved or reviewed by the SCA.

This Memorandum must not be shown, made available or provided to any person other than the original recipient and may not be reproduced or used for any other purpose. The Shares may not be offered or sold directly or indirectly to the public in the UAE. This Memorandum is for your information only, and nothing in this Memorandum is intended to endorse or recommend a particular course of action, or to constitute investment, legal, tax, accounting or other professional advice or recommendation. If you do not understand the contents of this Memorandum you should consult an authorised financial adviser to advise you on whether the Shares are appropriate and suitable in light of your particular circumstances.

### **Notice to prospective investors in the Dubai International Financial Centre**

This Memorandum may not be made available or provided to any person in the Dubai international Financial Centre except in circumstances where the provision of the Memorandum does not amount to an offer of share/units of a fund under the collective investment law of the Dubai International Financial Centre.

### **Notice to prospective investors in the Abu Dhabi Global Market**

This Memorandum may be offered to investors in the ADGM and is strictly private and confidential and is only directed to "Market Counterparties" and "Professional Clients" as these are defined under the rules of the FSRA, and must not be shown, made available or provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

THIS MEMORANDUM IS NOT DIRECTED TO “RETAIL CLIENTS”, AS THESE ARE DEFINED UNDER THE RULES OF THE FSRA IN THE ADGM.

The Shares to which this Memorandum relates may not be offered or sold directly or indirectly to the public in or from the ADGM. No person other than the recipient of this Memorandum should consider the offer of Shares in this Memorandum.

The FSRA accepts no responsibility for reviewing or verifying any prospectus or other documents in connection with this Fund.

The Shares to which this Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Shares.

If you do not understand the contents of this Memorandum you should consult an authorised financial adviser.

This Memorandum is for your information only and nothing in this document is intended to endorse or recommend a particular course of action, or to constitute investment, legal, tax, accounting or other professional advice.

### **E Restrictions for US Investors**

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 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, except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act and any applicable US state securities laws. The Fund is not registered nor does it intend to register (i) under the US Investment Fund Act of 1940, as amended (the **US Investment Fund Act**) as an investment Fund in reliance on the exemption from such registration pursuant to Article 3(c)(7) thereunder. In addition, the Investment Advisor is not registered as an investment adviser with the SEC pursuant to the investment advisers act of 1940, as amended (the **Advisers Act**). 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 US Investment Fund Act) in offshore transactions that meet the requirements of Regulation S under the US Securities Act or (ii) to US persons who are (a) “accredited investors” (as defined in Rule 501 of Regulation D promulgated under the Securities Act) and (b) either (I) “qualified purchasers” (within the meaning of Article 2(a)(51) of the US Investment Fund Act) or (II) “knowledgeable employees” as such term is defined in Rule 3c-5 of the US Investment Fund Act.

### **F Risks when investing into the Fund**

Investors should be aware that they bear the financial risk of their investment for a significant period of time as Shareholders may not request redemption of their Shares at any time or within the period of time suitable for them. Additionally, there will be no public market for the Shares. Accordingly, Investors should have the financial ability and willingness to accept the risks of investing in the Fund (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.

An investment in the Shares involves significant risks and there can be no assurance or guarantee as to positive return on any of the Fund’s Investments or that there will be any return on invested capital. Investors should refer in this Memorandum to Article 27 Risk Factors of the General Section. The investment objectives are based on a number of assumptions, which the Fund believes reasonable, but there is no assurance that the investment objectives will be realised.

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

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

## **G Disclosure of Information**

This Memorandum shall be non-public and strictly confidential. It shall only be disclosed to a number of selected potential Investors for their consideration in connection with the private offering of the Shares in the Fund. By its acceptance, the recipient agrees that the Memorandum may not be photocopied, reproduced, or distributed to others at any time, without the prior written consent of the Managing General Partner and that the recipient will keep permanently confidential all information contained in this document not already in the public domain and will use the Memorandum for the sole purpose of evaluating a possible investment in the Fund. Upon request, the recipient will promptly electronically delete or effectively return all material relating to the Fund (including this Memorandum) without retaining any physical or electronic copies.

## **H Anti-money Laundering Regulations**

Pursuant to, inter alia, the 1993 Act and the AML Law, and to the Grand Ducal regulation of 1 February 2010 providing details on certain provisions of the AML Law, and to the CSSF regulation N°12-02 dated 14 December 2012 (as amended by CSSF Regulation No 20-05) and circulars 18/698, 18/684, 17/661 (repealed by 21/782), 17/650, 13/556 and 11/528 of the CSSF, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering purposes. Within this context a procedure for the identification of Shareholders has been imposed. Namely, the Subscription Agreement of a Shareholder must be accompanied by any supporting documents recommended or prescribed by Applicable Laws and regulations allowing the appropriate level of identification of the Shareholder and, as the case may be, the ultimate beneficial owner. No transactions will be permitted on the account until all necessary documentation has been supplied.

The implementation in Luxembourg law of Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (the Fourth AML Directive) and the Directive (EU) 2018/843 of the European Parliament and of the European Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing resulted in particular to changes to the Luxembourg law of 12 November 2004, as amended, relating to the fight against money laundering and against terrorism financing or to the adoption of additional legislation.

The Managing General Partner will also refuse the issue or transfer of Shares if the Person to whom the Shares are to be issued or transferred fails to meet the criteria and/or provide all documentation and information recommended or prescribed by applicable anti-money laundering and so-called "Know-YourCustomer" laws, regulations and policies applicable to the Fund and the Fund's Administrator. Person means an individual, a partnership (general, limited or limited liability), a corporation, a limited liability Fund, an association, a joint stock Fund, a trust, a joint venture, an unincorporated organisation, or a governmental, quasi-governmental, judicial or regulatory entity or any department, agency or political subdivision thereof.

All shareholders must confirm their source of funds and source of wealth when investing. Payments will not be accepted from third party accounts. Subscription monies must be remitted from an account in the name of the Investor.

Shareholders, and beneficial owners (where applicable), must disclose their politically exposed persons (PEP) status, if applicable, to the Administrator and may be subject to more enhanced due diligence requirements.

Investors listed on OFAC, United Nations, European Union and United Kingdom/ HM Treasury Sanctions Lists are prohibited and may under no circumstances become a shareholder.

Any information provided in this context is collected for anti-money laundering compliance purposes only.

## **I Register of beneficial owners**

The Fund, the Managing General Partner and/or the AIFM, as the case may be, are subject to the obligation to file certain information on the natural persons considered as their beneficial owner as defined in the AML Law, in the register of beneficial owner in Luxembourg pursuant to the RBO Law. In case an investor is considered to be a beneficial owner of the Fund, the Fund, the Managing General Partner and/or the AIFM will be legally required to provide certain information concerning such subscriber to the aforementioned register of beneficial owners. Certain information on the beneficial owners of the Fund as contained in the register of beneficial owners will be accessible to some professional following the judgment of the European Union Court of Justice on 22 November 2022 which ruled that access of the general public to the register of beneficial owner under Directive 2018/843 was not valid in light of the Charter of Fundamental Rights of the European Union. Further to such decision, the Luxembourg government suspended public access to the register of beneficial owners and access resumed only for some professionals with a legitimate interest. Any person considered as a beneficial owner of the Fund within the meaning of the aforementioned law is legally required under the RBO Law to provide the necessary information in this context to the Fund, the Managing General Partner and/or the AIFM, as the case may be.

## **J EMIR Considerations**

EMIR requires that certain eligible OTC derivatives be subject to the clearing obligation for regulated central counterparties and the reporting of certain details to the central repositories. In addition, EMIR imposes requirements as to the procedures and the means enabling to measure, monitor and mitigate operational and counterparty risks related to OTC derivatives not subject to the clearing obligation. Ultimately, these requirements may require the exchange and separation of guarantees to the parties, including by the Fund, and may result in additional operational efforts and costs, as well as, if applicable, an additional counterparty risk associated with the mandatory exchange of collateral, in the event the Fund were to engage in such instruments.

The Fund may use interest and currency rate hedging for prudent portfolio management purposes. However the Fund will not utilise derivative instruments for speculative investment purposes, rather it could happen occasionally the recourse to derivatives instruments to hedge part or the entire portfolio.

## **K Benchmark Regulation**

The Fund does not use any benchmark for purposes of the requirements of Regulation (EU) no 2016/1011 of the European Parliament and Council of 6 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, nor does the Fund intend to do so in the future.

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<p style="text-align: center;"><b>RIV CAPITAL SICAV- RAIF</b></p> <p style="text-align: center;">106, route d’Arlon, L-8210, Mamer, Grand Duchy of Luxembourg</p>	
<p style="text-align: center;"><b>Managing General Partner</b></p> <p style="text-align: center;"><b>RIV Capital GP S.à r.l.</b></p> <p style="text-align: center;">24, rue Astrid, L-1143 Luxembourg, Grand Duchy of Luxembourg</p>	
<p style="text-align: center;"><b>AIFM</b></p> <p><b>Lemanik Asset Management S.A.</b></p> <p>106, route d’Arlon, L-8210, Mamer, Grand Duchy of Luxembourg</p>	<p style="text-align: center;"><b>Depositary</b></p> <p><b>UBS Europe SE, Luxembourg Branch</b></p> <p>33A, avenue J.F. Kennedy L - 1855 Luxembourg, Grand Duchy of Luxembourg</p>
<p style="text-align: center;"><b>Administrator</b></p> <p><b>Apex Fund Services S.A.</b></p> <p>3, Rue Gabriel Lippmann, L-5365, Munsbach, Grand Duchy of Luxembourg</p>	<p style="text-align: center;"><b>Auditor</b></p> <p><b>PricewaterhouseCoopers</b></p> <p>2, rue Gerhard Mercator ; l-2182 Luxembourg Grand Duchy of Luxembourg</p>

The **AIFM** is in charge of the (i) portfolio management; (ii) risk management of the Fund and (iii) domiciliation of the Fund.

The **Depositary** is responsible for (i) the custody of all financial instruments of the Fund that are required to be held in custody pursuant to 2013 Law (if any), (ii) the verification of ownership of other assets of the Fund, (iii) monitoring of the cash of the Fund and (iv) such additional oversight functions as set out under article 19(9) of the 2013 Law.

The **Administrator** is in charge of the general administrations functions of the Fund required by applicable law (i.e., namely, for processing the issue, conversion and, as the case may be, redemption of Shares and the maintenance of accounting for the Fund). In addition, the Administrator, acting as central administration agent has been entrusted with the duty to control the status of Eligible Investors of potential investors and carry-out the anti-money laundering policy for the Fund.

The **Auditor** (*réviseur d’entreprises agréé*) shall audit the accounting data related in the annual report of the Fund and its report shall be reproduced in full in the Annual Report.

The **Investment Advisor** (if appointed) is responsible for advising the AIFM in relation to, *inter alia*, the management of the Fund's assets in accordance with its investment objective and policy. It may in particular make, identify and analyse potential investments, make investment recommendations to the AIFM and monitor the performance of existing investments. The Investment Advisor is not vested with the power to take investment decisions.

## DEFINITIONS

In this Memorandum, the following terms have the following meanings:

**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 from time to time;

**2013 Act** means the Luxembourg act of 12 July 2013 on alternative investment fund managers, as amended from time to time;

**2016 Act** means the Luxembourg act of 23 July 2016 relating to reserved alternative investment funds, as may be amended from time to time;

**Accounting Year** means the financial year of the Fund and the relevant Compartments, starting on 1 January of each year and ending on 31 December;

**Administrator** means Apex Fund Services S.A. in its capacity as central administrative agent, registerkeeping and transfer agent, and any successor thereof appointed by the Managing General Partner with respect to the Fund;

**Administration Agreement** means administration agreement between the Fund and the Administrator, with the consent of the AIFM, as it may be amended from time to time; **Advisory Board** has the meaning given in Article 3 of the General Section;

**Affiliate** means:

- (a) in the case of a Fund: (i) any company which is its direct or indirect holding company or subsidiary or a direct or indirect subsidiary of that holding Fund 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;

**AIF** means an alternative investment fund as defined under the 2013 Act, i.e., any collective investment undertakings, including investment compartments thereof, which raise capital from a number of investors, with a view to investing it in accordance with a pre-defined investment policy for the benefit of those investors, and do not require authorization pursuant to the UCITS directive;

**AIFM** means Lemanik Asset Management S.A. in its capacity as the external authorised alternative investment fund manager of the Fund, and any successor thereof appointed by the Managing General Partner with respect to the Fund and/or any of the Compartments;

**AIFM Agreement** means the alternative investment fund management agreement between the Fund acting by its Managing General Partner and the AIFM, as it may be amended from time to time;

**AIFMD** means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers;

**Alternative Investment Vehicle** has the meaning given in Article 3 of the General Section;

**AML Law** means the Luxembourg law of 12 November 2004 relating to the fight against money laundering and against terrorism financing, as amended from time to time;

**Annual Report** means the annual report in the meaning of article 38 of the 2016 Act and, as the case may be, an annual report separately set-up of a relevant Compartment under article 49(9) of the 2016 Act;

**Article** means any article of this Memorandum;

**Articles** mean the articles of association of the Fund, as amended from time to time;

**Auditor** means the auditor (*réviseur d'entreprises agréé*) of the Fund which is PricewaterhouseCoopers or any successor thereof selected by the General Partner and appointed in accordance with applicable laws;

**Board** means the board of managers of the Managing General Partner;

**Business Day** means a full day on which banks are generally open for business in Luxembourg (excluding Saturdays, Sundays and public holidays);

**Cause Event** means (a) a final judgment on the merits by a competent court determining that (i) any action by the Managing General Partner, or any person to whom the Managing General Partner has delegated any part of its duties that constitute a fraud or that (ii) the Managing General Partner, has committed a wilful misconduct (*faute intentionnelle*), a gross negligence (*faute grave*) in connection with one or more provisions of these Articles, the Memorandum or the Subscription Agreement which is not remedied within 60 days after notification to the Managing General Partner or (b) the Managing General Partner files a voluntary petition in bankruptcy, is involuntarily dissolved or commences its winding-up, or consents or acquiesces to the appointment of a trustee, receiver, liquidator of the Managing General Partner of the Fund.

**Civil Code** means the Luxembourg code civil, as may be amended from time to time;

**Class** means a class of Limited Shares within a relevant Compartment (*catégorie d'actions de commanditaire*) as this term is understood under the 1915 Act;

**CNPD** has the meaning set out in Article 11 of the General Section;

**Co-Investment Vehicle** has the meaning given in Article 4 of the General Section;

**Commission Delegated Regulation** means Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;

**Compartment** means a segregated sub-fund of the Fund consisting of a separate portfolio of assets established for one or more Classes, which is invested in accordance with a specific investment objective, the features of each Compartment will be described in their relevant Special Section;

**Contribution** means the amount paid up by each Shareholder on its Shares in the relevant Class;

**CRS** means the OECD common reporting standard for the automatic exchange of financial account information and which has been transposed within Luxembourg Law by the act of 18 December 2015 on the automatic exchange of tax information of financial accounts implementing CRS;

**CSSF** means the *Commission de surveillance du secteur financier*, the Luxembourg regulator for the financial sector;

**Data Controller** has the meaning set out in Article 11 of the General Section;

**Data Protection Laws** has the meaning set out in Article 11 of the General Section;

**Data Subjects** has the meaning set out in Article 11 of the General Section;

**Depository** means UBS Europe SE, Luxembourg Branch in its capacity as the depository and paying agent of the Fund and the relevant Compartments, and any successor thereof appointed by the General Partner with respect to the Fund and/or any of the Compartments;

**Depository Agreement** means the depository and paying agent agreement between the Fund and the Depository with the consent of the AIFM, as it may be amended from time to time;

**Distributable Proceeds** has the meaning given in Article 21 of the General Section;

**Effective Replacement Date** has the meaning set out in Article 3(A) of the General Section;

**Eligible Investor** means the investors eligible to subscribe for Shares, as further detailed in the information section of this Memorandum, in Section 5 of the General Section and, as the case may be, in the Special Section of the relevant Compartment;

**EMIR** means Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on over-the-counter (OTC) derivative products, central counterparties and trade repositories;

**EU** means European Union – Iceland, Liechtenstein and Norway as member states of the European Economic Association (EEA) assimilated to the EU member states within the limits of the treaties and agreements between the EU and the EEA;

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

**Expenses** has the meaning set out in Article 26 of the General Section;

**FATCA** means the U.S. Foreign Account Tax Compliance Act; which was enacted as part of the U.S. Hiring Incentives to Restore Employment Act of 2010;

**Force majeure** means the occurrence of an event foreseen by article 1148 of the Civil code and that is unpredictable, could not have been avoided, is outside the control of a contracting party, and impedes or wholly precludes a party's ability to perform a contractual obligation;

**Fund** means RIV CAPITAL SICAV-RAIF, a Luxembourg *société d'investissement à capital variable – fonds d'investissement alternatif réservé à compartiments multiples* (investment company with variable capital – reserved alternative investment fund with multiple compartments) established in the form of a *société en commandite par actions* (corporate partnership limited by shares) under the 2016 Act, having its registered office at 106, route d'Arlon, L-8210, Mamer, , Grand Duchy of Luxembourg, in the process of registration with the Luxembourg trade and companies' register;

**GDPR** has the meaning set out in Article 11 of the General Section;

**General Meeting** means the general meeting of the Shareholders of the Fund or, as the case may be, of relevant Compartment or of a relevant Class where the matter only concerns that Compartment or Class;

**General Section** means the general section of the Memorandum that sets out the general terms and conditions applicable to all Compartments of the Fund, unless otherwise provided for with respect to a Compartment in the Special Section applicable to that Compartment;

**Intermediary Vehicle** means any subsidiary or other Fund, entity or arrangement (such as a limited partnership, unit trust or trust) in which one or more Compartment(s) hold(s) any direct or indirect interest (whether characterized 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 Fund or its Affiliates for the account or for the ultimate purpose of the relevant Compartment;

**Investment** means any investment of the relevant Compartment (whether directly or indirectly);

**Investment Advisor** means the investment advisor with respect to the Fund and the relevant Compartments, if appointed by the AIFM and the Fund at any point in the future. Any reference to the Investment Advisor, the Investment Advisory Agreement, the Investment Advisory Fee and any other elements pertaining to the Investment Advisor, whether in the General Section or in a Special Section herein shall be understood as being applicable only from the moment of appointment of the Investment Advisor, as evidenced by the Investment Advisory Agreement;

**Investment Advisory Agreement** means the investment advisory agreement between the AIFM, the Fund (represented by the Managing General Partner) and the Investment Advisor, as maybe entered into and amended from time to time;

**Investment Advisor Fee** means the remuneration paid to the Investment Advisor with respect to the relevant Compartment in accordance with the terms of the Special Section applicable to that Compartment and the relevant Investment Advisory Agreement;

**Investment Committee** means the investment committee of the AIFM set up in respect of the portfolio management of the Fund, or of a Compartment (as applicable) at any point in the future. Any reference to the Investment Committee, the Consultancy Agreement, the Consultancy Fee and any other elements pertaining to the Investment Committee, whether in the General Section or in a Special Section herein shall be understood as being applicable only to the extent that no Investment Advisor is appointed;

**Investor** means any person contemplating to commit to subscribe or to subscribe for Shares and, where the context requires, shall include that person as a Shareholder;

**Limited Shares** has the meaning set out in Section 5(B) of the General Section;

**Long Stop Date** has the meaning set out in Article 3(A) of the General Section;

**Luxembourg** means the Grand Duchy of Luxembourg;

**Luxembourg Law** means the applicable laws and regulations in Luxembourg;

**Management Fee** means the management fee paid by the Fund out of the relevant Compartment to the AIFM in accordance with the relevant Special Section. Such management fee include portfolio management fees as well as management company services fees;

**Management Share** means one (1) Management Share issued by the Fund upon its incorporation to the Managing General Partner;

**Managing General Partner** means RIV Capital GP S.à r.l., a Luxembourg *société à responsabilité limitée* (private limited liability company) having its registered office at 24, rue Astrid, L-1143 Luxembourg, Grand Duchy of Luxembourg, being registered with the Luxembourg trade and companies' register under number B 252848, in its capacity as the managing general partner (*associé gérant commandité*) of the Fund;

**Memorandum** means this confidential offering memorandum, as amended or supplemented from time to time;

**Net Asset Value** means the net asset value of the Fund, of each Compartment or Class and of each Share as determined in accordance with Article 4 of the General Section;

**PAI** has the meaning given in Article 8 of the General Section;

**Person** means an individual, a partnership (general, limited or limited liability), a corporation, a limited liability Fund, an association, a joint stock Fund, a trust, a joint venture, an unincorporated organization, or a governmental, quasi-governmental, judicial or regulatory entity or any department, agency or political subdivision hereof;

**Personal Data** has the meaning set out in Article 11 of the General Section;

**Processor** means an entity (e.g., the AIFM or the Administrator) to which the processing of personal data of an Investor may be sub-contracted by the Fund;

**Professional Investors** mean Investors who qualify as professional clients within the meaning of Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;

**RAIF** means any reserved alternative investment fund under the 2016 Act;

**Ramp-up Period** means the period established to build-up the portfolio of a relevant Compartment as set out in the applicable Special Section and during which it is allowed that the risk spreading requirements are not yet fulfilled;

**RBO** means the Register of Beneficial Owners (*Registre des Bénéficiaires Effectifs*) of Luxembourg;

**RBO Law** means the Luxembourg law of 13 January 2019 on the register of beneficial owners, as amended;

**RCSL** means the *Registre du Commerce et des Sociétés Luxembourg*, the trade and companies' register of Luxembourg;

**Recipient** has the meaning set out in Article 11 of the General Section;

**Reference Currency** means, in relation to each Compartment or Class, the currency in which the Net Asset Value of that Compartment or Class is calculated, as stipulated in the Memorandum and in particular in the Special Section applicable to the relevant Compartment;

**Register** means the register of Shareholders of each of the Compartments;

**Regulated Market** means a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council dated 21 April 2004 on markets in financial instruments, as amended, or any other market established in the EU which is regulated, operates regularly and is recognized and open to the public;

**Removal Date** has the meaning set out in Article 3(A) of the General Section;

**RESA** means *Recueil Electronique des Sociétés et Associations*, the official gazette of Luxembourg;

**Restricted Person** has the meaning set out in Article 10 of the General Section;

**SEC** means the United States Securities and Exchange Commission;

**Service Agreements** mean any contractual arrangement between the Fund and any Service Provider including the AIFM, the Investment Advisor, the Administrator, the Depositary or any contractual arrangement between the AIFM and any Service Provider where the services are provided to the Fund;

**Service Providers** mean the AIFM, the Administrator, the Depositary, the Investment Advisor or any other person providing services to the Fund;

**SFDR** has the meaning given in Article 27 of the General Section;

**SFT** means (i) a repurchase transaction; (ii) securities lending and securities borrowing; (iii) a buy-sell back transaction or a sell-buy back transaction as defined under the SFTR;

**SFTR** means Regulation (EU) 2015/2365 on transparency of securities financing transaction and of reuse and amending Regulation (EU) No. 648/2012;

**Shares** means (i) the Limited Shares held by the Limited Shareholders in the capital of the Fund or any Compartment thereof and (ii) strictly where the law or the context so requires, the Management Share;

**Shareholder** means (i) a holder of Shares (*actions ordinaires de commanditaires*), whose liability is limited to the amount of its investment in the Fund or any Compartment thereof and (ii) strictly where the law or the context so requires, the General Partner, who is liable for the losses of the Company or any Compartment thereof that the Company or such Compartment cannot satisfy.

**SICAV - RAIF** means *société d'investissement à capital variable – fonds d'investissement alternatif réservé*, i.e., investment Fund with variable Fund – reserved alternative investment fund under Chapter 3 of the 2016 Act;

**Side Letter** has the meaning given in Article 28 of the General Section;

**Special Section** means each and every supplement to this Memorandum describing the specific features of a Compartment. Each such supplement is to be regarded as an integral part of the Memorandum with respect to the Compartment to which it applies;

**Sub-Recipient** has the meaning set out in Article 11 of the General Section;

**Subscription Agreement** means the subscription agreement entered into by an Investor and the Fund to subscribe for Shares of the relevant Compartment and Class;

**Successor Managing General Partner** has the meaning set out in Article 3(A) of the General Section;

**Sustainability Factors** has the meaning given in Article 27 of the General Section;

**Sustainability Risks** has the meaning given in Article 27 of the General Section;



**Temporary Investments** mean holding of cash and highly liquid Investments which are made on a temporary basis pending further use including distribution to Shareholders or reinvestment in accordance with the investment policy;

**Transfer** has the meaning set out in Article 9 of the General Section;

**UBO** means the ultimate beneficial owners, within the meaning of article 1 (7) of the AML Law;

**Valuation Date** has the meaning set out in Article 14 of the General Section; and

**Well-Informed Investors** means any well-informed investors within the meaning of article 2 of the 2016 Act;

## GENERAL SECTION

The General Section applies to all Compartments of the Fund, unless otherwise provided for with respect to a Compartment in the Special Section applicable to that Compartment.

### 1. FUND

#### A) Corporate form - Legal regime

The Fund is a Luxembourg investment Fund with variable capital – reserved alternative investment fund with multiple compartments (*société d'investissement à capital variable - fonds d'investissement alternatif reserve à compartiments multiples*) under the 2016 Act, the 1915 Act and the Articles.

The Fund has adopted the form of a corporate partnership limited by shares (*société en commandite par actions*). The Fund was incorporated on 17 August 2023 and is registered with the RCSL under number B279810, and the Articles were published in RESA. The Fund was registered in the Grand Duchy of Luxembourg on the RAIF's official list of reserved alternative investment funds held by the RCSL pursuant to the 2016 Act, as amended.

As a Luxembourg partnership limited by shares (*société en commandite par actions*), the Fund has two categories of Shareholders:

- (a) the managing general partner (*associé gérant commandité*) holding at least one Management Share (*action d'associé gérant commandité*), who will be liable without any limits for any obligations that cannot be met out of the assets of the Fund and any Compartment related thereto; and
- (b) the Limited Shareholders (*actionnaires commanditaires*) holding the Limited Shares (*actions ordinaires de commanditaires*), whose liability is limited to the amount of their investments in the Fund and any Compartment related thereto.

#### B) Umbrella structure – Compartments and Classes

The Fund is established having an umbrella structure with one or more separate portfolio of assets that each represent a compartment (each a **Compartment and together the Compartments**). Besides the initial Compartment the Managing General Partner may set up one or more additional Compartments. Any Compartment is formed for one or more Classes (as defined below). Each Compartment will be invested in accordance with the investment objective and policy applicable to that Compartment. The investment objective, policy and other specific features of each Compartment are set forth in Specific Sections as supplemented and amended from time to time in accordance with article 38 of the 2016 Act. Each Compartment may have its own funding, Classes (as defined below), investment policy, capital gains, expenses and losses, distribution policy or other specific features.

In accordance with article 49(7) of the 2016 Act, a Compartment may invest in another Compartment under the condition, however, that:

- (a) the target Compartment does not, in turn, invest in the Compartment invested in this target Compartment, and
- (b) voting rights, if any, attaching to the relevant Shares are suspended for as long as they are held by the Compartment concerned and without prejudice to the appropriate processing in the accounts and the periodic reports,

- (c) in any event, for as long as these Shares are held by the Fund, their value will not be taken into consideration for the calculation of the Net Assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by this Law. Each Compartment is treated as a separate entity and operates independently, each portfolio of assets being invested for the exclusive benefit of this Compartment. The purchase of Shares relating to one relevant Compartment does not give the holder of such Shares any rights with respect to any other Compartment.

Within a Compartment, the Managing General Partner may decide to issue different classes or series of Shares, with or without premium and/or with or without voting rights (the Classes, each class being a Class) the assets of which will be commonly invested but subject to different rights as described in the Memorandum and in particular in the Specific Section applicable to the relevant Compartment, to the extent authorised under the 2016 Act and the 1915 Act.

The Managing General Partner may also decide to issue Shares of a specific Class which tracks the performance of the assets and liabilities of specific assets allocated to this Class, as may be further described in the Memorandum and in particular in the Specific Section applicable to the relevant Compartment.

A separate Net Asset Value per Share which may differ as a consequence of the underlying factors of each Class will be calculated in the manner described in Article 14 of the General Section.

The Managing General Partner may create additional Classes whose features may differ from the existing Classes and additional Compartments whose investment objectives and other terms may differ from those of the Compartments then existing. Upon creation of new Compartments or Classes, the Memorandum will be updated, if necessary.

The Fund is one single legal entity. However, in accordance with article 49(5) of the 2016 Act, the rights of the Shareholders and creditors relating to a Compartment or arising from the setting-up, operation and liquidation of a Compartment are limited to the assets of that Compartment. The assets of a Compartment are exclusively dedicated to the satisfaction of the rights of the Shareholders 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, and there will be no cross liability between Compartments.

At the expiration of the duration of a Compartment or a Class, the Managing General Partner will redeem all the Shares of that Compartment or Class, in accordance with Article 8 of the General Section.

The Managing General Partner may create each Compartment for an unlimited or limited period of time; in the latter case, the board of the Managing General Partner of the Fund (the Board) may, at the expiration of the initial period of time, extend the duration of that Compartment one or more times, subject to the relevant provisions of the Memorandum.

For the purpose of determining the capital of the Fund, the net assets attributable to each Class will, if not already denominated in Euros, be converted into Euros. The capital of the Fund equals the total of the net assets of all the Classes of all Compartments.

### **C) Term of the Fund – Term of the Compartments**

The Fund has been incorporated for an unlimited period of time provided that the Fund will however be automatically put into liquidation upon the termination of the last Compartment if no further Compartment is created or remains in existence at that time.

Compartments may be created for an unlimited or a limited period of time. If a Compartment is created for a limited period of time, it will be dissolved at the termination date as determined in the relevant Special Section.

The Fund may be dissolved, at any time, by a resolution of the General Meeting of the Shareholders subject to Article 17 of the General Section.

#### **D) Listing**

It is not intended to list the Shares on a stock exchange or on a Regulated Market.

## **2. THE INITIATOR**

Roberto Rivera is the founder and principal investor at RIV Capital. Roberto has 25 years of experience as a Derivative Trader then as an Investment/Private Banker within European and American investment firms in London, Frankfurt and Milan.

American Express Bank, Dresdner Bank, Banca IMI, Lehman Brothers, Nomura are other highlights of such experience. He has been awarded for large investment banking deals especially in the securitisation field. Roberto is an accomplished trader with a deep knowledge of market structures and derivatives showing official and constant double digit annual returns implementing Q-strategies and value investments. His strong passion for academic quant research also took him to cover the seat of Monetary Policy and Fixed Income as Adjoint Professor at the University of Bologna (Italy).

## **3. MANAGEMENT AND ADMINISTRATION**

### **A) Managing General Partner**

#### *Legal Regime*

According to the 1915 Act, the Fund shall be managed by its Managing General Partner. The Managing General Partner is RIV Capital GP S.à r. l., a Luxembourg private limited liability company (*société à responsabilité limitée*) (the Managing General Partner) incorporated on 25 March 2022 and registered with the RCSL under number B252848.

The Managing General Partner has a share capital of twelve thousand Euro (EUR 12,000.00.-).

#### *Functions*

The Managing General Partner is vested with the broadest powers to perform or cause to be performed all acts of disposition and administration in the Fund's interests which are not expressly reserved by laws or by these Articles to the General Meeting, each time in compliance with the investment objectives and strategy of the Fund.

The Managing General Partner is in charge of the day-to-day management of the affairs of the Fund. With the exception of the functions reserved by law, the Memorandum, the Articles and the AIFM Agreement to another person/legal entity, the Managing General Partner has legal decision-making power and exclusive authority with regard to any decisions not specifically delegated or attributed to another entity or service provider and supervises the service providers in the performance of their duties.

The Managing General Partner shall have the authority to enter into Side Letters on behalf of the Fund on such terms as allowed by law and/or the 2013 Act and as they may in their absolute discretion consider necessary or desirable to achieve the purposes and objectives of the Fund.

## *Board*

The Board is currently composed of the following members:

- (a) Roberto Rivera, Category A Manager.

Roberto Rivera is the founder and principal investor at RIV Capital. Roberto has 25 years of experience as a Derivative Trader then as an Investment/Private Banker within European and American investment firms in London, Frankfurt and Milan. American Express Bank, Dresdner Bank, Banca IMI, Lehman Brothers, Nomura are other highlights of such experience.

- (b) Alvise Di Stefano, Category A Manager.

Alvise Di Stefano has a 25-year professional experience encompassing legal and entrepreneurial roles in Milan, Rome and London. As a lawyer he worked at Freshfields Bruckhaus Deringer, Fortress Investments and Gianni Origoni Grippo & Partners. On 2009 he co-founded J-Invest group, an independent financial firm, active in the field of distressed assets and NPLs.

- (c) Eric Tazzieri, Category B Manager

Eric is acting as Team Manager of W-Conseil S.à r.l., Luxembourg, since 2014. He has a strong experience of 20 years working as Team Manager for large Luxemburgish firms, such as Deloitte & Touche, ABN AMRO Trust and ING Trust. Eric is Chartered Accountant in Luxembourg. As native French speaker, Eric is also fluent in English and Italian.

- (d) Xavier Soulard, Category B Manager

Xavier is acting as Partner of a W-Conseil Group S.a r.l. with presence in Luxembourg, Dubai and Bruxelles for 10 years. Prior to that, he worked for 8 years as Team Manager, in a leading trust company, Intertrust Group, Luxembourg. His extensive experience includes directorship in various companies, including companies supervised by CSSF (*Supervisory of the financial sector in Luxembourg*). Xavier holds a Bachelor degree in Accountancy and Management from the *Conservatoire National des Arts et Métiers* in France and he is also member of the ILA – Institute of Luxemburgish Directors. As native French speaker, Xavier is also fluent in English and Italian.

## *Remuneration of the Managing General Partner*

The Managing General Partner shall be entitled to the annual customary fee (plus VAT, if applicable) to be paid monthly in arrears to cover its ongoing expenses and liabilities, which is included for each Compartment in the relevant Special Section.

## *Removal of the Managing General Partner*

- i. The Managing General Partner may be removed as managing general partner (*associé commandité gérant*) of the Fund at any time following a Cause Event by a vote of the General Meeting representing a majority of at least ninety per cent (90%) of the share capital of the Fund, being noted that the Managing General Partners shall abstain from voting on such resolution and the Management Share shall not be taken into account in the casting votes.
- ii. The removed Managing General Partner will have no veto right with respect to its removal and/or the admission of a Successor Managing General Partner. For the purposes of the following provisions, the date of the decision of the Shareholders to remove the Managing General Partner will be referred to as the Removal Date.

- iii. Upon the Removal Date, the General Meeting shall decide to appoint another qualified Person resident in Luxembourg as successor managing general partner (*associé commandité gérant*) of the Fund (the Successor Managing General Partner) to continue the business of the Fund without dissolution by a vote representing a majority of more than fifty per cent (50%) of the share capital of the Fund, within (ninety (90) days) of the Removal Date (the **Long Stop Date**). Absence of appointment of a Successor Managing General Partner by the Long Stop Date, the Fund will be dissolved and liquidated in accordance with the provisions of the Articles.

Until the Long Stop Date or the effective appointment of the Successor Managing General Partner, the Managing General Partner will continue to act as managing general partner (*associé commandité gérant*) of the Fund (the **Effective Replacement Date**). However, the Fund will not, without the unanimous approval of the Advisory Board, make any new Investment or incur Indebtedness, provided that the Fund will nonetheless be permitted to fulfil binding commitments made before the suspension of the Removal Date and to sell or otherwise realise any Investment;

Upon the effective appointment of a Successor Managing General Partner, (i) Management Shares shall be transferred to the Successor Managing General Partner at such price as may be agreed between them, (ii) the Successor Managing General Partner will carry on the business of the Fund as its managing general partner (*associé commandité gérant*) without dissolution and (iii) the Managing General Partner will ensure that the Successor Managing General Partner is provided with all Fund books, records, registered or other material documents belonging to the Fund in its possession or control;

## **B) AIFM**

### *Appointment – Legal information*

The Fund, represented by its Managing General Partner, appointed, in accordance with the 2013 Act, Lemanik Asset Management S.A., a Luxembourg public limited Fund (*société anonyme*), regulated and authorized by the CSSF, incorporated on 1 September 1993 and registered with the Register of commerce and companies, Luxembourg under number B44870, to act as external alternative investment fund manager to the Fund. The relationship between the Fund and the AIFM is subject to the terms of the AIFM Agreement. The Managing General Partner and the AIFM may terminate the AIFM Agreement upon three months prior written notice given by one party to the other or under any other circumstances as listed in the AIFM Agreement.

### *Functions*

The AIFM will assume for the Fund in accordance with the AIFM Agreement principally functions of (i) portfolio management; (ii) risk management; (iii) valuation; and (iv) marketing. It will also act as domiciliary agent of the Fund. *Obligations*

The AIFM has taken steps and will continue to ensure during the entire term of the Fund that:

- i. there will be, at all times (during the time of its appointment), adequate staffing resources dedicated by the AIFM to the Fund in order for the AIFM to comply with its duties and obligations under the AIFM Agreement and ensure the proper management and operation of the Fund and its investments, and
- ii. the directors, officers, employees and agents of the AIFM will devote as much of their time to the activities of the Fund as necessary and appropriate to ensure the proper performance of their duties.

The AIFM adopted a remuneration policy in accordance with article 12 of the 2013 Act. The AIFM did not establish a remuneration committee. The AIFM takes the necessary steps to ensure that the remuneration policy adopted by an agent is equally as effective as those under article 12 of the 2013 Act.

#### *Monitoring of leverage*

The AIFM insures the risk management of the Fund. In this context, it will regularly monitor the leverage exposure for the Compartments.

#### *Capital – Own funds*

Information on the AIFM's capital, own funds and professional indemnity insurance is available free of charge at the registered office of the AIFM.

#### *Remuneration*

The AIFM will receive a Management Fee paid by the Fund out of the net assets of the Fund and/or Compartments (as applicable) related thereto in accordance with the AIFM Agreement.

#### *Removal of the AIFM*

The Managing General Partner may, at any time and in its sole discretion, replace the AIFM pursuant to the AIFM Agreement.

Upon the removal of the AIFM, a new alternative investment fund manager will be appointed for the Fund by the Managing General Partner.

### **C) Investment Advisor**

#### *Legal information*

The AIFM may appoint with the consent of the Fund, RIV Earnings Absolute FZ-LLC, a company incorporated and existing under the laws of United Arab Emirates, having its registered office at EIB-804B Emirates Islamic Bank Building, RAKEZ Business Zone-FZ, RAK, United Arab Emirates, as Investment Advisor of the Fund and its Compartments.

Further persons may be appointed by the AIFM, upon recommendation and with the consent of the Fund, as Investment Advisor of a Compartment in accordance with the provisions of the Special Section applicable to that Compartment.

The Investment Advisor (if appointed) is responsible for rendering investment advisory services for the Fund's assets to the AIFM in relation to, inter alia, the management of the Fund's assets in accordance with its investment objective and policy. For the avoidance of doubt, in case the Fund is put into liquidation, the Investment Advisor will continue to advise on the disposal of the assets until the end of the liquidation period. The Investment Advisor is not vested with the power to make binding investment decisions.

#### *Obligations*

The services, which are rendered by the Investment Advisor within the parameters of the Investment Advisory Agreement and subject to the overall responsibility of the AIFM, include, without limitation:

- i. identifying, analysing and structuring of new investments;

- ii. recommending to the AIFM to take any of the following decisions, actions or steps (as the case may be and if appropriate in combination thereof, and in any case to the extent relevant and not prohibited by the investment policies of the Fund or any compartment thereof):
- iii. reporting on a regular basis to the AIFM, including providing the AIFM with all information necessary or useful for the good performance of the AIFM's duties, within the limits of the Services rendered by the Investment Adviser; and iv. reporting to the AIFM about its activities and the performance of its advisory functions.

Further details on the duties, rights and obligations of the Investment Advisor are further outlined and detailed in the Investment Advisory Agreement.

#### *Removal of the Investment Advisor*

The procedures for the removal of the Investment Advisor are set out in detail in the Investment Advisory Agreement but the main characteristics should be the following:

- i. The AIFM may remove the Investment Advisor with immediate effect by immediate written notice if so required by law.
- ii. The Investment Advisor will be entitled to all of its accrued rights up to the effective date of termination.
- iii. In case of a removal of the Investment Advisor, this Memorandum shall be updated to reflect the removal of the Investment Advisor, the appointment of a new investment advisor (if any) and the resulting changes to the governance structure and remuneration flows.

#### *Remuneration*

The Investment Advisor (if appointed) is entitled to receive an Investment Advisory Fee paid either (i) by the Fund directly or (ii) by the AIFM out of the Management Fee (without duplication) and, as the case may be, a performance fee out of each Compartment where it provides services on the portfolio in accordance with the Investment Advisory Agreement and as summarized for the relevant Compartment in the applicable Special Section. The Investment Advisor continues to be entitled to an Investment Advisory Fee until the end of the liquidation of the Fund.

### **D) Depository**

#### *Legal information*

The Fund, represented by its Managing General Partner, has appointed, with the consent of the AIFM, UBS Europe SE, Luxembourg Branch as its Depository and paying agent within the meaning of the 2016 Act, the 2013 Act and the Commission Delegated Regulation supplementing the AIFM Directive. The relationship between the Fund and the Depository is subject to the terms of the Despositary Agreement.

The Depository is a Luxembourg established branch of UBS Europe SE, a European Company (*Societas Europaea*), having its registered office in Frankfurt am Main, Germany, registered with the German Trade Register under number HRB 107046. UBS Europe SE, Luxembourg Branch has its place of business at 33A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Trade and Companies Register under number B 209.123.



## Depository duties

The relationship between the Fund and the Depository is subject to the terms of the Depository Agreement. Pursuant to the Depository Agreement, the Depository has been appointed for the safekeeping of financial instruments that can be held in custody, for the record keeping and verification of ownership of other assets of the Fund as well as to ensure for the effective and proper monitoring of the Fund's cash flows in accordance with the provisions of the 2016 Act, the 2013 Act and the Depository Agreement. Assets held in custody by the Depository shall not be reused by the Depository, or any third party to which the custody function has been delegated, without the prior consent of the Fund.

In addition, the Depository shall also ensure that:

1. the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg law and the Articles;
2. the value of the Shares is calculated in accordance with Luxembourg law and the Articles;
3. the instructions of the AIFM or the Fund are carried out, unless they conflict with applicable Luxembourg law and/or the Articles;
4. in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits; and
5. the Fund's income is applied in accordance with Luxembourg law, the Articles and the Memorandum.

The Depository shall assume its duties and responsibilities in accordance with the provisions of the 2013 Act and the 2016 Act. The Depository must act honestly, fairly, professionally, independently and in the interest of the Fund and its Investors.

## Delegation and conflict of interests

In compliance with the provisions of the Depository Agreement and the 2013 Law and the Commission Delegated Regulation, the Depository may, subject to certain conditions, delegate part or all of its safekeeping duties in relation to financial instruments that can be held in custody, to sub-custodian(s) (including any affiliates of UBS AG), as they are appointed by the Depository from time to time.

Prior to the appointment of any sub-custodian, and on an ongoing basis pursuant to the Depository Agreement, the 2013 Law and the Commission Delegated Regulation, as well as its conflict of interests policy, the Depository shall assess potential conflicts of interests that may arise from the delegation of safekeeping functions. The Depository is part of the UBS Group, a worldwide, full-service private banking, investment banking, asset management and financial services organization which is a major participant in the global financial markets. As such, potential conflicts of interest from the delegation of its safe-keeping functions could arise as the Depository and its affiliates are active in various business activities and may have differing direct or indirect interests. Irrespective of whether a given sub-custodian is part of the UBS Group or not, the Depository shall exercise all due skill, care and diligence both in relation to the selection and appointment as well as in the ongoing monitoring of the relevant sub-custodian. Furthermore, the conditions of any appointment of a sub-custodian that is member of the UBS Group shall be negotiated at arm's length in order to ensure the interests of the Fund and its investors. Should a conflict of interest occur and in case such conflict of interest cannot be mitigated, such conflict of interest as well as the decisions taken will be disclosed to the investors of the Fund. An up-to-date description of any safe-keeping functions delegated by the Depository and an up-to-date list of these sub-custodian(s) can be found on the following webpage: <https://www.ubs.com/global/en/legalinfo2/luxembourg.html>.

### Liability

The Depositary shall be held liable for any loss or damage suffered by the Fund resulting directly from the Depositary's negligence, intentional failure or willful misconduct in the execution of the services under the Depositary Agreement.

The Depositary's liability shall not be affected by any delegation, unless otherwise stipulated in the 2013 Act, the 2016 Act and/or the Depositary Agreement.

### Termination

The Depositary Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The Depositary Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. Pending the appointment of a new depositary, which must take place at the latest within a period of two (2) months after the termination of the Depositary Agreement becomes effective, the Depositary shall take all necessary steps to ensure good preservation of the interests of the Fund's investors.

### Fees

The Depositary is entitled to receive a remuneration for its services as agreed in the Depositary Agreement and as further disclosed under section 10. G of the Special Section of the Compartment. In addition, the Depositary is entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements, including, but not limited to, taxes, duties, charges and broker fees, whether existing now or imposed in the future and which are paid by the Depositary or for which the Depositary may be held liable and for the charges of any correspondents.

### Depositary's independence from the Fund

The Depositary is not involved, directly or indirectly, with the business affairs, organization or management of the Fund and is not responsible for the content of this document and thus accepts no responsibility for the accuracy of any information contained herein or the validity of the structure and investments of the Fund. The Depositary has no decision-making discretion, nor any advice duty relating to the Fund's investments and is prohibited from meddling in the management of the Fund's investments. The Depositary does not have any investment decision-making role in relation to the Fund.

### **E) Advisory Board**

The Managing General Partner may, in one or several Compartments, establish an Advisory Board consisting of members selected by the Managing General Partner from among the Shareholders. The composition, powers and rules of the meetings shall be set out in the relevant Special Section.

### **F) Administrator**

#### *Legal information*

The Fund, represented by the Managing General Partner, with the consent of the AIFM has appointed Apex Fund Services S.A. as the administrative agent and registrar and transfer agent of the Fund (the **Administrator**).

The relationship between the AIFM, the Fund and the Administrator is subject to the terms of the Administration Agreement. The AIFM, the Fund and the Administrator may terminate the relevant agreement upon three (3) months prior written notice given by one party to the other.

The Administrator is authorised to conduct its activities in Luxembourg by the CSSF.

### *Obligations*

The Administrator shall, among others,

- (a) Act as administrative agent and among other things the calculate the Net Asset Value, maintain the Fund's accounting records and prepare the financial reports required by this Memorandum and under Luxembourg Law;
- (b) Act as registrar, transfer agent, be responsible for the maintenance of the records of the Fund, deal with subscription, redemption and conversion of Shares and maintain the Register
- (c) Act as FATCA and CRS compliance agent.
- (d) if requested, provide facilities necessary for the meetings of the Board and the General Meetings.

### *Remuneration*

The fees and costs of the Administrator for the above functions are met by the Fund out of the net assets of the relevant Compartment in accordance with the Administration Agreement and as further disclosed in section 10. F of the Special Section of the Compartment.

## **C) Auditor**

**PricewaterhouseCoopers**, a *société cooperative* incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, rue Gerhard Mercator ; L-2182 Luxembourg Grand Duchy of Luxembourg, and registered with the Fund Register under number B65477 (the **Auditor**) has been appointed by the General Meeting as the statutory auditor (*réviseur d'entreprises agréé*) of the Fund.

The Auditor shall fulfil the duties prescribed under the 2016 Act.

The Auditor may be replaced by the General Meeting of the Fund, upon selection by the Managing General Partner.

## **4. INVESTMENT OBJECTIVE, STRATEGY AND RESTRICTIONS**

### **A) Investment objective and strategy**

The objective of the Fund is to invest the funds available to it within a specific Compartment in securities and instruments of any kind and other permitted assets with the overall aim and purpose of spreading investment risks in the sense of article 1 of the 2016 Act and affording the Shareholders of the relevant Compartment with the results of the management of its assets.

Each Compartment may have similar or different investment strategies and other specific features (including, but not limited to, specific fee structures, permitted investments, investment restrictions and distribution policies, etc.), as the Managing General Partner shall determine from time to time in respect of each Compartment in the relevant Special Section.

In principle, any Compartment may invest (directly or indirectly, including through Intermediate Vehicles) in any kind of assets in any jurisdictions and currencies.

In the context of its objectives, the Fund will be able to offer a choice of several Compartments, which are managed separately, and which offer distinct investment objectives, policy, strategy and limitations designed in consideration of specific risk profiles and investment horizons. The investment objectives, policy, strategy and limitations of the Compartments are set forth in the Special Sections. The Managing General Partner may impose further investment restrictions or guidelines in respect of the Fund or any Compartment from time to time.

There can be no guarantee that the investment objectives of any Compartment will be achieved. Historical returns are not predictive of future results. There is no assurance that the Fund or any Compartment will provide an acceptable return or will not incur substantial losses, including a complete loss of capital.

The Fund may make or hold Investments indirectly through any Investment Vehicles, which may be financed with equity capital, shareholder loan and/or bank debt. Investment Vehicles may be established and managed out of any relevant jurisdiction, take any legal form available and may include regulated or unregulated Investment Vehicles subject to certain specific legal, accounting, tax and/or regulatory regimes.

The Fund may hold cash, cash deposits and money market instruments for short term liquidity purposes. **B)**

### **Investment Restrictions**

Unless otherwise provided for in the relevant Special Section in relation to a particular Compartment:

#### *General*

The Fund operates under the principle of risk diversification. Each Compartment shall always comply with the risk diversification provisions of applicable laws and regulations, in particular the 2016 Act and in accordance with CSSF Circular 07/309.

A Compartment shall at latest after the Ramp-up Period not invest for more than 30% of its assets in a single Investment or expose for more than 30% of its assets to a single counterparty. This restriction ceases to be applicable when a Compartment is divesting with a view to be dissolved.

In this context, a Compartment may not invest an amount in excess of 30% of the total Contributions in Investments of the same kind issued by the same issuer; provided that this restriction shall not apply to

- (a) Investments issued or warranted by an OECD country or its regional or local authorities or by European Union, regional or global supranational institutions and bodies, or
- (b) Investments in target undertakings for collective investment that are subject to risk spreading requirements at least comparable to those applicable to that Compartment; and provided further that this restriction may be applied on a look through basis.

In that respect, the above-mentioned limit shall apply by each Compartment at the latest on the end of the Ramp-up Period (as set in the relevant Special Section), based on the good faith determination by the Managing General Partner of the expected total Contributions to that Compartment.

#### *Investment through Intermediary Vehicles*

Investments may be made for the account of a Compartment/s through one or more Intermediary Vehicles. The Fund will seek to fully control any such Intermediary Vehicles, but may also hold Investments through co-investment arrangements where the Fund does not keep control over the relevant Intermediary Vehicle. In such case, the Fund acting on behalf of the relevant Compartment may secure to the benefit of third parties or itself, as the case may be, borrowings of the Intermediary Vehicles with liens or other security interests in, or mortgages, pledges or similar rights on, assets of the relevant Compartment.

An Investment into an Intermediary Vehicle should be ignored for the purpose of the investment restrictions and the underlying investments of the Intermediary Vehicle should be treated as if they were direct investments made by the Fund.

#### *Investments by Compartments into other Compartments*

Unless otherwise provided in the applicable Special Section, a Compartment (the Investing Compartment) may subscribe for, acquire and/or hold Shares to be issued or issued by another Compartment (a Receiving Compartment), provided that:

- i. The Receiving Compartment does not invest in the Shares issued by the Investing Compartment;
- ii. The voting rights attached to the relevant Shares held by the Investing Compartment will be suspended for as long as they are held by the Investing Compartment and without prejudice to the appropriate accounting as well as the periodic reports; and
- iii. In any event, for as long as these Shares are held by the Investing Compartment, their value will not be considered for the calculation of the net assets for the verification of the minimum threshold of the net assets pursuant to the 2016 Act.

#### **C) Co-Investment Opportunities**

The Managing General Partner, the AIFM, the Investment Advisor may provide the opportunity to co-invest with the Fund to certain Persons, including one or more Shareholders (other than in their capacity as Limited Partners) who have expressed their interest to the Managing General Partner. Such co-investment opportunities will be allocated at the discretion of the Managing General Partner, provided that no allocation of co-investment opportunities will have a material detrimental effect on the Fund. Any such co-investment may, if the Managing General Partner so requires, be made through one or more special purpose vehicles formed to facilitate such co-investment and managed by the Managing General Partner or an Affiliate thereof, subject to and in accordance with applicable law (each, a **Co-Investment Vehicle**).

#### **D) Alternative Investment Vehicles**

If the Managing General Partner determines in good faith that for legal, accounting, tax, regulatory and/or to facilitate participation in a particular Investment or certain types of Investments, it is in the best interests of the Fund that some or all of the Investments be made through one or more alternative investment structures, the Managing General Partner will be permitted to structure the making of all or any portion of such Investment through one or more separate entities that will invest on a parallel basis with or in lieu of the Fund, as the case may be, subject to certain conditions set out in the Memorandum (each, an **Alternative Investment Vehicle**). Generally, in such event, each Shareholders who participates in such an Alternative Investment Vehicle would do so on substantially the same terms and conditions as it participates in the Fund.

#### **E) SFT and Total Return Swaps**

##### *General description of SFTs and TRSs*

The Fund and any of its Compartments may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. Any use of SFTs for investment purposes will be in line with the risk profile and risk diversification rules applicable to the Fund and any of its Compartments.

Unless otherwise provided in the Special Section of the relevant Compartment, a Compartment will be authorised to engage in the following transactions:

- (a) "securities lending" or "securities borrowing" means a transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred;
- (b) "repurchase transaction" means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them;
- (c) "buy-sell back transaction" or "sell-buy back transaction" means a transaction by which a counterparty buys or sells securities, commodities, or guaranteed rights relating to title to securities, agreeing, respectively, to sell or to buy back securities or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy- sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse- repurchase agreement within the meaning of item (b) above.

The Fund and any of its Compartments may further enter into swap contracts relating to any financial instruments or indices, including TRSs. 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. As such, the use of TRSs or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets.

The Fund or any of its delegates will report the details of any SFT and TRSs concluded to a trade repository or ESMA, as the case may be in accordance with the SFTR.

#### *Overall data to be reported for each type of SFTs and TRSs*

The assets that may be subject to SFTs and TRS are limited to the assets that the relevant Compartment is authorized to invest in pursuant to its investment policy.

The maximum and expected proportion of assets that may be subject to SFTs and TRSs will be set out for each Compartment in the relevant Special Section.

#### *Selection of counterparties*

The counterparties to the SFTs and TRS will be selected on the basis of very specific criteria taking into account notably their legal status, country of origin, and minimum credit rating. These financial counterparties will in any case comply with article 3 of SFTR. As part of the eligibility analysis, the risk of default by any counterparty will be reasonably determined by the AIFM. The identity of the counterparties will be disclosed in the Annual Report.

The AIFM uses a process for accurate and independent assessment of the value of financial derivatives in accordance with applicable laws and regulations.

The Fund will comply with EMIR, which requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In particular, the Fund will ensure compliance with the clearing and reporting obligations, as well as the relevant risk mitigation obligations regarding OTC derivatives not cleared, as foreseen in the EMIR.

#### *Sharing of return*

All revenues arising from SFTs and TRSs, net of fees and costs, will be returned to the relevant Compartment. The Compartment may pay fees and costs to the relevant broker, counterparty or other third parties for services rendered in connection with SFTs and TRSs, upon entering into such transactions and/or any increase or decrease of their principal amount, and/or out of the revenues paid to a Compartment under such transactions, as compensation for their services. Recipients of such fees and costs may be affiliated with the Fund or the AIFM, as permitted by applicable laws. Fees may be calculated as a percentage of revenues earned by the Compartment by entering into such transactions. If the Compartment makes use of SFTs and TRSs, additional information on revenues earned by entering into such transactions, the fees and costs incurred in this respect as well as the identity of the recipients thereof, will be available in the Annual Report.

#### *Collateral policy*

As a principle, assets subject to SFTs and TRSs become the property of the counterparty of the Fund and the assets of equivalent type will be returned to the Fund at the maturity of the transaction. As a consequence, during the life of the transaction, the assets subject to SFTs and TRSs will not be held by the Depositary.

In order to limit the exposure of a Compartment to the risk of default of the counterparty under the SFTs or TRSs, the Compartment may receive cash or other assets as collateral.

#### *Eligible collateral*

Collateral received for the benefit of a Compartment may be used to reduce its counterparty risk exposure if it complies with the conditions set out in applicable laws and regulations. In particular, collateral received for the benefit of a Compartment should comply with the following conditions:

- (a) collateral other than cash should be of high quality, highly liquid and with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (b) collateral should be valued in good faith under the responsibility of the AIFM and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (c) collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (d) where there is a title transfer, collateral received should be held by the Depositary or one of its subcustodians to which the Depositary has delegated the custody of such collateral. For other types of collateral arrangement (e.g. a pledge), collateral can be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral;
- (e) collateral should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty;
- (f) Non-cash collateral received cannot be sold, reinvested or pledged. Cash collateral received will be:

- placed on deposit with eligible credit institutions;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; or
- invested in eligible short-term money market fund.

Subject to the above conditions, permitted forms of collateral include in particular:

- (a) liquid assets such as cash, short term bank deposits, money market instruments, letters of credit and guarantees at first demand issued by a first class credit institution not affiliated to the counterparty;
- (b) bonds issued or guaranteed by a single EU member state, one or more of its local authorities, by another member state of the OECD, or a public international body to which one or more OECD member states belong;
- (c) shares or units issued by money market-type UCIs calculating a daily net asset value and having a rating of AAA or its equivalent;
- (d) shares or units issued by UCIs investing mainly in bonds/shares mentioned under (e) and (f) hereunder;
- (e) bonds issued or guaranteed by first class issuers offering an adequate liquidity; and
- (f) shares admitted to or dealt in on a regulated market of an EU member state or on a stock exchange of a member state of the OECD, provided that these shares are included in a main index.

#### *Haircut*

Collateral will be valued in good faith, taking into account appropriate discounts which will be determined for each asset class. Such discounts take into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

#### **F) Leverage**

As per the AIFMD, leverage is any method by which the Fund increases the degree of its investments through borrowing of cash or securities, use of derivative positions or by any other means. The leverage generates additional risks for the Fund. The leverage ratio is defined as the capital measure divided by the exposure measure. The capital measure is the Net Asset Value and the exposure measure includes all exposures arising from derivatives transactions, SFTs, amounts owed to the banks (i.e. lombard credit lines plus interests), whilst any collateral related to such transactions are excluded.

Subject to the relevant Special Section, the Fund may incur indebtedness (including, without limitation, guarantees and other obligations), directly or indirectly through an Intermediary Vehicle, as deemed appropriate by the Managing General Partner and the AIFM, upon recommendation of the Investment Advisor (if appointed), in seeking to achieve the Fund's targeted returns and to otherwise finance its operations (including Fund-level unsecured financing to finance Investments to the extent that asset specific financing has not been secured). In such respect, the Fund reserves the right to arrange, whether directly or indirectly through any Intermediary Vehicle, credit facilities or other financing arrangements of any nature



for any purposes of the Fund, including to pay expenses and fees, make deposits and acquire assets, and including any subscription facility or similar line of credit obtained in lieu of, or in advance of, either asset level financing or Shareholder contributions to the Fund (and the Fund may guarantee any such line of credit or other credit facility and pledge assets of the Fund as collateral for any such line of credit or credit facility.

For purposes of the foregoing limitations, the relevant percentage limitation will, for greater certainty, only apply at the time each indebtedness is incurred and the Fund will not be in violation of the foregoing limitations as a result of, without limitation, any decrease of the Fund's gross asset value, distributions, redemptions or a disposition of an asset.

The AIFMD and the Commission Delegated Regulation use two distinct definitions of leverage, both of which are calculated on a regular basis by the AIFM:

- (a) the "gross method" (as defined by the AIFMD and the Commission Delegated Regulation), the leverage is calculated as the ratio between the Compartment's investment exposure (calculated by adding the absolute values of all portfolio positions, including the sum of notionals of the derivative instruments used but excluding cash and cash equivalents) and the Net Asset Value; and
- (b) the "commitment method" (as defined by the AIFMD and the Commission Delegated Regulation) takes into account netting and hedging arrangements and is defined as the ratio between the Compartment's net investment exposure (not excluding cash and cash equivalents) and the Net Asset Value.

The maximum of leverage under each of the gross method and the commitment method will be indicated for each Compartment in the applicable Special Section and will be disclosed in the Annual Reports.

A leverage (as defined by the AIFMD) of 100% means a leverage-free portfolio.

The foregoing leverage limitations may be modified or waived with the approval of Shareholders representing more than seventy five percent (75%) of the share capital of the Fund.

Investors should note the risks involving leverage described in Article 28 of the General Section and the relevant Special Section.

Unless otherwise provided in the Special Section of the relevant Compartment, the maximum level of leverage set out for the Fund shall not exceed two hundred percent (200%) of the Net Asset Value.

The applicable leverage limitation, as the case may be, only applies on the date where the debt is incurred. It shall not be an on-going obligation of the Fund or of the AIFM to meet this constraint for a relevant Compartment by reducing its indebtedness as a result of a decline in the value of any of its existing Investments.

Investors should note that the maximum level of leverage set out in the relevant Special Section in respect of a Compartment is only indicative and is provided in accordance with the requirement of articles 21(1), a) and 21(5) of the 2013 Law.

## **G) Pledge and Guarantees**

The Fund is also entitled to grant any guarantees, indemnities, security interests, covenants and undertakings in favour of (i) lenders or any other parties providing financing to the Fund or any intermediate entity or subsidiary of the Fund or (ii) any other counterparties of the Fund or any intermediate entity or subsidiary of the Fund (and in each case to enter into any contractual arrangements in connection therewith), provided that the aggregate amount of any guarantees amounting to indemnities with respect to indebtedness for borrowed

money (but excluding for such purposes any guarantees entered into in respect of any unsecured facilities or obligations) may not, at the time that any such guarantee is entered into, exceed the Fund's Net Asset Value, measured as of the Fund's most recent Net Asset Value prior to entering into such guarantee.

## **H) Hedging**

The Fund will not enter into or invest into options, futures or other derivative transactions for speculative purposes and may only enter into such transactions for hedging purposes to mitigate any expected risk( such as currency and/or interest rate,) especially deriving from Force Majeure and/or "extreme events".

## **5. SHARE CAPITAL AND SHARES**

### **A) Investment by Well-Informed Investors**

Shares are exclusively reserved for Eligible Investors. In particular, subject to the eligibility provisions of the information section of this Memorandum and any provisions of the Special Section of a relevant Compartment, the Managing General Partner will not issue Shares to any Investor who is not a Well-Informed Investor and will not give effect to any Transfer if the transferee is not a Well-Informed Investor.

If Shares are held by a nominee on behalf of an Investor, the Investor must be a Well-Informed Investor. For the avoidance of doubt, Shares subscribed by a bank or an investment firm for the account of clients managed under a discretionary portfolio management mandate are not deemed nominees in the meaning of this Article.

The Managing General Partner and the AIFM (as well as registrar and transfer agent – acting on behalf of the Fund) reserves the right to request such information as is necessary to verify the identity of an Investor and its status in regard to the qualification as a Well- Informed Investor. In the event of delay or failure by the Investor to produce any information required for verification purposes, the Managing General Partner, the AIFM (as well as registrar and transfer agent – acting on behalf of the Fund) may refuse to accept the Subscription Agreement.

### **B) Description of the Capital and the Shares**

#### *Capital*

The share capital of the Fund shall be represented by one (1) management share held by the Managing General Partner (the **Management Share**) and registered ordinary share(s) held by the Limited Shareholders (the **Limited Shares**), having no par value. The share capital shall at any time be equal to the total net assets of the Fund.

The initial share capital of the Fund was of thirty thousand and one Euro (EUR 30,001.00) represented by three hundred (300) Limited Shares issued at one hundred Euro (EUR 100.00) each, fully subscribed and paid up by the initial Limited Shareholder and one (1) Management Share issued at one Euro (EUR 1.00) of fully subscribed and paid up by the Managing General Partner.

The minimum subscribed share capital of the Fund must reach EUR 1,250,000.00.- within a period of twenty four (24) months following its incorporation (and may not be less than this amount thereafter). The combined accounts of the Fund are held in EUR.

The share capital of the Fund is represented by fully paid in Shares with no par value (together with share premiums, if any).

#### *Shares*

##### **(a) Management Share**

At the launch of the Fund, the Managing General Partner subscribed for one fully paid-up Management Share in the Fund issued at a value of EUR 1,00.

(b) Limited Shares

Limited Shares will be in registered form (*actions nominatives*) only and will remain in registered form. Limited Shares are issued without par value and must be fully paid upon issue. Limited Shares are not represented by certificates.

Upon issue, Limited Shares are entitled to participate *pro rata* in the profits and distributions of each Compartment, as well as in the liquidation proceeds of each Compartment.

The General Partner may create Classes of Limited Shares within each Compartment with different characteristics in accordance with the relevant Special Section. The creation of additional Classes shall not require the approval of Shareholders. In such event, the relevant Special Section will be amended accordingly by the General Partner.

For operational purposes, the Fund may create series of Limited Shares within each Class to differentiate between those Shares with different conditions or characteristics, including, without limitation, the application of discounts to fees.

Unless otherwise provided for in the relevant Special Section, the Limited Shares do not carry any preferential or pre-emptive rights. Each Limited Share entitles the holder thereof to receive the distributions as specified in this Memorandum and the relevant supplement.

Unless otherwise provided in the relevant Special Section, Limited Shares are reserved to Well-informed Investors and entitle the holders thereof to specific allocations and distribution rights as set out in the allocation and distribution waterfall. Limited Shares may be of different classes.

Classes can be created with different characteristics in accordance with the Articles.

*Register*

Shares will be in registered form (*actions nominatives*) only and will remain in registered form. Shares are issued without par value and must be fully paid upon issue. Shares are not represented by certificates.

All issued registered Shares of a Compartment shall be registered in the register of Shareholders of that Compartment (the **Register**). The Register is conclusive evidence of ownership of the Shares and the Fund will treat the registered owner of a Limited Share as the legal owner thereof. The Register is kept at the registered office by the Fund. It will be available for inspection by any Shareholder of that Compartment at the registered office. The Register shall contain the name of each owner of registered Shares, his/her/its residence or elected domicile as indicated to the Managing General Partner, the number of registered Shares, Class or series, if any, held by him/her/it, and where applicable any Transfer and the dates of such Transfers. The ownership of the Shares will be established by entry in the Register.

Each Investor shall provide the Fund with his/her address and email address as requested by the Fund to which all notices and announcements may be sent – each Investor shall explicitly agree to receive notices and announcements by email. Shareholders may, at any time, change their details as entered into the Register by way of a written notification sent to the Fund at its registered office, or at such other address as may be set by the Managing General Partner from time to time.

The Managing General Partner will recognise only one holder per Share. In case a Share is held by more than one person, the Managing General Partner 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 such partnership. The same rule shall apply in case of conflict between a usufruct holder (*usufruitier*) and a bare owner (*nu-propriétaire*). Moreover, in the case of joint Limited Shareholders, the Managing General Partner reserves the right to pay any redemption proceeds, distributions or other payments to the first registered holder only, whom the Managing General Partner may consider to be the representative of all joint holders, or to all joint Limited Shareholders together, at its absolute discretion.

The Transfer of Shares may be effected by a written declaration of Transfer entered in the Register, such declaration of Transfer to be executed by the transferor and the transferee or by persons holding suitable powers of attorney or in accordance with the provisions applying to the transfer of claims provided for in article 1690 of the Luxembourg civil code. The Managing General Partner may also accept as evidence of Transfer other instruments of Transfer evidencing the consent of the transferor and the transferee satisfactory to the Managing General Partner.

Payments of distributions, if any, will be made to Shareholders, in respect of registered Shares at their addresses indicated in the Register in the manner prescribed by the Managing General Partner from time to time.

Fractional Shares will be issued to the nearest thousandth of a Share the Compartment being entitled to receive the adjustment. Fractions of Shares are entitled to participate *pro rata* in the distributions and the allocation of the liquidation proceeds but carry no voting rights.

Shares may be issued with a premium to be determined by the Managing General Partner. A premium can be represented by a number of premium units. A premium does not entitle his/her/its holder to a voting right at any General Meeting. Except as otherwise stated, the premium cannot be separated from the Share(s) whose issuance triggered the issuing of the premium.

The Managing General Partner may also decide to issue profit shares (*parts bénéficiaires*) in accordance with the 1915 Act. A profit share does not entitle his/her/its owner to a voting right at any General Meeting.

### ***Voting rights – No pre-emptive rights***

Each Share is entitled to one vote at any General Meeting unless the Managing General Partner decides to issue in accordance with the 1915 Act one or several Classes of Shares of a Compartment that are non-voting Shares as stated in the relevant Special Section.

The voting right can be exercised in person or by power of attorney.

Shares shall have no pre-emptive subscription rights.

## **6. SUBSCRIPTION OF SHARES**

### **A) Legal implications when investing into the Fund**

Investors are legally bound by the terms of their Subscription Agreement, the Articles and this Memorandum.

Upon the issue of the Shares, the person whose name appears on the Register will become a Shareholder in relation to the relevant Compartment and Class. The Fund draws the investors' attention to the fact that where an Investor invests in the Fund through an intermediary acting in his own name but on behalf of the Investor, it may not always be possible for the Investor to exercise certain Shareholder rights, such as the right to participate in General Meetings, directly against the Fund. Investors are advised to seek advice in relation to their rights.

The relationship between the Investors and the Fund shall be governed and construed in all respects in accordance with Luxembourg Law.

Any dispute or controversy between an Investor and the Fund shall be submitted to the exclusive jurisdiction of the Courts of Luxembourg City. In as far as applicable, the recognition and enforcement of a judgment given by the courts of an EU Member State within the scope of Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast) (the Regulation 1215/2012) will be refused by the Luxembourg courts if on the application of (i) any interested party (in case of recognition) or (ii) the person against whom enforcement is sought (in case of enforcement), the Luxembourg courts find that any of the circumstances set out in articles 45 or 46 of Regulation 1215/2012 exist. No re-examination of the merits of any claim resulting in such foreign judgment would be made, save for the examination of the compliance of such judgment with Luxembourg public order (*ordre public*).

Unless otherwise provided for under Luxembourg Law, a relevant Investor as an individual shareholder of the Fund does in principle not have a direct right against any of the Service Providers including the AIFM, the Investment Advisor or the Depositary unless the damage suffered by the Investor was personal and confirmed by a decision of a Luxembourg court in accordance with general principles of civil liability as applicable in Luxembourg. The Fund represented by the Managing General Partner is in principle entitled (and to a certain extent obliged) to claim against the relevant Service Provider.

## **B) Issuance of Shares – Subscription Agreement – Payment**

The Managing General Partner is authorised, without limitation, to issue an unlimited number of fully paid up Shares at any time in accordance with the Memorandum. Notwithstanding the above, the Managing General Partner may authorise that the Investors make a commitment upon which the Managing General Partner notify one or several capital calls to be paid up by the Investors, as set forth in the relevant Special Section.

Shares are exclusively reserved for subscription by Eligible Investors.

The Fund may offer Shares in different Classes, which may carry different rights and obligations, *inter alia*, with regard to their distribution policy, their fee structure, their minimum initial commitment and holding amounts or their target investors.

The amounts invested in the different Classes are themselves invested in a common underlying portfolio of Investments. Shareholders of the same Class will be treated equally *pro rata* to the number of Shares of such Class held by them.

Any conditions to which the issue of Shares may be submitted will be detailed in the Memorandum or by contractual arrangement provided that the Managing General Partner may, without limitation:

- (a) restrict in the Memorandum the ownership of Shares or of any Class of Shares;
- (b) impose restrictions on the frequency at which shares of a certain Class are issued (and, in particular, decide that shares of a particular Class will only be issued during one or more offering periods or at such other intervals as provided for in the Memorandum);
- (c) impose conditions on the issue of Shares (including without limitation the execution of such subscription documents and the provision of such information as the Managing General Partner may determine to be appropriate) and fix a minimum subscription amount, minimum subsequent subscription amount, and/or a minimum holding amount;

- (d) in respect of any one given Compartment and/or Class, levy a subscription charge and has the right to waive partly or entirely this subscription charge.

Shares in a Compartment will be issued at the subscription price calculated in the manner and at such frequency as determined for the relevant Compartment (and, as the case may be, the Class) in the Memorandum and in the relevant Special Section.

The process determined by the Managing General Partner and described in the Memorandum will govern the chronology of the issue of Shares.

The Managing General Partner may confer the authority upon any of its members, any managing director, officer or other duly authorised representative to accept subscription applications, to receive payments for newly issued Shares and to register these issuances of Shares.

The Managing General Partner may, in its absolute discretion, accept or reject, in whole or in part, any request for a subscription for Shares for any or no reason.

The Managing General Partner may agree to issue Shares as consideration for a Contribution in kind of assets, in accordance with 1915 Act, in particular subject to the obligation to deliver a valuation report from an auditor (*réviseur d'entreprises agréé*), and provided that such assets are in accordance with the investment objectives and policies of the relevant Compartment. All costs related to the Contribution in kind shall be borne by the Investors making such Contribution in kind.

## **7. CONVERSION OF SHARES**

The conversion of Shares of one Class into another Class may be authorised by the Managing General Partner on a Class by Class basis.

The Managing General Partner may decide to consolidate Shares of different Classes or to split the Shares within a given Class.

The Management Share is not convertible.

## **8. REDEMPTION OF SHARES**

### **A) Redemption of Shares on the request of a Shareholder**

Unless otherwise provided for in the Memorandum and in particular in a Special Section, a Limited Shareholder may request redemption of all or part of his/her/its Shares from the Managing General Partner, pursuant to the conditions and procedures set forth in this Memorandum or by contractual arrangement and within the limits provided by law and the Articles.

The redemption price per Share will be paid within a period determined by the Managing General Partner, provided that all documents required for the payment are available to the Managing General Partner or its agents.

Unless otherwise provided for in the Memorandum, the redemption price per Share of a relevant Compartment or Class corresponds to the Net Asset Value per Share of that Compartment or Class less any redemption charge, if applicable. Additional fees may be incurred if distributors and paying agents are involved in a transaction. The relevant redemption price may be rounded up or down to the nearest unit of the currency in which it is to be paid, as determined by the Managing General Partner.

The process determined by the Managing General Partner (or its agent) and described in the Memorandum will govern the chronology of the redemption of Shares.

Unless otherwise provided in the Special Section, the Managing General Partner may at its discretion decide to, at the request of a Shareholder, satisfy (all or part of) the payment of the redemption price owed to any Shareholder *in specie* by allocating assets to the Shareholder from the portfolio of the Fund or of the relevant Compartment(s) set up in connection with the Class(es) equal in value to the value of the Shares to be redeemed (calculated in the manner described in Article 14) as of the Valuation Date or the time of valuation when the redemption price is calculated. Valuation of the allocated assets will be confirmed by a special report issued by an independent auditor (*réviseur d'entreprises agréé*).

The Fund shall not proceed with the redemption of Shares in the event that the net assets of the Fund would fall below the minimum capital foreseen in the 2016 Act as a result of such redemption.

If as a result of a redemption application, the number or the value of the Shares held by a Shareholder in a Class falls below the minimum number or value set forth for that Class, the Managing General Partner may decide to treat such an application as an application for redemption of all of that Class held by that Shareholder.

If, in addition, redemption applications as defined in this Article and conversion applications exceed a certain level set by the Managing General Partner in relation to the Shares of a given Class, the Managing General Partner may resolve to reduce proportionally part or all of the redemption and/or conversion applications for a certain time period and in the manner deemed necessary by the Managing General Partner, in the best interests of the Fund and its Compartments. The portion of the non-proceeded redemptions will then be proceeded by priority on the Valuation Date following this period, these redemption and conversion applications will be given priority and dealt with ahead of other applications (but subject always to the foregoing limit).

The Managing General Partner may at its discretion decide to, at the request of a Limited Shareholder, satisfy (all or part of) the payment of the redemption price owed to any Limited Shareholder *in specie* by allocating assets to the Limited Shareholder from the portfolio set up in connection with the Class(es) equal in value to the value of the shares to be redeemed as of the Valuation Date or the time of valuation when the redemption price is calculated if the Managing General Partner determines that such a transaction would not be detrimental to the best interests of the remaining Shareholders of the relevant Compartment. The nature and type of assets to be transferred in such case will be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders in the given Class or Classes, as the case may be. Such a Shareholder may incur brokerage and/or local tax charges on any transfer or sale of securities so received in satisfaction of redemption. The valuation used will be confirmed by a special report of the independent auditor of the Fund. The costs of any such transfers are borne by the transferee.

All redeemed Shares will be cancelled.

All applications for redemption of Shares are irrevocable, except – in each case for the duration of the suspension – in accordance with Article 16 of the General Section, when the calculation of the Net Asset Value has been suspended or when redemption has been suspended as provided for in this Memorandum.

## **B) Redemption of Shares at discretion of the Managing General Partner**

Shares may be redeemed at the initiative of the Managing General Partner in accordance with, and in the circumstances set out under this article. The Managing General Partner may in particular decide to:

- (a) redeem 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 Memorandum, if any;

- (b) carry out a compulsory redemption of Shares:
  - (i) held by a Restricted Person;
  - (ii) in case of liquidation or merger of Compartments or Classes, in accordance with Article 20 of the General Section;
  - (iii) held by a Limited Shareholder who fails to make, within a specified period of time determined by the Managing General Partner, any required contributions or certain other payments to the relevant Compartment (including the payment of any interest amount or charge due in case of default), in accordance with the terms of its subscription documents in accordance with the provisions of the relevant Compartment and in accordance with the provisions of the Memorandum; and
  - (iv) in all other circumstances, in accordance with the terms and conditions set out in the subscription documents, the Memorandum and the Articles.

A compulsory redemption of the Shares cannot be abusive, must be justified and either be in the interest of the Fund and the relevant Shareholders or required for operational or other reasons.

## **9. TRANSFER RESTRICTIONS**

No sale, assignment, transfer, grant of a participation in, pledge, hypothecation, encumbrance or other disposal (each a **Transfer**) of all or any portion of any Shareholder's Shares, whether voluntary or involuntary, shall be valid or effective if:

- (a) the transferee does not qualify as an Eligible Investor;
- (b) the Managing General Partner reasonably considers that the Transfer would cause the Fund to be terminated;
- (c) the Managing General Partner considers that the Transfer would violate any applicable law, regulation or any term of the Articles and the Memorandum;
- (d) the Managing General Partner considers that the Transfer would result in adverse tax or regulatory consequences to the Fund or the Shareholders; and/or
- (e) the Managing General Partner considers that the transferee to be a competitor of the Fund (or an Affiliate thereof), or to be of lower creditworthiness than the Transferring Shareholder, and/or
- (f) the Transfer would result in a violation of any Luxembourg Law or the laws and regulations of any other jurisdiction (including, without limitation, the US Securities Act, any securities laws of the individual states of the United States, or ERISA) or subject the Fund, a Compartment or an Intermediary Vehicle to any other adverse tax, legal or regulatory consequences as determined by the Fund.

It is a condition for any Transfer (whether permitted or required by the Managing General Partner):



- (a) To be approved by the Managing General Partner, such approval not to be unreasonably withheld;
- (b) That the transferee is not a Restricted Person;
- (c) Not to violate any laws or regulations (including, without limitation, any securities laws) applicable to it; and
- (d) That the transferee enters into a deed of adherence or any other agreement pursuant to which it agrees to be bound by the Articles and the Memorandum.

The Managing General Partner, in its sole and absolute discretion, may condition such Transfer upon the receipt of an opinion of responsible counsel which opinion shall be reasonably satisfactory to the Managing General Partner.

Notwithstanding the above, a Transfer by a Shareholder to one of its Affiliates shall not require the Managing General Partner's consent. However, the Managing General Partner shall nevertheless be entitled to prohibit such Transfer that would create a material regulatory or tax issue for the Fund, the AIFM or one of the Shareholders.

The transferor shall be responsible for and pay all costs and expenses (including any taxation) arising in connection with any such permitted Transfer, including reasonable legal fees arising in relation thereto incurred by the Fund or its Affiliates and stamp duty or stamp duty reserve tax (if any) payable. The transferor and the transferee must indemnify the Indemnified Persons, in a manner satisfactory to the Fund against any claims and expenses to which the Indemnified Persons may become subject arising out of or based upon any false representation or warranty made by, or breach or failure to comply with any covenant or agreement of, such transferor or transferee in connection with such Transfer. In addition, each Shareholder agrees to indemnify the Fund (or the relevant Compartment) and each Indemnified Person from any claims and Expenses resulting from any Transfer or attempted Transfer of its Interests in violation of this Memorandum (and the terms of their Subscription Agreement).

No Transfer of all or any part of any Limited Shareholder's Shares in any Compartment, whether direct or indirect, voluntary or involuntary, shall be valid or effective if in breach of the additional restrictions on Transfer set out in the relevant Special Section (if any).

Any transfer of Shares shall be entered into the Register as prescribed by the Articles.

The Management Share is exclusively and mandatorily transferable upon replacement of the Managing General Partner for a Cause Event.

## **10. OWNERSHIP RESTRICTIONS**

The Shares may only be purchased by Eligible Investors investing for their own account or for and on behalf of a third party which qualifies as an Eligible Investor provided that Shares may not be held by Restricted Persons (as defined below). For the avoidance of doubt, Investors may subscribe for Shares through feeder entities to the extent that such intermediary structures are disclosed to and agreed with the Managing General Partner. The status of Eligible Investor will be verified by the Managing General Partner being assisted by the Administrator.

The Managing General Partner shall reject any application from Restricted Persons.

The offering of the Shares may further be restricted to specific categories of Investors in certain jurisdictions in order to conform to local law, customs or business practice or for fiscal or any other reason. It is the

responsibility of any Investor to inform itself of and to observe all applicable laws and regulations of any relevant jurisdictions.

In addition, the Managing General Partner may decide not to offer or sell to, or may require any Investor to provide it with any information that it may consider necessary for the purpose of deciding whether or not such is, or will be, a Restricted Person.

Shares can only be issued to Persons who do not qualify as a Restricted Person. A Restricted Person is any Person where:

- (a) the person's acquisition of one or more Share(s) would cause a breach of any applicable laws or regulations of any country or governmental authority including anti-money laundering laws and regulations;
- (b) such person had given representations in a Subscription Agreement that were not true when given or have ceased to be true;
- (c) in the sole opinion of the Managing General Partner, the holding of a Share by such person may be detrimental to the interests of the Shareholders or of the Fund or may expose the Fund to tax or other legal or regulatory disadvantages, fines or penalties that it would not have otherwise incurred or would be contrary to any term of the Articles and the Memorandum;
- (d) such person does not or would not qualify as an Eligible Investor;
- (e) such person is or would qualify as a US Person; a US Person shall be a Restricted Person if such US Person is not an "accredited Investor" within the meaning of Regulation D promulgated under the United States Securities Act; or
- (f) such other reason as may be specified in the relevant Special Section or the Articles.

Investors who wish to subscribe for or acquire Shares have to enter into a Subscription Agreement or deed of adherence (as the case may be) with, and make certain representations and warranties to the Fund.

Unless otherwise provided in the Memorandum, the Managing General Partner shall, in its absolute discretion, refuse to either issue one or more Share(s) or register the transfer of one or more Share(s) if there is not sufficient evidence that the Person to whom the Shares are to be issued or transferred to qualifies as an Eligible Investor.

Considering whether a subscriber or a transferee qualifies as an Eligible Investor, the Managing General Partner shall have due regard to both the Articles and the Memorandum and applicable laws and regulations. In such an instance where an Investor is considered by the Managing General Partner, in its absolute discretion and without liability, as a Restricted Person, the Managing General Partner may decline to accept the Subscription Agreement(s) concerned, issue any Share and/or decline to register any transfer of Shares in the Register.

If it appears that a Restricted Person, either alone or together with any other Person, is the owner of Shares, the Managing General Partner may in its absolute discretion:

- (a) decline to accept the vote of the Restricted Person at any General Meeting;
- (b) retain all dividends paid or other sums distributed with regard to the Shares held by such Restricted Person;

- (c) instruct the Restricted Person to sell some or all of its Shares and to demonstrate to the Fund that this sale was made within 30 calendar days of the dispatch of the relevant notice by the Managing General Partner, subject each time to the applicable restrictions on transfer as set out in the Articles and the Memorandum;
- (d) Compulsorily redeem all Shares held by the Restricted Person at a price based on the latest available Net Asset Value of the Shares at the date on which the Managing General Partner becomes aware that the relevant Investor is a Restricted Person;
- (e) take any other measure as may be described in the relevant Special Section.

The exercise of this power by the Managing General Partner will not be questioned or invalidated in any case on the grounds that there was insufficient evidence of the ownership of one or more Share(s) by any person or that the true ownership of any Share was otherwise than appeared to the Managing General Partner at the date of the dispatch of the relevant notice, provided that said powers have been exercised by the Managing General Partner in good faith.

## 11. DATA PROTECTION

In accordance with the provisions of the EU Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the **GDPR**) and any applicable national data protection laws (including but not limited to the Luxembourg law of 1<sup>st</sup> August 2018 organising the National Commission for Data Protection (*Commission Nationale pour la Protection des Données*, the **CNPD**) and the general system on data protection, as amended from time to time) (collectively hereinafter the **Data Protection Laws**), the Fund (represented by the Managing General Partner) is acting as data controller (the **Data Controller**) collects stores and processes, by electronic or other means, the data supplied by the Shareholders and the Investors (or if the investor and/or the prospective investor is a legal person, any natural person related to it such as its contact person(s), employee(s), trustee(s), nominee(s), agent(s), representative(s) and/or beneficial owner(s)) (the **Data Subjects**) prior to, or at the time of, his/her/its investment for the purpose of fulfilling the services required by the investor and/or the prospective investors and complying with its legal obligations as outlined below.

The data processed may include any data defined as “personal data” under the Data Protection Laws, such as the Data Subject’s name, contact details (including postal and/or e-mail address), banking details and the invested amount (the **Personal Data**). As part of its compliance with legal obligations such as AML/CTF, the Data Controllers may be required to process special categories of Personal Data as defined by the GDPR, including Personal Data relating to political opinions, as well as criminal convictions and offences.

Data Subjects may, at their discretion, refuse to communicate the Personal Data to the Data Controller. In this event however, the Data Controllers may reject their request for subscription for Shares in the Fund if the relevant Personal Data is necessary to such subscription and/or holding of Shares.

Shareholders and Investors who are legal persons undertake and guarantee to process Personal Data and to supply such Personal Data to the Data Controllers in compliance with the Data Protection Laws, including, where appropriate, informing the relevant Data Subjects of the contents of the present section, in accordance with articles 12, 13 and/or 14 of the GDPR.

Personal Data supplied by Data Subjects are processed in order to enter into and execute the subscription of Shares (i.e. to perform any pre-contractual measures as well as the contract entered into by the Data Subjects), for the legitimate interests of the Data Controllers and to comply with the legal obligations imposed on the Data Controllers.

In addition, the Personal Data supplied by Data Subjects are processed for the purposes of (i) maintaining the Register; (ii) processing subscriptions, redemptions, conversions and withdrawals of Shares and payments of distribution to the Shareholders; (iii) complying with applicable anti-money laundering rules and any other legal obligations, such as maintaining controls in respect of late trading and market timing practices, CRS/FATCA obligations or mandatory registrations with registers including among other the RBO; (iv) account administration; (v) client relationship management and (vi) marketing. In addition, Data Subjects acknowledge their rights to oppose to the use of Personal Data for commercial prospection by writing to the Data Controller.

The “legitimate interests” of the Data Controller referred to above are:

- (a) the processing purposes described in points (i) and (ii) of the above paragraph of this clause;
- (b) the provision of the proof, for the establishment, exercise or defence of legal claims, of a transaction or any commercial communication as well as in connection with any proposed purchase, merger, other reorganisation or acquisition of any part of the Fund's business;
- (c) the compliance with foreign laws and regulations and/or any order of a foreign court, government, supervisory, regulatory or tax authority;
- (d) risk management; and
- (e) exercising the business of the Fund in accordance with reasonable market standards.

The Personal Data may also be processed by the Data Controller's data recipients (the **Recipients**) which, in the context of the above mentioned purposes, may refer to the Shareholders, the AIFM, the Investment Advisor, the Depositary, the Administrator, the Auditor, any transfer and paying agent, any legal or other advisor(s), other Investors, any third party that acquires, or is interested in acquiring or securitising, all or part of the assets or Shares, or that succeeds the Fund in carrying on all or a part of its businesses, or services provided to it, whether by merger, acquisition, reorganisation or otherwise as well as any other third party supporting the activities of the Data Controller. The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the **Sub-Recipients**), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Data Controller and/or assisting the Recipients in fulfilling their own legal obligations.

The Recipients may or not be located in the EEA. Where the Recipients are located outside the EEA in a country which does not ensure an adequate level of protection for Personal Data or does not benefit from an adequacy decision of the European Commission, the Data Controller has entered into legally binding transfer agreements with the relevant Recipients in the form of the European Commission approved model clauses or any other appropriate safeguards pursuant to the GDPR. In this respect, the Data Subjects have a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Data Controllers.

The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data on behalf and upon instructions of the Data Controller and/or the Recipients), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations).

The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities which in turn may, acting as data controller, disclose the same to foreign tax authorities (including for compliance with the FATCA/CRS obligations).

In accordance with the conditions laid down by the Data Protection Law, Data Subjects acknowledge their right to:

- (a) access their Personal Data;
- (b) correct their Personal Data where it is inaccurate or incomplete;
- (c) object to the processing of their Personal Data;
- (d) restrict the use of their Personal Data;
- (e) ask for erasure of their Personal Data; and
- (f) ask for Personal Data portability.

The Data Subjects may exercise their above rights by writing to the Data Controller at the following addresses: 1b, Rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg, or at the Fund's registered office.

The Data Subjects also acknowledge the existence of their right to lodge a complaint with the CNPD at the following address: 15, Boulevard du Jazz, L-4370 Belvaux, Grand Duchy of Luxembourg; or with any competent data protection supervisory authority of their EU Member State of residence.

Personal Data shall not be retained for periods longer than those required for the purpose of their collection and processing, subject to any limitation periods imposed by law.

## **12. PREVENTION OF MONEY LAUNDERING AND OF TERRORIST FINANCING**

Measures aimed on the prevention of money laundering and of terrorist financing under Luxembourg Law are under the responsibility of the Fund and have been delegated (under its supervision) to the Administrator.

In accordance with the Luxembourg laws and regulations implementing European Union directives, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and terrorist financing purposes.

The Fund is subject to the AML Law and must comply with applicable laws and regulations regarding the prevention of money laundering and terrorist financing.

Measures aimed towards the prevention of money laundering and terrorism financing, as provided by (but not limited to) the AML Law, the Grand Ducal regulation dated 1 February 2010 providing details on certain provisions of the AML Law, as amended from time to time, the RBO Law, the Grand Ducal regulation dated 15 February 2019 on the arrangements regarding registration, administrative costs and access to the register of beneficial owners, and the relevant CSSF circulars and regulations, including (without being limited to) the CSSF Regulation 12/02 dated 14 December 2012 relating to the fight against money-laundering and the financing of terrorism, as amended by the CSSF Regulation 20/05 dated 14 August 2020, must require, on a risk sensitive basis, a detailed verification of prospective investors' identity, their beneficial owners, as applicable, as well as the identification of the origins of the funds subscribed, and must require to apply, to the applicable extent, similar due diligence measures and ongoing monitoring from an anti-money laundering and terrorism financing perspective on the investments.

In particular, prospective investors will have to provide to the Managing General Partner, the AIFM and/or the Administrator all documentation and information required under the applicable Luxembourg laws and regulations i.e. for natural persons this may include but is not limited to certified true copies of ID cards/passports (the certification may be made namely by a regulated financial institution located in an

equivalent country, a police officer, an embassy, a consulate or a notary) or for corporate entities, a certified true copy of the articles of association/certificate of incorporation/banking or investment license, evidence of registration/excerpt from the relevant register of commerce and companies, of the latest audited financial reports, the name of the beneficial owners and their related identification documentation, as applicable. A complete list of documents and information to be provided can be obtained from the Administrator upon request. The Managing General Partner, the AIFM, and/or the Administrator reserves the right to request, at any time, any further documents and/or information as it deems necessary to properly perform the antimoney laundering and know your customer due diligence and ongoing monitoring on the prospective and existing investors. Enhanced due diligence measures shall be performed in relation to intermediaries / nominees in accordance with article 3 of the CSSF Regulation 12/02 dated 14 December 2012 relating to the fight against money-laundering and the financing of terrorism, as amended by the CSSF Regulation 20/05 dated 14 August 2020. Until satisfactory proof of identity is provided by potential investors or transferees as determined by the Managing General Partner and the Administrator, they reserve the right to withhold issue or approval of registration of transfers of Shares. Similarly, redemption proceeds will not be paid unless compliance with these requirements has been made in full. In any such event, the Fund, the Managing General Partner, the AIFM and Administrator will not be liable for any interest, costs or compensation.

The Managing General Partner, the AIFM and/or the Administrator may require from a Shareholder, at any time, additional information together with all supporting documentation deemed necessary for the Fund to comply with anti-money laundering and counter terrorist financing measures in force in the Grand Duchy of Luxembourg.

Any Shareholder is required to notify the Managing General Partner prior to the occurrence of any change in the identity of any beneficial owner of interests in the Fund.

In addition, anti-money laundering and counter terrorist financing measures in force in the Grand Duchy of Luxembourg require the Fund, on a risk sensitive basis, to apply identification, risk assessment and due diligence measures with respect to the Fund's transactions and assets. This is ensured as part of the portfolio management services that the AIFM provides to the Fund.

Any information provided in this context is collected for anti-money laundering compliance purposes only.

### **13. MARKET TIMING AND LATE TRADING**

Investors should note that the Managing General Partner may reject or cancel any subscription or conversion request of Shares for any reason and in particular in order to comply with CSSF circular 04/146 relating to the protection of UCIs and their investors against Late Trading and Market Timing practices.

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 relevant Compartment's expenses. Accordingly, the Managing General Partner may in its sole discretion compulsorily redeem Shares or reject subscription or conversions requests from an Investor that the Managing General Partner reasonably believes has engaged in Market Timing activity. For these purposes, the Managing General Partner may consider an Investor's trading history in the relevant Compartment and accounts under common control or ownership.

In addition to the Redemption Fee, which may be of application to those requests as set forth in the Special Section of the relevant Compartment, the Fund may impose a penalty of maximum 5% of the Net Asset Value of the Shares subscribed or converted in order to prevent Market Timing activities. The penalty shall be credited to the relevant Compartment or Class. The Fund or Managing General Partner will not be held liable for any loss resulting from rejected orders or mandatory redemption.

The Managing General Partner will ensure that the relevant cut-off time for requests for subscription, redemption or conversion requests are complied with and will therefore take all adequate measures to prevent practices known as Late Trading. Notwithstanding this, the Managing General Partner may, on an exceptional basis, resolve to accept a subscription, redemption or conversion request received after the applicable cut-off time if the Managing General Partner can reasonably consider that there is no risk of Late Trading or Market Timing, e.g. but not limited to such cases where it may be established that the Investor has issued the order before the determined cut off time.

#### **14. CALCULATION OF THE NET ASSET VALUE**

The valuation of the assets of each Compartment and the calculation of the Net Asset Value per Share shall be performed by the Administrator under the supervision of the AIFM, in accordance with the AIFMD. Unless otherwise provided in the Special Section for each relevant Compartment, the Net Asset Value is calculated on a Class by Class basis, on a monthly basis, on the last Business Day of each month and on such other days as determined from time to time by the Managing General Partner and set out in the relevant Special Section (each a **Valuation Date**).

The Net Asset Value per Share of each Class within the relevant Compartment (the Net Asset Value) results from dividing the total net assets of the Fund attributable to each Class of Shares within such Compartment, being the value of the portion of assets less the portion of liabilities attributable to such Class, on any Valuation Date, by the number of Shares in the relevant Class within the Compartment then outstanding. The value of the net assets of each Compartment is equal to the difference between the value of the Compartment's assets and its liabilities. The Net Asset Value is calculated in the Reference Currency of the relevant Compartment or Class of Shares and may be expressed in such other currencies as the Managing General Partner may decide.

The total net assets of the Fund correspond to the aggregate of the net assets of all the Compartments.

The assets of the Fund shall include, in respect of each Compartment: "

- (a) any interest of any kind or nature in any undertaking for collective investment or assimilated entity, without any limitation as to its form or legal status, whether with or without legal personality;
- (b) all cash in hand, receivable or on deposit, including any interest accrued thereon;
- (c) all bills and notes payable on demand and any account due (including the proceeds of securities sold but not delivered);
- (d) all securities, shares, bonds, time notes, debentures, debenture stocks, subscription rights, warrants and other securities, money market instruments and similar assets owned or contracted for by the Fund;
- (e) all interest accrued on any interest-bearing assets, except to the extent that the same is included or reflected in the principal amount of such assets;
- (f) all stock dividends, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;
- (g) the preliminary expenses of the Fund, including the cost of issuing and distributing Shares, insofar as the same have not been written off and insofar as the Fund shall be reimbursed for the same;

- (h) the liquidating value of all forward contracts and all call or put options in which the Fund has an open position; and
- (i) all other assets of any kind and nature, including expenses paid in advance.

The value of such assets shall be determined by the AIFM (or the AIFM's appointed agent(s)) at fair value with due regard to the following principles:

- (a) if a Compartment acts as a feeder fund, investments in the underlying master fund will be valued at the last available "fair value" information as reported and provided by the underlying master fund, its administrator or general partner and relied upon by the Fund and/or its agent(s) without any duty of further inquiry; whereby this audited or unaudited "fair value" information may be adjusted for subsequent capital calls and distributions and applicable redemption charges where appropriate;
- (b) the value of any cash on hand or 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 thereof;
- (c) securities listed and traded primarily on one or more recognised securities exchanges shall be valued at their last known prices on the valuation date;
- (d) Investments in underlying undertakings for collective investment are taken at their last official net asset value known in the Grand Duchy of Luxembourg at the time of calculating the Net Asset Value of the relevant Compartment. If such price is not representative of the fair value of such assets, then the price shall be determined on a fair value basis;
- (e) Investments subject to bid and offer prices are valued at their midprice, if not otherwise determined by the AIFM;
- (f) unlisted securities for which over-the-counter market quotations are readily available (included listed securities for which the primary market is believed to be the over-the-counter-market) shall be valued at a price equal to the last reported price as supplied by recognised quotation services or broker-dealers; and
- (g) all other non-publicly traded securities, other securities or instruments or investments for which reliable market quotations are not available, and securities, instruments or investments which the AIFM determines in its absolute discretion that the foregoing valuation methods do not fairly represent the fair value of such securities, instruments or investments, will be valued either at their cost basis to the Compartment or in good faith using methods it considers appropriate. Assets expressed in a currency other than the reference currency of the Compartment concerned shall be converted on the basis of the rate of exchange ruling on the relevant Valuation Date. If such rate of exchange is not available, the rate of exchange will be determined in good faith by or under procedures established by the Managing General Partner.

The liabilities of the Fund shall include, in respect of each Compartment:

- (a) all loans, bills and accounts payable;
- (b) all accrued interest on loans (including accrued fees for commitment for such loans); all accrued or payable expenses (including administrative expenses, advisory and management fees,



including incentive fees, depositary fees, and corporate agents' fees); all known liabilities, present or future, including all matured contractual obligations for payment of money, including the amount of any unpaid distributions declared by the Fund;

- (c) an appropriate provision for future taxes based on capital and income to the Valuation Date as determined from time to time by the Fund, and other reserves (if any) authorized and approved by the Administrator, as well as such amount (if any) as it may consider to be an appropriate allowance in respect of any contingent liabilities of the Fund; and
- (d) all other liabilities of whatsoever kind and nature reflected in accordance with generally accepted accounting principles in the Grand Duchy of Luxembourg.

In determining the amount of such liabilities the Managing General Partner shall, with due regard to the expenses borne by the Managing General Partner out of the fees it receives, if any, take into account all expenses payable by the Fund which shall include (without limitation) formation expenses, fees, expenses, disbursements and out-of-pocket expenses payable to the Depositary, its correspondents, the Managing General Partner, the Administrator as well as any other agent appointed by the Fund, the remuneration of any officers and their reasonable out-of-pocket expenses, insurance coverage and reasonable travelling costs in connection with Managing General Partner meetings and committee meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, licensing fees for the use of the various indexes, reporting and publishing expenses, including the cost of preparing, translating, printing, advertising and distributing the Memorandum, further explanatory sales documents, periodical reports or registration statements, the costs of publishing the Net Asset Value and any information relating to the fair value of the Fund (if any), the costs of printing certificates, if any, and the costs of any reports to Shareholders, the cost of convening and holding General Meetings and committee meetings, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, transaction fees, the cost of publishing the issue and redemption prices (if any), Interests, bank charges and brokerage, postage, insurance, telephone and telex. The Fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount for yearly or other periods.

The assets and liabilities of different Compartments or different Classes shall be allocated as follows:

- (a) the proceeds to be received from the issue of Shares of a Compartment shall be applied in the books of the Fund to the relevant Compartment;
- (b) where an asset is derived from another asset, such derived asset shall be applied in the books of the Fund to the same Compartment as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value shall be applied to the relevant Compartment;
- (c) where the Fund incurs a liability which relates to any asset of a particular Compartment or to any action taken in connection with an asset of a particular Compartment, such liability shall be allocated to the relevant Compartment;
- (d) upon the record date for determination of the Shareholder entitled to any dividend declared on Shares of any Compartment, to the extent applicable, the assets of such Compartment shall be reduced by the amount of such dividends; and
- (e) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular Compartment, such asset or liability shall be allocated to all the Compartments pro

rata to the Net Asset Value of each Compartment or in such other manner as determined by the Administrator acting in good faith.

For the purposes of the NAV computation:

- (a) Shares to be redeemed shall be treated as existing and taken into account until immediately after the time specified by the Managing General Partner on the relevant Valuation Date and from such time and until paid by the Fund, the price therefore shall be deemed to be a liability of the Fund;
- (b) Shares to be issued by the Fund shall be treated as being in issue as from the time specified by the Managing General Partner on the Valuation Date and from such time and until received by the Fund, the price therefore shall be deemed to be a debt due to the Fund;
- (c) all Investments, cash balances and other assets expressed in currencies other than the Reference Currency in which the Net Asset Value for the relevant Compartment is calculated shall be converted on the basis of the rate of exchange ruling on the relevant Valuation Date; and
- (d) where on any Valuation Date the Fund has contracted (i) to purchase any asset, the value of the consideration to be paid for such asset shall be shown as a liability of the Fund and the value of the asset to be acquired shall be shown as an asset of the Fund or (ii) to sell any asset, the value of the consideration to be received for such asset shall be shown as an asset of the Fund and the asset to be delivered shall not be included in the assets of the Fund, provided however, that if the exact value or nature of such consideration or such asset is not known on such Valuation Date, then its value shall be estimated by the Administrator.

The Reference Currency of the Fund is EUR (the Euro). Each Compartment may have a different Reference Currency. The Net Asset Value of each Compartment's Shares is expressed in the Reference Currency of the respective Compartment and within each Compartment the NAV of each Class, if applicable, is expressed in the Reference Currency of the respective Class, as further described in the Special Section.

The Fund has adopted a policy of valuing the investments of the Fund at fair value (*juste valeur*). The AIFM, in its discretion and in good faith, may permit some other method of valuation to be used, if it considers that such valuation better reflects the fair value (*juste valeur*) of any asset of the Fund.

Assets and liabilities expressed in a currency other than the Reference Currency of the Compartment concerned shall be converted on the basis of the rate of exchange ruling on the relevant Valuation Date. If such rate of exchange is not available, the rate of exchange will be determined in good faith by or under procedures established by the Managing General Partner.

In the absence of bad faith, gross negligence or manifest error, every decision in calculating the Net Asset Value taken by the AIFM or by the Administrator or by any other organisation which the Managing General Partner or the AIFM may appoint for the purpose of calculating the Net Asset Value, shall be final and binding on the Fund and on its present, past or future Shareholders.

## **15. VALUATION OF INVESTMENTS**

The AIFM is responsible for the determination of the fair value of the Investments in accordance with this Memorandum and the valuation policy adopted by the AIFM.

When appraising the fair value of an Investment, which becomes illiquid or hard to value, the AIFM will:

- (a) liaise with the Fund to assess the valuation; or
- (b) as, the case may be, appoint an independent valuer and decide on retaining, rejecting or adjusting the value provided by the independent valuer.

The independent valuer will not be affiliated to the Depositary and must fulfil the conditions of article 17(5) of the 2013 Act.

The name of each independent valuer which valuations have been used for will be disclosed in the Annual Report. The Shareholders may furthermore inform themselves at the registered office of the Fund or the AIFM of the names of the independent valuers.

The AIFM is entitled to rely, without further inquiry, on the valuations provided by the Fund, or by the independent valuer and, for the avoidance of doubt, the AIFM will be under no obligation to value the Investments when calculating the Net Asset Value.

## **16. TEMPORARY SUSPENSION OF CALCULATION OF THE NET ASSET VALUE AND/OR OF SUBSCRIPTION, REDEMPTION AND CONVERSION**

The Managing General Partner may, in accordance with the Memorandum, at any time take the necessary steps to suspend the determination of the Net Asset Value per Share of Class of any Compartment and to suspend the issue, redemption or conversion of the relevant Shares.

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

The Managing General Partner may suspend the determination of the Net Asset Value and/or, where applicable, the subscription, redemption and/or conversion of Shares and Class of any Compartment in the following cases:

- (a) when the stock exchange(s) or market(s) that supplies/supply prices for a significant part of the assets of the Fund attributable to such Compartment are closed, or in the event that transactions on such a market are suspended, or are subject to restrictions, or are impossible to execute in volumes allowing the determination of fair prices;
- (b) when the information or calculation sources normally used to determine the value of the Fund's assets attributable to such Compartment's are unavailable, or if the value of the Fund's Investment attributable to such Compartment cannot be determined with the required speed and accuracy for any reason whatsoever;
- (c) when exchange or capital transfer restrictions prevent the execution of transactions of the Fund or if purchase or sale transactions of the Fund attributable to such Compartment cannot be executed at normal rates;
- (d) when the political, economic, military or monetary environment, or an event of force majeure, prevent the Fund from being able to manage normally its assets or its liabilities and prevent the determination of their value in a reasonable manner;
- (e) when, for any other reason, the prices of any significant Investments owned by the Fund attributable to such Compartment cannot be promptly or accurately ascertained;

- (f) when the Fund or any of the Compartment/s, as applicable is in the process of being liquidated or of establishing exchange parities in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;
- (g) when there is a suspension of redemption or withdrawal rights by several investment funds in which the Fund or the relevant Compartment, as applicable, is invested;
- (h) in exceptional circumstances, whenever the Managing General Partner considers it necessary in order to avoid irreversible negative effects on the Fund or one or more Compartment's, in compliance with the principle of equal treatment of Shareholders in their best interests.

Unless otherwise provided in the Special Section for a specific Compartment, when Shareholders are entitled to request the redemption or conversion of their Shares, if any application for redemption or conversion is received in respect of any relevant Valuation Date (the First Valuation Date) which either alone or when aggregated with other applications so received, is above the liquidity threshold determined by the Managing General Partner for any one Compartment, the Managing General Partner reserves the right in its sole and absolute discretion (and in the best interests of the remaining Shareholders) to scale down *pro rata* each application with respect to such First Valuation Day so that no more than the corresponding amounts be redeemed or converted on such First Valuation Date. To the extent that any application is not given full effect on such First Valuation Date by virtue of the exercise of the power to prorate applications, it shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in respect of the next following Valuation Date and, if necessary, subsequent Valuation Dates, until such application shall have been satisfied in full. With respect to any application received in respect of the First Valuation Date, to the extent that subsequent applications shall be received in respect of following Valuation Dates such later applications shall be postponed in priority to the satisfaction of applications relating to the First Valuation Date, but subject thereto shall be dealt with as set out in the preceding sentence.

The suspension of the calculation of the Net Asset Value- and/or, where applicable, of the subscription, redemption and/or conversion of Shares, shall be notified to the relevant Persons through all means reasonably available to the Fund, unless the Managing General Partner is of the opinion that a publication is not necessary considering the short period of the suspension.

Relevant Shareholders shall be notified as soon as practically feasible and in accordance with the Memorandum of any suspension of calculation of the Net Asset Value, or of any reinstatement following a suspension thereof.

## **17. GENERAL MEETING**

### **General Meeting**

Shareholders exercise their collective rights in the General Meeting. Any regularly constituted General Meeting will represent the entire body of shareholders of the Fund. The General Meeting is vested with the powers expressly reserved to it by the 1915 Law, the Memorandum and the Articles. No decision of a General Meeting will be validly taken without the prior approval of the Managing General Partner, except for the decision of its removal.

The General Meeting of the Fund may at any time be convened (i) by the Managing General Partner or the Auditor or (ii) by the Managing General Partner upon the written request of one or several Shareholders representing at least ten per cent of the Fund's share capital in which case the General Meeting shall be held within a period of one month from the receipt of such request.

Written notice, setting forth the agenda of any General Meeting shall be given to all Shareholders at least eight days prior to the date of the meeting and shall contain the date, time, place and agenda of the meeting.

Notices shall be given by registered letter or by any other means of communication (such as email, fax, ordinary letter or courier services) having been individually accepted by each addressee Shareholder.

A Shareholder may change his/her/its email address or revoke his/her/its consent to alternative means of convening provided that his/her/its revocation or new contact details are received by the Fund no later than 15 days before the General Meeting. The Managing General Partner is authorized to ask for confirmation of such new contact details by sending a registered letter or an email, as appropriate, to this new address or email address. If the Shareholder fails to confirm his/her/its new contact details, the Managing General Partner shall be authorized to send any subsequent notice to the previous contact details.

If all of the Shareholders are present or represented at a General Meeting and consider themselves duly convened, the meeting may be held without prior notice or publication.

### **Conduct of the General Meeting**

The annual General Meeting shall be held within six months of the end of each financial year in the Grand Duchy of Luxembourg at the registered office of the Fund or at such other place in the Grand Duchy of Luxembourg as may be specified in the convening notice of such meeting. Other meetings of Shareholders may be held at such place and time as may be specified in the respective convening notices.

A board of the meeting shall be formed at any General Meeting, composed of a chairman, a secretary and a scrutineer who need neither be Shareholders nor members of the Managing General Partner. The board of the meeting shall especially ensure that the meeting is held in accordance with applicable rules and, in particular, in compliance with the rules in relation to convening, majority requirements, vote tallying and representation of Shareholders.

An attendance list must be kept at all General Meetings.

A Shareholder may act at any General Meeting by appointing another person as his proxy in writing or by facsimile, electronic mail or any other similar means of communication. One person may represent several or even all Shareholders.

Shareholders taking part in a meeting by conference call, through video conference or by any other means of communication allowing for their identification, allowing all persons taking part in the meeting to hear one another on a continuous basis, allowing for an effective participation of all such persons in the meeting, are deemed to be present for the computation of the quorums and votes, subject to such means of communication being made available at the place of the meeting.

Each Shareholder may vote at a General Meeting through a signed voting form sent by post, electronic mail, facsimile or any other means of communication to the Fund's registered office or to the address specified in the convening notice. Shareholders may only use voting forms provided by the Fund which contain at least the place, date and time of the meeting, the agenda of the meeting, the proposals submitted to the Shareholders, as well as for each proposal three boxes allowing the Shareholder to vote in favour thereof, against, or abstain from voting on each proposed resolution by ticking the appropriate box.

Voting forms which, for a proposed resolution, do not show (i) a vote in favour or (ii) a vote against the proposed resolution or (iii) an abstention are void with respect to such resolution. The Fund shall only take into account voting forms received prior to the General Meeting to which they relate.

The Managing General Partner may determine further conditions that must be fulfilled by the Shareholders for them to take part in any General Meeting.

## **Quorum, majority and vote**

Each Share entitles to one vote.

The Managing General Partner may suspend the voting rights of any Shareholder in breach of its obligations as described by the Articles, the Memorandum or any relevant contractual arrangement entered into by such Shareholder.

A Shareholder may individually decide not to exercise, temporarily or permanently, all or part of his voting rights. The waiving Shareholder is bound by such waiver and the waiver is mandatory for the Fund upon notification to the latter.

In case the voting rights of one or several Shareholders are suspended or the exercise of the voting rights has been waived by one or several Shareholders, such Shareholders may attend any General Meeting but the Shares they hold are not taken into account for the determination of the conditions of quorum and majority to be complied with at the General Meetings.

Except as otherwise required by the 1915 Law or the Articles, resolutions at a General Meeting duly convened shall not require any quorum and shall be adopted at a simple majority of the votes validly cast regardless of the portion of capital represented. Abstentions and nil votes shall not be taken into account.

## **Amendments of the Articles**

Except as otherwise provided herein, the Articles may be amended by a majority of at least two thirds (2/3) of the votes validly cast at a General Meeting at which a quorum of more than half of the Fund's share capital is present or represented. If the quorum is not reached, a second meeting shall be convened in accordance with the conditions of the Articles and the 1915 Law. The second General Meeting shall deliberate regardless of the proportion of the share capital present or represented. Abstentions and nil votes shall not be taken into account. Consent of the Managing General Partner is required, except in case of resolutions relating to its removal.

Any increase of the Shareholders' obligations in the Fund shall require the unanimous consent of the Shareholders.

## **18. GENERAL MEETINGS OF SHAREHOLDERS OF A COMPARTMENT OR A CLASS**

The Managing General Partner may at any time convene a General Meeting of one or several Compartment(s) in order to decide on any matter which relate exclusively to such Compartment(s).

Provisions relating to the General Meetings of the Fund shall apply, to the extent possible, *mutatis mutandis* to the General Meetings of one or several specific Compartment(s) or one or several Class(es).

## **19. ACCOUNTING YEAR – ANNUAL REPORT – DOCUMENTS AVAILABLE FOR INSPECTION TO INVESTORS**

### **A) Accounting Year**

The Accounting Year will begin on 1 January and terminate on 31 December of each year.

### **B) Annual Accounts**

Each year, at the end of the financial year, the Managing General Partner will draw up the annual accounts of the Fund in the form required by the 2016 Act.

At the latest one month prior to the annual General Meeting, the Managing General Partner will submit the Fund's balance sheet and profit and loss account together with its report and such other documents as may be required by law to the independent auditor of the Fund who will thereupon draw up its report.

As required by the 2016 Act, the Fund will publish an annual report drawn up as at the end of the Fund's financial year, being 31 December of each year, which will be available to Shareholders at the registered office of the Fund no later than six (6) months after the end of the financial year of the Fund.

The annual report includes a balance sheet or a statement of income and a statement of changes in equity and a cash flow statement, a report on the activities of the past financial year as well as any significant information enabling Shareholders to make an informed judgment on the development of the activities and of the results of the Fund.

The Fund will furnish to the Shareholders (i) within 180 days of the end of the applicable reporting period, audited financial statements (including a balance sheet, profit and loss account and statement of cash flows) annually prepared on the basis of IFRS as modified with the agreement of the auditor, and (ii) within 60 days of the end of the applicable reporting period, unaudited financial statements for the first three quarters of each fiscal year.

The financial information of the Fund shall be prepared in accordance with IFRS as modified with the agreement of the auditor, provided that the Managing General Partner may decide to use different accounting methods if and when appropriate.

The Fund shall provide the Shareholders (within six (6) months after the year-end) with an audited annual report and a review of the performance of the assets of the Fund over the year free of charge.

The report shall contain at least a balance sheet, a statement of income, a statement of changes in equity and a cash flow statement as well as explanatory notes and reviews of (i) the performance of the Fund, (ii) the allocation of assets against the investment restrictions of the Fund, and (iii) the current investment strategy.

### **C) Documents available for Investors**

Copies of the Articles, this Memorandum, the AIFM Agreement, the Depositary Agreement, the Administration Agreement, the most recent financial statements and reports as well as any further documents and/or reports in respect of the Fund shall be made available during office hours at the registered office of the Fund.

The Net Asset Value per Share of each Class, if applicable, shall be available on each Valuation Date at the Fund's registered office and shall be mailed to Shareholders upon their request.

Shareholders are informed at least once a year by the Annual Report, as well as during the year in an adequate manner each time when the following is concerned: (a) the percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature, (b) any new arrangements for the control of the liquidity of the Fund, and (c) the current risk profiles of the Fund and the risk management system assigned by the AIFM to control these risk profiles.

In addition, Shareholders are informed at least once a year by the annual report as well as during the year in an adequate manner about (a) any changes to the maximum level of leverage which the AIFM may employ on behalf of the Fund as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement and (b) the total amount of leverage employed by the Fund.

The Fund will also ensure that the information which has to be published in accordance with article 23 of the AIFMD is published or passed on to the Shareholders in an appropriate manner. Information about past

performance can be obtained at the registered office of the Fund. Claims of Shareholders against the Fund lapse five (5) years after the date of the event giving rise to the rights invoked.

English shall be the governing language for this Issuing Document.

## **20. DISSOLUTION/LIQUIDATION**

### **A) Dissolution and liquidation of the Fund**

The Fund may at any time be dissolved by a resolution of the General Meeting resolving in the conditions prescribed for the amendment of the Articles. The Fund shall also be dissolved upon dissolution of the last existing Compartment.

In addition to the above, should the capital of the Fund falls below two thirds (2/3) of the minimum capital provided for by the 2016 Law, the Managing General Partner shall convene a General Meeting to consider the dissolution of the Fund. The General Meeting for which no quorum shall be required, shall decide by simple majority of the Shares present or represented at the meeting.

Where the capital falls below one-quarter (1/4) of the minimum capital provided for by the 2016 Law, the Managing General Partner shall convene a General Meeting to decide upon the liquidation of the Fund. The General Meeting for which no quorum shall be required, shall decide by Shareholders holding one-fourth (1/4) of the Shares present or represented at the meeting.

General Meeting must be convened so that it is held within a period of 40 days from the assessment that the net assets of the Fund have fallen below two-thirds (2/3) or one quarter (1/4) of the minimum capital, as the case may be.

The decision to dissolve the Fund will be published in the RESA.

As soon as the decision to liquidate or wind up the Fund is taken, the issue of Shares in all Compartments and Classes is prohibited and any issuance of Shares in contradiction to this prohibition shall be deemed null and void.

In the event of dissolution of the Fund, liquidation shall be carried out by one or several liquidators (who may be physical persons or legal entities) appointed by the General Meeting deciding on such dissolution. The operations of liquidation will be carried out pursuant to Luxembourg applicable laws.

### **B) Liquidation or Merger of Compartments or Classes of Shares**

Any Compartment created for a fixed period will terminate automatically on the expiration date (if any) provided for in the relevant Compartment Specifications.

The Managing General Partner may also decide to liquidate one Compartment if the net assets of such Compartment have decreased to, or have not reached, an amount determined by the Managing General Partner to be the minimum level for such Compartment to be operated in an economically efficient manner or if a change in the economic or political situation relating to the Compartment concerned would justify such liquidation. Shareholders of the relevant Compartment will be notified by the Managing General Partner of any decision to liquidate the relevant Compartment prior to the effective date of the liquidation and the notice will indicate the reasons for, and the procedures applicable to, the liquidation.

Assets which cannot be distributed to their beneficiaries upon the close of liquidation of the relevant Compartment will be deposited with the depositary for a period of six months after the end of the liquidation.



After such time, the assets will be deposited with the *Caisse des Consignations* on behalf of their beneficiaries.

Unless otherwise provided in the relevant Special Section, the Managing General Partner may decide to terminate one Compartment and contribute its assets into another existing or new Compartment, into another existing Compartment or new collective investment scheme organised under the provisions the 2016 Act, the act of 13 February 2007 on specialised investment funds, as amended or of Part II of the act of 17 December 2010 on undertakings for collective investment, as amended or to another Compartment within such other undertaking for collective investment or an assimilated entity. The Managing General Partner may organise the amalgamation of two or more Compartments or two or more Classes within a Compartment if it believes that such a course of action is in the best interests of the Shareholders of the relevant Compartments. Affected Shareholders will be notified of any such decision and relevant information in relation to the new Compartment. Notice will be provided at least one month before the date on which the amalgamation becomes effective in order to enable Shareholders to request that their Shares be redeemed, without any fees or costs, before the amalgamation is completed.

Unless otherwise provided for in the relevant Special Section, where assets are to be contributed to another collective investment vehicle, the amalgamation will be binding only on Shareholders in the relevant Compartment who expressly consent to such amalgamation. Where the Managing General Partner does not have the authority to do so or where the Managing General Partner determines that the decision should be put to the Shareholders for their approval, the decision to merge a Compartment shall instead be taken at a General Meeting of Shareholders of the relevant Compartment. In such event, the General Meeting of the Compartment shall be held without any quorum requirements and the dissolution may be decided by the votes of Shareholders holding 75 per cent of the Shares present and/or represented at such General Meeting. Shareholders will be notified by the Fund of any resolution to proceed with liquidation or amalgamation at least one month before the effective date of the liquidation or amalgamation of the Compartment in order to enable Shareholders to request redemption or conversion of their Shares, without any fees or costs, before the liquidation or amalgamation of the Compartment takes place.

Notwithstanding the foregoing, no amalgamation will take place during any period during which the calculation of the Net Asset Value and the issue, conversion or redemption of any Shares in any Class involved in the amalgamation has been suspended, except if the consent of all of the Shareholders holding Shares in each of the involved Compartments has been obtained.

As soon as the decision to liquidate or merge a Compartment is taken, the issue of Shares in such Compartment is prohibited and shall be deemed void.

Each Compartment may be separately dissolved without impacting any other Compartment. The dissolution of the last Compartment causes *ipso jure* the liquidation of the Fund.

### **C) Liquidation proceeds**

The net proceeds of liquidation corresponding to each Compartment shall be distributed to the Shareholders of the relevant Compartment in accordance with the Special Section.

Any liquidation proceeds that cannot be distributed to their beneficiaries upon the implementation of the liquidation will be deposited with the Luxembourg *Caisse de Consignation*.

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

All redeemed Shares will be cancelled.

## 21. DISTRIBUTION

Distributions may only be made if the net assets of the Fund do not fall below the minimum EUR 1,250,000.00.- in accordance with the 2016 Act.

Subject to the provisions of the relevant Special Section, the Managing General Partner may cause the Fund to make distributions to the Shareholders at any time (and from time to time) and in such amounts as the Managing General Partner determines in its sole discretion.

In determining whether to make any distribution, the Managing General Partner may take into account the actual and anticipated fees, costs, expenses (including Fund Expenses) and liabilities (including debt payments and fees), anticipated investments, capital expenditures, existing and anticipated redemptions and reserves requirements of the Fund.

Unless otherwise provided in the Special Section, the Managing General Partner may at its discretion decide to satisfy (all or part of) the payment of the redemption price owed to any Shareholder *in specie* by allocating assets to the Shareholder from the portfolio of the Fund or of the relevant Compartment(s) set up in connection with the Class(es) equal in value to the value of the Shares to be redeemed (calculated in the manner described in Article 14 of the General Section as of the Valuation Date or the time of valuation when the redemption price is calculated. Valuation of the allocated assets will be confirmed by a special report issued by an independent auditor (*réviseur d'entreprises agréé*).

All distributions will be made net of any income, withholding and similar taxes payable by the Fund (the **Distributable Proceeds**). For the avoidance doubt, if the Managing General Partner is required by any Applicable Law to withhold tax with respect to a Limited Shareholder and to pay over such withheld amount to a taxation authority, such payment generally will be treated as if it were a distribution to such Shareholder and the provisions of the Articles, Memorandum and the Subscription Agreement shall apply, to the extent applicable.

The Managing General Partner may, instead of paying a distribution to the Shareholders, decide to compulsorily redeem Shares for the amounts distributed under (ii) above, in accordance with the terms of this Memorandum.

## 22. CONFLICT OF INTEREST

Conflicts of interest may arise as a result of various factors involving the AIFM, the Administrator, the Depositary, the Investment Advisor, other service providers, and their Affiliates. These conflicts may arise from their involvement in other activities that may conflict with those of the Fund. Investors should be aware that conflicts will not necessarily be resolved in favour of the Fund's interest even if the Managing General Partner takes appropriate measures to safeguard as much as possible the interests of the Investors. The following together with the Depositary's and the AIFM's conflict of interest policy summarise some of these conflicts, but it is not intended to be an exhaustive list of all such potential conflicts. Service providers may act as or provide other services to other clients now or in the future. The investment objectives of such clients may be identical, similar or different to those of the Fund. The service providers will engage in other business activities and may additionally serve as consultants to, partners or shareholders in other investment funds, companies and investment firms. Service providers may provide services paid for by the Fund and also provide services to the AIFM, the initiator and their Affiliates. Discounts or other advantageous billing arrangements made available to the AIFM, the Administrator and its Affiliates, or the Investment Advisor and their Affiliates are not required to be extended to the Fund and the benefits thereof are not required to be shared with the AIFM, the Administrator, the Investment Advisor and its Affiliates.

The services of the AIFM are not provided on an exclusive basis, thus, the AIFM is entitled to manage other investment funds the strategies of which are similar to those of the Fund. According to the AIFM Law, the

AIFM must take all reasonable steps to identify conflicts of interest that arise in the course of managing the Fund between the AIFM (including its managers, employees or any person directly or indirectly linked to the AIFM by control) and the Fund or its Investors, the Fund or its Investors and another client of the AIFM (including another alternative investment fund, an undertaking for collective investments in transferable securities or their investors), and two clients of the AIFM. The AIFM must ensure that investment opportunities are always allocated in a way as to minimise potential conflicts of interests and in compliance with the AIFM Law.

The AIFM must maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to identify, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the Fund and its Investors.

The AIFM must segregate, within its own operating environment, tasks and responsibilities which may be regarded as incompatible with each other or which may potentially generate systematic conflicts of interest. The AIFM must assess whether its operating conditions may involve any other material conflicts of interest and disclose them to the Investors.

Where organisational arrangements made by the AIFM to identify, prevent, manage and monitor conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to Investors' interests will be prevented, the AIFM must clearly disclose the general nature or sources of conflicts of interest to the Investors before under-taking business on their behalf, and develop appropriate policies and procedures.

## **23. TAXATION**

### **A) General**

The following is an overview of certain tax consequences of purchasing, owning and disposing of the Fund's Shares. It does not purport to be a comprehensive description of all of the tax considerations that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of certain tax consequences for taxpayers with respect to the Shares of the Fund and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to Shareholders. This overview is based on the laws in force on the date of this Memorandum and is subject to any change in law that may take effect after such date. Investors should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

To the extent required by the context, the defined terms used in the following subsections of this Article 23 may have a different meaning from the meaning ascribed to them under "Definitions".

### **B) Taxation in Luxembourg**

The Fund as a Luxembourg reserved alternative investment fund (*fonds d'investissement alternatif réservé*) in the form of a corporate partnership limited by shares (*société en commandite par actions*) should in principle be opaque for Luxembourg income tax purpose and exempt from Luxembourg corporate income tax, municipal business tax and net wealth tax.

Under current Luxembourg tax law, no dividend withholding taxes should be levied on distributions by the Fund to the Shareholders.

Interest, dividend and capital gains received by the Fund may be subject to irrecoverable withholding taxes or other taxes in the country where such interest, dividends or gains originate. Withholding and other taxes

levied at source, if any, should not be recoverable. Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be determined on a case-by-case basis.

The Fund should only be liable to an annual subscription tax (*taxe d'abonnement*) which is presently set at 0.01% of the value of the Fund's net assets. The application of this subscription tax remains subject to certain exemptions to be analysed on a case-by-case basis (e.g. investment in other funds already subject to subscription tax as well as certain money market, pension and microfinance funds). It should be stressed that the value of the assets represented by units held in other Luxembourg undertakings for collective investment are exempt from subscription tax provided that such units have already been subject to the subscription tax. This subscription tax is payable quarterly based on the Fund's net asset value calculated at the end of each quarter.

No ad valorem duty or tax is payable in Luxembourg in connection with the issue of Shares by the Fund. A fixed registration duty of EUR 75.- will be due by the Fund upon its incorporation and each amendment of its Articles.

As alternative investment fund within the meaning of the AIFM Law, under the current administrative practice of the Luxembourg value added tax (VAT) authorities, the Fund should qualify as a taxable person for VAT purposes in Luxembourg. As a taxable person established in Luxembourg, the Fund should be obliged, in principle, to self-assess Luxembourg VAT on services received from suppliers established outside Luxembourg unless such services benefit from a VAT exemption under the Luxembourg VAT law dated 12 February 1979, as amended (such as fund management services under certain conditions). The current standard rate of VAT in Luxembourg is 17%.

Non-resident individuals or collective entities holding Shares and who do not have a taxable presence (such as permanent establishment or permanent representative) in Luxembourg to which the Shares are attributable to, are not subject to Luxembourg taxation on capital gains realized upon disposal of the Shares nor on the distribution received from the Fund. The Shares held by such Limited Shareholders will also not be subject to net wealth tax in Luxembourg. Non-resident Shareholders which/who have neither a permanent establishment nor a permanent representative in Luxembourg do not need to make any tax filing in Luxembourg in respect of the acquisition, holding or disposal of Shares.

Non-resident Shareholders which/who have a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable income for Luxembourg tax assessment purposes.

### **C) FATCA**

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

On 28 March 2014, Luxembourg signed a Model 1 Intergovernmental Agreement (the IGA) with the U.S. and a memorandum of understanding in respect thereof, which was ratified by the Luxembourg Parliament through the act of 24 July 2015 (the **Luxembourg FATCA Act**). Under the IGA, Luxembourg financial institutions are required to report to the Luxembourg tax authorities (*Administration des contributions directes*) information on financial accounts held by Specified US Persons (within the meaning of the IGA)

or non-US financial institutions that are not in compliance with FATCA (**Reportable Account**). Failure to comply with this reporting requirement will potentially result in the application of a special withholding tax of thirty per cent (30%) on certain income (including dividends and interest) that has its source in the United States and gross sales proceeds from the sale or other transfer of property that results in interest or dividend payments that have their source in the United States. As the Fund is domiciled in Luxembourg and regulated by the CSSF, the Fund should be considered as a Luxembourg financial institution (Foreign Financial Institution— within the meaning of the IGA) and therefore the Fund must comply with the requirements of the IGA.

These obligations include the Fund's obligation to collect and verify information on all of its investors. Each investor (or, in the case of a so-called NFFE within the meaning of FATCA, the direct or indirect owner in the investor exceeding a certain participation threshold) agrees to provide, upon request by the Fund, certain information with supporting evidence. Further, each investor agrees to proactively provide within thirty (30) days any information that may have an impact on its status, such as a change of address or email address.

The Fund however generally intends to comply with the provisions of the Luxembourg FATCA Act to be deemed compliant with FATCA and should thus not be subject to the 30% withholding tax (the **FATCA Withholding**) with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund.

Pursuant to the IGA, the Fund may be required to report to the Luxembourg tax authority, inter alia, the name, address and tax identification number of such Specified US Person holding, either directly or indirectly, an interest in the Fund, as well as information on the account balance or value of the Specified US Person or on amounts paid, directly or indirectly, by the Fund to such Specified US Persons if they hold, either directly or indirectly, an interest in the Fund. The Luxembourg tax authority will automatically forward this information to the IRS.

To ensure compliance with the regulations relating to FATCA and the provisions of the Luxembourg FATCA Act, the Fund may:

- (i) Require any Investor to furnish all information and documentary evidence to ascertain the Investor's FATCA status;
- (ii) Report information concerning a Shareholder to the Luxembourg tax authorities if such account is deemed a Reportable Account (the Investors waive insofar, if applicable, any conflicting rules on banking secrecy data-protection) and report payments to certain entities; and
- (iii) Provide information to third parties to allow these to make an applicable FATCA Withholding,

in accordance with the regulations relating to FATCA and the Luxembourg FATCA Act.

Therefore, the Fund's ability to comply with its obligations under the IGA is dependent on the cooperation of the Shareholders who shall provide the Fund with any information, in particular concerning direct or indirect Shareholders in the Fund, which the Fund considers necessary for the fulfilment of its obligations. Each Shareholder agrees to provide such information upon request.

The aforesaid shall apply in relation to other withholding taxes accordingly. In addition, the Fund may also require any Investor to pay amounts to the Fund in order to comply with its FATCA Withholding and other withholding tax obligations. Moreover, amendments may be made to this Memorandum to address the implementation of tax regulations including regulations relating to FATCA and the Luxembourg FATCA Act, and compliance with such tax regulations may increase the Fund's operating expenses.

Even though the Fund generally intends to comply with any obligations imposed on it under the regulations relating to FATCA to avoid the imposition of FATCA Withholding, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to FATCA Withholding as a result of a non-compliance with these regulations, the value of Shares may be materially affected. If an amount in respect of FATCA were to be deducted or withheld from distributions, repayment of capital or other payments on or with respect to the Shares, neither the Fund nor any other party would have any obligation to pay additional amounts or otherwise indemnify Shareholders for any such withholding or deduction by the Fund or any other party. As a result, if FATCA Withholding is imposed on these payments, Shareholders may receive lower amounts than expected.

Finally, it cannot be excluded that other Shareholders who have complied with their information obligations may also be charged with the tax or penalty at the expense of the Shareholder who has not properly cooperated, although the Fund will take every reasonable step to obtain the information and supporting documents from Shareholders in order to comply with its obligations and avoid any costs or charges.

#### **D) OECD Common Reporting Standard**

Drawing extensively on the intergovernmental approach to implementing FATCA, the Organisation for Economic Co-operation and Development (OECD) developed the Common Reporting Standard (the CRS) to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures.

On 9 December 2014, the Council of the European Union adopted Directive 2014/107/EU amending Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation, which now provides for automatic exchange of information on financial accounts between EU Member States (**DAC Directive**). The adoption of the above-mentioned Directive implements the CRS and generalises the automatic exchange of information within the European Union as of 1 January 2016.

In addition, Luxembourg has signed the Multilateral Agreement between Competent Authorities on the Automatic Exchange of Information under the OECD CRS (**Multilateral Agreement**). Pursuant to this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The Luxembourg law of 18 December 2015 (**CRS Law**) transposes the Multilateral Agreement and the DAC Directive implementing the CRS.

Pursuant to the CRS Law, the Fund may be required to annually report to the Luxembourg tax authority, personal and financial information related, inter alia, to the identification of, holding by and payments made to (i) certain investors qualifying as Reportable Persons and (ii) Controlling persons of certain non-financial entities (**NFEs**) which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law will include personal data such as the name, address, Member State(s) of residence, tax identification number and date and place of birth of each Reportable Person who is the Account Holder and, in the case of passive NFEs, each Controlling Person who is a Reportable Person.

The Fund's ability to comply with its obligations under the CRS Law is dependent on the cooperation of the Shareholders who must provide the Fund with any information, in particular concerning direct or indirect shareholders in the Fund, which the Fund considers necessary for the fulfilment of its obligations. Each Shareholders agrees to provide such information upon request.

Shareholders qualifying as passive NFEs undertake to inform their Controlling Persons (as defined in the CRS Law), if applicable, of the processing of their information by the Fund.

The Shareholders is further informed that the information related to Reportable Persons (as defined in the CRS Law) will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, the Shareholders undertakes to inform the Fund within thirty (30) days of receipt of these statements should any included personal data be not accurate. The Shareholders further undertakes to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

As a result, the Fund will be required to comply with the CRS due diligence and reporting requirements, as adopted by Luxembourg. Investors may be required to provide additional information to the Managing General Partner to enable the Fund to satisfy its obligations under the CRS. Failure to provide requested information may subject an Investor to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the Fund.

It cannot be excluded that other Shareholders who have complied with their information obligations may also be charged with the tax or penalty at the expense of the Shareholder who has not properly cooperated, although the Fund will take every reasonable step to obtain the information and supporting documents from Shareholders in order to comply with its obligations and avoid any costs or charges.

#### **E) OECD BEPS Action Plan and EU Anti-Tax Avoidance Directive**

Each Shareholder should be aware of the possibility of changes to tax laws and regulations which may adversely affect the Fund (or any other parallel investment entity or entity through which investments are made) or certain or all of the Shareholders as a result of the OECD's Action Plan on Base Erosion and Profit Shifting (the **BEPS Action Plan**). The development of the BEPS Action Plan is ongoing and may take different forms. It is possible that the basis on which recommendations made under the BEPS Action Plan, as adopted or to-be-adopted by OECD members or other jurisdictions, could affect the ability of the Shareholders, the Fund or any other relevant entity to benefit, directly or indirectly, from tax relief under double tax conventions, to operate in certain jurisdictions without establishing a permanent establishment for tax purposes, and to claim tax relief for financing and other costs, among other possible outcomes, any or all of which could have an adverse effect on the performance of the Fund or any other relevant entities or the tax consequences of investing in the Fund for certain or all of the Shareholders. In this regard, 68 jurisdictions formally signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the **MLI**) on 7 June 2017 (with further jurisdictions having signed the MLI since such date), which enables signatory jurisdictions to satisfy treaty-related minimum standards under the BEPS Action Plan with respect to the prevention of treaty abuse, hybrid mismatch arrangements, enhanced dispute resolution and permanent establishment avoidance. Among other things, the MLI may affect the ability of the Fund or any other relevant entities to benefit from certain withholding tax exemptions. The MLI does not address all action points on the BEPS Action Plan, and in many areas (and in many jurisdictions) work continues on implementation of the recommendations, so the full detail is not yet resolved.

In addition, on 12 July 2016, the European Council formally adopted a directive containing a package of measures to combat tax avoidance (**ATAD**) as transposed into domestic Luxembourg law by the law dated 21 December 2018. The scope of ATAD was amended and widened by a further directive formally adopted by the European Council on 29 May 2017 as transposed into domestic Luxembourg law by the law of 20 December 2019. The implementation of ATAD in Luxembourg may adversely affect the Fund and other

relevant entities (including in relation to the structuring and tax efficiency of the Fund and such entities), or certain or all of the Shareholders.

Each Shareholder should be aware, in light of the above, that at any time it may be necessary to restructure, re-domicile or modify the Fund or any other relevant entities, the Fund's direct and indirect Investments, and the entities through which such investments are made (including changing the jurisdiction or type of entities in one or more of the holding and financing structures through which investments are held); amend the terms of the Fund documents (including the Memorandum and the investor subscription documents), and make other changes to any relevant agreements in connection therewith; and/or establish certain other vehicles or accounts (including parallel vehicles or feeder vehicles) through which certain Investors may be required to invest, and the Board will have the right to effect any such action as it sees fit, although it shall be under no obligation to do so. Such changes may disproportionately adversely affect certain Shareholders and the consent of such Shareholders will not be required to effect such changes. The costs of any such action will be borne by the Fund. The implementation of the BEPS Action Plan and ATAD may also require the Board and/or its representatives to enter into discussions with tax authorities which may involve disclosure of the Fund's holding structure, the structure of the Fund or any other relevant entities and the identity of, and certain other information pertaining to the Shareholders. Each prospective Investor should be aware that such discussions and disclosure may take place and that Shareholders may be required to provide further information to the Fund in order to facilitate such discussions. Any such restructuring or discussions may give rise to adverse tax or other consequences and there is no guarantee that the outcome of any restructuring or discussions with tax authorities will achieve their intended results. Investors should consider the potential impact the BEPS Action Plan and ATAD may have on their respective tax positions.

#### **F) Future changes in applicable law**

The foregoing description of tax consequences of an investment in and the operations of, the Fund 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 Fund to income taxes or subject Investors to increased income taxes.

The tax and other matters described in this memorandum do not constitute, and should not be considered as, legal or tax advice to investors who should consult their own counsel regarding tax laws and regulations of any jurisdiction which may be applicable to them. To ensure compliance with requirements imposed by the us internal revenue service, any us federal income tax advice contained in this communication was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding us federal tax-related penalties under the us internal revenue code or (ii) promoting, marketing or recommending to another party any us federal income tax-related matters addressed herein.

## **24. ANNOUNCEMENTS AND CONFIDENTIALITY**

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

Each Investor shall and shall procure that its directors, managers, employees, officers, partners, Investors, agents, AIFM, asset managers, 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 it by or on behalf of the Fund or otherwise obtained by or in connection with this Memorandum or which may come to its knowledge concerning the affairs of the Fund or any investment made or proposed by the Fund, 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 its rights under the terms of this Memorandum;
- iii. Disclosure is made by the initiators to its own shareholders and to the regulatory, supervisory or other authority to which it is subject;
- iv. Relevant information is already in the public domain prior to disclosure (other than as a result of a breach of any obligation by any Investor);
- v. 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 Article; or
- vi. 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 Article.

## 25. PAYMENTS

Unless otherwise stated for a relevant Compartment in its Special Section or in the Subscription Agreement, all payments to be made pursuant to terms set out in this Memorandum shall be made in EUR to Investors or the Fund immediately to the accounts which will be communicated in writing by each of the Investors to the Fund or by the Fund to the Investors.

## 26. EXPENSES

The Fund shall pay out of the assets of the relevant Compartment all expenses incurred by it (the **Expenses**), which include:

- (a) The remuneration of the Managing General Partner, the Management Fee, the Investment Advisory Fee and other fees, which are set forth in the relevant Special Section and reasonable out-of-pocket expenses and disbursements of the AIFM;
- (b) Investment Advisory Fee and other fees, which are set forth in the relevant Special Section and reasonable out-of-pocket expenses and disbursements of the Investment Advisor;
- (c) Performance fee, which is specified in the relevant Special Section. The payment and size of the Performance Fee depends on the performance of Share Class over a specified time period in excess of the applicable high water mark;
- (d) Any fees paid to the Managing General Partner on arm's length basis;
- (e) Any fees that may be paid to the AIFM for additional services that the AIFM may perform in favour of the Fund and that are not part of the AIFM core functions.
- (f) Fees and reasonable out-of-pocket expenses paid to other Service Provider appointed either by the Fund or by the AIFM and which are directly charged to the Fund which for instance includes fees paid to the Depositary or the Administrator;
- (g) Any fees, costs and expenses incurred in connection with making any filings with any government body or regulatory authority as well as statutory or regulatory fees, if any, levied against or in respect

of the Fund together with the costs incurred in preparing any submission required by any tax, statutory or regulatory authority;

- (h) Remuneration, reasonable out-of-pocket expenses and insurance coverage of the Directors and the members of committees, if any, including reasonable travelling costs in connection with meetings of the Directors and the members of the relevant committee, if any;
- (i) Any costs and expenses relating to investor relationship including the drafting, printing and mailing of reports and information to Investors and Shareholders;
- (j) Any fees, costs and expenses relating to or in connection with the marketing, placement or distribution of Shares;
- (k) Any fees, costs and expenses relating to valuations of Investments including the fees paid to independent valuers;
- (l) Any expenses incurred in connection with legal proceedings involving the Fund or any other person in relation to its function for the Fund;
- (m) Fees, costs and expenses required to be paid in connection with any credit or overdraft facility or other type of borrowing arrangement, including the legal fees, costs and expenses of the lawyers for the lender(s), the fees, costs and expenses of the Fund's counsel, lender's assumption or transfer fees and required reserves;
- (n) Any other third party costs and expenses disbursed in connection with the day- to-day management of each Compartment and the operations of each Compartment and its Investments;
- (o) Any expenses incurred in connection with obtaining legal, tax and accounting advice and the advice of other experts and consultants;
- (p) Insurance premiums, litigation, arbitration and indemnification expenses (including as mentioned Article 24 of the General Section), including any claims and expenses and governmental fees and charges associated therewith;
- (q) Audit expenses;
- (r) Bank charges and interest;
- (s) Taxes (including the subscription tax) and other governmental charges;
- (t) Fees, costs and expenses incurred in connection with hedging any interest rate, foreign exchange or other risks associated with the business and affairs of the Fund, including any Investments;
- (u) Winding-up costs;
- (v) Legal or other professional fees, costs and expenses for the negotiation, structuring, financing and documentation in relation to the acquisition, ownership, financing, refinancing, hedging and realisation of any Investment, (whether or not completed or realised), any investment- related fees and other fees (including any out-of-pocket costs or expenses incurred by any third party advisers or accountants), unless reimbursed by another person;
- (w) All third party costs and expenses incurred in connection with the performance of all due diligence investigations in relation to the acquisition, ownership or realisation of any Investment (whether or not completed or realised); and

- (x) Transactional fees and expenses in connection with Investments and divestments including, fees and expenses of brokers, traders or other intermediaries (irrespective if those fees or expenses have been incurred in connection with a consummated or an unconsummated transaction).

Expenses specific to a Compartment or Class will be borne by that Compartment or Class. Charges that are not specifically attributable to a particular Compartment or Class may be allocated among the relevant Compartments or Classes based on their respective net assets or any other reasonable basis given the nature of the charges.

#### **A) Set-Up Costs**

Any costs and expenses incurred by the Managing General Partner, the Fund, the first Compartment or any Affiliate of any of the foregoing, in connection with the establishment, offering and sale of Shares including any costs and expenses incurred in connection with the preparation of the Memorandum or supplement thereto (including fees, costs and expenses of legal and tax advisers), any subscription materials and any other agreements or documents relating to the establishment and offering of Shares including the establishment of the Fund and the first Compartment will be amortised over a maximum period of five (5) years.

Expenses incurred in connection with the creation of any additional Compartment will be borne by the relevant Compartment and will be written off over a maximum period of five (5) years. Hence, the additional Compartments will not bear a pro rata proportion of the Set-Up Costs incurred in connection with the creation of the Fund, the first Compartment and the initial issue of Shares which have already been written off or amortised at the time of the creation of the new Compartments.

## **27. RISK FACTORS**

#### **A) General risk factors**

An investment in a Compartment involves a significant degree of risk. Investment is only suitable for those persons which/who are able to bear the economic risk of the investment, understand the high degree of risk involved, believe that the investment is suitable based upon their investment objectives and financial needs, and have no need for liquidity of investment. There can be no assurance that objectives of a relevant Compartment will be achieved or that there will be any return of capital.

Before making an investment decision in any Compartment, Investors should carefully consider all information set out in this Memorandum (including the relevant Special Section) as well as their own personal circumstances. The risk factors, alone or collectively, may reduce the return on the Shares of any Compartment and could result in the loss of all or a proportion of an Investor's investment in any Compartment. The price of the Shares can go down as well as up and their value is not guaranteed. Shareholders may not receive, at redemption or liquidation, the amount that they originally invested or any amount at all.

The risks may include or relate to equity markets, foreign exchange rates, interest rates, credit risk, counterparty risk, market volatility and political risks. The risk factors set out in the Memorandum are not exhaustive. There may be other risks that an Investor should consider that are relevant to its own particular circumstances or generally.

An investment in any Compartment is only suitable for Investors which/who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of that investment and which/who have sufficient resources to be able to bear any losses that may result from the investment.

Before making any investment decision, an Investor should consult its own stockbroker, bank, lawyer, solicitor, accountant or financial adviser and carefully review and consider the investment decision in the light of the foregoing and the Investor's personal circumstances. Furthermore, risks not presently known could also adversely affect the Fund's business, financial performance and prospects. The summary below is not a complete or exhaustive list or explanation of all risks involved in an investment in the Fund.

## **B) Sustainability Related Disclosures**

Pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the **SFDR**), the Fund, as "financial product" under SFDR, is required to disclose ESG event(s) or condition(s) that, if it occurs, could cause an actual or potential material negative impact on the value of an investment in a portfolio (the **Sustainability Risks**). Such Sustainability Risk is a risk on its own, but can also have an impact on other risks, such as, but without limitation, market risks, liquidity risk or counterparty risk. Generally, the occurrence of a Sustainability Risk affecting an asset can trigger a negative impact on its value, including a total loss, that could lead to a negative impact on the net asset value of the relevant portfolio.

Sustainability Risks are linked, but not limited, to environmental (including climate related events resulting from climate change or transition responses), social and/or employee matters (e.g. discrimination, labour relations, accident prevention), respect for human rights, anti bribery matters as well as governance issues ("**Sustainability Factors**"). The assessment of Sustainability Risks is complex and may be based on ESG data which can be difficult to obtain, incomplete, approximated, out of date and/or otherwise materially inaccurate. Even if identified, no guarantee is given as whether these data will be correctly assessed.

No Compartment promotes, Sustainability Factors, and, for the avoidance of doubt, no Compartment meets the criteria of article 8 of SFDR, nor maximizes portfolio alignment with Sustainability Factors or has sustainable investment as its objective and, for the avoidance of doubt, no Compartment meets the criteria of article 9 of SFDR.

Consequently, and pursuant to article 7 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

However, any Compartment remains exposed to Sustainability Risks. Such Sustainability Risks are only integrated into the investment decision making and risk monitoring processes of the AIFM with respect to a Compartment to the extent that they represent a potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns.

The assessment of the likely impacts of such Sustainability Risks on the returns of a Compartment is disclosed in the relevant Compartment Supplement.

The AIFM as a third party AIFM is considering principal adverse impacts on sustainability factors (the **PAI**) while engaging with portfolio managers, if any, on investment decisions. Details on this consideration and the due diligence policies with respect to the principal adverse impacts of investment decisions on sustainability factors required as per Article 4 of SFDR can be found on the AIFM website. The AIFM will publish on its website an annual consolidated report on principal adverse impact for the funds it has under management.

For the avoidance of doubt, the AIFM currently does not intend to consider such PAI in the future for the Fund as the Fund does not integrate any ESG criteria in its investment strategy.

## **C) Structural risk factors**

### *Key persons*

The success of the Fund will largely depend on the experience, relationships and expertise of the key persons – in particular, the directors, employees and agents of the AIFM and/or any member of the Investment Advisor or of any other service provider referred in the Special Section – which have experience in the respective area of investment. The performance of the Fund may be negatively affected if any of the key persons would for any reason cease to be involved.

Key persons might also be involved in other businesses, including similar investments as the one undertaken for the account of a relevant Compartment, and not be able to devote all of their time to the Fund. Such involvement may additionally be source for potential conflicts of interest.

### *Restrictions on Transfer*

Shares are subject to restrictions on Transfer.

### *Distributions*

There can be no assurance that the operations of any Compartment will be profitable, that the Compartment will be able to avoid losses or that cash from its operations will be available for distribution to the Shareholders. A Compartment does in general have no other source of funds from which to pay distributions to the Shareholders than income and gains received from Investments.

### *Lack of operating history*

The Fund will be a newly formed entity, with no significant operating history upon which to evaluate the Fund's likely performance.

Each Compartment has recently been created and has therefore no significant operating history.

### *Unspecified investments*

Potential investors in the Fund must rely on the ability of the AIFM and the Investment Advisor to make portfolio investments. Potential investors will not have the opportunity to independently evaluate such investments.

### *Long-term investments*

Investment in the Fund requires a long-term commitment with no certainty of return. Although investments by the Fund may occasionally generate current income, the return of capital and the realization of gains, if any, from an investment of the Fund will generally occur only upon the partial or complete disposition of such investment. Although an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the investment is made.

### *Management fees and expenses*

The Fund will bear management fees and expenses (including fees and/or expenses of the AIFM, and other parties) in accordance with the Special Section. Such fees and expenses are expected to reduce the returns to investors. The return on the Fund's investments must therefore be sufficient to offset these fees and expenses before Fund investors can receive a positive investment return.

### *Management of the Fund*

Decisions with respect to the management of the Fund will be made by the Managing General Partner. Investors have no right or power to take part in the management of the Fund. Except for Selected Shareholders as members of the Advisory Board, as the case may be, the Investors will not receive the detailed financial information issued by portfolio companies in which the Fund invests which will be available to the Managing General Partner. Accordingly, no person should purchase Fund (or Compartment) shares unless such person is willing to entrust all aspects of the management of the Fund to the AIFM and the investment committee.

#### *Investments through jointly-owned Intermediary Vehicles*

Each Compartment may co-invest with one or more Compartments or any other third party investors in certain Investments through jointly owned Intermediary Vehicles (each a **Co-investor** and collectively the **Co-investors**). Such investments may involve additional risks to those inherent in the underlying Investments including possibility that a Co-investor might at any time have economic or business interests or goals which are inconsistent with those of the other Co-investors, or be in a position to take action contrary to the other Co-investors' intended actions. In addition, any default by one Co-investor could have a deleterious effect on the other Co-investors in the jointly owned Intermediary Vehicle, their assets and the interest of their shareholders.

### **D) Investment risks**

#### *General economic and market conditions*

The success of a Compartment's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of security prices and liquidity of the securities held by the relevant Compartment.

Unexpected volatility or liquidity could impair a Compartment's profitability or result in its suffering losses.

#### *Temporary investments*

Monies paid to a Compartment may be invested in interest-earning, liquid assets, on a temporary basis pending investment in Investments. These temporary investments may produce lower returns for Investors than returns earned by the Investments for the same period.

#### *Insufficient level of risk spreading*

There is no assurance as to the degree of diversification that will actually be achieved in a relevant Compartment either by the exposure to the different asset classes, geographic regions or number of Investments.

A relevant Compartment may participate in a limited number of Investments and, as a consequence, the aggregate return experienced by Investors may be substantially adversely affected by the unfavourable performance of one or more single Investments. In addition, the diversification of the Compartment's Investments could be further limited and proportionately more capital could be employed to the extent the Compartment invests a significant portion of its capital in a small number of transactions.

In particular, during the Ramp-up Period, a relevant Compartment may be exposed to a single Investment and, as a result, be fully exposed to any adverse economic, legal or any other type of occurrence affecting that single Investment.

#### *Foreign currencies and exchange rates*

To the extent that a Compartment directly or indirectly holds assets in local currencies, the Compartment will be exposed to a degree of currency risk which may adversely affect performance. Changes in foreign currency exchange rates may affect the value of securities in the Compartment. In addition, the Compartment will incur costs in connection with conversions between various currencies.

#### *Broad investment mandate*

Except as set forth in the Special Section, there are no material limitations on the instruments, markets or countries in which the Fund may invest or the specific investment strategies that may be employed on behalf of the Fund. The Fund is permitted to invest in any number of funds and companies operating in a wide range of industries or activities. The Fund's portfolio may be concentrated at various points in time, including, for example, with respect to the number of investments included in the portfolio (which will be particularly limited when the Fund commences its investing activities), the nature of such investments and the geographies or industry sectors represented by the companies in which the Fund invests.

#### *Liquidity*

Investments made by the Fund may be illiquid and consequently the Fund may not be able to sell Investments at prices that reflect the initial assessment of their value.

The nature of Investments may also require a long holding period prior to profitability. Consequently, disposals of Investments may require a lengthy time period or may result in distributions in kind of securities in lieu of or in addition to cash.

In the event the Fund makes distributions of securities in kind upon liquidation of the Fund, such securities could be illiquid or subject to legal, contractual and other restrictions on transfers;

#### *Contingent liabilities on dispositions*

In connection with the disposition of an Investment, the Fund for the account of a relevant Compartment may be required to make warranties or representations in connection with the disposal of this Investment (or any Intermediary Vehicle).

The Fund for the account of a Compartment may also be required to indemnify the purchasers of the Investment (or any Intermediary Vehicle) to the extent that any such representation turns out to be inaccurate, or for other matters.

These arrangements may result in contingent liabilities for the relevant Compartment, which might ultimately have a negative impact on the Net Asset Value.

#### *Valuations*

Not publicly-traded or readily marketable Investments as well as Investments in emerging markets or in small and mid-sized capitalised issuers – even when admitted on the trading on a Regulated Market – may be hard to value. The valuation retained by the Fund under the supervision of the AIFM and with or without the support of an independent valuer may not always be reliable and access to readily-ascertainable market prices when establishing valuations of those Investments may be limited.

It results that the Net Asset Value may be biased and that subscription price and redemption price may not reflect the fair value of the Investments.

No assurance can furthermore be provided that a relevant Investment could ultimately be sold at a price equal or close to the market value ascribed to a relevant Investment.

### *Equity securities*

The Fund is permitted to invest in non-listed stock and other private equity securities. Equity securities generally involve a high degree of risk and will be subordinate to the debt securities and other indebtedness of the issuers of such equity securities. Prices of equity securities generally fluctuate more than prices of debt securities and are more likely to be affected by poor economic or market conditions. In some cases, the issuers of such equity securities may be highly leveraged or subject to other risks such as limited product lines, markets or financial resources. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or that are rumored to be subject to accounting irregularities. The Fund may experience a substantial or complete loss on individual equity securities.

### *Private Debt, Mini-Bonds, Mini-Securitization, Asset Backed Securities, Junior, unsecured securities*

The Fund may invest in debt securities that may be unsecured and/or subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. The Fund may invest also in other securities not listed on a stock exchange at an apparent stable price. In the event of known facts and/or events which could affect dramatically the price in the future the Investment Advisor could request to devalue gradually or in full the position as a prudential approach. In the event of bankruptcy or liquidation of an issuer of such securities, there may not be enough proceeds to repay the holders of such securities following repayment to the holders of senior indebtedness. In addition, such securities may not be protected by financial covenants or limitations upon additional indebtedness, thereby providing less control over the investment, and may have limited liquidity.

### *Difficulty in locating suitable investments*

Although the Investment Advisor believes that there are currently available attractive investments of the type in which the Fund may invest, there can be no assurance that such investments will continue to be available for the Fund's investment activities, that available investments will meet the Fund's investment criteria, or that if such investments are made, the objectives of the Fund will be achieved. It is possible that the Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives or to generate returns for its Investors. As a result, the Fund may participate in only a limited number of investments and may seek to make several investments in a limited number of industries or industry segments. As a result, the Fund's investment portfolio could become highly concentrated and the poor performance of one or more investments may substantially adversely affect the Fund's aggregate return. None of the Fund's investments have been identified with certainty. Investors, therefore, will be relying on the ability of the AIFM, upon recommendation of the Investment Advisor, to select the investments to be made.

### *Concentration*

As a result of the factors described above and elsewhere in this Memorandum, the Fund could potentially end up with relatively few investments. In addition, because of the time it may take to source appropriate investments, the Fund's investment portfolio will not initially be diversified. One risk of having a limited number of investments is that the aggregate returns realized by Investors may be substantially adversely affected by the unfavorable performance of even a single investment. Furthermore, subject to the applicable investment restrictions, the Fund's investments may to a large degree focus on or relate to a single country, thereby increasing the risk that adverse economic developments in the targeted country will adversely impact the aggregate returns of the Fund. Investors have no assurance as to the degree of diversification of the Fund's investments, either by geographic region, asset type or sector.

The AIFM expects to generally use an opportunistic approach to investing, which may result in the Fund's investments being concentrated in a particular portfolio Fund, industry, security, structure or geographic



region. The Fund's investments will become more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. These risks may be further pronounced in cases where an investment is secured by a relatively small or less diverse pool of underlying assets. Certain geographic regions and/or industries may be more adversely affected from economic pressures when compared to other geographic regions and/or industries. Furthermore, to the extent that the Fund's total Fund size is less than the targeted amount, the Fund may invest in fewer portfolio companies and would therefore be less diversified. Any such non-diversification would increase the risk of loss to the Fund if there was a decline in the market value of any security or sector in which the Fund had invested a large percentage of its assets. Investment in a non-diversified Fund will generally entail greater risks than investments in a diversified Fund.

As a consequence, the aggregate return of the Fund may be adversely affected by the unfavorable performance of one or a small number of companies or countries in which the Fund has invested. Although the AIFM attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Many risk management techniques are based on observed historical market behavior, but future market behavior may be entirely different.

#### *Early termination*

In the event of early termination of the Fund, the Fund would be required to distribute to each Investor its pro rata interest in the assets of the Fund. At the time of such termination and/or distribution, certain or all investments held by the Fund might be worth less than the initial cost of such investments, which will result in a loss to the Investors.

#### *Recourse to assets*

The Fund's assets not affected to a specific Compartment, including but not limiting to any investments made by the Fund and any Intermediary Vehicle, are available to satisfy all liabilities and other obligations of the Fund. If the Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets not affected to a specific Compartment, and may not be limited to any particular asset, such as the asset representing the investment giving rise to the liability.

Assets affected to a specific Compartment are available to satisfy all liabilities and other obligations in relation for such specific Compartment. If the Compartment becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Compartment's assets, and may not be limited to any particular assets, such as the asset representing the investment giving rise to the liability. Accordingly, Investors of such Compartment could find their interest in the Compartment asset's materially and adversely affected by a liability arising out of an investment in which they did not participate because, for example, they were excluded or excused by the Managing General Partner.

#### *Information asymmetry*

Investment decisions will be made based on available but not privileged information and data made directly available to the Fund, including from a portfolio Fund or through sources other than the portfolio Fund subject to investment in addition to filings with regulatory agencies, as appropriate. Although the Fund will evaluate all such information and data and may seek independent confirmation when deemed appropriate and when such confirmation is reasonably commercially available, the Fund will not generally be in a position to confirm the completeness, genuineness or accuracy of such information or data. For instance, the Fund may seek to invest in companies where key managers or other persons hold significant interests in the Fund and/or benefit from incentives linked to the successful sale of (or further investment in) the business, and hence have an asymmetric interest to the Fund in relation to the Fund's acquisition of such business. Such persons may also hold a significant information advantage over the Fund in connection with the business. This asymmetry in interests and information may distort the accuracy and completeness of

information available to the Fund, which in turn may hamper the Fund's investment decision and have an adverse effect on the Fund and its Investors. While this risk is pronounced in investment targets that are privately held (since such companies generally maintain less comprehensive financial records than listed companies and make less public disclosures which can be relied upon) it is also present in the case of investment targets that are listed (since a listed target may have material price sensitive information that remains unpublished).

#### *Due diligence of and conduct at portfolio companies*

Before making investments, the Fund will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. External consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third party advisors or consultants may present a number of risks primarily relating to the Fund's and the AIFM's reduced control of the functions that are outsourced. In addition, if the Fund, the AIFM and/or its advisors are unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, the Fund and the AIFM will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that the AIFM, the Fund and the Investment Advisor carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. Conduct occurring at portfolio companies, even activities that occurred prior to the Fund's investment therein, could have an adverse impact on the Fund.

There can be no assurance that the Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor an investment on an ongoing basis or that any risk management procedures implemented by the Fund will be adequate. An additional concern is the possibility of material misrepresentation or omission on the part of the originator. Such inaccuracy or incompleteness may adversely affect the value of the Fund's securities. The Fund will rely upon the accuracy and completeness of representations made by sellers and the target in the due diligence process to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness.

#### *Third-party service providers*

Certain operations of the Fund, and the AIFM interface with and/or depend on third parties and the Fund's other service providers, and the Fund, the AIFM and the Investment Advisor may not be in a position to verify the risks or reliability of such third parties even if steps are taken to comply with all applicable regulatory requirements. The Fund may suffer adverse consequences from actions, errors or failure to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them.

### **E) Third-party advice**

The Fund, the Investment Advisor, and the AIFM may utilize the services of attorneys, accountants, valuers and other consultants in their operations. The Fund, the Investment Advisor, and the AIFM generally rely upon such advisers for their professional judgment with respect to legal, tax and other regulatory matters. Nevertheless, there exists a risk that such advisers may provide incorrect advice from time to time. None of the Fund, the Investment Advisor, or the AIFM will have any liability to Investors for any reliance upon such advice.

## **F) Political risk**

### *General political risk*

Investment's returns could suffer as a result of political changes or instability in a country or a region. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers or military control. Political risk is also known as "geopolitical risk," and becomes more of a factor as the time horizon of an investment gets longer. Political risks are hard to quantify because there are limited sample sizes or case studies when discussing an individual nation or a region.

In recent years, the global financial markets have undergone disruptions which have led to certain governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets or the effect of such restrictions on the Fund's strategies.

### *Market disruption and terrorism*

The instability in various parts of the world and the prevalence of terrorist attacks throughout the world could have significant adverse effects on the global economy. Terrorist attacks, in particular, may exacerbate some of the on-going risk factors. A terrorist attack involving, or in the vicinity of, a portfolio Fund in which the Fund invests may result in a liability far in excess of available insurance coverage. Neither the Fund, the AIFM nor the Investment Advisor can predict the likelihood of these types of events occurring in the future nor how such events may affect the Fund.

## **G) Operational risks**

### *Joint ventures and co-investments*

The Fund may invest in portfolio companies alongside financial, strategic or other third-party co-investors. In such instances, the Fund may have no or reduced control over these companies and, therefore, may have a limited ability to protect its position therein. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party partner or co-investor may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Fund, or may be in a position to take (or block) action in a manner contrary to the Fund's investment objectives. In addition, the Fund may in certain circumstances be liable for the actions of its third party partners or co-investors. Investments made with third parties in joint ventures or other entities may involve fees payable to such third-party partners or coinvestors.

### *Impact of natural or Man-Made Disasters; Disease Epidemics and/or Pandemics*

Certain regions are at risk of being affected by natural disasters or catastrophic natural events. Considering that the development of infrastructure, disaster management planning agencies, disaster response and relief sources, organized public funding for natural emergencies, and natural disaster early warning technology may be immature and unbalanced in certain countries, the natural disaster toll on an individual portfolio company or the broader local economic market may be significant. Prolonged periods may pass before essential communications, electricity and other power sources are restored and operations of the portfolio company can be resumed. The Fund's Investments could also be at risk in the event of such a disaster. The magnitude of future economic repercussions of natural disasters may also be unknown, may delay the Fund's ability to invest in certain companies, and may ultimately prevent any such investment entirely. Investments

may also be negatively affected by man-made disasters. Publicity of man-made disasters may have a significant negative impact on overall consumer confidence, which in turn may materially and adversely affect the performance of the Fund's Investments, whether or not such Investments are involved in such man-made disaster.

In addition, certain illnesses spread rapidly and have the potential to significantly adversely affect the global economy. Any outbreak of disease epidemics such as the severe acute respiratory syndrome, avian influenza, H1N1/09, including the most recently, the coronavirus (Covid 19), or other similarly infectious diseases may result in the closure of businesses, including office buildings, retail stores and other commercial venues and could also result in (a) the lack of availability or price volatility of raw materials or component parts necessary to a portfolio company's business, (b) disruption of regional or global trade markets and/or the availability of capital or leverage, (c) trade or travel restrictions which impact business and/or (d) a general economic decline and/or decline in the real estate market, and have an adverse impact on the Fund's value, the Fund's Investments, or the Fund's ability to source new Investments.

#### *Cyber crime and security breaches*

With the increasing use of the internet and technology in connection with the Compartment's operations, the AIFM or any Service Provider are susceptible to greater operational and information security risks through breaches in cyber security. Cyber security breaches include, without limitation, infection by computer viruses and gaining unauthorised access to the systems through "hacking" or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operations to be disrupted. Cyber security breaches may also occur in a manner that does not require gaining unauthorised access, such as denial-of-service attacks or situations where authorised individuals intentionally or unintentionally release confidential information stored on the systems. A cyber security breach may cause disruptions and impact the business operations, which could potentially result in financial losses, inability to determine the Compartment's Net Asset Value, violation of applicable law, regulatory penalties and/or fines, compliance and other costs. The Compartment and its investors could be negatively impacted as a result. In addition, because the Fund, the AIFM or any Service Provider work closely with third-party service providers, indirect cyber security breaches at such third- party service providers may subject any Compartment to the same risks associated with direct cyber security breaches.

### **H) Legal, regulatory and risks**

#### *Prevention on money laundering and terrorist financing*

The Fund or any Service Provider may be required by law, regulation or government authority to suspend the account of an Investor or take other anti-money laundering steps. Where the Fund or any Service Provider is required to take such an action, the relevant Investor must indemnify the Fund or the relevant Service Provider against any loss suffered by it. Where there is suspicious activity suspected, the fund and its service providers have an obligation to report any suspicious activity to applicable reporting authorities or law enforcement agencies.

#### *Change of laws and regulations*

Tax law may be subject to changes as mentioned in future changes in applicable law.

Other laws and regulations may also be subject to changes which may impact adversely on the accuracy of statements contained in this Memorandum which are given only as at the date specified in the Memorandum and in the way in which the Fund is operated.

#### *Absence of direct supervision of the Fund by the CSSF*

As any RAIFFs, the Fund is not authorized by the CSSF and is not subject to the direct supervision of the CSSF. This Memorandum as well as other legal documents or information have not been filed with the CSSF for review.

The AIFM of the Fund is however subject to direct supervision of the CSSF. It must notify the CSSF that it will manage the Fund and comply with all requirements under the 2013 Act and the terms of this Memorandum and of the AIFM Agreement.

#### *OECD Action Plan on Base Erosion and Profit Shifting (BEPS)*

At a meeting in Paris on 29 May 2013, the OECD Council at Ministerial Level adopted a declaration on base erosion and profit shifting urging the OECD's Committee on Fiscal Affairs to develop an action plan to address base erosion and profit shifting in a comprehensive manner. In July 2013, the OECD launched an Action Plan on Base Erosion and Profit Shifting, identifying 15 specific actions to achieve this.

One of the action points (Action 6) is to prevent treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. On 14 March 2014, the Committee on Fiscal Affairs published a public discussion draft, which recommended that tax treaties should include a specific anti-abuse rule based on the "limitation on benefits" provisions included in treaties concluded by certain countries such as the United States.

BEPS was finalized by Finance Ministers and Central Bank Governors during the G20 summit in November 2015 in Turkey. On 28 January 2016, the European Commission has announced an integrated plan to implement BEPS into the European legal framework. On Action 6 it is recommended EU Member States introduce a general anti-abuse rule in their treaties in an EU-compliant way.

The implementation of the Action Plan could result in any company or other entity owned in whole or in part by the Fund or a Compartment being denied the benefit of certain tax treaties and/or being subject to other adverse tax consequences, which may reduce returns for Investors.

Investors which are resident in jurisdictions which do not have wide tax treaty networks should be aware that in certain cases the costs of the denial of treaty benefits referred to above could be apportioned to such Investor.

#### *Litigation*

The Fund may be subject to a variety of litigation risks, particularly if one or more of its portfolio companies face financial or other difficulties during the term of the Fund. Legal disputes, whether initiated by the Fund, the Investment Advisor or their Affiliates or some other parties, involving the Fund, the Investment Advisor or their respective Affiliates may arise in connection with any actual or potential investments, any of the foregoing activities and any other activities relating to the operation of the Fund, the Investment Advisor or their Affiliates and could have a significant adverse effect on the Fund. Additionally, the Fund may appoint representatives to the boards of directors/managers of portfolio companies. Serving on such boards may expose the Fund to potential liabilities. Although portfolio companies may have insurance to protect directors and officers from such liabilities, such insurance may not be obtained by all such entities and may be insufficient if obtained.

#### *Change of law*

It should be noted that government counterparties or agencies may have the discretion to change or increase regulation of an investment's operations, or implement laws or regulations affecting the investment's operations. A portfolio Fund could also be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose

more comprehensive or stringent requirements on such Fund. Governments have considerable discretion in implementing regulations, including, for example, the possible imposition or increase of taxes on income earned by a portfolio Fund or gains recognised by the Fund on its investment in such portfolio Fund, that could impact a portfolio Fund's business as well as the Fund's return on investment with respect to such portfolio Fund.

## **I) Certain financial instruments and investment techniques**

### *OTC financial derivative instruments*

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Compartment to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not *bona fide*) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Compartment. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described below.

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly reported to the particular Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker.

EMIR requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing, encompassing the exchange and segregation of collateral by the parties, including by the Fund.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Compartments to adhere to their respective investment policies and achieve their investment objective. Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this

type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).

#### *Securities lending and borrowing, repurchase agreements and buy-sell back transactions*

Securities lending and borrowing transactions, repurchase agreements and buy-sell back transactions involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in securities lending and borrowing transactions, repurchase agreements and buy-sell back transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the transaction. Securities lending and borrowing transactions, repurchase agreements and buy-sell back transactions may expose a Compartment to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not *bona fide*) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Compartment. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described below.

Securities lending and borrowing transactions, repurchase agreements and buy-sell back transactions also entail liquidity risks due, *inter alia*, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Compartment or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption requests. The Compartment may also incur operational risks such as, *inter alia*, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

#### *Collateral management*

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending transactions, repurchase agreements and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of the Compartment. However, transactions may not be fully collateralised. Fees and returns due to the Compartment may not be collateralised. If a counterparty defaults, the Compartment may need to sell non-cash collateral received at prevailing market prices. In such a case the Compartment could realise a loss due, *inter alia*, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Compartment to meet redemption requests.

A Compartment may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Compartment to the counterparty as required by the terms of the transaction. The Compartment would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Compartment.

## 28. FAIR TREATMENT

In compliance with Applicable Law, the AIFM and the Managing General Partner shall act in the best interests of the Fund and/or the Investors.

The AIFM and the Managing General Partner guarantee fair treatment to all Investors; no preferential treatment is given by the AIFM or the Managing General Partner. The terms and conditions for subscription and redemption, and access to information about the Fund are identical for all Investors of the Fund.

Notwithstanding the above or any other provision of this Memorandum, the Shareholders hereby acknowledge and agree that the Managing General Partner, on its own behalf or on behalf of the Fund or a Compartment, may enter into side letters or other written agreements to or with any Shareholders (such agreement or side letter, (a **Side Letter**) without the consent of any Person, including any other Shareholder, that has the effect of establishing rights under, or altering or supplementing the terms hereof and of any Subscription Agreement. The Shareholders hereby further agree that the terms of any such Side Letter to or with a Shareholder shall govern with respect to such Shareholders notwithstanding the provisions of this Memorandum or any of the Subscription Agreements.

Rights established in a Side Letter may consist of (i) the reduction or removal of any applicable fees, (ii) the partial or total reimbursement or rebate of certain fees, charges and/or expenses, (iii) the granting of certain preferential terms applicable to any Shares Transfer (such as the advance grant of consent to a transfer to certain parties; the foregoing being illustrative and not exhaustive), (iv) the granting of an excuse right from the participation in an Investment in certain assets, liabilities or counterparties, (v) access to, or increased transparency in relation to, information concerning certain aspects of the Fund's or a Compartment's management or activities (whether past, present and/or future) in general, (vi) the granting of preferential terms in relation to any Distribution (whether of dividends, carried interests, liquidation proceeds or of any other amount that may be distributed by the Compartments to Shareholders), (vii) the granting of certain preferential terms and rights in relation to the appointment or removal of members of the Fund's or a Compartment's committees (including Advisory Board), (viii) the participation in the Managing General Partner's management or activities in general (including participation in its governing body and/or internal committees; in each case only to the extent permitted under applicable laws and regulations), (ix) a right to veto, to postpone or to otherwise condition certain decisions or resolutions, (x) increased and/or additional voting rights, (xi) the granting of a "most favoured nation" (or similar) right with respect to certain and/or all side agreements entered into with Shareholders in relation to the Fund or a Compartment, (xii) the granting of certain preferential terms and rights in relation to Co-Investment or (xiii) such other rights, advantages and/or privileges with respect to the Fund or a Compartment, as may be determined by, and in the discretion of, the Managing General Partner, from time to time, in each case to the extent that such is in compliance with applicable laws and regulations or the General Section or a Special Section.

Such rights may be granted, in each case only to the extent permitted under applicable laws, on the basis of (i) the size, nature, timing or any feature of the investment in, or of any commitment taken vis-à-vis, the Fund or a Compartment, (ii) the type, category, nature, specificity or any feature of the particular Investor, (iii) the involvement in, or participation to, the Fund's, a Compartment's, the Managing General Partner's management or activities (whether past, present and/or future; in each case only to the extent permitted under applicable laws and regulations) in general, or (iv) of any other criteria, element or feature as may be determined from time to time by, and in the discretion of, the Managing General Partner, to the extent that such is not inconsistent with applicable laws and regulations or the Memorandum or a Compartment Supplement (if any).

The Managing General Partner shall provide a copy of such Side Letters to each Shareholder upon written request, except those entered into with (i) an Affiliate of the Managing General Partner or the Investment Advisor or (ii) an Investor from whom, as at the date of admission to the Fund of that Investor, the Managing



General Partner, the Investment Advisor or any of their Affiliate manage or act as adviser in relation to the Contribution from such Investor in the Fund.

The Managing General Partner will disclose the material terms of any Side Letter which it is aware of, redacted to protect confidential information, to any Investor prior to the admission of such Investor to the Fund and, for any subsequent Side Letter, within (20) Business Days following each date on which an Investor is admitted to the Fund. Any Investor having made a Contribution for an amount equal to or higher than such other Side Letter beneficiary will, upon request, be offered the opportunity to receive the same terms as those granted to such other Investor, except where certain rights are included in a Side Letter solely because of any law, statute, rule, regulation, tax or internal policy provisions, or a policy or procedure to which a particular Investor is subject and as agreed with such Investor in writing in connection with its admission to the Fund; are personal to an Investor based solely on its place of organisation, legal form of or other specific legal, tax regulatory condition applicable to a particular Investor and provided that this Article shall not apply to any term of any Side Letter that:

- (i) offers an Investor an opportunity to appoint a member of the Advisory Board; or
- (ii) relates to the basis of which information of the Fund or a Compartment will be disclosed to such Shareholder or any requirement (or the waiving of any requirement) to keep such information confidential; or
- (iii) relates to a loyalty discount.

## **29. AMENDMENTS TO THE GENERAL SECTION**

The Managing General Partner may amend the provisions of this General Section in accordance with the 2016 Act as follows:

- (a) where the change is determined by the Managing General Partner not to be material; or
- (b) to reflect a change in the name of the Fund;
- (c) make any change that is necessary or desirable to cure any ambiguity or to correct or supplement any provision of this Memorandum that would otherwise be inconsistent with the Articles;
- (d) make a change that is necessary or desirable to satisfy any applicable requirements, conditions or guidelines contained in any opinion, directive, order, statute, rule or regulation of any governmental entity so long as the change is made in a manner which 82inimizes any adverse effect on Shareholders; or
- (e) any other amendment that in the opinion of the Managing General Partner may be necessary or desirable;
- (f) provided that in each case the amendment (i) remains subject to the CSSF approval, (ii) does not adversely affect Shareholders in a material respect, and (iii) the Shareholders are duly informed of any such amendments.
- (g) No amendment, which increases the Investors' commitment (if any), modifies the profit allocation rules or decreases the level of approval of Shareholders required to make such amendments may be made without the unanimous approval of all the Shareholders entitled to vote.

- (h) where the change is determined by the Managing General Partner to be material, only upon Shareholder's Consent.

Amendment of the investment objective, strategy or restrictions is a material change in the meaning of this Article.

Shareholders will be notified by the Managing General Partner (or its agents) of all amendments that are adopted without their consent in accordance with this Article. Shareholders will be notified in advance of any proposed material change to the Memorandum to ensure that they are able to make an informed judgment in respect of the expected amendments pursuant to (ii) above.

No variation may be made to this Article without unanimous consent of all Shareholders. Any amendment to this General Section that would result in a discrepancy between the terms and provisions of the Articles and those of this Memorandum shall be subject to the prior amendment of the Articles, in accordance with the provisions of the 1915 Act and the Articles.

## **SPECIAL SECTION RELATING TO**

### **RIV CAPITAL SICAV-RAIF – A-RIV**

This Special Section I is valid only if accompanied by the General Section of this Memorandum. The Fund may contain other Compartments, the relevant Special Sections of which shall not be disclosed to the Investors in this Compartment, unless they are also directly or indirectly Investors in such other Compartments(s).

This Special Section I refers only to the Compartment.

#### **1. DEFINITIONS**

Notwithstanding the definitions of the General Section, the following definitions shall apply to the capitalized terms of this Special Section:

**Additional Closing Date** means, any Compartment Valuation Date further to the Initial Closing Date, on which Subscription Agreement in relation to the issuance of Classes have been received and accepted by the Managing General Partner;

**Closing Date** has the Initial Closing Date and any Additional Closing Date;

**Compartment** means the A RIV Compartment of the Fund;

**Compartment Valuation Date** means a days as of which the Net Asset Value per Share of any Class is calculated, being each the last Business Day of each month, or any additional date as the Managing General Partner may determine;

**Consultancy Agreement** means the agreement between the AIFM, the Fund (represented by the Managing General Partner) and the Consultant, as may be entered into and amended from time to time;

**Consultancy Fee** means the remuneration paid to the Consultant with respect to the Compartment in accordance with the terms of this Special Section as detailed in the Consultancy Agreement;

**Consultant** means RIV Earnings Absolute FZ-LLC, a company incorporated and existing under the laws of United Arab Emirates, having its registered office at EIB-804B Emirates Islamic Bank Building, RAKEZ Business Zone-FZ, RAK, United Arab Emirates;

**High Watermark** has the meaning set forth in Article 10(I) of this Special Section;

**Illiquid Portfolio** has the meaning set forth in Article 2(A) of this Special Section;

**Initial Closing Date** means the date of the first closing of the Compartment as determined by the Managing General Partner and on which Subscription Agreements in relation to the issuance of Classes have been received and accepted by the Managing General Partner;

**Lock-up Period** means, for each relevant Share held, a period of one (1) month as of the Closing Date;

**Liquid Portfolio** has the meaning set forth in Article 2(A) of this Special Section;

**Marketable Securities** means financial instruments that are traded on an established securities exchange;

**Performance** has the meaning set forth in Article 10(E) of this Special Section;

**Performance Fee** has the meaning set forth in Article 10(E) of this Special Section;

**Performance Period** has the meaning set forth in Article 10(E) of this Special Section;

**Publication Date** means the Business Day which falls at the latest three (3) Business Days as of the Compartment Valuation Date;

**Redemption Date** means each the last Business Day of each month on which redemption requests are received and accepted by the Compartment for each Class and such other day as the Managing General Partner may determine in its absolute discretion from time to time on a case-by-case basis, or any additional date as the Managing General Partner may determine;

**Redemption Fee** has the meaning set forth in Article 6(A) of this Special Section;

**Redemption Limit** has the meaning set forth in Article 6(A) of this Special Section;

**Redemption Payment Date** has the meaning set forth in Article 6(A) of this Special Section;

**Redemption Price** has the meaning set forth in Article 6(A) of this Special Section;

**Redemption Shares** has the meaning set forth in Article 6(A) of this Special Section;

**Redeeming Shareholder** has the meaning set forth in Article 6(A) of this Special Section;

**Selected Shareholder** has the meaning set forth in Article 8 of this Special Section;

## **2. INVESTMENT POLICY**

### **A. Investment objective and strategy**

- (a) The Compartment primary objective is to invest directly or indirectly, as the case may be, in a range of liquid assets and illiquid assets.
- (b) The major part of the Investments made by the Compartment focus on equity and debt instruments serving fixed income such as mutual funds and hedge funds (the **Liquid Portfolio**). The strategy of the Compartment is to create a steady, robust and diversified investment universe based on quantitative but not automated strategy. For such purpose, financial instruments will be selected on the basis of (i) statistical analysis and (ii)

fundamental analysis. Once this investment universe is set, a further selection will be made in order to enshrine the Liquid Portfolio into 15 to 27 financial instruments/issuers.

- (c) In addition to the Liquid Portfolio, the Compartment may invest in below investment grade debt securities that are considered by the Compartment as undervalued and that are able to deliver growth, income or a combination of both. It may include, *inter alia*, mini-bonds, securities issued by securitization vehicles and more generally private debt instruments issued under private placement (the **Illiquid Portfolio**). The Illiquid Portfolio shall exclude any direct or indirect Investment in venture capital, growth equity, buyouts or other private equity.
- (d) The Compartment shall pursue long-only investment strategy that should allow the Compartment to generate constant cash distribution to Shareholders.
- (e) The Compartment will invest in the (i) Reference Currency, US Dollars and/or GB Pounds, and/or (ii) other currencies provided that (x) such other currencies are belonging to EU and/or Commonwealth monetary areas and (y) the aggregate amount of the investments in such other currencies will not exceed 10% (ten percent) of the aggregate nominal amount of the Investments.

## **B. Investment Restriction**

Illiquid Portfolio shall at no time represent more than 30% of the NAV of the Compartment.

## **C. Leverage and borrowing of cash**

As per the AIFMD, leverage is any method by which the Fund increases the degree of its Investments through borrowing of cash or securities, use of derivative positions or by any other means. The leverage generates additional risks for the Fund. The leverage exposure is depicted as the ratio between the risk of a fund and its Net Asset Value.

For the purpose of (i) funding the acquisition of any new Investment or (ii) carrying out redemptions requests of the Shareholders as per Article 6 hereof pending disposal of Investments, the Compartment will be able to incur indebtedness (including, without limitation, guarantees and other obligations), directly or indirectly through an Intermediary Vehicle, as deemed appropriate by the AIFM or the Managing General Partner, upon recommendation of the Investment Advisor. In this context, the Compartment may guarantee any such indebtedness and grant personal guarantees or lien (such as pledges or mortgage) over its assets as collateral.

In view of the above, the expected maximum level of leverage (within the meaning of article 1(30) of the AIFM Law) permitted in respect of the Compartment is: two hundred percent (200%) of its Net Asset Value under the commitment method; and two hundred percent (200%) of its Net Asset Value under the gross method.

For purposes of the foregoing limitations, the relevant percentage limitation will, for greater certainty, only apply at the time each indebtedness is incurred and the Compartment will not be in violation of the foregoing limitations as a result of, without limitation, any decrease of the Compartment's gross asset value, distributions, redemptions or a disposition of an asset.

The foregoing leverage limitations (in terms of level of leverage and purpose of leverage) may be modified or waived by the Managing General Partner.

Investors should note that the maximum level of leverage set out above in respect of the Compartment is only indicative and is provided in accordance with the requirement of articles 21(1), a) and 21(5) of the AIFM Law.

The Compartment will comply with any disclosure requirement relating to leverage under the AIFMD.

#### **D. SFTR**

The proportion of assets under management that may be subject to SFTs and TRSs set at 100%. However, the expected use of SFTs and TRSs is 50%, being noted that there is no guarantee that such proportion will not be exceeded.

The actual proportion of completed STRs and TRSs will be made available in the Annual Report.

#### **E. Ramp-up Period**

The Ramp-up Period for the Compartment is up to twelve (12) months after closing of the first Investment.

The Managing General Partner may decide at its sole discretion to prolong the Ramp-up Period for an additional period up to twelve (12) months.

#### **F. Reference Currency**

The Reference Currency for the Compartment is EUR.

### **3. TERM OF THE COMPARTMENT**

The Compartment is established for an unlimited duration. It will however be terminated upon occurrence of the events set forth by Article 20 of the Memorandum.

If the Compartment is terminated, the Compartment will cease making new Investments and will commence an orderly liquidation in accordance with Article 20 of the Memorandum.

### **4. CLASSES OF LIMITED SHARES – ECONOMIC AND VOTING RIGHTS – SUBSCRIPTION**

As of the creation of the Compartment, two (2) Classes are issued for this Compartment which could be subscribed by any Investor qualifying as an Eligible Investor and who is not a Restricted Person, subject to the prior approval of the General Partner and the following restrictions:

- **Class A Shares** which are reserved to Professional Investors only and which require an initial subscription amount of five million euros (EUR 5,000,000).

Each year, Consultancy Fee of 1.25% of the NAV and Leverage per Class A Share will be paid monthly in arrears.

- **Class B Shares** which are reserved to Well-Informed Investors and which require an initial subscription amount of one hundred thousand euros (EUR 100,000).

Each year, Consultancy Fee of 1.99% of the NAV and Leverage per Class B Share will be paid monthly in arrears.

The Managing General Partner has decided to create an additional Share Class, **Class C Shares** which are reserved to Professional Investors only and which require an initial subscription amount of five million euros (EUR 5,000,000). Each year, a Consultancy Fee of 0.19% of the NAV and Leverage per Class C Share will be paid monthly in arrears.

The Managing General Partner may at any time in its discretion decide to create additional Classes of Shares. Information on the initial launch date, issue price, lock-up period, distribution policy, minimum subscription and holding amounts and other terms applying to each newly created Class (including the applicable Investment Advisory Fee and Management Fee) will be made available to prospective Investors by the Managing General Partner unless otherwise disclosed in this Special Section.

The proceeds from the issuance of Shares of any Class of the Compartment will be invested in common with the proceeds from the issuance of other Classes in the Compartment.

## 5. SUBSCRIPTION OF SHARES

Investors may be admitted in the Compartment during the life of the Compartment as Initial Closing Date. On such date, the Class A Shares, Class B Shares will be subscribed at the issuance price per Share which is set at one thousand euro (EUR 1,000).

Share Class C will be launched on 29 January 2025. Starting from this date, Share Class C will be subscribed at the issuance price per Share which is set at one thousand euro (EUR 1,000).

On any Additional Closing Date, Classes will be issued at the Net Asset Value per the relevant Class as of the relevant Compartment Valuation Date.

The total Contribution to be made to the Fund pursuant to the Subscription Agreement shall be paid in whole in the Reference Currency to the Compartment on the relevant subscription date, unless otherwise agreed by the Managing General Partner.

Any additional subscription made by an existing Shareholder requires an additional minimum subscription amount of one hundred thousand euros (EUR 100,000).

No subscription fee shall be levied by the Fund unless all or part of the Shares already held by the subscribing shareholder (directly or through an Affiliate) were redeemed within the last three months as from the date of subscription of the new Shares. In this case, the relevant Shareholder shall pay a subscription fee equal to one percent (1%) of the subscription price of the additional subscribed Shares.

## 6. REDEMPTION AND CONVERSION OF SHARES

### A. Redemption

Notwithstanding article 8 of the Memorandum, the following shall apply to redemption of Shares.

Subject to the Lock-up Period, a Limited Partner (a **Redeeming Shareholder**) will have the right to elect, upon written notice to the Managing General Partner, to have some or all of his Shares in the Compartment redeemed (the Shares that are the subject of such election, as specified in said written notice, shall become **Redemption Shares**).

For such purpose, the Redeeming Shareholder shall send the Fund a written notice confirming its decision to have the Redemption Shares redeemed at least twenty-one (21) Business Days before the relevant Redemption Date.

Shares will be redeemed at a price that reflects the Net Asset Value per the relevant Class as of the relevant Redemption Date (the **Redemption Price**). In case of Redemption of the Excess Portion, Redemption Price will reflect the Net Asset Value of the relevant Class on the Redemption Date upon which the Excess Portion is to be redeemed.

Subject to the following restrictions, the Redemption Price shall be paid within five (5) Business Days as of the Publication Date (the **Redemption Payment Date**).

A redemption fee equal to one percent (1%) of the Redemption Price of the Shares subscribed on a Closing Date that has occurred not more than twenty-four (24) months as of the relevant Redemption Date (the **Redemption Fee**). No Redemption Fee is incurred for the Shares whose relevant Redemption Date occurs after twenty-four (24) months as of the relevant Closing Date. The Redemption Fee may be reduced or waived on the sole discretion of the Managing General Partner.

Subject to being notified within the twenty-one (21) Business Days period set above, outstanding redemption requests with respect to Redemption Shares will be accommodated by the Managing General Partner on each Redemption Date provided that the Redemption Shares do not represent more than twenty percent (20%) of the NAV of the Compartment (the **Redemption Limit**).

Redemption requests received on a Redemption Date may be satisfied by the Managing General Partner through Net Distributable Profit, funded Capital Contributions in the Compartment or Leverage (as per Article 2(C) above).

To the extent that Redemption requests exceed the Redemption Limit (the **Excess Portion**), the Managing General Partner may postpone the Redemption of the Excess Portion which will then be redeemed on a *pro rata* basis (regardless of the order in which the redemption notice with respect to the Redemption Shares was submitted) as liquid assets (either through Distributable Proceeds or use of Leverage) become available, on the immediate next Redemption Date. The Managing General Partner will have the discretion to determine the extent to which liquid assets are available for redemption or are necessary for the ongoing expenses (including debt payments), Investments, capital expenditures or reserves.

On the next Redemption Date following redemption requests so deferred will be given priority over requests subsequently received.

Shares will be redeemed at a price that reflects the Net Asset Value per the relevant Class on the relevant Redemption Date. In case of Redemption of the Excess Portion, Redemption price will reflect the Net Asset Value of the relevant Class on the Redemption Date upon which the Excess Portion is to be redeemed.

If the Excess Portion is not redeemed within a period of at least twelve (12) consecutive months from the date of the first Redemption Date applicable to the Redemption Shares (the **12 Month Period**), then the Compartment shall utilise at least fifty percent (50%) of the Distributable Proceeds from Investments as of the end of the 12 Month Period to redeem such Shareholder's Excess Portion until this Excess Portion of such Limited Partner has been redeemed, and that Distributable Proceeds shall be applied to redeem such Excess

Portion of such Shareholder's Redemption Shares as follows: (a) *pro rata* to any other Shareholders' Excess Portion and (b) in priority to any other Shareholders, in each case until such portion of that particular Shareholders' Redemptions Share has been redeemed.

The Managing General Partner may also suspend the redemption, if it determines, in its sole discretion, that such suspension is warranted for reasons, including but not limited to, when one or more redemptions would result in violation of any agreement, any provision of the Memorandum or the Articles, any law, regulation or policy applicable to the Fund, the Managing General Partner, the AIFM, or any of their respective affiliates or adverse tax implications on the Fund. In the event of such a suspension, the Managing General Partner and the relevant Redeeming Shareholder will use their best efforts to manage and overcome the relevant violation of adverse tax implications in order to lift the suspension as quickly as possible or otherwise to find an alternative way for the Redeeming Shareholder to dispose of the relevant Redemption Shares.

In no event will the AIFM or the Compartment be obligated to sell, finance, refinance or caused to be sold, financed or refinanced, or otherwise transfer, any Investment (including assets owned directly or indirectly by the Compartment), or take any other action in order to redeem any Redemption Shares.

Notwithstanding the above, no redemption may be made if as a result thereof, the net assets of the Fund would fall below the minimum capital provided for by the 2016 Act.

Redemption Price shall be paid in cash. However, in case one or more Investments cannot be disposed by the Fund for reasons relating to contractual arrangements (such as lock-up clauses, gates), the Managing General Partner may decide to pay part of the Redemption Price in kind, which the Shareholders expressly agree. In this case, (i) if the Investment the ownership of which is to be transferred consists in Marketable Securities, it shall be valued at the closing price of the principal securities exchange on the Redemption Date and (ii) if the Investment the ownership of which is to be transferred does not consist in Marketable Securities, it shall be valued by an external auditor (*réviseur d'entreprises agréé*) on the basis of article 1592 of the Luxembourg Civil code. In such a case, the Redemption Payment Date extended by twenty (20) Business Days. The Managing General Partner shall give at least 10 Business Days' prior notice to the Shareholders of any proposed Distribution Assets and the date of such proposed Distribution. The Managing General Partner may reasonably require that, as a condition to any Shareholder receiving a Redemption Price in-kind, such Partner shall make any necessary or desirable representations, warranties and covenants as the Managing General Partner shall reasonably determine.

If in the opinion of counsel (which counsel shall be reasonably acceptable to the Managing General Partner and which opinion shall be delivered in writing to the Managing General Partner) any Shareholder would be transferred any Asset that would cause such Shareholder to own or control in excess of the amount of such Asset that it may lawfully own or control, would subject such Shareholder to any material regulatory filing or would raise material contractual or regulatory issues for such Shareholder, the Fund may act as agent of such Shareholder and dispose of all or any portion of such Assets on behalf of such Shareholder and at the expense of such Shareholder. Any expenses (including commissions and underwriting costs) incurred by the Fund in connection with such disposition, and any gain or loss recognized by the Fund upon the disposition of such property (including any decrease or increase in the value of such property had it not been sold pursuant to this Article) shall be allocated to the Shareholder electing not to receive such Redemption Price in-kind, and to the extent the Managing General Partner advances any amount for expenses on behalf of a Shareholder, the Fund shall be entitled to receive reimbursement from such Shareholder for such advances. Any Shareholder electing not to receive Redemption Price in-kind shall nonetheless be treated as if such Shareholder had received the Redemption Price in-kind contemporaneously with the other Shareholders. The Shareholders electing not to receive Redemption Price in-kind pursuant to this Article acknowledge and accept that the sale of property pursuant hereto may be subject to market fluctuations and may result in returns that are different (and may be materially different) from Shareholders who receive Redemption Price in-kind.

## **B. Conversion of Shares**

Shares of any Class cannot be converted into Shares of another Class of this Compartment.



## 7. CALCULATION OF THE NET ASSET VALUE

The Net Asset Value shall be calculated on each Compartment Valuation Date. The Net Asset Value of the Compartment will be provided to the Shareholders at the latest on the Publication Date.

## 8. ADVISORY BOARD

On or shortly after the Initial Closing Date, the Managing General Partner will establish an Advisory Board consisting of a maximum of nine members selected among the Shareholders having experience in the financial sector to be appointed by the Managing General Partner at its discretion (the **Selected Shareholder**).

The Selected Shareholder may appoint one permanent representative to seat on the Advisory Board, subject to the consent of the Managing General Partner that shall not be unreasonably withheld. The permanent representative shall be an individual and may be replaced at any time by the Selected Shareholder, subject to the same consent of the Managing General Partner and notification to the Investment Advisor.

The Advisory Board shall be convened upon convening notice sent by the Managing General Partner or the Investment Advisor (if appointed) at least eight (9) Business Days before the date of the meeting.

Any member of the Advisory Board taking part in a meeting by conference call, through video conference or by any other means of communication allowing for their identification, allowing all persons taking part in the meeting to hear one another on a continuous basis, allowing for an effective participation of all such persons in the meeting, are deemed to be present for the computation of the quorum and votes.

All decisions of the Advisory Board shall be adopted with unanimous approval of all members present or represented. Abstention is not deemed as a vote cast.

Decisions of the Advisory Board may also be adopted by way of circular written resolutions signed by all its members.

The Advisory Board shall be consulted in relation to the following:

- i. Any advice given by the Investment Advisor in relation to any Investment in the Illiquid Portfolio;
- ii. Any advice requested by the Managing General Partner and/or the Investment Advisor on the resolution of any risk management and conflict of interests issues;
- iii. Any other advice requested by the Managing General Partner and/or the Investment Advisor on such other matters related to an Investment as the Managing General Partner or the Investment Advisor deem appropriate.

In case the investment advice proposed by the Investment Advisor is not unanimously approved by members of the Investment Board, the Managing General Partner and the Investment Advisor will refrain from presenting the relevant proposed Investment to the AIFM. The Advisory Board will not conduct any business on behalf of the Fund and in no event will a member of the Advisory Board have authority to manage the Fund, or be permitted to take any action that would result in such member of the Advisory Board being considered a manager (*gérant*) of the Fund as a result of the performance of its duties or otherwise.

Any member of the Advisory Board

- is automatically removed as soon as the Selected Shareholder ceases to be a Shareholder of the Compartment. In such a case, the Managing General Partner may (but is not obliged) replace the member by selecting another Selected Shareholder, and
- may resign at any time from its mandate, subject to notice to the Managing General Partner and the Investment Advisor to be made diligently.

## **9. INVESTMENT COMMITTEE**

As long as no Investment Advisor is appointed by the AIFM, the AIFM will set-up and maintain an Investment Committee composed of the Consultant and the AIFM that will be convened at least once per month, depending on the level of Investment activity of the Compartment. Each of the Consultant and the AIFM will be entitled to convene the Investment Committee.

The Consultant shall provide support to the AIFM in particular making market analysis for new Investments, sourcing new potential Investments, preparing initial due diligence reports to be submitted to the Investment Committee, reviewing and monitoring on an on-going basis the performance of the Investments and providing the AIFM with all information necessary or useful for the good performance of the AIFM's duties.

Investments will be submitted for review to the Investment Committee who will then refer the Investments to the AIFM acting as portfolio manager.

In case an Investment Advisor is appointed, the Investment Committee will be dissolved and the Consultancy Agreement terminated.

## **10. FEES AND EXPENSES**

The Managing General Partner will reimburse the members of the Advisory Board for their reasonable out-of-pocket expenses incurred while acting in such capacity.

### **A. Managing General Partner Fee**

The Managing General Partner shall be entitled to an annual amount, excluding VAT, if applicable, equal to all duly documented operating costs which are properly incurred by the Managing General Partner in relation to the Compartment plus an arm's length net profit margin. The Managing General Partner Fee in no event shall exceed in amount of up to EUR 60,000.-. The Managing General Partner Fee will be paid monthly in arrears, out of the assets of the Compartment.

### **B. Management Fee**

The AIFM will receive the Management Fee in accordance with the AIFM Agreement.

The Compartment shall pay to the AIFM a Management Fee as determined in the AIFM Agreement, being in any event up to a maximum of 0.3% of the Net Asset Value per annum with a minimum fee of EUR 40,000 for the Compartment.

Additional fees may be charged by the AIFM to the Compartment, amongst others, for handling transactions and valuation as determined in the AIFM Agreement.

The Management Fee is charged to the Compartment and paid quarterly in arrears to the AIFM.

For the period starting on the launch date of the Compartment and ending on 31 December of the same year, the AIFM will be entitled to receive the Management Fee on a pro-rata basis.

### C. Consultancy Fee

The Consultant is entitled to receive Consultancy Fee paid directly by the Fund as further detailed in the Consultancy Agreement. The Consultancy Fee shall be paid monthly in arrears to the Consultant, unless determined otherwise in the Consultancy Agreement.

In consideration of the services provided by the Consultant for the benefit of the AIFM, the Consultant may be compensated by the Compartment for its reasonable cash disbursements, including but not limited to out-of-pocket expenses, incurred in the provision of such services.

### D. Investment Advisory Fee

In case an Investment Advisor is appointed, the Investment Advisor will receive the Investment Advisory Fee as determined in the Investment Advisory Agreement.

The Investment Advisory Fee will directly be paid out from the Compartment to the Investment Advisor. The Investment Advisory Fee is paid monthly in arrears to the Investment Advisor.

In consideration of the services provided by the Advisor for the benefit of the AIFM, the Advisor may be compensated by the Compartment for its reasonable cash disbursements, including but not limited to out-of-pocket expenses, incurred in the provision of such services.

### E. Performance Fee

For each Class, the Investment Advisor or the Consultant, as the case may be, shall be entitled to receive a performance fee based on the Net Asset Value increase calculated on the positive difference between (i) the latest Net Asset Value as of the end of each month and (ii) the immediate Net Asset Value calculated as at the end of the previous month (the **Performance**).

The Investment Advisor shall be entitled to a performance fee (the **Performance Fee**) equal to the following:

- As to Class A Shares: 15% of the Performance;
- As to Class B Shares: 15% of the Performance;
- As to Class C Shares: 20% of the Performance.

The Performance Period shall be calculated monthly as at the end of each month (the **Performance Period**).

The Performance Fee will be payable in arrears at the end of each month. Payment of the Performance Fee is subject to existence of sufficient liquidity, being noted that no Leverage can be used for the purpose of paying the Performance Fee.

The Performance Fee is subject to a high watermark. The high watermark is the higher of (i) the initial subscription price per Share of the relevant Class at the Initial Closing Date and (ii) the highest NAV per Share of the relevant Class at the end of any previous Performance Period in respect of which a Performance Fee was charged (the **High Watermark**).

### F. Administration Fees

For rendering the services as described in the Administration Agreement, the Administrator is entitled to a fee of up to 0.10% per annum of the net asset value of the Compartment, with a minimum fee of EUR 3,500.- per sub-fund per month.

## **G. Depositary Fees**

For rendering the services as described in the Depositary Agreement, the Depositary is entitled to a fee of up to 0.10% per annum of the gross asset value of the Compartment, with a minimum fee of EUR 15,000.- per sub-fund per year and to transaction fees.

## **H. Other Fees**

Other than the fees mentioned above, the Compartment will be responsible for all fees, costs and expenses incurred by the Compartment, *inter alia*, trading expenses, the Auditor and proportionally for the fees related to the Fund structure.

## **11. DISTRIBUTION**

The Managing General Partner may cause the Fund to make distributions to the Shareholders at any time (and from time to time) and in such amounts as the Managing General Partner determines in its sole discretion.

In determining whether to make any distribution, the Managing General Partner may take into account the actual and anticipated fees, costs, expenses (including Fund Expenses) and liabilities (including debt payments and fees), anticipated investments, capital expenditures, existing and anticipated redemptions and reserves requirements of the Fund.

Distributions may be made by the Fund in any form appropriate in the absolute discretion of the Managing General Partner (by dividend distribution and/or capital reduction).

Subject to the Managing General Partner's discretion to reinvest income proceeds, all Distributable Proceeds is expected to be distributed on a quarterly basis and are to be allocated among Shareholders pro rata their Contributions.

The Managing General Partner will make cash distributions and such distributions will be made in immediately available funds in the Reference Currency.

No distribution may be made if as a result thereof, the net assets of the Fund would fall below the minimum capital provided for by the 2016 Act.

Amendments other than an Amendment under (a) and (b) in this Article are subject to an Compartment Ordinary Investor Consent.

## **12. SPECIFIC RISK FACTORS**

### **A Sustainability Risk Assessment**

Further to an assessment by the AIFM of the likely impacts of Sustainability Risks on the returns of the Compartment pursuant to article 6.1.(b) of SFDR, it is expected that the Compartment will be exposed to a broad range of Sustainability Risks which will differ from an investment to another. Some markets and sectors will have greater exposure to Sustainability Risks than others will. For instance, in Europe, the increasing regulatory requirements that results, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy may result in significant Sustainability Risks that might impede the Compartment business models, revenues and overall value. Such financial loss may be due to, for example, the changes in the regulatory framework like carbon pricing mechanisms, stricter energy efficiency standards, or policy and legal risks related to litigation claims or the transition to a lowcarbon economy which may also negatively impact organizations via technological evolutions leading

to the substitution of existing products and services by lower emissions options. In addition, the raising awareness of sustainability issues exposes the Compartment to reputational risk linked to sustainability that can affect the Compartment assets directly, for example through name and shame campaigns by NGOs or consumer organizations. Stigmatization of an industry sector, shift in consumer preferences and increased shareholder concern/negative feedback resulting from growing concerns over climate change may negatively impact the Compartment and the value of its investments.

## **B Highly competitive market for investment opportunities**

The success of the Compartment depends, in large part, on the availability of a sufficient number of investment opportunities that fall within the Compartment's investment objectives and the ability of the Investment Advisor to identify, negotiate, close, manage and exit those investment opportunities. The activity of identifying, completing and realizing attractive private equity investments is highly competitive and involves a high degree of uncertainty, especially with respect to timing. There can be no assurance that the AIFM will be able to locate and complete investments, which enable the Compartment to invest all of its committed capital in opportunities that satisfy the Compartment's investment objectives or realize the value of these investments.

The Fund will compete for the right to make investments with an ever increasing number of other parties, including other private investment Companies as well as individuals, financial institutions and other institutions, some of which may have greater resources than the Fund. In addition, private investment Companies with similar investment objectives may be formed in the future which may compete for investment opportunities. As a result of such competition, the Fund may have difficulty in making certain investments or, alternatively, the Fund may be required to make investments on economic terms less favourable than anticipated. If the Fund fails to make new investments or makes investments on less favourable terms, the Fund's financial condition and results of operations could be materially and adversely affected.

## **C No assurance of investment return**

The Investment Advisor cannot provide assurance that it will be able to choose, make and realize investments in any particular property or Fund or portfolio of properties or companies. There can be no assurance that the Fund will be able to generate returns for its Investors or that the returns will be commensurate with the risks of investing in the types of properties or companies and transactions described herein. There can be no assurance that any Investor will receive any distribution from the Fund. Accordingly, an investment in the Fund should only be considered by persons that can afford a loss of their entire investment. Past activities of investment entities associated with the Investment Advisor is not necessarily indicative of the Fund's future results and provides no assurance of future success.

## **D Technology investments**

The Compartment may invest in securities of companies in rapidly changing high-technology fields. The technology industry is characterized by rapid changes, evidenced by rapidly changing market conditions and participants, new competing products and improvements in existing products. Accordingly, technology companies may face special risks of product obsolescence. There can be no assurance that products sold by portfolio companies will not be rendered obsolete or adversely affected by other challenges inherent in the sector.

## **E Dependence on investment selection**

The success of the Compartment depends upon its ability to identify successful portfolio companies. The investment selection process entails consideration of many subjective factors, including the validity of a portfolio Fund's thesis, conditions in the intended portfolio Fund's capital market, and the quality and track

record of the portfolio Fund's management. Moreover, the Investment Advisor's and the AIFM's ability to select successful portfolio companies may be inhibited by the availability of investments; competition for investments; availability and pricing of debt capital; the Investment Advisor's and the AIFM's ability to source, price, and execute transactions in a competitive environment; and unexpected changes in market conditions during the investment period of the applicable portfolio Fund. Any given portfolio Fund may experience a substantial or complete loss of its investment in one or more investments in its portfolio, and the success of the portfolio Fund depends on its ability to offset these losses with substantial gains in other positions.

## **F Illiquid investments**

The Compartment will invest in companies the securities of which are not at the time of investment publicly traded and may never be publicly traded. These investments may be difficult to value and to sell or otherwise liquidate, and the risk of investing in such companies is generally much greater than the risk of investing in publicly traded securities. Furthermore, companies whose securities are not publicly traded are not subject to the same disclosure and other investor protection requirements that are generally applicable to companies with publicly traded securities. Furthermore, there can be no assurance that private purchasers for the Compartment's investments will be found. In addition, in certain circumstances, governmental or regulatory approvals may be required for the Compartment to dispose of an investment or the Compartment may be prohibited by contract or for legal or regulatory reasons from selling an investment for a period of time. Dispositions of such investments in illiquid securities may require a lengthy period of time or may result in distributions in kind to Investors. There can be no guarantee when, or if at all, a Investor would be able to realize any assets received by way of a distribution in kind.

## **G Realization of investments**

The Fund may be unable to realize its investment objectives by the sale and other disposition of investments at attractive prices or may otherwise be unable to implement or complete an exit strategy from certain portfolio companies because of factors including market conditions, national or international political, economic or monetary crises or otherwise. In addition, the value of certain investments may decline for reasons outside of the control of the Fund, the Investment Advisor, the subadvisor or any other investment manager of the Fund, including changes in the market or legal or regulatory environment applicable to a portfolio Fund's products, services or sources of supply, scientific or technological changes, the availability of additional capital and other analogous events. In connection with the disposition of an investment in a portfolio Fund, the Fund may be required to make representations about, and warranties concerning, the business and financial affairs of the portfolio Fund. It may also be required to give indemnities to purchasers of such investment. Fund

Many of the Fund's investments will be highly illiquid. Accordingly, the Fund's investments may be difficult to value and there can be no assurance that the Fund will be able to realize such investments in a timely manner or at values that have previously been reported. Consequently, the timing of cash distributions to Investors is uncertain and unpredictable. Dispositions may take the form of distributions of securities to Investors. When such investments are distributed to Investors, such Investors may then become minority shareholders and may be unable to protect their interests effectively or unable to realize their interests at market value, or indeed at all.

## **H Valuation risk**

Given the nature of the Compartment's proposed investments, the Compartment may rely upon qualified valuation professionals for valuation of certain of the Compartment's assets, including, without limitation, in connection with the distribution of illiquid securities upon the liquidation of the Compartment. In accordance with the Memorandum, the Investment Advisor will cause the assets of the Compartment (other than cash), including any portfolio investments, to be valued by the qualified valuation professionals, and

afterwards the AIFM will approve such valuation. For the purposes of such valuation, the AIFM will establish an internal valuation committee, which shall be segregated and independent from the AIFM's investment management function. The Investment Advisor and the AIFM will engage qualified valuation professionals to assist in this determination. Given the nature of the proposed investment entities, valuation may be difficult. There may be a relative scarcity of market comparables on which to base the value of the Fund's assets. As such, any such valuations may be speculative.

The market value of unrealized investments will be made in good faith by the qualified valuation professionals based on a number of factors including the type of security held, marketability, current financial position and operating results and other appropriate information. Actual values, however, cannot be determined until the investments are realized and therefore there may be a material difference in the valuation of an unrealized investment as compared to the value such investment is actually realized for.

## **I Due diligence and information**

When conducting due diligence and making an assessment regarding a potential investment, the AIFM and the Investment Advisor will rely on the resources available to them, including internal sources of information as well as information provided by existing shareholders, lenders and other independent sources. The due diligence process may at times rely on limited or incomplete information.

The Investment Advisor will consider investments for the Compartment in part on the basis of information and data relating to potential investments filed with various government regulators and publicly available or made directly available to the Investment Advisor and the AIFM by the prospective portfolio companies or third parties. Although the Investment Advisor and the AIFM will evaluate all such information and data and seek independent corroboration when they consider it appropriate and reasonably available, the Investment Advisor and the AIFM will not be in a position to confirm the completeness, genuineness or accuracy of such information and data. The Investment Advisor and the AIFM are dependent upon the integrity of the management of the entities filing such information and of such portfolio companies and third parties providing such information, as well as the financial reporting process in general.

The value of an investment made by the Compartment may be affected by fraud, misrepresentation or omission on the part of a portfolio Fund or any related parties to such portfolio Fund, or by other parties to the investment (or any related collateral and security arrangements). Such fraud, misrepresentation or omission may adversely affect the value of the investment and/or the value of the collateral underlying the investment in question and may adversely affect the Compartment's ability to enforce its contractual rights relating to that investment or the relevant obligor's ability to repay the principal or interest on the investment. In addition, the AIFM may rely upon independent consultants or experts in connection with its evaluation of proposed investments. There can be no assurance that these consultants or experts will accurately evaluate such investments. Investment analyses by the Investment Advisor and investment decisions by the AIFM may be undertaken on an expedited basis in order to make it possible for the Compartment to take advantage of short-lived investment opportunities. In such cases, the available information at the time of an investment decision may be limited, inaccurate and/or incomplete. Furthermore, the Investment Advisor and the AIFM may not have sufficient time to fully evaluate such information even if it is available. In addition, the financial information available to the Investment Advisor or the AIFM may not be accurate or provided based upon accepted accounting methods.

Accordingly, the Investment Advisor and the AIFM cannot guarantee that the due diligence investigation they carry out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Any failure by the Investment Advisor and the AIFM to identify relevant facts through the due diligence process may cause it to make inappropriate investment decisions, which may have a material adverse effect on the performance of the Compartment, and, by extension, the Compartment's business, financial condition, results of operations and the value of Investors' shares.

## **J Co-Investments with Third Parties**

The Compartment may co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third party involvement resulting in a negative impact on such an investment, including the possibility that a third party co-venturer may have financial difficulties, may have economic or business interests or goals that are inconsistent with those of the Compartment or may be in a position to take (or block) action in a manner contrary to the Compartment's investment objective. In circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments.

## **K Lack of liquidity**

The Compartment may take large positions in portfolio companies relative to the trading volume or overall market capitalization of such companies. Such positions may at times prove more difficult to sell in a timely or efficient manner and could thus impair the Compartment's ability to realize portfolio gains fully or at all or limit losses. Moreover, there may be no readily available market for the Compartment's investments. Adverse market conditions may further limit or delay opportunities for liquidity.

## **L Competitive marketplace**

A portion of the Compartment's assets may be invested in companies in highly competitive markets dominated by firms with substantially greater financial and possibly better technical resources than the portfolio companies in which the Compartment invests. Portfolio companies in which the Compartment invests may operate in business sectors that face technological changes and/or may be dominated by other firms or organizations.

## **M Non-controlling investments**

The Compartment will be making minority investments in portfolio companies where it may have limited influence. Such portfolio companies may have economic or business interests or goals that are inconsistent with those of the Compartment and the Compartment may not be in a position to limit or otherwise protect the value of its investment in such portfolio companies. The Compartment's control over the investment policies of such portfolio companies may also be limited. This could result in the Compartment's investments being frozen in minority positions that incur substantial loss. It could also prevent the Compartment from realizing the value of its investments and distributing proceeds in a timely manner. In addition, although the Compartment may seek board representation in connection with its investments and, as a condition to a lead investment in a portfolio Fund, it is expected that appropriate rights generally will be sought to protect the Compartment's interests to the extent possible, there is no assurance that such representation and rights, if sought, will be obtained.

The Compartment may also seek to have significant influence on the management, operations and strategic direction of portfolio companies in which it invests. The exercise of control and/or significant influence over a Fund imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability characteristic of business operations may generally be ignored. The exercise of control and/or significant influence over a portfolio Fund could expose the assets of the Compartment to claims by such portfolio Fund, its security holders and its creditors. While the AIFM intends to manage the Compartment in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.



## **N Board participation**

The Compartment may be represented on the boards of directors/managers of certain of its portfolio companies or may have its representatives serve as observers on relevant such boards of directors/managers. Although such positions in certain circumstances may be important to the Compartment's investment strategy and may enhance the AIFM's ability to manage the relevant investments, they may also have the effect of impairing the AIFM's ability to sell any related securities when, and upon the terms, it may otherwise desire, and may subject the AIFM and/or the Compartment to claims they would not otherwise be subject to, including claims of breach of fiduciary duties, securities claims and other director-related claims. In general, the Compartment will indemnify the AIFM from such claims.

## **O Management of portfolio companies**

Many portfolio companies rely on the services of a limited number of key individuals, the loss of any one or more of whom could significantly adversely affect the portfolio Fund's performance. Although the AIFM will monitor the performance of each investment, the management of each portfolio Fund will have day-to-day responsibility with respect to the business of such portfolio Fund. The Compartment may therefore have limited ability to protect its positions in such portfolio companies because it may not be able to sufficiently influence the decision-making or implementation process. Additionally, portfolio companies may need to attract, retain and develop executives and members of their management teams. The market for executive talent can be, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, the Compartment may be adversely affected thereby.

## **P Regulatory compliance by portfolio companies**

The Managing General Partner anticipates that the Compartment will invest also in unlisted companies. Prior to making any investment, the AIFM and/or the Managing General Partner will complete thorough due diligence of the portfolio Fund's compliance with statutory and corporate requirements. However, the Managing General Partner and/or AIFM can give no assurance that the portfolio Fund is, or will continue to be, fully compliant with all necessary regulations in all the markets in which they operate. This risk is more significant in the case of unlisted companies than listed companies. Additionally, unlisted companies are not regulated by equivalent levels of disclosure and investment protection regulations that apply to listed companies. Also, changes in regulatory conditions may adversely affect the marketability and financial performance of certain investments.

## **AIFM DISCLOSURE STATEMENT**

The AIFM has made available to Investors the relevant information in respect of the Fund and its compartment RIV CAPITAL SICAV-RAIF – A-RIV as set out by article 21 of the AIFM Law or article 23 of Directive 2011/61/EU (the **AIFMD**) as follows (**the AIFMD Disclosure Statement**). Any capitalised terms not otherwise defined within this AIFMD Disclosure Statement shall adopt the meanings given to them elsewhere in this Memorandum.

<b>AIFMD reference</b>	<b>Information to be disclosed</b>	<b>Where disclosed to investors</b>
Art 23(1)(a)	Description of the investment strategy and objectives of the AIF.	Article 4 of the General Section and Article 2, of the Special Section I

Art 23(1)(a)	Information on where any master AIF is established and where the underlying funds are established if the AIF is a fund of funds.	Not applicable.
Art 23(1)(a)	Description of the types of assets in which the AIF may invest.	Article 2, of the Special Section I
Art 23(1)(a)	Description of the techniques the AIF may employ and all associated risks.	Article 2.C, of the Special Section I
Art 23(1)(a)	Description of any applicable investment restrictions.	Article 4.B of the General Section and Article 2.B, 2.C and 2.D of the Special Section I
Art 23(1)(a)	Description of the circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements.	Article 2, especially 2.B of the Special Section I
Art 23(1)(a)	Description of the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF.	Article 2.B of the Special Section I

<b>AIFMD reference</b>	<b>Information to be disclosed</b>	<b>Where disclosed to investors</b>
Art 23(1)(b)	Description of the procedures by which the AIF may change its investment strategy or investment policy, or both.	Article 29. of the General Section and article 10 (last sentence) of the Special Section I

Art 23(1)(c)	Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	<p>The Articles are governed by, and construed in accordance with, the laws currently in force in Luxembourg.</p> <p>There are no legal instruments in Luxembourg required for the recognition and enforcement of judgments rendered by a Luxembourg court. If a foreign (i.e. nonLuxembourg) court, on the basis of mandatory domestic provisions, renders a judgment against the Managing General Partner or the AIFM, the rules of Brussels I (Recast) (regarding judgments from EU Member States) or the rules of the Lugano Convention or of the private international law of Luxembourg (regarding judgments from non-EU Member States) concerning the recognition and enforcement of foreign judgments, apply. Investors are advised to seek advice, on a case-by-case basis, on the available rules concerning the recognition and enforcement of judgments.</p>
Art 23(1)(d)	Identity of the AIFM, the AIF's depositary, auditor and any other service providers and description of their duties and the investors' rights.	<p>Section Definitions before the General Section and Article 3.B of the General Section</p> <p>The Fund is reliant on the performance of third party service providers. Shareholders have no direct contractual rights of action against any of the service providers specified in this Memorandum. In the event that the actions or omissions of any service provider were to result in an adverse impact on Shareholders, this may give rise to contractual rights for the Fund (or the Managing General Partner or AIFM on behalf of the Fund). However, any such rights would need to be exercised by the Fund on behalf of Shareholders as a whole.</p>
Art 23(1)(e)	Description of how the AIFM is complying with the requirements of article 9(7) of the AIFMD.	The AIFM is authorised under the AIFM Law and is therefore subject to the detailed requirements set out therein in relation to liability risks arising from professional

AIFMD reference	Information to be disclosed	Where disclosed to investors
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		negligence. The AIFM has additional own funds which are appropriate to cover potential liability risks arising from professional negligence. See Section *.B of the General Section
Art 23(1)(f)	Description of any delegated management functions as referred to in Annex I by the AIFM and of any safe-keeping function delegated by the depositary, identity of the delegate and description of related conflicts of interest that may arise from such delegations.	Article 3.D of the General Section
Art 23(1)(g)	Description of the AIF's valuation procedure and the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets in accordance with article 19 of the AIFMD.	Article 15. and Article 20. of the General Section
Art 23(1)(h)	Description of the AIF's liquidity risk management, including redemption rights of investors, both in normal circumstances and exceptional circumstances and a description of the existing redemption arrangements with investors.	Article 27.D of the General Section and Article 11.K. of the Special Section I
Art 23(1)(i)	Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors.	Article 3. of the General Section, article ) of the Special Section I
Art 23(1)(j)	Description of how the AIFM ensures a fair treatment of investors and a description of any preferential treatment or the right to obtain preferential treatment obtained by any investor, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where, relevant, their legal or economic links with the AIF or AIFM.	Article 28. of the Special Section I  In accordance with the AIFMD, the AIFM will adopt such provisions as are necessary to ensure that any preferential treatment accorded by the Managing General Partner, the AIFM or any of their respective Affiliates to a Shareholder will not result in an overall material disadvantage to other Shareholders.
Art 23(1)(k)	Latest annual report referred to in article 22 of the AIFMD.	Not applicable. The Fund is newly established.
Art 23(1)(l)	Procedure and conditions for the issue and sale of interests.	Article 6. and Article 8 of the General Section and Article 4 and Article 5. of the Special Section I
<b>AIFMD reference</b>	<b>Information to be disclosed</b>	<b>Where disclosed to investors</b>

Art 23(1)(m)	Latest net asset value of the AIF or the latest market price of the interests of the AIF, in accordance with article 19 of the AIFMD.	Not applicable. The Fund is newly established.
Art 23(1)(n)	Historical performance of the AIF, where available	Not applicable. The Fund is newly established.
Art 23(1)(o)	Identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and reuse AIF assets.	Not applicable. The Fund does not use a prime broker.
Art 23(1)(o)	Information about any transfer of liability to the prime broker that may exist.	Not applicable. The Fund does not use a prime broker.
Art 23(1)(p)	Description of how and when the information required to be periodically disclosed under article 23(4) and article 23(5) of the AIFMD will be disclosed to investors.	Article 19. and Article 25. of the General Section
Article 23(2)	Description of any arrangement made by the Depositary to contractually discharge itself of liability in accordance with article 21(13) of the AIFM Directive.	Not applicable.