



APPROVED IN ACCORDANCE WITH ARTICLE 11 OF THE  
INVESTMENT SERVICES ACT CAP. 370

**OFFERING MEMORANDUM**

OF

**Altinum Funds SICAV p.l.c.**

A collective investment scheme organised as a multi-fund limited liability investment company with variable share capital under the laws of the Republic of Malta and licensed by the Malta Financial Services Authority with Licence Number SV 309 under the Investment Services Act, Cap 370 of the Laws of Malta as an Alternative Investment Fund targeting Qualifying Investors and Professional Investors.

**This Offering Memorandum may not be distributed unless accompanied by, and must be read in conjunction with, the Offering Supplement/s for the Shares of the Fund/s being offered.**

20 March 2023

**This version of the Offering Memorandum replaces the previous version dated 2nd December 2021**

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## IMPORTANT INFORMATION

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ALTINUM FUNDS SICAV PLC ("THE COMPANY") IS ORGANISED UNDER THE LAWS OF MALTA AS A MULTI-FUND LIMITED LIABILITY INVESTMENT COMPANY WITH VARIABLE SHARE CAPITAL (SICAV) PURSUANT TO THE COMPANIES ACT, CAP 386 OF THE LAWS OF MALTA. THE COMPANY MAY ISSUE SEPARATE CLASSES OF SHARES CONSTITUTING INDIVIDUAL SUB-FUNDS (EXCEPT FOR THE CLASSES OF SHARES DENOMINATED AS FOUNDER SHARES) EACH CONSTITUTING SEPARATE PATRIMONIES IN TERMS OF LEGAL NOTICE 241 OF 2006. AS AT THE DATE OF THIS OFFERING MEMORANDUM THE COMPANY CONSISTS OF ONE FUND, THE ALTINUM FUND (MFSA LICENCE NUMBER PIF 309/A) ("THE FUND") WHICH IS REGULATED AS COLLECTIVE INVESTMENT SCHEMES IN MALTA UNDER THE INVESTMENT SERVICES ACT.

THE COMPANY IS LICENSED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS AN ALTERNATIVE INVESTMENT FUND IN TERMS OF DIRECTIVE 2011/61/EU ON ALTERNATIVE INVESTMENT FUND MANAGERS (THE "DIRECTIVE"). THE INVESTMENT MANAGER IS AUTHORISED AS AN ALTERNATIVE INVESTMENT FUND MANAGER IN TERMS OF THE DIRECTIVE. THE COMPANY WAS ORIGINALLY LICENSED AS A PROFESSIONAL INVESTOR FUND ON 8 MAY 2014 AND FOLLOWING THE AUTHORISATION OF ITS INVESTMENT MANAGER AS AN ALTERNATIVE INVESTMENT MANAGER UNDER THE DIRECTIVE THE COMPANY HAS CONVERTED INTO AN ALTERNATIVE INVESTMENT FUND.

THE INVESTMENT OBJECTIVES AND STRATEGIES OF THE FUND/S ARE OUTLINED IN THE OFFERING SUPPLEMENT FOR THAT FUND/S. IN FUTURE A FUND MAY BE CLOSED AND NEW FUNDS MAY BE ESTABLISHED FOR THE COMPANY.

ALTERNATIVE INVESTMENT FUNDS ARE COLLECTIVE INVESTMENT SCHEMES AS DEFINED BY SECTION 2(1) OF THE INVESTMENT SERVICES ACT, CAP 370 OF THE LAWS OF MALTA. SINCE ALTERNATIVE INVESTMENT FUNDS ARE NOT SUBJECT TO ANY RESTRICTIONS ON THEIR INVESTMENT OR BORROWING POWERS, THE DEGREE OF RISK TO WHICH THEY MAY BE EXPOSED MAKES THEM UNSUITABLE FOR MEMBERS OF THE GENERAL PUBLIC. FURTHER THEY ARE NOT REGULATED TO THE SAME DEGREE AS OTHER COLLECTIVE INVESTMENT SCHEMES. ACCORDINGLY, INVESTMENT IN THE COMPANY AND ITS FUND/S IS ONLY SUITABLE FOR ELIGIBLE INVESTORS AS DEFINED IN THE ARTICLES, THIS OFFERING MEMORANDUM AND EACH OFFERING SUPPLEMENT TO THIS OFFERING MEMORANDUM.

SHARES IN THE FUND/S MAY ONLY BE SOLD TO QUALIFYING INVESTORS AND PROFESSIONAL INVESTORS (AS DEFINED IN THE OFFERING MEMORANDUM) AND AS SET OUT IN THE OFFERING SUPPLEMENTS RELATING TO THE FUND/S OF THE COMPANY. SHARES IN THE FUND/S MAY ONLY BE MARKETED OUTSIDE MALTA TO PROFESSIONAL INVESTORS AS DEFINED IN THE DIRECTIVE. THE MARKETING OF SHARES TO AN INVESTOR WHO IS NOT A PROFESSIONAL INVESTOR AS DEFINED IN THE DIRECTIVE MAY ONLY BE UNDERTAKEN IF ALLOWED BY THE RESPECTIVE JURISDICTION AND SUBJECT TO THE NATIONAL PROVISIONS APPLICABLE IN THE RESPECTIVE JURISDICTION AS PRESCRIBED IN ARTICLE 43 OF THE DIRECTIVE.

ALTERNATIVE INVESTMENT FUNDS ARE NON-RETAIL SCHEMES. THEREFORE, THE PROTECTION NORMALLY ARISING AS A RESULT OF THE IMPOSITION OF THE MFSA'S INVESTMENT AND BORROWING RESTRICTIONS AND OTHER REQUIREMENTS FOR RETAIL SCHEMES DO NOT APPLY. INVESTORS IN ALTERNATIVE INVESTMENT

**FUNDS ARE NOT PROTECTED BY ANY STATUTORY COMPENSATION ARRANGEMENTS IN THE EVENT OF THE COMPANY'S FAILURE.**

**THE MFSA HAS MADE NO ASSESSMENT OR VALUE JUDGEMENT ON THE SOUNDNESS OF THE COMPANY OR ITS FUND/S OR FOR THE ACCURACY OR COMPLETENESS OF STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO IT. THE LICENSING OF THE COMPANY DOES NOT CONSTITUTE A WARRANTY BY THE MFSA AS TO THE PERFORMANCE OF THE COMPANY OR ITS FUND/S (AS DEFINED HEREIN) AND THE MFSA IS NOT IN ANY WAY LIABLE FOR THE PERFORMANCE OR DEFAULT OF THE COMPANY OR THE FUND/S.**

**INVESTOR SHARES IN EACH FUND ARE BEING OFFERED AND WILL BE ISSUED, SOLD AND ALLOTTED PURSUANT HERETO SOLELY TO ELIGIBLE INVESTORS, WHETHER THROUGH THE PASSPORTING AVAILABLE UNDER AND IN ACCORDANCE WITH THE DIRECTIVE OR THROUGH PRIVATE PLACEMENT ACCORDING TO THE NATIONAL RULES IN THE RELEVANT JURISDICTIONS, WITHOUT REGISTRATION IN ANY JURISDICTION (SAVE WHERE OTHERWISE DETERMINED BY THE DIRECTORS), AND WILL NOT AND MAY NOT AT ANY TIME BE OFFERED, SOLD, RESOLD, TRANSFERRED OR ASSIGNED (INCLUDING AS A RESULT OF A TRANSMISSION 'CAUSA MORTIS' OR PLEDGE) TO ANY PERSON IN A TRANSACTION WHICH WOULD REQUIRE SUCH REGISTRATION WITHOUT THE DIRECTORS' PRIOR CONSENT.**

**THE OFFER AND SALE OF INVESTOR SHARES IN THE FUND/S (AND SUBSEQUENT OFFER, RESALE, TRANSFER, ASSIGNMENT, TRANSMISSION 'CAUSA MORTIS' OF SUCH INVESTOR SHARES) IS RESTRICTED TO PERSONS WHO QUALIFY AS ELIGIBLE INVESTORS AND SATISFYING SUCH ELIGIBILITY AND OTHER CRITERIA, REQUIREMENTS AND/OR PROCEDURES AS PROVIDED HEREIN AND/OR IN THE OFFERING SUPPLEMENT OF THE RELEVANT FUND (INCLUDING ANY APPLICABLE COUNTRY-SPECIFIC CRITERIA WHICH MAY BE SET OUT HEREIN OR IN THE RELEVANT OFFERING SUPPLEMENT). THE INVESTOR SHARES SHALL BE ISSUED ONLY TO SUCH PERSONS AND SHOULD NOT BE APPLIED FOR OR SUBSCRIBED TO OR HELD AT ANY TIME BY ANY OTHER PERSON.**

**IT IS THE RESPONSIBILITY OF THE PERSON IN POSSESSION OF THIS OFFERING MEMORANDUM OR INTENDING TO SUBSCRIBE TO THE INVESTOR SHARES OF EACH FUND TO INFORM THEMSELVES OF AND OBSERVE ALL APPLICABLE LAWS AND REGULATIONS RELATING TO THE OFFER AND SALE OF THE INVESTOR SHARES.**

The Directors of the Company, whose names appear under the heading 'Functionaries and Officials' (the "Directors"), are the persons responsible for the information contained in this Offering Memorandum. To the best of the knowledge and belief of the Directors (who have taken reasonable care to ensure such is the case) the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

No broker, dealer, salesman or other person has been authorised by Altinum Funds SICAV p.l.c. (the "Company"), its Directors, or any of the appointed functionaries of the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares (as defined herein) other than those contained in this Offering Memorandum and in the documents referred to herein, in connection with the offer hereby made, and if given or made, such information or representations must not be relied upon as having been authorised by the Company, its Directors, or any of the appointed functionaries.

The Board of Directors of the Company has approved this Offering Memorandum. Shares in a Fund may only be held by an Eligible Investor.

This Offering Memorandum does not constitute, and may not be used as an offer or invitation to subscribe for Shares by any person in any jurisdiction (i) in which such offer or invitation is not authorised or (ii) in which the person making such offer or invitation is not qualified to do so or (iii) to any person to whom it is unlawful to make such offer or invitation. It is the responsibility of any persons in possession of this Offering Memorandum and any persons wishing to apply for Shares to inform themselves of, and to observe and comply with, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control requirements and taxes in the countries of their nationality, residence or domicile. The Directors may from time to time declare other categories of persons as not qualifying under applicable laws or being otherwise ineligible to purchase Shares.

Applications for the purchase of Shares are accepted only on the basis of the current Offering Memorandum and Offering Supplement in respect of the relevant Fund. Any person relying on the information contained in this Offering Memorandum and any relevant Offering Supplement, which was current at the date shown, should check with the Company or the Administrator that this document is the most current version, and that no revisions or additions have been made nor corrections published to the information contained in this Offering Memorandum and the Offering Supplement since the date shown.

Statements made in this Offering Memorandum are, except where otherwise stated based on the law and practice currently in force in Malta and are subject to changes therein. Unless otherwise indicated specifically, investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's investment objective (or those of any Fund/s) will be achieved and investment results may vary substantially over time. Prospective investors should be aware that the value of investments can go down as well as up and the attention of investors is drawn to the section headed "Risk Factors" of this Offering Memorandum. Prospective investors should carefully consider whether an investment in Shares is suitable for them in the light of their circumstances and financial resources and should consult their own financial advisors.

**Copies of this Offering Memorandum are available from the Administrator.**

## TABLE OF CONTENTS

<b>IMPORTANT INFORMATION</b> .....	<b>II</b>
<b>DEFINITIONS</b> .....	<b>1</b>
<b>DESCRIPTION OF THE COMPANY</b> .....	<b>7</b>
<b>INVESTMENT OBJECTIVES AND INVESTMENT POLICIES</b> .....	<b>9</b>
INVESTMENT OBJECTIVE .....	9
INVESTMENT POLICY .....	9
INVESTMENT STRATEGY .....	9
INVESTMENT RESTRICTIONS AND LEVERAGE .....	9
AMENDMENTS TO THE INVESTMENT OBJECTIVE.....	9
USE OF SPECIAL PURPOSE VEHICLES .....	9
LIFE OF A FUND .....	10
FUND CROSS-INVESTMENTS .....	10
APPLICABLE LAW .....	11
JURISDICTION AND ENFORCEMENT OF JUDGMENTS AND ARBITRAL AWARDS.....	11
OWN FUNDS AND PROFESSIONAL LIABILITY INSURANCE.....	12
RISK MANAGEMENT.....	12
<b>FUNCTIONARIES AND OFFICIALS</b> .....	<b>13</b>
THE DIRECTORS .....	13
THE COMPANY SECRETARY .....	13
THE COMPLIANCE OFFICER.....	14
SERVICE PROVIDERS.....	14
THE INVESTMENT MANAGER.....	14
THE SUB-INVESTMENT MANAGER.....	16
THE ADMINISTRATOR.....	16
DEPOSITARY.....	17
THE PRIME BROKER .....	20
THE AUDITOR.....	20
CONFLICTS OF INTEREST .....	20
<b>FEES, CHARGES AND EXPENSES</b> .....	<b>22</b>
REMUNERATION OF DIRECTORS .....	22
INVESTMENT MANAGEMENT FEE.....	22
PERFORMANCE FEE .....	22
REMUNERATION OF THE ADMINISTRATOR .....	22
COMPANY SECRETARY FEES.....	22
REMUNERATION OF THE DEPOSITARY AND ANY PRIME BROKER.....	22
REMUNERATION OF THE CLEARING BROKER .....	23
AUDIT AND LEGAL FEES.....	23
PRELIMINARY EXPENSES .....	23
OTHER EXPENSES.....	23
<b>RISK FACTORS</b> .....	<b>25</b>
GENERAL .....	25
EROSION OF CAPITAL.....	25
EXCHANGE RATE RISK .....	25
ACHIEVEMENT OF THE INVESTMENT OBJECTIVE .....	25
NET ASSET VALUE.....	26
INVESTMENT IN EQUITY SECURITIES.....	26
FIXED-INCOME INVESTMENTS.....	26
LOW RATED OR NON-RATED DEBT SECURITIES .....	26

INVESTMENT IN SMALLER COMPANIES .....	26
EMERGING MARKETS/EMERGING COUNTRIES .....	26
SUSTAINABLE FINANCE/ESG .....	27
POTENTIAL LACK OF DIVERSIFICATION .....	28
STOP LOSS LIMITS .....	28
USE OF DERIVATIVES.....	28
COVERED AND UNCOVERED OPTIONS .....	28
FORWARD CONTRACTS.....	28
SHORT SALE EQUITY POSITIONS .....	29
LEVERAGE RISK .....	29
CREDIT RISK.....	29
VOLATILITY AND ILLIQUIDITY OF MARKETS .....	29
INVESTMENT LIQUIDITY RISKS .....	29
TAX AND LEGAL RISKS.....	30
FATCA / US HIRE ACT AND COMPLIANCE WITH US WITHHOLDING REQUIREMENTS .....	30
PERFORMANCE FEE AND EQUALISATION.....	30
NON-VOTING INVESTOR SHARES.....	31
RESTRICTION OR SUSPENSION OF REDEMPTION RIGHTS.....	31
VALUATION AND REDEMPTION RISKS.....	31
SEGREGATION OF FUNDS.....	31
MANDATORY REDEMPTION.....	31
<b>BUYING AND SELLING .....</b>	<b>33</b>
INITIAL OFFER PERIOD .....	33
CHARGES TO INVESTORS.....	33
CLASSES OF SHARES.....	33
VOTING RIGHTS .....	33
APPLICATION PROCEDURE .....	33
(a) <i>Minimum Investment</i> .....	33
(b) <i>Application for Investor Shares</i> .....	34
(c) <i>FATCA and CRS Forms</i> .....	34
(d) <i>Payment</i> .....	34
(e) <i>Money Laundering Procedures</i> .....	34
(f) <i>Data Protection</i> .....	36
(g) <i>Redemption of Investor Shares</i> .....	37
(h) <i>Mandatory Redemptions</i> .....	38
(i) <i>Deferral of Redemption of Investor Shares</i> .....	38
(j) <i>Suspension of Dealing</i> .....	38
(k) <i>Dealing Prices</i> .....	39
(l) <i>Dividend Distributions</i> .....	39
(m) <i>Contract Notes, Registrations and Share Certificates</i> .....	39
(n) <i>Transfer of Shares</i> .....	40
(o) <i>Fair Treatment of Investors</i> .....	41
<b>GENERAL INFORMATION .....</b>	<b>42</b>
(A) SHARE CAPITAL .....	42
(B) CHARACTERISTICS OF THE SHARES .....	42
(i) <i>Classes</i> .....	42
(ii) <i>Voting Rights and Class Meetings</i> .....	43
(iii) <i>Winding Up</i> .....	43
(iv) <i>Segregation of Liability</i> .....	43
(iv) <i>Mandatory Redemption</i> .....	44
(C) ANNUAL REPORTS.....	44
(D) NET ASSET VALUE AND HISTORICAL PERFORMANCE .....	45

(E) NOTICES .....	45
(F) GENERAL .....	45
(H) AUTOMATIC EXCHANGE OF INFORMATION FOR TAX PURPOSES.....	46
(I) DECLARATIONS, REPRESENTATIONS AND WARRANTIES RELATING TO FATCA AND CRS .....	48
(J) FINANCIAL TRANSACTION TAXES .....	49
(K) DOCUMENTS FOR INSPECTION.....	50
<b>APPENDIX I –NET ASSET VALUE.....</b>	<b>51</b>
DETERMINATION OF NET ASSET VALUE .....	51
SUSPENSION OF DETERMINATION OF THE NET ASSET VALUE .....	51
<b>APPENDIX II – VALUATION OF ASSETS .....</b>	<b>53</b>

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## Definitions

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Unless the context otherwise requires or implies, the following words shall have the meanings set opposite them when used in this Offering Memorandum:

"Accounting Period"	unless otherwise determined by the Board, a fiscal period of the Company commencing in the case of the first such period on the date of registration of the Company and terminating on the 31 <sup>st</sup> August 2015 (the first accounting reference period in terms of the Companies Act) and in any other case commencing on the 1st September and terminating on the 31 <sup>st</sup> August (the accounting reference date in terms of the Companies Act) of the following year.
"AIF"	means an Alternative Investment Fund as defined in the Investment Services Act.
"Administrator"	means Apex Fund Services (Malta)Limited.
"Administration Agreement"	any agreement for the time being subsisting to which the Company and the Administrator are parties and relating to the appointment and duties of the Administrator.
"Articles"	the Memorandum and Articles of Association of the Company.
"Auditors"	means the auditors, for the time being, of the Company.
"Base Currency"	the accounting currency of the Company, which shall be the Euro.
"Board" or "Directors"	the Board of Directors of the Company, including any committee of the Board.
"Business Day"	a day on which banks are open for normal banking business in Malta (except Saturday and Sunday) or such other day as the Directors may determine from time to time.
"Class"	a class of Shares denominated in the currency established in the relevant Offering Supplement.
"Clearing Broker"	A person appointed by the Company, with the approval of the MFSA, with the responsibility to provide trade execution, clearing and/or settlement services.
"Company"	Altinum Funds SICAV p.l.c. registered in Malta as a multi-fund limited liability investment company with variable Share capital bearing registration number SV 309.
"Companies Act"	the Companies Act (Cap. 386 of the Laws of Malta).



“Depositary”	means any person, bank, firm or company appointed and for the time being acting as depositary of any of the assets of the Company in accordance with the applicable law and which is entrusted with the oversight, safekeeping and monitoring of such assets in accordance with the terms of the Depositary Agreement and with any other functions as may be agreed upon.
“Depositary Agreement”	means the depositary agreement between a Fund and the Depositary.
“Directive” or “AIFMD”	means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulation (EC) No 1060/2009 and (EU) No 1095/2010, and includes any implementing regulation thereunder, including but not limited to Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012.
“Dealing Day”	unless otherwise determined by the Directors, any day which is a Business Day and as further defined in the Offering Supplement for the Investor Shares being offered being a day on which subscriptions and redemptions would be processed.
“Eligible Investor”	Subject to the requirements described in the Articles and this Offering Memorandum, an investor who, in respect to a Fund, satisfies the definition of “Eligible Investor” in the relevant Offering Supplement.
“ESG”	means environmental, social and governance.
“Euro” or “€”	means the lawful currency of the European Union.
“FATCA”	means the Foreign Account Tax Compliance Act, enacted by the United States of America, as implemented in Malta by virtue of Legal Notice 78 of 2014 and guidelines issued thereunder by the Inland Revenue Department of Malta.
“FATF”	means the Financial Action Task Force.
“Founder Shares”	means the shares, which the subscribers to the Articles have agreed to subscribe for and which carry such rights as are set out in the Articles.
“Fund” or “Sub-Fund”	The class or classes of Investor Shares which the Directors may from time to time declare to constitute a sub-fund, being a separate patrimony of assets and liabilities to be maintained and invested in accordance with the investment objectives and policies applicable to such sub-fund.

"Fund Currency"	The currency in which a particular class of Investor Shares is denominated. In relation to any particular Fund, see the related Offering Supplement for details.
"Initial Offer Period"	means the period stated in the Offering Supplement during which Investor Shares in any Funds are offered at the Initial Offer Price. In relation to any particular Fund, see the related Offering Supplement for details;
"Initial Offer Price"	means the price at which any Investor Shares may be purchased during the Initial Offer Period. In relation to any particular Fund, see the related Offering Supplement for details.
"Investment Manager"	The investment manager to the Company and the Fund/s, as appointed from time to time and which at the date hereof is Praude Asset Management Limited.
"Investment Management Fee"	The investment management fee payable to the Investment Manager. In relation to any particular Fund, see the relevant Offering Supplement.
"Investment Services Act"	the Investment Services Act (Cap. 370 of the Laws of Malta).
"Investor Shares" or "Shares"	means non-voting Shares of no par value in the capital of the Company, which may be divided into different classes, and which classes of shares may, alone or together with other classes of investor shares, constitute Funds and which have the rights set out in the Articles, this Offering Memorandum and the relevant Offering Supplement.
"MFSA"	the Malta Financial Services Authority and/or any successor competent authority under the Investment Services Act exercising supervisory and regulatory powers over the Company.
"Minimum Additional Investment"	Following the initial subscription, the minimum amount or value of Investor Shares (if any) that must be subscribed by the same Shareholder in the same Fund. In relation to any particular Fund, see the related Offering Supplement.
"Minimum Holding"	The minimum amount or value of Investor Shares that must be invested in a Fund by any investor at all times. In relation to any particular Fund, see the related Offering Supplement.
"Net Asset Value" / "NAV"	the net asset value of a Fund or of any Class of Shares or the net asset value per Share (as the context may require), calculated in accordance with Appendix I of this Offering Memorandum.

"OECD"	The Organisation for Economic Co-operation and Development.
"Offering Memorandum"	this document in its entirety, including all relevant appendices, amendments, supplements and exhibits thereto, as the same may, from time to time be consolidated, together with the Offering Supplement for each Fund.
"Offering Supplement"	An offering document in relation only to Investor Shares in a particular Fund of the Company, including all relevant appendices, amendments and exhibits thereto, if any, as the same may from time to time be consolidated.
"Performance Fee"	The performance fee payable by each Fund as are described in the Offering Supplement.
"Prime Broker"	A person appointed by the Company, with the approval of the MFSA, with the responsibility to provide safekeeping of the assets of a Fund, trade execution services and other services as may be agreed.
"Professional Investor"	means a professional investor as defined by the Directive.
"Qualifying Investor"	<p>means an investor who meets one or more of the following criteria:</p> <ul style="list-style-type: none"> <li>i. a body corporate which has net assets in excess of EUR750,000 or which is part of a group which has net assets in excess of EUR750,000;</li> <li>ii. an unincorporated body of persons or association which has net assets in excess of EUR750,000;</li> <li>iii. a trust where the net value of the trust's assets is in excess of EUR750,000;</li> <li>iv. an individual, or in the case of a body corporate, the majority of its board of directors or in the case of a partnership its General Partner who has reasonable experience in the acquisition and/or disposal of: - <ul style="list-style-type: none"> <li>a. funds of a similar nature or risk profile;</li> <li>b. property of the same kind as the property, or a substantial part of the property to which the fund in question relates;</li> </ul> </li> <li>v. an individual whose net worth or joint net worth with that person's spouse, exceeds EUR750,000;</li> <li>vi. a senior employee or director of service providers to the fund;</li> <li>vii. a relation or close friend of the promoters limited to a total of 10 persons per fund;</li> <li>viii. an entity with (or which are part of a group with) EUR3.75 million or more under discretionary management, investing on its own account;</li> <li>ix. the investor qualifies as a Professional Investor Fund or Alternative Investor Fund;</li> <li>x. an entity (body corporate or partnership) wholly owned by persons or entities satisfying any of the criteria listed</li> </ul>

above which is used as an investment vehicle by such persons or entities.

Provided that in the case of joint holders, all holders should individually satisfy the above definition.

"Redemption Day"	unless otherwise determined by the Directors, any day which is a Business Day on which requests for the redemption of Investor Shares which have been accepted by the Company will be effected. In relation to any particular Fund, see the related Offering Supplement for details.
"Redemption Fee"	An amount, if any, specified in the relevant Offering Supplement, which will be deducted from any payment due on a redemption of Investor Shares.
"Redemption Notice Period"	the period as defined in the section of this Offering Memorandum titled "Buying and Selling", unless otherwise specified in the relevant Offering Supplement in relation to each Fund.
"SFDR"	Regulation (EU) 2019/2088 of the European Parliament and the European Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
"Shareholder"	a person who is registered as a holder of Investor Shares or Founder Shares in the Company.
"Special Purpose Vehicle"	means a wholly-owned subsidiary of the Company which satisfies all the criteria established in the sub-heading "Use of Special Purpose Vehicles" of the section "Investment Objectives and Investment Policies" of this Offering Memorandum.
"Sub-Custodian"	means any third-party bank or financial institution that may be appointed by the Depositary in respect of the provision of the custody duties.
"Sub-Investment Manager"	a person appointed by the Investment Manager with the approval of the Company and of the MFSA, with the responsibility to provide specific investment management services with respect to a Fund.
"Subscription Fee"	An amount, if any, specified in the relevant Offering Supplement, which will be deducted from any payment received by way of an application for Investor Shares.
Sustainability factor	means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Sustainability risk	Means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment
"US\$ or US Dollar"	the lawful currency of the United States of America.
"VAT"	Value Added Tax.
"Valuation Day"	unless otherwise determined by the Directors, any day which is a Business Day and as further defined in the Offering Supplement for the Investor Shares being offered being a day on which the Net Asset Value of a Fund is calculated.

For the purposes of this Offering Memorandum unless the context otherwise requires or implies:

- a. words importing the singular include the plural and vice versa;
- b. words which are gender neutral or gender specific include each gender;
- c. an expression importing a natural person includes a company, partnership, joint venture, association, corporation or other body corporate and a government agency;
- d. a reference to "includes" means to include without limitation;
- e. a reference to a law is a reference to that law as amended, consolidated or replaced;
- f. a reference to a document includes all amendments or supplements to that document, or replacements or novations of it;
- g. a reference to a section, part, paragraph or appendix refers to a section, part, paragraph or appendix of this Offering Memorandum; and
- h. all references to currencies shall include any successor currency.

### **Structure of this Document**

Offering Memorandum covers all the matters which are generally relevant and/or common to the Fund/s which may be launched by the Company from time to time. The Offering Supplement/s contain/s specific information directly related to a Fund and the class/es of Investor Shares constituting that Fund. Each Offering Supplement forms an integral part of this Offering Memorandum. In the case of the Company constituting a new Fund, a new Offering Supplement, detailing the particulars of that Fund, will be issued. Any Offering Supplement should be read in conjunction with this Offering Memorandum.

An Offering Supplement may modify, supplement or exclude any terms or conditions stated in this Offering Memorandum in relation to a particular Fund as well as include terms and conditions which, although not included in this Offering Memorandum, shall apply to the related Fund. In the event of any incompatibility between the Offering Memorandum and any Offering Supplement, the latter shall prevail with respect to the related Fund.

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## **Description of the Company**

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The Company is a collective investment scheme established as a multi-fund investment company with variable share capital. It is organised under the laws of Malta as a multi-fund investment company with variable share capital (SICAV) pursuant to the Companies Act and licensed by the MFSA under the Investment Services Act as an Alternative Investment Fund targeting Qualifying Investors and Professional Investors. The Company was established on 23/04/2014 and is of unlimited duration. As at the date of this Offering Memorandum the Company consists of one Fund, the Altinum Fund. Any future Fund/s will only be set up with the prior approval of the MFSA.

In terms of the Articles, the holders of Founder Shares in the Company shall be entitled to appoint all Directors of the Company. Unless otherwise provided in the terms of issue no other shares in the Company shall carry any voting rights.

Information on the Fund/s of the Company may be found in the relevant Offering Supplements to this Offering Memorandum relating to each Fund, a copy of which is available from the registered office of the Company. The net proceeds from the issue of Investor Shares in a Fund will be invested in accordance with the investment objective and investment policies of each Fund.

The Company is structured with segregated liability between its Funds pursuant to Maltese law and accordingly, the assets of one Fund will not be available to meet the liabilities of another.

Under Maltese law, the creditors of that Fund whose liabilities exceed its assets shall have no claim or right of action against the assets of the other Funds and of the Company and the legal status of each Fund as having segregated assets and liabilities from each of the other Funds should be respected in any proceedings under the Companies Act related to either the dissolution and consequential winding-up of the Company or its reconstruction. Furthermore, such proceedings instituted under the Companies Act should apply in the same way to each Fund as though it were a distinct legal entity and with such modifications as are necessary in view of the fact that a Fund is not a company. Any such proceedings in relation to any one Fund should not have any effect on the assets of any other Fund or of the Company.

In the event the Company will launch further Funds in the future, the Directors will hold or cause to be held such separate accounts, records, statements and other documents as may be necessary to evidence the liabilities and assets of each Fund as distinct and separate from the assets and liabilities of all the other Funds. If classes of Investor Shares are issued in the same Fund, all assets and liabilities of each such class of Investor Shares would form part of the total assets and liabilities of the Fund of which such a class of Investor Shares forms part.

Notwithstanding the foregoing, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation and in such circumstances the assets of one Fund may be exposed to the liabilities of another. There is no guarantee that the courts of any jurisdiction outside Malta will respect the limitations on liability associated with segregated account companies.

The Company may issue accumulation shares or distribution shares in respect of a Fund as described in the relevant Offering Supplement. The Company may issue new Classes of Investor Shares which may be constituted as segregated Funds or new classes of Investor Shares within an existing Fund, which may be designated in various currencies.

Detailed procedures of how to buy and sell Investor Shares are set out below in the section entitled "Buying and Selling" of this Offering Memorandum and the relevant Offering Supplement in respect of each Fund. Further information about the Shares and the Company is also set out in the section entitled "General Information" of this Offering Memorandum.

The registered office of the Company is:  
Altinum Funds SICAV p.l.c.  
Quad Central, Q3 Level 9  
Triq L-Esportaturi,  
Zone 1 Central Business District,  
Birkirkara CBD 1040  
Malta

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## **Investment Objectives and Investment Policies**

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### ***Investment Objective***

The investment objective of a Fund is set out in the relevant Offering Supplement. There is no guarantee that the investment objective will be met.

### ***Investment Policy***

The investment policy of a Fund is set out in the relevant Offering Supplement.

### ***Investment Strategy***

The investment strategy of a Fund is set out in the relevant Offering Supplement.

### ***Investment Restrictions and Leverage***

The investment restrictions, the types and sources of leverage permitted and associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements, as well as the maximum level of leverage which the Investment Manager is entitled to employ with respect to a Fund are set out in the relevant Offering Supplement.

### ***Amendments to the Investment Objective***

The procedure for changing the investment objective of a Fund is set out in the relevant Offering Supplement.

### ***Use of Special Purpose Vehicles***

The Company may acquire an investment or investments through one or more Special Purpose Vehicles as set out below:

- a) the Special Purpose Vehicle/s will be established in Malta or in a jurisdiction which is not a FATF blacklisted country;
- b) the Company will be the beneficial owner and will retain full control of the Special Purpose Vehicle/s;
- c) the Company will, through its Directors, at all times maintain the majority directorship of the Special Purpose Vehicle/s;
- d) all investments effected through a Special Purpose Vehicle/s will be in accordance with the investment objectives, policies and restrictions as disclosed above;
- e) financing of the Special Purpose Vehicle/s may be done through a combination of capital contributions and loan facilities provided that the loan facilities by the Fund to each Special Purpose Vehicle shall not exceed 30% of the total capital contributions plus loan facilities made by the Fund in that Special Purpose Vehicle;
- f) The main terms of the loan facility arrangements referred to in paragraph (e) above shall be specified in the document describing the rights and liabilities under the respective loan facilities/ arrangements. Such terms should inter alia provide:



- that the Fund should not be obliged to honour any request for lending made by the Special Purpose Vehicle in the case where the Fund does not have sufficient liquid assets (such as cash/ deposits) or if the Fund deems it prudent to retain such assets to finance other investments of the fund or to keep such assets as reserves for any (current/ future) contingent liability;
- that any amount borrowed by the Special Purpose Vehicle will be repayable on or within a short period of time following any request in this regard by the Fund in order to ensure the liquidity of the Fund and allow the Fund to satisfy redemption requests by shareholders in the case where these cannot be satisfied from liquid assets available to the Fund;
- that the proceeds of any loan made to the Special Purpose Vehicle shall be used by the Special Purpose Vehicle solely to finance the acquisition of the asset which shall always reflect and be in line with the objectives and policies of the Fund; and
- for any other safeguards deemed appropriate by the Directors of the Company.

The following documentation shall be kept at the registered office of the Company and be made available for inspection by MFSA during compliance visits:

- i. registration certificates and other registration documents of any underlying SPV, including full details of the relevant shareholder and director (where applicable); and
- ii. audited financial statements of any underlying SPV (where applicable).

The documentation relating to any loan facility agreement to be entered into by Company (on behalf of the Fund) and the SPV concerned will also be kept at the Company registered office or at the registered office of the Prime Broker (as applicable) and be made available for inspection by MFSA during compliance visits.

### ***Life of a Fund***

Unless otherwise specified in the relevant Offering Supplement, a Fund shall be of unlimited duration.

### ***Fund Cross-Investments***

Subject to any additional restrictions stated in the Offering Supplement applicable to any particular Fund or in the MFSA rules, a Fund may invest in Investor Shares of one or more Funds within the Company, subject to the following:

- (a) the Fund is allowed to invest up to 50% of its assets in other Funds/s ("Target Fund/s");
- (b) the Target Fund/s may not themselves invest in the Fund which is to invest in the Target Fund/s;
- (c) in order to avoid duplication of fees, where the Investment Manager of the Fund and the Investment Manager of the Target Fund is the same or (in the case of different Investment Managers) where one Investment Manager is an affiliate of the other, only one set of Investment Management Fees (excluding Performance Fees), Subscription and/or Redemption Fees applies between the Fund and the Target Fund, provided that this restriction shall apply only in respect of and to the extent (up to the portion) of the investment of the Fund in the Target Fund;

(d) for the purposes of ensuring compliance with any applicable capital requirements, cross-investments will be counted once;

(e) any voting rights acquired by the Fund from the acquisition of the units in the Target Fund shall be disapplied as appropriate.

### ***Applicable Law***

This Offering Memorandum, the Offering Supplement/s and the Articles of the Company are based on and subject to Maltese law and practice prevailing at the date thereof and are subject to changes therein.

### ***Jurisdiction and Enforcement of Judgments and Arbitral Awards***

The Company is domiciled in Malta and is subject to the jurisdiction of the courts of Malta with respect to all matters arising from its activities.

By investing in any Fund/s, investors irrevocably submit to the exclusive jurisdiction of the Maltese courts in relation to any matter (contractual and/or non-contractual) arising from investment in the Fund/s and waive any argument or claim that the Maltese courts are not a convenient forum.

Notwithstanding the above, and the exclusive jurisdiction of the Maltese Courts, the Company makes the following disclosures in terms of article 23 (c) of the Directive. This disclosure shall in no way affect or impact the exclusive jurisdiction of the Maltese courts in relation to any matter arising from an investment in a Fund.

If a final and conclusive judgment of a foreign court is obtained against the Company, after due service of process, the same would be enforced by the Maltese courts without retrial or further review of the merits of the case subject to the provisions and conditions of the Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the "Brussels Regulation") and/or the Maltese Code of Organisation and Civil Procedure (Chapter 12 of the Laws of Malta) subject to the following:

(a) in the case of judgments falling within the scope of the Brussels Regulation, the recognition and enforcement would be subject to the provisions contained in the said Brussels Regulation, and such judgments will not be enforced in the cases contemplated by such Brussels Regulation, in particular under Article 34 thereof (including, without limitation, where such recognition is manifestly contrary to public policy of Malta);

(b) in the case of judgments not falling within the scope of the Brussels Regulation, the recognition and enforcement would be subject to the applicable law of Malta imposing judgment registration or confirmation in Malta, provided that the judgment (i) does not contain dispositions contrary to public policy and (ii) cannot be set aside on any of the grounds for re-trial as contemplated in the law of Malta on civil procedure. Moreover, in the case of a foreign judgment by default, enforcement is not possible if the parties were not contumacious according to foreign law.

(c) Saving the provisions of the Brussels Regulation, in the case of an exclusive jurisdiction clause referring to a foreign jurisdiction, the courts of Malta have reserved the right and discretion to exercise a residual jurisdiction in cases where it would be just and expedient to

hear the cause of action in Malta; such cases arise typically where, for instance, evidence is more readily available in Malta.

(d) The jurisdiction of the courts of Malta is not excluded in an absolute manner by the existence of an arbitration agreement (whether the arbitration proceedings have commenced or not); if any party to an arbitration agreement commences any legal proceedings before the courts of Malta, the said courts are bound, at the request of one of the parties, to refer the parties to arbitration, unless the courts find that the arbitration agreement is null and void, inoperative or incapable of being performed; however, the courts of Malta remain empowered to issue precautionary warrants and other orders in support of the arbitration process.

(e) In the case of foreign arbitral awards, provided that the Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958 (the "New York Convention") or the Convention on the Enforcement of Foreign Arbitral Awards of 1927 (the "Geneva Convention") are applicable, Article 74 of the Arbitration Act (Chapter 387 of the Laws of Malta) states that such awards may be registered with the Malta Arbitration Centre and upon registration they shall become enforceable by the Maltese courts. Notwithstanding this, a party has the right to object to recognition on the grounds set out in the New York Convention or the Geneva Convention, including where the foreign award violates Maltese public policy.

#### ***Own Funds and Professional Liability Insurance***

The Investment Manager has confirmed to the Company and to the MFSA that in order to cover potential professional liability risks resulting from the activities that the Investment Manager may carry out pursuant to the Directive, the Investment Manager has obtained professional liability insurance cover satisfying the requirements of the Directive.

#### ***Risk Management***

The Investment Manager has confirmed to the Company and to the MFSA that it has established and will maintain risk management (including liquidity risk management) procedures in terms of the Directive.

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## Functionaries and Officials

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### ***The Directors***

The Company's Board of Directors will be composed of three (3) Directors approved by the MFSA and appointed by the holders of Founder Shares upon incorporation of the Company. The Board of Directors is composed of the following:

#### **Michael Vella**

Michael obtained his Bachelor of Commerce degree in 2009 from the University of Malta majoring in Economics and Banking & Finance. He continued his studies specialising in Banking & Finance when in 2010 he obtained his Honours degree. In July 2010 he was employed by Praude Asset Management Ltd and Veniero Investments Ltd as Investment Analyst. In October 2019, Michael was promoted to Chief Operating Officer of Praude Asset Management Limited.

#### **Ivan Fsadni**

Ivan Fsadni is a Certified Public Accountant with over 35 years of profession experience and expertise in Malta's financial services industry. Between 1978 and 1997 he worked at Bank of Valletta plc occupying various posts including personal assistant to the chairman, internal auditor and IT auditor. He then entered private practice as a certified public accountant until 2006 when he then joined FIMBank plc as group head internal audit, and later also as money laundering reporting officer, until returning to private practice in 2015. In addition to his duties of director, Mr. Fsadni has also been appointed as the money laundering reporting officer of the Company.

#### **David Galea Souchet**

David acts as a director on a number of funds and investment firms. Previously he was co-owner, managing director and chief operations officer of Cordium Malta providing regulatory compliance and support services to the investment services and funds industry. Prior to Cordium, he was group financial controller with a diversified group of companies and between 2004 and 2008, he was chief officer for corporate services at Malta Enterprise Corporation, the agency responsible for foreign direct investment and support to industry. David started his career in 1992 at PricewaterhouseCoopers where he spent 12 years in business assurance. David has been a fellow of the Association of Chartered Certified Accountants since 1998 and has attended significant training in corporate governance, regulatory compliance and financial services.

Subject to the limits laid down in the Articles, the Directors shall be indemnified by the Company to the fullest extent permitted by law against liability and against all expenses reasonably incurred or paid by him in connection with any debt, claim, action, demand, suit, proceeding, judgement, decree, liability or obligation of any kind in which he becomes involved as a party or otherwise by virtue of his being or having been a Director, officer or employee of the Company or a director, officer or employee of another company, partnership, joint venture, trust or other enterprise at the request of the Company and against amounts paid or incurred by him in the settlement thereof except where any of the foregoing is attributable to any negligence, fraud, default or breach duty on the part of such director, officer or employee in relation to the Company.

### ***The Company Secretary***

The company secretary of the Company is:  
Apex Corporate & Advisory Services Ltd.  
Quad Central, Q3 Level 9,  
Triq L-Esportaturi,  
Zone 1, Central Business District,  
Birkirkara CBD 1040  
Malta

### ***The Compliance Officer***

The compliance officer of the Company is:  
Mr. Carl Zammit  
Quad Central, Q3 Level 6, Triq L-Esportaturi, Zone 1, Central Business District Birkirkara,  
CBD 1040

### ***Service Providers***

The Company has appointed a Depositary with responsibility for the oversight, safe-keeping and monitoring of the relevant assets of each Fund.

The Company has appointed an Administrator with the responsibility to carry out the duties of administration on behalf of the Company with respect to each Fund.

The Company has appointed an Investment Manager with the responsibility to provide investment management with respect to each Fund.

The Company may appoint a Prime Broker with respect to a Fund as detailed in the relevant Offering Supplement.

The Company may appoint business introducers from time to time.

The Company has not appointed, other than the herein mentioned, any other service providers.

The Company shall obtain the written consent of the MFSA before the appointment or replacement of any party to act in the capacity of Investment Manager, Prime Broker, Depositary, Administrator or Sub-Investment Manager to the Company and/or a Fund.

### ***The Investment Manager***

The Company has appointed Praude Asset Management Limited as the Investment Manager to the Company and the Fund/s pursuant to an Investment Management Agreement (the "Investment Management Agreement") between the Company and the Investment Manager.

The Investment Manager has been established in Malta on the 3rd December, 2009 and is licensed and regulated by the MFSA as a UCITS management company and an alternative investment fund manager.

The Directors of the Investment Manager are:

**Michael Vella**

Please refer to above for brief C.V.

**Mr. Tony Camilleri**

Tony Camilleri graduated from the University of Malta in 1970 and was elected an Associate of the Chartered Institute of Bankers (U.K.) in 1980. Mr. Camilleri spent his entire professional career in Maltese banking having joined the National Bank of Malta in November 1973. For a number of years, Mr. Camilleri was a director of First Austrian Bank (Malta) Ltd and BOV Stockbrokers Ltd while during the last seven years prior to taking early retirement he occupied the post of Chief Officer (General Manager) at Bank of Valletta's Financial Markets Division where he spent more than twenty years in an executive position. He currently sits on the board of a number of funds.

**Dr. Antonia Zammit**

Dr. Zammit obtained her Doctor of Laws (LL.D.) from the University of Malta in 2006 and was admitted to the bar in Malta 2007. She also obtained a Master of Laws (LL.M.), specialising in corporate and commercial law, from the London School of Economics (LSE) in 2007. Prior to joining the Investment Manager in July 2015, Dr. Zammit, had over 7 years' experience in the asset management and fund industry whereby she formed part of the investment services and funds team of the largest and one of the most prestigious law firms in Malta. Dr. Zammit also obtained the IFSP Foundation Certificate in Trusts Law and Management in 2006. She currently serves as Chief Executive Officer of the Investment Manager.

The Investment Manager has been appointed to manage the Fund/s and their investments and to implement the investment objective and strategies of the Fund/s subject to any investment restrictions. The Investment Manager will also be responsible for the valuation function of the Company. The Investment Manager has established a valuation committee made up of Anthony Xuereb and Kevin Farrugia. The valuation committee is independent from the remuneration function as well as from the portfolio management function. The valuation committee is regulated by terms of reference set out by the board of directors of the Investment Manager. The Investment Manager will delegate the risk management function to Ecovis GRC.

The Investment Management Agreement between the Company and the Investment Manager provides, inter alia, that the agreement may be terminated at any time by either party upon not less than 90 days prior written notice (or such other shorter period as the parties may agree), that the Investment Manager shall be liable for any loss or damage of any kind or nature whatsoever suffered by the Company arising directly out of any failure by the Investment Manager properly to perform and fulfil its obligations thereunder and that the Investment Manager is indemnified against any loss or damage of any kind or nature arising directly out of any failure by the Company properly to perform and fulfil its obligations under the Investment Management Agreement.

The fees payable to the Investment Manager are set out in the section "Fees, Charges and Expenses" below.

In terms of the Investment Management Agreement the Investment Manager has the power to delegate its functions and powers of investment and re-investment of assets of a Fund of the Company to Sub-Investment Managers. Any Sub-Investment Manager appointed in respect of a Fund will be subject to the prior approval of the MFSA. The Investment Management Agreement is governed by Maltese law and is subject to the jurisdiction of the Maltese courts.

The Investment Manager can be contacted as follows:

Praude Asset Management Limited  
Level 14,  
Portomaso Business Tower,  
Portomaso,  
St. Julians STJ 4011,  
Malta  
Tel.: +356 2137 4313

### ***The Sub-Investment Manager***

When appointed in relation to a Fund with the prior approval of the MFSA, the Sub-Investment Manager will have such responsibilities as are described in the relevant Offering Supplement.

### ***The Administrator***

Pursuant to an administration agreement entered into between, *inter alia*, the Company and Apex Fund Services (Malta) Limited (the "Administration Agreement"), the Company has appointed the latter as its administrator, registrar and transfer agent.

The Administrator is a private limited liability company registered and incorporated in Malta with Company Registration Number: C42646 having its registered office at Quad Central, Q3 Level 9, Triq L-Esportaturi, Zone 1 Central Business District, Birkirkara CBD 1040, Malta. The Administrator forms part of the Apex Group of fund administrators. The Administrator is regulated by the MFSA and is recognised to provide fund administration services by the MFSA in terms of the Investment Services Act [REC/42646].

The Administrator is responsible for matters pertaining to the administration of the Company, namely: (a) maintaining the accounting books and records of the Company and each Fund, calculating the Net Asset Value of each Fund and preparing financial statements; (b) maintaining the corporate and financial books and records of the Company and of the Funds; (c) providing registrar and transfer agent services in connection with the issuance, transfer and redemption of the Shares; and (d) performing other administrative and clerical services necessary in connection with the administration of the Company and the Funds.

The Administrator is entitled to be indemnified by the Company and/or each of the Fund/s in certain instances as set out in the Administration Agreement.

The Administrator is not required and is under no obligation to value underlying assets (including unlisted/unquoted securities) in calculating the NAV and/or verify pricing information. Furthermore, the Administrator shall not be responsible for the selection, oversight or monitoring of any external agent or valuer appointed by the Company and shall not be liable for any losses incurred by any investor and/or third parties due to any act or omission of such external agent or valuer.

The Administrator is a service provider to the Company and does not have any responsibility or authority to make investment decisions, nor render investment advice, with respect to the assets of the Company. The Administrator has no responsibility for monitoring compliance by the Company or the Investment Manager with any investment policies or restrictions to which they are subject and as a result accepts no responsibility for any losses suffered by the Company and/or the Fund/s and/or the Investment Manager or any investors in the Company as a result of any failure by the Investment Manager to adhere to the investment objective, policy, investment restrictions, borrowing restrictions or operating guidelines.

The Administrator shall not be liable or otherwise responsible for any loss suffered by any person by reason of (i) any act or omission of any person prior to the commencement date

of the Administration Agreement, (ii) any defect, error, inaccuracy, breakdown or delay in any product or service provided to the Administrator by any third party service provider, and (iii) any inaccuracy, error or delay in information provided to the Administrator by or for the Company and or the Fund/s.

The Administrator shall not otherwise be liable for any loss to the Company and/or the Investment Manager or any other person unless direct loss is sustained as a result of its fraud, gross negligence or wilful default.

The Administration Agreement may be terminated without cause by the Company or the Administrator by, *inter alia*, an instrument in writing delivered or posted to the other parties, with such termination to take effect upon the expiration of ninety (90) Business Days from receipt of such notice.

The Administration Agreement is governed by the laws of Malta.

### **Depositary**

The Company has appointed Sparkasse Bank Malta public limited company (the "Depositary") as depositary and banker of the Fund.

Sparkasse Bank Malta p.l.c. is a public limited company registered under the laws of Malta, with registration number C27152 and registered office at 101 Townsquare, Ix-Xatt Ta' Qui-Si-Sana, Sliema SLM 3112, Malta.

Sparkasse Bank Malta p.l.c. is fully owned by Anteilsverwaltungssparkasse Schwaz ("AVS"), a corporate entity established in Austria, governed by the Austrian Savings Bank Act, whose activities consist in holding and managing its assets, mainly its participation in: (i) Sparkasse Schwaz AG, a savings bank established in Austria which is a member of the Austrian savings banks forming part of the Erste Group, and (ii) Sparkasse Bank Malta p.l.c. through the financial holding company Sparkasse (Holdings) Malta Limited.

Sparkasse Bank Malta p.l.c. is licensed by the MFSA to carry out the business of banking as a credit institution in terms of the Banking Act (Chapter 371 of the Laws of Malta), and to provide investment services and act as custodian for collective investment schemes under the Investment Services Act (Chapter 370 of the Laws of Malta). The Depositary provides safekeeping and related services to various other funds and entities in various jurisdictions, and is actively involved in the provision of a comprehensive range of financial services in and from Malta.

The Depositary has been appointed to act as depositary in respect of the Fund pursuant to a depositary agreement dated 2<sup>nd</sup> July 2020, between the Company, the Investment Manager and the Depositary (the "Depositary Agreement"). The Depositary will perform its depositary functions in accordance with the Depositary Agreement, which includes provisions reflecting the relevant depositary requirements under the AIFMD, as transposed into Maltese law. The Depositary's functions include the following:

- (i) ensuring that the Fund's cash flows are properly monitored, and in particular that all payments made by or on behalf of investors upon the subscription of shares of the Fund have been received and that all the cash of the Fund has been booked in cash accounts opened in the name of the Company (for the Fund) or in the name of the Depositary acting on behalf of the Company (for the Fund) with a credit institution or bank;



- (ii) the safekeeping of the assets of the Fund, which means (a) for financial instruments that can be held in custody: holding in custody all financial instruments that can be registered in a financial instruments account opened in the Depository's books and all financial instruments that can be physically delivered to the Depository (if any), and (b) for other assets: verifying the ownership of the Company (for the Fund) and maintaining a record of such other assets;
- (iii) the following oversight duties:
  - (a) to ensure that the sale, issue, re-purchase, redemption and cancellation of shares of the Fund are carried out in accordance with the provisions of the Investment Services Act, the rules and regulations issued thereunder, and the memorandum and articles of association of the Company;
  - (b) to ensure that the value of the shares of the Fund is calculated in accordance with the provisions of the Investment Services Act, the rules and regulations issued thereunder, the memorandum and articles of association of the Company and the valuation procedures of the Investment Manager;
  - (c) to carry out the instructions of the Investment Manager, unless they conflict with the provisions of the Investment Services Act, the rules and regulations issued thereunder or the memorandum and articles of association of the Company;
  - (d) to ensure that in transactions involving the Fund's assets any consideration is remitted to the Company within the usual time limits;
  - (e) to ensure that the Fund's income is applied in accordance with the provisions of the Investment Services Act, the rules and regulations issued thereunder, and the memorandum and articles of association of the Company.

The Company and the Investment Manager are required to ensure that all assets of the Fund are entrusted to the Depository for safekeeping, and the Depository has accepted to perform the safekeeping function in respect of all the Fund's assets, in accordance with the Depository Agreement. The Company and the Investment Manager have agreed with the Depository not to invest in or hold any types of financial instruments and other assets that are not listed in the relevant Annexes to the Depository Agreement.

Cash will be held by the Depository as banker.

The Depository may perform banking and certain investment services (in particular, the execution and, or receipt and transmission of orders in relation to financial instruments) for the Fund.

The Depository is entitled to receive fees and reimbursement of expenses, out of the assets of the Fund, for the provision of its services.

The Depository is permitted to appoint sub-custodians and to entrust assets of the Fund for safekeeping with them, and generally, to delegate all or part of its services and functions (other than the cash flow monitoring function and oversight duties referred to in points (i) and (iii) above) to third parties, subject to the terms and conditions stipulated in the Depository Agreement.

The Depositary is liable to the Company, in respect of the Fund, for the loss of financial instruments held in custody by the custodian or a third party to whom the custody of financial instruments held in custody has been delegated. In the case of such a loss of a financial instrument held in custody, the Depositary is required to return a financial instrument of identical type or the corresponding amount to the Company, in respect of the Fund, without undue delay. The Depositary will not be liable, however, if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

Furthermore, the Depositary is liable to the Company, in respect of the Fund, for other losses (i.e. other than the loss of financial instruments held in custody, as mentioned above), suffered by it as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the relevant provisions of the Investment Services Act, the Investment Services Act (Custodians of Collective Investment Schemes) Regulations (S.L. 370.32) and Investment Services Rules for Investment Services Providers issued by the MFSA, as applicable to the Depositary.

The Depositary's liability is not affected by any delegation of its functions referred to above, except if the liability for loss of financial instruments held in custody by a sub-custodian has been transferred to the sub-custodian in accordance with the conditions for the discharge of liability set out in the Depositary Agreement, in which case the Company or the Investment Manager acting on behalf of the Company should be able to make a claim against the sub-custodian in respect of the loss of financial instruments or for the Depositary to make such claim on their behalf.

Any change in the Depositary's liability will be notified to investors by the Company or the Investment Manager without delay.

The Depositary Agreement contains provisions whereby the Company agrees to indemnify the Depositary (out of the assets of the Fund) for actions, proceedings, claims, loss or damages, costs, demands and expenses (including legal and professional expenses) which may be brought against, suffered or incurred by the Depositary in relation to the performance of the Depositary's services, duties and functions, and the insolvency, acts or omissions of the Company, Investment Manager or any other service provider, delegate or third party, except where and to the extent that the Depositary is liable for the same in terms of the Depositary Agreement.

The Depositary Agreement may be terminated by the Depositary or by Company and the Investment Manager, by giving at least three (3) months' notice, and on certain other grounds set out in the Depositary Agreement.

The Depositary is not responsible for the valuation of the assets of the Fund, the calculation of the net asset value of the Fund or any of its shares, the calculation or verification of any fees or expenses payable to the Directors, the Investment Manager, the Administrator or any other service provider, or the marketing or distribution of the shares.

The Depositary is not responsible for the contents of the Offering Memorandum or any Offering Supplement, nor for the approval thereof.

The Depositary's contact details are:

Sparkasse Bank Malta p.l.c.  
101 Townsquare,  
Ix-Xatt Ta' Qui-Si-Sana,

Sliema SLM 3112,  
Malta

Tel: +356 2133 5705  
Fax: +356 2133 5710  
E-mail(s): [info@sparkasse-bank-malta.com](mailto:info@sparkasse-bank-malta.com)  
Website: [www.sparkasse-bank-malta.com](http://www.sparkasse-bank-malta.com).

### ***The Prime Broker***

When appointed in relation to a Fund with the prior approval of the MFSA, the Prime Broker will have such responsibilities as are described in the relevant Offering Supplement.

### ***The Auditor***

Deloitte Audit Limited has been appointed as the Auditor of the Company

The Auditor can be contacted at:  
Deloitte Audit Limited  
Mriehel Bypass  
Mriehel BKR 3000  
Malta  
Telephone: +356 21345000  
Fax: +356 21344443

### ***The Legal Advisors***

The legal advisors of the Company are Camilleri Preziosi Advocates. Camilleri Preziosi is a specialised practice focusing on domestic and international transactions in the field of corporate and commercial law and in the financial services sector. The offices of Camilleri Preziosi are at Level 3, Valletta Buildings, South Street Valletta VLT 1103, Malta.

### ***Conflicts of Interest***

The Directors, the Administrator, the Depositary, the Prime Broker, the Clearing Broker (if any), the Investment Manager, other companies within their respective groups and their officers and major shareholders are or may be involved in other financial, brokerage, investment or other professional activities which, in the course of their business, will on occasion give rise to conflicts of interest with the Company. In such circumstances, such persons will have appropriate regard to their respective obligations under the agreements appointing them to act in the best interests of the Company, so far as practicable having regard to their obligations to other clients or schemes. In this regard the Directors have disclosed the following:

Having regard to these obligations, the Company may buy investments from or sell investments to such persons, provided that such dealings are on an arm's length basis and on terms no less favourable to the Company than could reasonably have been obtained had the dealing been effected with an independent third party. Such persons may also hold shares in the Company. Should a conflict of interest arise, the Directors will endeavour to ensure that it is resolved fairly and the Company shall not be disadvantaged.

The following procedures shall be followed during board meetings, where a Director considers that s(he) has or may have a conflict of interest:

a. that person should declare that interest to the other members either at the meeting at which the issue in relation to which s(he) has an interest first arises, or if the member was not at the date of the meeting interested in the issue, at the next meeting held after s(he) became so interested;

b. unless otherwise agreed to by the other members, a member shall avoid entering into discussions in respect of any contract or arrangement in which s(he) is interested and should withdraw from the meeting while the matter in which s(he) has an interest is being discussed;

c. the interested member should not vote at a meeting in respect of any contract or arrangement in which s(he) is interested, and if s(he) shall do so, his/her vote shall not be counted in the quorum present at the meeting;

d. the minutes of the meeting should accurately record the sequence of such events.

Investors also ought to note the following:

- Michael Vella is a director and chief operating officer of the Investment Manager;

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## **Fees, Charges and Expenses**

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The following remuneration details refer to the fees, charges and expenses in relation to the Company and each Fund. Further details with respect to a particular Fund is set out in the relevant Offering Supplement.

### ***Remuneration of Directors***

The Directors of the Company, shall receive for their services such remuneration as may be determined by the Company in a general meeting from time to time or, in relation to a particular Fund, as specified in a Supplement. Director remuneration shall collectively not exceed €50,000 per annum. In addition, each Director, including holders of Founder Shares, may be paid reasonable travelling, hotel and other incidental expenses incurred in attending meetings of the Directors and general meetings of the Company. Directors' fees and expenses shall be split equally between all the Funds of the Company.

### ***Investment Management Fee***

Each Fund will be subject to an Investment Management Fee as described in the relevant Offering Supplement.

Any management fees due to a Sub-Investment Manager, or any fees due to any business introducer shall be paid out of the Investment Management Fee.

### ***Performance Fee***

The Performance Fee in respect of a Fund will be payable as described in the relevant Offering Supplement. Any performance fees due to a Sub-Investment Manager shall be paid out of the Performance Fee.

### ***Remuneration of the Administrator***

The Administrator shall receive, for the performance of its services under the Administration Agreement, an administration fee based upon the aggregate size of all Funds of the Company, as follows:

<b>Aggregate sub-fund value</b>	<b>basis points (per annum)</b>
Up to €50 million	6 bps
Next €50 million	4 bps
Greater than €100 million	2 bps

subject to a minimum fee of €24,000 per annum.

### ***Company Secretary Fees***

The Company will pay the company secretary a flat fee of € 3,000 per annum (excluding VAT if applicable).

### ***Remuneration of the Depositary and any Prime Broker***

Each Fund will be subject to fees payable to the Depositary and the Prime Broker (if any) as described in the relevant Offering Supplement.

### ***Remuneration of the Clearing Broker***

Each Fund will be subject to fees payable to the Clearing Broker as described in the relevant Offering Supplement.

### ***Subscription and Redemption Fees***

The Directors reserve the right to charge investors a subscription or redemption fee or charge as may be set out in the Offering Supplement in respect of a Fund.

### ***Audit and Legal Fees***

Audit fees shall be agreed between the Company and the Auditors. Legal fees shall be agreed between the Company and the legal advisors and will be negotiated on a time-spent basis. Audit and legal fees will be paid out of the property of the relevant Fund to which the audit or legal fees relate. Any VAT or other tax having a similar effect which may be or become payable shall also be charged to the relevant Fund.

### ***Preliminary Expenses***

The costs and expenses incurred in the formation of a Fund and the expenses of the issue of the Shares, including the costs incurred in connection with the preparation and publication of the Offering Supplement/s to the Offering Memorandum and all legal and printing costs, travelling costs, consultancy professional fees and listing fees and including any taxes payable by a Fund on such costs and expenses will be paid out of the assets of the relevant Fund. Such costs and expenses shall be amortised over a period of five years for the purpose of a Fund's NAV calculation, but shall be written on the Company's books as incurred and written off in the year they are paid. In the event that a Fund is approved for listing on any recognised investment exchange, the costs and expenses incurred in connection therewith shall be amortised over a period of five years solely for the purpose of a Fund's NAV calculation.

### ***Other Expenses***

The Administrator, the Investment Manager, the Depositary, the Prime Broker and the Clearing Broker (if any) are entitled to recover reasonable out-of-pocket expenses, incurred in the performance of their duties out of the assets of the Company. The Depositary shall also be entitled to recover any reasonable expenses incurred by any Sub-Custodian appointed by it in the performance of the latter's duties.

The Company shall bear the following expenses, save to the extent that such expenses may be waived or otherwise discharged by any other person and not recovered from the Company:

- (i) All taxes and expenses which may be incurred in connection with the acquisition and disposal of the assets of the Company;
- (ii) All taxes which may be payable on the assets, income and expenses chargeable to the Company;
- (iii) All brokerage, bank and other charges incurred by the Company in relation to its business transactions (including charges in relation to any borrowing by the Company);
- (iv) All fees and expenses due to any valuer, dealer, distributor or other supplier of services to the Company;
- (v) All expenses incurred in connection with the publication and supply of information to the Shareholders and, in particular, without prejudice to the generality of the foregoing, the cost of printing and distributing the annual reports, the interim reports,

any report to the MFSA or any other regulatory authority, or any other reports, any Offering Memorandum and/or Offering Supplement, marketing or promotional materials the costs of publishing quotations of prices and notices in the press and the costs of obtaining a rating for the Shares of the Company by a rating agency and all stationery, printing and postage costs in connection with the preparation and distribution of cheques, warrants, tax certificates and statements;

- (vi) All expenses incurred in the registration of the Company with any government agencies or regulatory authorities in any jurisdiction where registration is available or necessary and in having the Investor Shares of the Company listed or dealt on any stock exchange or any other regulated market;
- (vii) All expenses arising in respect of legal or administrative proceedings; and
- (viii) All expenses incurred in connection with the operation, promotion and management of the Company, including, without limitation to the generality of the foregoing, all Directors' fees and costs, all costs incurred in organising Directors' and Shareholders' meetings and in obtaining proxies in relation to such meetings, costs incurred in keeping the register of Shareholders, costs of any translations, all insurance premiums and association membership dues and all non-recurring and extraordinary items of expenditure as may arise.

All expenses shall be charged against income.

The costs and expenses of the formation of the Company, including the costs incurred in connection with the preparation and publication of the Offering Memorandum and each Offering Supplement and all legal and initial printing costs, have been borne by the Company in accordance with the Companies Act. Fees and expenses which are identifiable with a particular Fund shall be charged to such Fund. Fees and expenses which are not identifiable to a particular Fund or apply to the Company generally will be borne pro-rata to the net assets in each Fund.

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## **Risk Factors**

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In evaluating the potential and suitability of an investment in any Fund, careful consideration should be given by prospective investors to the following risk factors. An Offering Supplement may also supplement the below list of risk factors with additional risks particular to an investment in the relevant Fund.

The summary below describes in general terms some of the risk factors that need to be considered in connection with an investment in the Company and the relevant Fund/s. These risk factors should be regarded as general information and may not be a complete list of all relevant risk factors. It is accordingly recommended that, besides carefully considering the risk factors below, prospective investors also consult their own advisors on any legal, tax and financial issues that are relevant to their specific situation before investing in the Company and any Fund/s.

The attention of prospective investors is also drawn to the section 'Important Information' of this Offering Memorandum regarding the fact that the Company is licensed as an AIF which is therefore subject to a lower level of supervision and regulatory oversight by the MFSA than retail collective investment schemes. An AIF is a non-retail scheme and accordingly, the protection generally afforded as a result of the investment and borrowing restrictions and other conditions related to retail schemes imposed by the MFSA, do not apply thereto. As a result, the degree of risk to which AIFs and their investors may be exposed renders them unsuitable for members of the general public. Accordingly, investment in any Fund is only suitable for Eligible Investors. In the event of the Fund's failure, Investors are not protected by any statutory compensation arrangements.

### ***General***

Investment in a Fund should be regarded as a long-term investment. There is no assurance that the investment objective or investment policies of a Fund will be achieved. A Fund's investments are subject to normal market fluctuations and the risks inherent in all investments in securities and other assets that the Fund may own and there are no assurances that appreciation will occur. These factors include without limitation, changes in government rules and fiscal and monetary policies, changes in laws and political and economic conditions throughout the world and changes in general market conditions. There can be no guarantee that any profits will be realised by the Company or its Fund/s and therefore by the Shareholders.

### ***Erosion of Capital***

When an investor redeems part of his/her holding he/she should be aware that these redemptions will be made from the sale of shares and may result in an erosion of capital.

### ***Exchange Rate Risk***

Currency fluctuations between the Fund Currency and the investor's currency of reference and the currency of the underlying investments of a Fund, may adversely affect the value of investments and the income derived therefrom.

### ***Achievement of the Investment Objective***

There can be no guarantee against losses (including complete loss) resulting from an investment in Shares of a Fund and there can be no assurance that a Fund's Investment Objectives will be attained. A Fund could realise substantial or complete losses.



**Net Asset Value**

The Net Asset Value of a Fund fluctuates with changes in the market values of a Fund's investments. Such changes in market values may occur as a result of various factors, including those factors identified below.

**Investment in Equity Securities**

As a result of a Fund's investments in equity securities, a Fund will be exposed to the risks typically associated with equity investments to include the general risk of broad market declines and risks associated to issuers of securities. A Fund is not subject to the limits and investing or borrowing restrictions and other conditions imposed on retail schemes and consequently, the Net Asset Value per Share in a Fund may be subject to greater volatility.

**Fixed-Income Investments**

The value of fixed-income securities that a Fund may invest in, will fluctuate inversely to the general levels of interest rates. When interest rates fall, the value of a Fund's fixed-income securities can be expected to rise. Likewise, when interest rates rise, the value of such securities can be expected to fall.

**Low Rated or Non-Rated Debt Securities**

Debt securities are subject to the risk that the issuer may default on the payment of principal and/or interest. The prices of debt securities are inversely related to changes in interest rates and thus are subject to the risk of market price fluctuations. A portion of a Fund's portfolio may consist of instruments that have a credit quality rated below investment grade by internationally recognized credit rating organizations or may be unrated. Although these securities may provide for higher gain and income, they entail greater risk than investment grade securities.

These securities involve significant risk exposure as there is uncertainty regarding the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations. Changes in the credit ratings of a debt security or in the perceived ability of the issuer to make payments of principal and interest may also affect the security's market value. Low rated and unrated debt instruments generally offer a higher current yield than that available from higher-grade issuers, but typically involve greater risk.

**Investment in Smaller Companies**

Smaller companies may often have limited product lines, markets or financial resources and may be dependent for their management on one or two key individuals. This may result in investments in such markets being volatile.

**Emerging Markets/Emerging Countries**

There may be less publicly available information about issuers in emerging markets which may sometimes not be subject to uniform accounting, auditing and financial reporting standards and other disclosure requirements which are normally found in more established markets. Emerging markets may have substantially less volume of trading, and securities of some companies in emerging market countries may be less liquid and more volatile than securities of more established markets. Additionally, market practices in relation to the settlement of securities transactions and the custody of assets in emerging markets can provide increased risk of loss to a Fund.

Emerging countries' economies may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have high levels of debt or inflation. Investors should be aware that any downturn in the economies of emerging countries might adversely affect the servicing and ultimate repayment of the investments of a Fund.

### ***Sustainable finance/ESG***

On 10 March 2021, the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR") enters into force. Sustainable finance is a relatively new field of finance. Currently, there is no universally accepted framework or list of factors to consider to ensure that investments are sustainable. Furthermore, the legal and regulatory framework governing sustainable finance is still under development, in particular the level 2 draft regulatory technical standards referred to in the SFDR.

The lack of common standards may result in different approaches to setting and achieving ESG objectives. Sustainability factors may vary depending on investment themes, asset classes, investment philosophy and subjective use of different ESG indicators governing portfolio construction. The selection and weightings applied, may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings. ESG information, whether from an external and/or internal source, is, by nature and in many instances, based on a qualitative and judgmental assessment, especially in the absence of well-defined market standards and due to the existence of multiple approaches to sustainable investment. An element of subjectivity and discretion is therefore inherent to the interpretation and use of ESG data. It may consequently be difficult to compare strategies integrating ESG criteria. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from that of a Sub-Fund.

ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there exists a risk of incorrectly assessing a security or issuer, resulting in the incorrect inclusion or exclusion of a security. ESG data providers are private undertakings that offer their services to a variety of issuers. The ESG data providers may change the evaluation of issuers or instruments, at their discretion and from time to time, due to ESG or other factors.

The approach to sustainable finance may evolve and develop over time, both due to a refinement of investment decision making processes to address ESG factors and risks and because of legal and regulatory developments.

Sustainability factors including environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters may represent a sustainability risk, that, if it occurs, similarly to other risks, could cause an actual or potential material negative impact on the value of the investments held by the Fund. In a similar way, sustainability factors may represent an opportunity for the Fund that, if it occurs, could cause an actual or potential material positive impact on the value of investments in the Fund.

The consideration of sustainability factors and sustainability risks within the investment decision process may have either a positive or a negative impact on the value of investments and the overall performance of the Fund.

The Investment Manager is responsible for the assessment of the impact of sustainability risks, if any, on the Fund and, in their role as Investment Manager, for the risk management of the Fund. The Investment Manager's policy with regard to the integration of sustainability risks in the investment decision-making process is published on their website here: [www.praude.com.mt](http://www.praude.com.mt) .

The Fund does not promote environmental or social characteristics, nor does it have sustainable investment as its objective. The Fund is therefore considered as an "Article 6" financial product in accordance with the SFDR.

Should the approach to the consideration of sustainability factors and the related risks change, either following finalisation of the regulatory and legal framework, or based on decisions by the Investment Manager with regard to the investment policy, this Prospectus will be updated.

### *Taxonomy Regulation*

The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Potential Lack of Diversification**

A Fund does not have fixed guidelines for diversification and is not subject to any specific limits in securities of issuers in any one country, region or industry. Therefore, a Fund may be less diversified and more volatile. A significant percentage of the investments may, at any time, be limited to a particular market sector, region or industry and accordingly may be subject to more rapid change in value than would be the case if there were a requirement to maintain a wide diversification among companies, industries, regions, types of securities and other asset classes. Although a Fund's portfolio will generally be diversified, this may not be the case at all times.

### **Stop Loss Limits**

The use of stop loss management practices cannot provide assurance with respect to the degree of loss that may be realised upon liquidation of an investment. Investment may still be liquidated at a substantially large loss.

### **Use of Derivatives**

Derivatives are subject to a number of risks, such as interest rate risk and market risk. They also involve the risk of mispricing or improper valuation, the risk that changes in the value of the derivative may not correlate with the underlying reference and, in over-the-counter transactions, the risk that the counterparty may not honour its obligation. Derivatives may be highly illiquid and often contain a degree of leverage. A Fund could lose more than the principal amount invested in any derivative transaction. Suitable derivative transactions may not be available in all circumstances, and there can be no assurance that a Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

A Fund's ability to close out its position as a purchaser or seller of a listed put or call option is dependent, in part, upon the liquidity of the option market. Unless the parties provide for it, there is no central clearing or guarantee function in an over-the-counter option. As a result, if the counterparty fails to make or take delivery of the security, currency or other instrument underlying an over-the-counter option it has entered into with a Fund or fails to make a cash settlement payment due in accordance with the terms of that option, a Fund will lose any premium it paid for the option as well as any anticipated benefit of the transaction.

### **Covered and Uncovered Options**

The purchaser of put or call options, or of any other option-like custom derivatives, runs the risk of losing his entire investment in a relatively short period of time. An uncovered call option is subject to a risk of loss should the price of the underlying security increase. An uncovered put option is subject to a risk of loss should the price of the underlying security decrease. Similar risk of loss can be experienced with the uncovered writing of some other option-like custom derivatives. Purchasing or writing options or option-like custom derivatives are highly specialized activities and entail greater than ordinary investment risks.

### **Forward Contracts**

A Fund may engage in forward contracts for hedging purposes and/or to participate in foreign markets. A forward contract is an obligation to purchase or sell an underlying asset, including

currency and stocks, for an agreed price at a future date. Hedging against a decline in the value of a currency or stock or bond market does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. It may also preclude the opportunity for gain if the value of the hedged currency or stock or bond market should rise, because the derivative would incur an offsetting loss. Moreover, there is no assurance that a market will exist to purchase the forward contract when a Fund wants to close out its position. If a Fund is unable to close out a position, it will be unable to realise its profits or limit its losses until such time as the forward contract terminates.

### ***Short Sale Equity Positions***

A Fund may take short sale positions without maintaining an equivalent quantity, or a right to acquire an equivalent quantity, of the underlying securities in its portfolio. There can be no assurance that the security will experience declines in market value. Theoretically, a short sale involves the risk of an unlimited increase in the market price of securities sold short, potentially resulting in a corresponding unlimited loss to a Fund.

### ***Leverage Risk***

A Fund is able to achieve a certain degree of leverage on its positions. Consequently, a Fund can be subject to major losses in the event of market disruptions. Furthermore, gains realised through borrowed funds generally would cause a Fund's value to increase faster than without the use of borrowed funds. However, if the value of securities purchased with borrowed funds falls, or does not appreciate sufficiently to cover the costs of borrowing, that Fund's value will decrease faster and more significantly than without the use of borrowed funds.

### ***Credit Risk***

Credit risk is the risk that the credit quality of the counterparty declines. Fixed income or derivative instruments that a Fund owns are subject to the issuers' or counterparties' credit risk.

### ***Volatility and Illiquidity of Markets***

Generally, price movements in the markets in which a Fund may invest can be volatile and are influenced, among other things, by changing supply and demand, government trade and fiscal policies, national and international political and economic events, and changes in interest rates. In addition to the price volatility, which characterises the markets, the low margin deposits often required in markets permit a high degree of leverage. Accordingly, a relatively small price movement may result in a profit or loss, which is high in proportion to the amount of funds actually placed as margin. In addition, in some circumstances markets can be illiquid, making it difficult to acquire or dispose of contracts at the prices quoted on the various exchanges or at normal bid/offer spreads quoted off-exchange. These and other factors mean that, as with other investments, there can be no assurance that trading will be profitable.

### ***Investment Liquidity Risks***

As at the date hereof, there is no market for any Investor Shares and no secondary market is expected to develop to provide Shareholders with liquidity of investment except through redemption. Investor Shares may only be redeemed pursuant to the terms and conditions provided in this Offering Memorandum and each Offering Supplement, including the availability of redemptions only on Redemptions Days, redemption notice periods required, as well as restrictions, suspensions and deferral of redemptions contemplated herein and therein. Furthermore, the registration of transfers of Investor Shares by their holders (as a possible alternative exit from investment) is subject to the restrictions set out in the Offering Memorandum and each Offering Supplement.

### ***Tax and Legal Risks***

The tax consequences to a Fund and Shareholders in a Fund, the ability of a Fund as a foreign investor to invest in the markets and to repatriate its assets including any income and profit earned on those assets and other operations of a Fund are based on existing regulations and are subject to change through legislative, judicial or administrative action in the various jurisdictions in which a Fund or its service providers operate. There can be no guarantee that income tax legislation and laws or regulations governing a Fund's operations and investments will not be changed in a manner that may adversely affect a Fund.

### ***FATCA / US HIRE Act and Compliance with US Withholding Requirements***

The US Hiring Incentives to Restore Employment Act (the "US HIRE Act") has introduced a 30% withholding tax on certain payments to the Fund, of US source income made after 31 December 2014, and on certain payments of proceeds from the sale of US property made after 31 December 2016 unless the Fund discloses the name, address and taxpayer identification number of US Persons that own, directly or indirectly, or have effective control of, an interest in the Fund, as applicable, as well as possible certain other information relating to any such interest. Although the Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of these provisions, the return of all Shareholders may be materially affected. Other countries may impose similar taxes and the Fund intends to comply with such as they are enacted. All Shareholders consent to the Fund's full compliance with all such measures. It must be noted that FATCA registration and compliance does not modify the US tax treatment of US source revenue of the Fund under the double tax treaty between the United States and Malta.

### ***Common Reporting Standard Risks***

The OECD has developed a new global standard for the automatic exchange of financial information between tax authorities (the "Common Reporting Standard" or the "CRS"), which is similar to FATCA (see risk factor above). Malta is a signatory jurisdiction to the Common Reporting Standard and has implemented relative legislation. The detailed requirements for complying with the Common Reporting Standard may impose additional burdens and costs on the Company and/or any Fund. Although the Company will attempt to satisfy any obligations imposed upon it by the Common Reporting Standard, no assurance can be given that it will be able to satisfy such obligations. Implementation of the Common Reporting Standard may require the Company to conduct additional due diligence and report upon accounts held with it by investors who are reportable persons in other participating jurisdictions. The Company may require certain additional personal and financial information from investors to comply with its diligence and reporting obligations under the Common Reporting Standard.

### ***Performance Fee and Equalisation***

To the extent that the Investment Manager will be entitled to receive a Performance Fee from a Fund, such fees may create an incentive for the Investment Manager to engage in investment strategies and make investments that are more speculative than would be the case in the absence of such fees. Furthermore, there is no maximum amount of Performance Fee and the increase in NAV which is used as a basis for the calculation of performance fees, may be comprised both of realised gains as well as unrealised gains as at the end of the calculation period, and as a result, performance fees may be paid on unrealised gains which may subsequently never be realised by a Fund. Notwithstanding the implementation of the equalisation method for each Fund, the NAV per share at any particular point in time may not be reflective of the actual value of each Investor Share.

### ***Dependence on the Directors and Investment Manager***

The Investment Manager will make decisions with respect to the Fund/s' investments. The Directors will make all decisions regarding the general management of the Company. The Fund/s' success therefore depends to a large extent, upon the ability of the Directors to properly manage the affairs of the Company and the Fund/s and the Investment Manager's ability to determine appropriate investments. The Company and the Fund/s may be adversely affected if the persons responsible for these activities cease to participate in the operation of the Company.

### ***Non-voting Investor Shares***

Investor Shares are issued as non-voting shares and therefore shall not have the right to vote at any general meeting of the Company.

### ***Restriction or Suspension of Redemption Rights***

Although Shareholders may request the Company to repurchase their Investor Shares in a Fund or may wish to transfer all or any of their Investor Shares, certain restrictions on redemptions and transfers apply, including a notice period. Reference is made to disclosures included under the heading 'Buying and Selling' under the sub-headings "Redemption of Shares" and "Deferral of Redemption of Shares".

### ***Valuation and Redemption Risks***

Investors' attention is specifically drawn to the fact that due to the Redemption Notice Period the valuation used for the actual redemption of Investor Shares will not be the one available to the investor at the time the redemption request is received by the Company but the valuation available after the end of the Redemption Notice Period.

### ***Segregation of Funds***

The provisions of the Companies Act (Investment Companies with Variable Share Capital) Regulations (S.L. 306.02 of the laws of Malta) provide for segregated liability between Funds and as such, in Malta, the assets of one sub-fund will not be available to satisfy the liabilities of another sub-fund. However, it should be noted that the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There can be no guarantee that the courts of any jurisdiction outside Malta will respect the limitations on liability as set out above.

### ***Mandatory Redemption***

Investor Shares may not be issued and may be subject to mandatory redemption or transfer by the Company, inter alia: (i) in circumstances where the Company or a Fund may suffer a tax, pecuniary, administrative or other disadvantage; or (ii) where Shares are held by any person who is, or has acquired such Shares on behalf of or for the benefit of a person who is not an Eligible Investor; or (iii) where the Net Asset Value of a Fund falls below 2 million Euros (€2,000,000); (iv) where the Net Asset Value of the Investor Shares in the Company calculated in accordance with this Offering Memorandum falls below 5 million Euros (€5,000,000), (v) in the event of one or more redemption requests which amount to sixty percent (60%) or more of a Fund's Net Asset Value, in which case the substantial redemption request/s shall be automatically suspended and shall be dealt on the date established by the Directors for the mandatory redemption or (vi) in other circumstances stipulated in the relevant Offering Supplement of a Fund.

### ***Substantial Redemptions***

Substantial redemptions of Investor Shares could require a Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the

Investor Shares. Substantial redemptions might also cause the liquidation of the Company and/or a Fund.

Illiquidity in certain markets could also make it difficult for a Fund of the Company to liquidate positions on favourable terms, thereby resulting in a decrease in the value of the assets. In these circumstances, the non-redeeming Shareholders will bear a disproportionate risk of any decline in the value, liquidity and quality of a Fund's assets subsequent to the redemptions.

Potential

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL INVESTORS MUST READ THE ENTIRE OFFERING MEMORANDUM AND THE OFFERING SUPPLEMENT AND MUST CONSULT THEIR OWN PROFESSIONAL ADVISORS BEFORE DECIDING TO INVEST IN A FUND.**

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## **Buying and Selling**

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The Investor Shares of the Company can only be acquired, and at all times held, by persons, whether corporate or incorporate, being Eligible Investors. In order to acquire Investor Shares in the Company, all Eligible Investors must satisfy the conditions set out in this Offering Memorandum and any conditions which may be set out in the relevant Offering Supplement.

### ***Initial Offer Period***

An initial offer of Investor Shares will open and close on the dates stated in the relevant Offering Supplement unless closed earlier by the Company at its sole discretion. The Investor Shares of a Fund are offered at an initial price stated in the relevant Offering Supplement and thereafter, on every Dealing Day, at the Net Asset Value per Share.

### ***Charges to Investors***

The amount of the Subscription Fee or Redemption Fee if any, applicable for a Fund is established in the relevant Offering Supplement.

The Subscription Fee, if any, will be deducted from any payment received by way of an application for Investor Shares, and the balance after such deduction will then be applied to subscribe for Investor Shares. The Directors shall determine to whom the Subscription Fee will be paid and may waive the Subscription Fee in whole or in part at its sole discretion and/or re-allow and/or pay all or part of the Subscription Fee to distributors, intermediaries and/or introducers and/or such other persons as the Directors may determine.

The Redemption Fee, if any, will be deducted from any payment due to an investor following redemption of Investor Shares, and the balance after such deduction will then be paid to the investor. The Directors shall determine to whom the Redemption Fee will be paid and may waive the Redemption Fee in whole or in part at its sole discretion and/or re-allow and/or pay all or part of the Redemption Fee to authorised intermediaries or such other persons as the Directors may determine.

### ***Classes of Shares***

Further information on the different Classes of Investor Shares may be found in the relevant Offering Supplement. Switching of investment between Funds or Classes is not allowed.

### ***Voting rights***

Investor Shares do not carry any voting rights.

### ***Application Procedure***

#### **(a) Minimum Investment**

Each Fund is subject to the Minimum Holding and Minimum Additional Investment. The Administrator shall not process any initial application for less than the Minimum Holding or any subsequent application by the same investor for less than the Minimum Additional Investment, nor shall the Administrator accept an application to register any transfer unless the transferee is or can be accepted as an Eligible Investor and has applied to register such number of Investor Shares as is equal to or more than the Minimum Holding and the transferor, if he remains holding any Investor Shares, retains at least such number of Investor Shares as is equal or more than the Minimum Holding.



## **(b) Application for Investor Shares**

Applications for Investor Shares from Eligible Investors must be made on the subscription form provided for this purpose by the Company as an attachment to the relevant Offering Supplement of a Fund. The purchase of Investor Shares in writing is a legally binding contract. The Company reserves the right to reject any application in whole or in part. No application will be accepted unless the appropriate declarations found in the subscription form are acknowledged and signed.

Unless otherwise indicated in the relevant Offering Supplement of a Fund, applications for Investor Shares, if accepted by the Company at the office of the Administrator, will be dealt with on the immediately following Dealing Day at the Net Asset Value per Share established on the latest Valuation Day.

## **(c) FATCA and CRS Forms**

In order to apply to purchase Investor Shares in the Company, a prospective investor must also complete and return, along with the application documents as specified in the Offering Memorandum and the relevant Offering Supplement, the self-certification form(s) to enable the Company to comply with applicable laws and regulations.

Individual investors must complete the individual self-certification form included in the subscription form.

Legal Entities (such as companies, partnerships and trusts) must complete the entity self-certification form. Also note that, for certain legal entities, the beneficial owners and controlling persons of the entity will also need to complete individual self-certification forms included in the subscription form.

## **(d) Payment**

Applications for Investor Shares will only be accepted if accompanied by payment in the form of a telegraphic transfer or other means of settlement acceptable to the Administrator. Settlement details are set out in the subscription form.

Subscription forms together with payment are to be received by 1600hrs of the day preceding the relevant Dealing Day.

## **(e) Money Laundering Procedures**

The Company reserves the right to seek evidence of identity to comply with the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), the Implementing Procedures, and any other anti-money laundering legislation and requirements applicable in its jurisdiction. In the case of failure to provide satisfactory information, the Company may take such action as it thinks fit, including without limitation, the refusal of any subscription form and subscription monies related thereto, or refusal of any redemption instructions. The Company shall not be held responsible for any loss arising as a result of a refusal to process a subscription form or a redemption instruction in case where the applicant fails to provide satisfactory information. In addition, each investor must represent and warrant to the Company that among other things he is able to buy Investor Shares without violating applicable laws and regulations.

Applications for Investor Shares from Eligible Investors must be accompanied by such information as may, from time to time, be required by the Company and/or the Administrator such that the Company and/or the Administrator may be in a position to verify the identity of such Eligible Investor and identify the emanating source of funds. Except as may be required to enable the Company and/or the Administrator to comply with any and all of its obligations in terms of the law, including but not limited to anti-money laundering legislation in force, any information received will be kept by the Administrator in accordance with the relevant data protection legislation and, in the normal course of business, will not be made available to anyone other than the Administrator and members of the Depositary and their respective employees, agents and subcontractors.

Without prejudice to the generality of the foregoing, the Company shall require applications for Investor Shares from Eligible Investors to be accompanied by the following supporting information:

(i) **Verification of Identity**

***Individuals***

An applicant for Investor Shares shall be required to produce two copies of an unexpired passport or identification card bearing a photograph and reference to nationality, duly certified in terms of the certification requirements stipulated in the subscription form. Depending on circumstances, the Company may also require additional information. Furthermore, a recent document (not older than six months) confirming the residential address of the applicant, such as a bank statement or utility bill or any other official document issued by a government entity, duly certified in terms of the certification requirements stipulated in the subscription form.

***Corporate Applicants***

In the case of corporate applicants, the Company shall require the applicant for Investor Shares to produce:

- (a) A certified true copy of the certificate of incorporation/licence/authorisation to carry on business (and any certificate on change of name).
- (b) A certified true copy of the Articles of Incorporation (or equivalent documents).
- (c) The names and residential and business addresses and certified copies of the passports or identity cards of all directors.
- (d) Identification documents of beneficial owner/s holding 25% or more of the shares of the applicant.
- (e) A resolution of board of directors authorising the appointed attorneys as the 'authorised signatories' to apply for Investor Shares in a Fund and to give instructions with respect to such shares.
- (f) An authenticated list of authorised signatories and identification documents of each signatory.

(ii) **Source of Wealth and Source of Funds**

The establishment of the source of wealth and the source of funds in relation to the subscription for Investor Shares is requested and this information should be supplied as part of the subscription forms. Besides the declarations taken on the subscription forms, prospective investors shall indicate: (a) name of the account/s from which the funds emanated; (b) account number; (c) name of bank with which

account/s are held; (d) name of correspondent bank wiring the subscription monies; (e) a copy of the swift transfer/s and any other documentation indicating the provenance of funds.

(iii) **Other Information**

In addition, in all cases, the Company may require from an individual applicant or other applicant entities whether corporate or unincorporated, bank references, business or professional references (as for example from accountants or lawyers) where applicable. In particular, applicants who are politically exposed persons shall be required to provide additional documentation and declarations.

Depending on the circumstances of each subscription for Investor Shares, verification of identity may not be required where (i) the applicant is itself bound by the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta); (ii) the applicant is introduced by an introducer who is himself bound by the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta) and provides the Company with the name of the customer and a written assurance that evidence of identity has been obtained and proper records of the verification of identity of the applicant are being maintained or (iii) the introducer is a foreign entity that operates in a country that is a member of the FATF or operates under a rigorous and well-regulated anti-money laundering regime (iv) the applicant operates a financial service business which is properly regulated (i.e. in a country that is a member of the FATF or in a country where the level of regulation is equal to or higher than that exercised in Malta). **In all such cases the Company retains discretion whether to rely on verification procedures carried out by others and under what terms and conditions. The Company may still request any documentation to carry out a verification of identity itself.**

(f) **Data Protection**

As part of the application procedure, personal data relating to all Eligible Investors, Shareholders and other natural persons (also referred to as "Data Subjects"), are required in the submission of various documents and information.

The Company requires this information, amongst others, to enable completion of the application procedure, maintenance of the Shareholders' register and generally to comply with any requests of the Eligible Investors and Shareholders which the Company wishes to entertain and all applicable legislation and regulatory requirements. Shareholders may be similarly required to provide and/or submit documents and information whether in order to process, exchange, transfer, redemption or other requests, or to comply with relevant legislation. Information collected may include personal data, defined under the relevant privacy laws as any information relating to an identified or identifiable natural person, who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person (the "Personal Data").

The Company is a controller of Personal Data, that is, a body which collects, processes and determines the purposes and means of the processing of Personal Data. The Company will process this data according to the relevant privacy laws, including The General Data Protection

Regulation (the "GDPR") and the Data Protection Act, Chapter 586 of the Laws of Malta, and subsidiary legislation thereto, as may be amended from time to time.

For information on the rights of Data Subjects; the purposes of processing and the Company's lawful bases of such processing; recipients and transfers of Personal Data; data retention obligations; and, the technical and organisational measures adopted by the Company to keep the Personal Data secure, please refer to the Privacy Notice provided to you by the Company.

Data Subjects may contact the Company on max.galea@praude.com.mt and 0035621374313.

You hereby acknowledge to have been informed of and provided with a copy of the Data Protection Notice on the processing of personal data

### **(g) Redemption of Investor Shares**

Unless otherwise indicated in the relevant Offering Supplement of a Fund and subject to the provisions of the Articles and this Offering Memorandum, Shareholders may cause any or all of his Investor Shares to be redeemed by the Company and the following provisions shall apply:

(i) Shareholders may, by giving 5 Business Days' notice (hereinafter the "Redemption Notice Period"), request, in writing, through the Administrator the redemption of their Investor Shares. Redemption instructions, in a form acceptable to the Administrator, may be made to the Company at the office of the Administrator in writing or through such electronic means as may be agreed to with the Administrator on a Business Day and must be received by 1800hrs of the Business Day preceding the first day of the Redemption Notice Period.

(ii) Redemption instructions, if accepted by Company and the Administrator, will be dealt with on the Dealing Day immediately following the end of the Redemption Notice Period at the Net Asset Value per Share established on the latest Valuation Day. Investors' attention is specifically drawn to the fact that due to the Redemption Notice Period the valuation used for the actual redemption of Investor Shares will not be the one available to the Shareholder at the time the redemption request is received by the Company but the valuation available after the end of the Redemption Notice Period.

(iii) Payment of the redemption proceeds less the Redemption Fee (where applicable) will be made by the Administrator, in the Fund currency within five (5) Business Days following the date on which such Investor Shares are redeemed by the Administrator or, if applicable, the date of receipt of the duly renounced share certificates. Payment will be made by telegraphic transfer or credit in an account in the name of the registered holder or, in the case of joint holders, in the name of the first named holder.

(iv) Partial sales of shareholdings are acceptable provided the resultant value of the shareholding remains in excess of the Minimum Holding specified in the relevant Offering Supplement. The Company may, at its complete discretion, redeem a shareholding with a value of less than the Minimum Holding specified in the relevant Offering Supplement.

(v) At the discretion of the Directors and with the approval of the applicant, the Company may satisfy any application for repurchase of Investor Shares by the transfer to any Shareholder of assets of the relevant Fund in specie, PROVIDED THAT the Company shall transfer to each Shareholder that proportion of the assets of the Company which is then equivalent in value to the shareholding of the Shareholder then requesting the repurchase of Investor Shares, but adjusted as the Directors may determine to reflect the liabilities of the

Company PROVIDED ALWAYS THAT the nature of the assets and the type of the assets to be transferred to each Shareholder be determined by the Directors on such basis as the Directors shall deem equitable and not prejudicial to the interests of both remaining as well as outgoing Shareholders, and for the foregoing purposes the value of assets shall be determined on the same basis as used in calculating the Net Asset Value.

## **(h) Mandatory Redemptions**

Shares may not be issued and may be subject to mandatory redemption or transfer by the Company, inter alia: (i) in circumstances where the Company or a Fund may suffer a tax, pecuniary, administrative or other disadvantage; or (ii) where Shares are held by any person who is, or has acquired such Shares on behalf of or for the benefit of a person who is not an Eligible Investor; or (iii) where the Net Asset Value of a Fund falls below 2 million Euros (€2,000,000); (iv) where the Net Asset Value of the Investor Shares in the Company calculated in accordance with this Offering Memorandum falls below 5 million Euros (€5,000,000), (v) in the event of one or more redemption requests which amount to sixty percent (60%) or more of a Fund's Net Asset Value, in which case the substantial redemption request/s shall be automatically suspended and shall be dealt on the date established by the Directors for the mandatory redemption or (vi) in other circumstances stipulated in the relevant Offering Supplement of a Fund.

## **(i) Deferral of Redemption of Investor Shares**

Unless otherwise indicated in the relevant Offering Supplement of a Fund, and subject to the Directors' powers with respect to circumstances in which a mandatory redemption may be declared, the following provisions shall apply:

(i) The Directors may limit the total number of Investor Shares, which may be redeemed on any Dealing Day to ten per cent (10%) of the outstanding Investor Shares in a Fund. In the event that such a limit is reached at any point during a Dealing Day, the Directors may defer any further redemption instructions received during that Dealing Day, to such time as the total number of redemption applications received on that Dealing Day is re-established at less than ten per cent (10%) of the outstanding Investor Shares in a Fund.

(ii) The balance of such Investor Shares that are not redeemed on that Dealing Day because of the limit established above will be redeemed on the next Dealing Day, subject to the Directors' same power of deferral until the original redemption instructions have been satisfied.

(iii) Shareholders may not revoke or withdraw redemption instructions delivered to the Company at the office of the Administrator, even if the Directors elect to exercise their power of deferral.

## **(j) Suspension of Dealing**

The Directors have the power to suspend calculations of Net Asset Value in the circumstances set out in Appendix I of this Offering Memorandum. No issue or redemption of Investor Shares will take place during any period when the calculation of the Net Asset Value is suspended.

The Directors reserve the right to delay payment of redemption proceeds to persons whose Investor Shares have been redeemed prior to such suspension until after the suspension is lifted, such right to be exercised in circumstances when the Directors believe that to make such payment during the period of suspension would materially and adversely affect or

prejudice the interest of continuing Shareholders. Notice of any suspension will be given to any Shareholder tendering his Investor Shares for redemption. If the redemption instructions are not withdrawn the Investor Shares will be redeemed on the first Dealing Day following termination of the suspension.

Notice of any such suspension will be given to all Shareholders in the relevant Fund, including any Shareholder tendering his Investor Shares for redemption. Shareholders will be promptly notified upon the termination of such suspension. Notice of any suspension or postponement of the calculation of the Net Asset Value of a Fund will be published in either a daily newspaper and such other newspapers as the Directors may from time to time determine or on the Administrator's website and will also be notified to the MFSA without delay.

### **(k) Dealing Prices**

Unless otherwise indicated in the relevant Offering Supplement of a Fund, the following provisions shall apply:

(i) Requests to buy and / or sell Investor Shares, which are accepted by the Company and the Administrator on a Business Day, will be dealt with at the appropriate dealing price based on the Net Asset Value per Share calculated on the relevant Dealing Day. The dealing price per Share for buying Investor Shares (the issue price per Share) as well as the dealing price per Share for selling Investor Shares (the redemption price per Share) will be equivalent to the Net Asset Value per Share of a Fund.

(ii) The Administrator shall calculate (Malta time) on each Dealing Day the Net Asset Value per Share for a Fund using the latest closing prices of the underlying assets. Full details of the method of determination of the Net Asset Value per Share are set out in Appendix I and II of the Offering Memorandum.

(iii) Where, in the opinion of the Directors, since the last determination of the Net Asset Value per Share there has been a significant movement (namely ten per cent (10%) or over) in the value of quoted assets of a Fund the Company may at its discretion, and subject to prior notification being given to the Administrator, re-value the assets of a Fund, recalculate the Net Asset Value per Share and amend the dealing prices accordingly. Where the dealing prices for a Fund have been amended, the revised prices will be applied to all requests to buy or sell Investor Shares which have been accepted by the Company subsequent to the amendment of dealing prices as provided above.

### **(l) Dividend Distributions**

When the relevant Offering Supplement of a Fund provides for dividend distributions, the Company in general meeting may declare a dividend but no dividend shall exceed the amount recommended by the Directors.

### **(m) Contract Notes, Registrations and Share Certificates**

Contract notes will be issued as soon as possible following the Dealing Day on which the order is effected and normally will be dispatched within five (5) Business Days. Contract notes will contain full details of the transaction.

All Shares will be registered and an entry in the register of Shareholders will be conclusive evidence of ownership. No Share certificates will be issued, unless specifically requested by

investors at the time of application. The uncertificated form allows the Administrator to effect redemption instructions without delay and the Administrator therefore recommends that investors maintain their Shares in an uncertificated form. Annual statements will be dispatched with the Company's annual reports.

If certificated Shares are requested, a Share certificate will be dispatched either to the investor or his nominated agent (at his risk) normally within 28 days of completion of the registration process.

Any change to a Shareholder's personal details, or loss of certificates must be notified to the Company at the office of the Administrator immediately in writing. The Company and the Administrator reserve the right to request indemnity or verification before accepting such notification. Copies of the Offering Memorandum and updates thereof will be available from the Company and the Administrator.

## **(n) Transfer of Shares**

Each Shareholder may transfer all or any of his Shares by an instrument of transfer. The instrument of transfer must be executed by or on behalf of the transferor and the transferor is deemed to remain the holder until the transferee's name is entered in the register of Shareholders. The Directors shall decline to register any transfer of Shares to persons who are not Eligible Investors. The Directors may decline to register any transfer in favour of more than four joint holders as transferees.

All instruments of transfer shall be in writing in any usual or common form in Malta or in any other form which the Directors may approve, and every form of transfer shall state the full name and address of the transferor and transferee.

The Directors may decline to register any transfer of Shares unless the instrument of transfer relates to one Class of Shares and is deposited at the registered office of the Company or at such other place as the Directors may reasonably require, with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, including, in the case of Founder Shares, the prior approval of the MFSA.

If the Directors decline to register a transfer of any Share they shall, within one month after the date on which the transfer was lodged with the Company, send to the transferee, notice of the refusal.

The registration of any transfers may be suspended at such times and for such periods as the Directors from time to time may determine, provided always that such registration of transfers shall not be suspended for more than thirty days in any one calendar year.

All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

In the case of the death of a Shareholder, the lawful heirs, survivors or survivor where the deceased was joint holder, and the executors or administrators of the deceased where he was a sole or surviving holder, shall be the only person recognised by the Company as having title to his interest in the Shares, but nothing in this Article shall release the estate of the deceased holder, whether sole or joint, from any liability in respect of any Share solely or jointly held by him.

Any guardian of an infant Shareholder and any guardian or other legal representative of a Shareholder under legal disability and any person entitled to a Share in consequence of the

death, insolvency or bankruptcy of a Shareholder shall, upon producing such evidence of his title as the Directors may require, have the right either to be registered himself as the holder of the Share or to make such transfer thereof as the deceased or bankrupt Shareholder could have made, but the Directors shall, in either case, have the same right to refuse or suspend registration as they would have had in the case of a transfer of the Share by the infant or by the deceased, insolvent or bankrupt Shareholders before the death, insolvency or bankruptcy of the Shareholders under legal disability before such disability.

A person so becoming entitled to a Share in consequence of the death, insolvency or bankruptcy of a Shareholder shall have the right to receive and may give a discharge for all monies payable or other advantages due on or in respect of the Share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company, nor save as aforesaid, to any of the rights and privileges of a Shareholder unless and until he shall be registered as a Shareholder in respect of the Share; provided that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share and if the notice is not complied with within ninety days the Directors may thereafter withhold all moneys payable or other advantages due in respect of the Share until the requirements of the notice have been complied with.

In the event that any Investor Shares are listed on a stock exchange, transfers and transmissions of Investor Shares shall comply with any mandatory rules of such exchange or exchanges.

#### **(o) Fair Treatment of Investors**

In order to ensure fair treatment of investors the Company may only allow investors the right to obtain preferential treatment subject to the provisions of the relevant Offering Supplement.



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## General Information

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### **(A) Share Capital**

The authorised share capital of the Company is five billion one thousand euros (5,000,001,000) shares with no nominal value, which may be issued as shares of any class representing any Fund. The paid up share capital of the Company shall at all times be equal to the Net Asset Value of the Company as determined in accordance with the Articles.

All Shares are in registered form and Share certificates will not be issued unless a Shareholder so requests. Further details may be found above under the heading 'Contract Notes, Registrations and Share Certificates' in this Offering Memorandum. Fractional Shares may be issued with respect to a Fund up to 3 decimal places.

The Directors shall exercise all the powers of the Company to allot or issue shares in the Company. The maximum number of Shares which may be allotted or issued by the Directors shall not exceed the amount of five billion (5,000,000,000) Shares, provided, however, that any Shares which have been repurchased shall be deemed never to have been issued for the purpose of calculating the maximum number of Shares which may be issued. The Directors have delegated to the Administrator the duties of processing the subscription for, receiving payment for and allotting or issuing new Shares.

No person shall be recognised by the Company as holding any Shares on trust and the Company shall not be bound by or recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Shares or (except only as otherwise provided herein or as by law may be required) any other right in respect of any Share, except an absolute right of title thereto in the registered holder. Nothing in the foregoing shall be construed as prohibiting the Company from recognising and/or acknowledging a pledge on its Shares.

The Company shall not be bound to register more than four (4) persons as joint holders of any Share or Shares. In the case of a Share held jointly by several persons, the Company shall not be bound to issue more than one written confirmation of ownership or Share certificate (if requested) for a Share and the delivery thereof to the first named of several joint holders shall be sufficient delivery to all.

### **(B) Characteristics of the Shares**

#### **(i) Classes**

With the prior approval of the MFSA, the Directors may from time to time establish a Fund by the issue of separate classes of Shares of the Company on such terms as the Directors may resolve.

The Company has issued 1000 Founder Shares as a separate class of shares. The Founder Shares however do not constitute a Fund of the Company. The Founder Shares are subscribed for by Praude Asset Management Limited (500 Founder Shares) and Veniero Investments Ltd (500 Founder Shares). Only Founder Shares have voting rights.

## **(ii) Voting Rights and Class Meetings**

Rules for the calling and conduct of meetings of Shareholders are contained in the Articles. All shares in the Company shall entitle their holder to receive notice of and to attend at general meetings of the Company. However, save for what is stated hereunder or unless otherwise provided in the terms of issue with respect to a particular class or classes of shares, only Founder Shares shall carry voting rights, accordingly only holders of Founder Shares shall be entitled to vote at general meetings. At a meeting of Shareholders, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded by the chairman or by any Shareholders present representing at least one tenth in number or value of the shares in issue having the right to vote at the meeting whether on a show of hands or on a poll. On a show of hands every Shareholder, whether present in person or by proxy, shall be entitled to one vote. A holder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

The rights attached to any class or classes of Shares constituting a Fund may only be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Shares of that class. The quorum at any class meeting or general meeting for the variation of class rights shall be Shareholders present in person or by proxy together holding at least one-third of the Shares of the relevant class.

## **(iii) Winding Up**

Subject to the provisions in the Articles on segregation of liability (reproduced hereunder) and the provisions of the Companies Act, if the Company shall be wound up the liquidator shall apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund.

A Fund may be wound up separately and independently from any other Fund or the Company, and any such winding-up may be carried out in terms of the relevant provisions of the Companies Act and pursuant to the provisions of the Companies Act (Investment Companies with Variable Share Capital) Regulations (S.L. 306.02 of the laws of Malta).

The liquidator shall, unless the holders of three-fourths of the Shares or Class of Shares affected request in writing to the contrary, divide the whole or any part of the remaining assets of a Fund in specie among the Shareholders of a Fund pro-rata to the number of Shares in that Class of Shares held by them.

## **(iv) Segregation of Liability**

Pursuant to section 9 of Legal Notice 241 of 2006, the assets and liabilities of each individual Fund comprised in the Company shall constitute a patrimony separate from that of each other Fund of the Company so that the assets of one Fund shall be available exclusively for the creditors and holders of Shares in that Fund.

The assets allocated to a Fund shall be applied solely in respect of the Shares of such Fund and no holder of Shares relating to such Fund shall have any claim or right to any asset allocated to any other Fund.

Any asset or sum recovered by the Company by any means whatsoever or wheresoever shall, after the deduction or payment of any costs of recovery, be applied to the Fund affected. In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect hereof cannot otherwise

be restored to that Fund, the Directors with the consent of the Prime Broker (if any), shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

The Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the Maltese courts as it would have been if the Fund were a separate legal person.

In any proceedings brought by any Holder of a particular Fund, any liability of the Company to such Holder in respect of such proceeding shall only be settled out of the assets of the Fund corresponding to such Shares without recourse in respect of such liability or any allocation of such liability to any other Fund of the Company.

Nothing in the above shall prevent the application of any enactment or rule of law which would require the application of the assets of any Fund in discharge of some or all of the liabilities of any other Fund on the grounds of fraud or misrepresentation.

#### **(iv) Mandatory Redemption**

The Company must redeem all outstanding Investor Shares where the Net Asset Value of the Shares in the Company or in a Fund falls in the circumstances established in the part entitled "Mandatory Redemptions" of the section entitled "Buying and Selling" of this Offering Memorandum or in the relevant Offering Supplement. The Company will not redeem an investment that falls below the Minimum Holding where this is the result of a fall in the net asset value of the investment.

#### **(C) Annual Reports**

The audited financial statements of the Company, which will be prepared in the Base Currency of the Company up to 31<sup>st</sup> August in each year, the first being for the period up to 31<sup>st</sup> August 2015 shall be prepared within six (6) months of the end of the financial year to which they relate and will be sent to the Shareholders at their registered address not less than 14 clear days before the date fixed for the general meeting of the Company at which they will be presented.

2. The annual report shall at least contain the following:

- (a) a balance-sheet or a statement of assets and liabilities;
- (b) an income and expenditure account for the financial year;
- (c) a report on the activities of the financial year;
- (d) any material changes in the offering documents of the Company during the financial year covered by the report;
- (e) the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the Investment Manager to its staff, and number of beneficiaries;
- (f) the aggregate amount of remuneration broken down by senior management and members of staff of the Investment Manager whose actions have a material impact on the risk profile of the Company.

Each investor shall be expected to make a declaration attached to the subscription form confirming eligibility as an Eligible Investor to invest in the Company. All non-Maltese resident investors wishing to purchase Investor Shares should be aware of any requirement to comply with exchange control regulations from time to time in force in their country of residence or domicile regulating investments in instruments denominated in a foreign currency.

It is each investor's obligation, and not the Company's or the Administrator's, to ensure that the applicable exchange control requirements are duly complied with.

**(D) Net Asset Value and Historical Performance**

The current Net Asset Value and the historical performance of each Fund shall be made available to potential investors by means of a fact sheet together with a copy of this Offering Memorandum and the relevant Offering Supplement. The Company will communicate the Fund's Net Asset Value to its Shareholders at least yearly.

**(E) Notices**

Any notice or other document to be served on any Shareholder, if served by post, shall be deemed to have been served 15 days after the time when the letter containing the same is posted and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped and posted. Any notice or other document to be served on any Shareholder, may be sent by electronic mail and shall be deemed to have been served on the next day after it has been sent by the Company or the Investment Manager.

**(F) General**

The Company has not since its incorporation been engaged in, or is currently engaged in, any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.

The Company does not have, nor has it had since incorporation, any employees.

Save as disclosed above, no commissions, discounts, brokerages or other special terms have been granted or are payable by the Company in connection with the issue or sale of any capital of the Company.

The Directors are not required to hold any qualification shares. There is no age limit at which the Directors are required to retire.

**(G) Foreign Account Tax Compliance Act ('FATCA')**

On the 16th December 2013, the governments of Malta and the United States signed an agreement to "Improve International Tax Compliance and to Implement FATCA" (the 'Inter-Governmental Agreement' or 'IGA'). The IGA will significantly increase the amount of personal and tax related information automatically exchanged between Malta and the United States. It provides for the automatic reporting and exchange of information in relation to accounts held with Maltese financial institutions ('FIs') by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Maltese residents.

The Inter-Governmental Agreement and other implementing legislation obliges Maltese Financial institutions ("FIs") to report to the local tax authorities certain information in respect of U.S. account holders and, in exchange, U.S. FIs will be required to report to the U.S. tax authorities certain information in respect of any Malta-resident account holders. These tax authorities will then automatically exchange this information on an annual basis.

FIs that comply with the requirements of the IGA will be treated as satisfying the due diligence and reporting requirements of FATCA and accordingly will be treated as participating foreign financial institutions ('Participating FFIs') for the purposes of FATCA. As such, those FIs will be "deemed compliant" with the requirements of FATCA, will not be subject to withholding tax, and will not be required to close recalcitrant accounts.

Under the IGA the Company will be a Reporting FI and, as such (i) is not<sup>1</sup> required to enter an 'FFI agreement' with the US Internal Revenue Service ('IRS'), (ii) is required to register with the IRS to obtain a Global Intermediary Identification Number, (iii) is required to conduct due diligence on investors in its Fund/s to identify whether accounts are held directly or indirectly<sup>2</sup> by "U.S. Persons"<sup>3</sup> ('U.S. Reportable Accounts'), and (iv) is required to report information on such U.S. Persons to the tax authorities in the Company's jurisdiction. The tax authority will then exchange the information reported to it with the IRS annually. Under the terms of the IGA and the relevant regulations, FATCA withholding tax will not be imposed on payments made to the Company, or on payments made by the Company to an account holder, except to the extent the Company, its investors or any other account holder fails to comply with its obligations under FATCA or the IGA, or otherwise fails to comply with any other obligations it may have to the Company with respect to the Company's obligations under FATCA or the IGA, as applicable. If subject to, or required to, withhold, such FATCA withholding tax will generally be at the rate of 30% of the relevant payment. It must be noted that FATCA registration and compliance does not modify the US tax treatment of US source revenue of the Company under the double tax treaty between the United States and Malta.

It is possible that further inter-governmental agreements, similar to those described above, may be entered into with other third countries to introduce similar regimes for reporting to such third countries fiscal authorities.

### ***(H) Automatic Exchange of Information for Tax Purposes***

Pursuant to the EU Council Directive 2003/48/EC on the taxation of savings income (the "Savings Directive") Member states were required to provide to the tax authorities of another Member State details of payments of interest (or similar income which may include distributions by a company) paid by a person within its jurisdiction to an individual resident in that other Member State. On 10<sup>th</sup> November 2015, the Savings Directive was repealed by the Council of European Union with effect from 1<sup>st</sup> January 2016 and was effectively replaced by EU Council Directive 2014/107/EU. This follows amendments to the Council Directive

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<sup>1</sup> Unless the Company has registered a branch located outside of a Model 1 IGA jurisdiction so that such branch may be treated as a participating FFI or reporting Model 2 FFI.

<sup>2</sup> The obligation to report US Persons under FATCA extends to the beneficial owners and controlling persons of certain legal entities.

<sup>3</sup> This means a US citizen, a permanent US resident or a person that meets the substantial presence test as defined by the US Internal Revenue Service.

2014/107/EU of 9<sup>th</sup> December 2014 ("DAC 2") amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. DAC2 extended the cooperation between EU tax authorities to automatic exchange of financial account information. This extension effectively incorporated the Common Reporting Standard (commonly known as "CRS"), developed by the OECD, within EU Council Directive 2011/16/EU as regards administrative cooperation in the field of taxation. The CRS is a new global standard for the automatic exchange of information between tax authorities in participating jurisdictions and consequently contains the reporting and due diligence standard that underpins the automatic exchange of financial account information.

Under CRS, governments of participating jurisdictions (currently more than 90 jurisdictions) are required to collect detailed information to be shared with other jurisdictions annually. All EU member states, except Austria introduced CRS from 1<sup>st</sup> January 2016.

The DAC2 and CRS have been implemented into Maltese legislation by virtue of Legal Notice 384 of 2015 entitled the Cooperation with Other Jurisdiction on Tax Matters (Amendment) Regulations, 2015, which regulations amend the Cooperation with Other Jurisdiction on Tax Matters Regulations with effect from 1<sup>st</sup> January 2016. In line with regulation 45 of the aforementioned regulations, the DAC2 and CRS will be implemented uniformly into Maltese legislation. Further information has been provided in the guidelines in relation to the implementation of DAC2 and CRS issued under the provisions of article 96(2) of the Maltese Income Tax Act Future changes in applicable law.

The CRS require Reporting Financial Institutions, which include Maltese investment funds, to identify and report on relevant accounts held by persons tax resident in a participating country or by non-financial entities that have controlling persons tax resident in a participating country.

Pursuant to these Regulations, the Company will be required to obtain and report to the Maltese Commissioner for Revenue ('CfR') annually certain financial account and other information for all new and existing Shareholders in respect of their Shares, and may in some cases, require information in relation to the tax residence of the beneficial owners of the Shareholders. The information will include amongst other things details of the name, address, taxpayer identification number (TIN), account number, account balance/value, place of residence and in the case of Shareholders who are individuals, the date and place of birth together with details relating to payments made to Shareholders and their holdings. This information may be shared with the tax authorities in other EU Member States (and in certain countries subject to the terms of the information exchange agreements entered into with those countries) and jurisdictions which implement the OECD Common Reporting Standard. All Shareholders will be required to provide this information and documentation, if applicable, to the Company and each Shareholder will agree or will be deemed to agree by its subscription for Shares or by its holding of Shares to provide requisite information and documentation, if applicable, to the Company upon request by it or its service providers so that the Company can comply with its obligations under CRS.

The foregoing description of tax consequences of an investment in and the operations of, the Company is based on laws and regulations which are subject to change through legislative,

judicial or administrative action. Other legislation could be enacted that would subject the Company to income taxes or subject investors to increased income taxes.

***(I) Declarations, Representations and Warranties relating to FATCA and CRS***

As an investor in the Fund, you shall be deemed to acknowledge and agree:

- (i) that the Company, the Investment Manager and/or the Administrator may be required to obtain from the investor, certain confidential information in relation to the investor, its beneficial owners<sup>4</sup> and controlling persons<sup>5</sup>, including but not limited to the investor's name, address, tax identification number (if any), social security number (if any), documentation, about investor and the investor's direct and indirect owners and/or controlling persons, whether the investor or any such beneficial owner or controlling person is a U.S. person or entity, and other tax-related information and documentation (collectively, the "FATCA and CRS Information");
- (ii) to promptly deliver all FATCA and CRS Information and any additional information thereto upon request by the Company, the Investment Manager and/or the Administrator, and to certify such information in such form as may be required;
- (iii) that the Company, the Investment Manager and/or the Administrator may be required to disclose FATCA and CRS Information to any governmental tax authorities, including but not limited to the IRS;
- (iv) that the tax authorities may be required to automatically exchange information as outlined above with the IRS and any other foreign fiscal authorities;
- (v) to notify the Company, the Investment Manager and/or the Administrator of any change in any of the FATCA and CRS Information previously provided to the Company, the Investment Manager and/or the Administrator. In the event of any change in the applicable status of the investor for purposes of FATCA and CRS the investor hereby agrees to promptly inform the Company, the Investment Manager and/or the Administrator thereof and execute and deliver any applicable new FATCA and CRS related forms or other tax-related documentation and information as necessary for the Company to comply with its obligations under FATCA and CRS;
- (vi) that the Company reserves the right to compulsorily redeem all of the shares in the event that the investor does not promptly provide the FATCA and CRS Information, and if the Company becomes subject to a withholding tax, the Company reserves the right to cause the relative investor to bear the economic burden of such withholding tax, whether by redeeming some or all of the investor's shares or otherwise;

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<sup>4</sup> This means the natural persons with more than 10% interest by vote or value in the entity

<sup>5</sup> This means the natural persons who exercise control over the entity (directors, trustees and powers of attorney).

- (vii) that no investor, its beneficial owners and / or controlling persons affected by any such action or remedy shall have any claim against the Company, the Investment Manager and/or the Administrator for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with its obligations under FATCA and CRS.

All prospective investors and Shareholders should consult with their own tax advisors regarding the possible implications of FATCA (which forms part of the US Hiring Incentives to Restore Employment (HIRE) Act) and CRS on their investment in the Company and its Fund/s.

### ***(J) Financial Transaction Taxes***

A number of jurisdictions have implemented, or are considering implementing, certain taxes on the sale, purchase or transfer of financial instruments (including derivatives), such taxes commonly known as the "Financial Transaction Tax" ("FTT"). By way of example, the EU Commission adopted a proposal on 14 February, 2013 for a common Financial Transaction Tax (the "Draft Directive") which will, subject to certain exemptions, affect, inter alia:

- a. financial transactions to which a financial institution established in one of the participating member states is a party; and
- b. financial transactions in financial instruments issued in a participating member state regardless of where they are traded.

In addition, certain countries have implemented their own financial transaction tax provisions at a domestic level already and others, including both EU and non-EU countries, may do so in the future.

The imposition of any such taxes may impact the Fund/s and their respective performance in a number of ways including as follows:

- a. where a Fund enters directly into transactions for the sale, purchase or transfer of financial instruments, FTT may be payable by this Fund and the net asset value of this Fund may be adversely impacted;
- b. where underlying funds invested in by the Fund/s (if any) enter into transactions for the sale, purchase or transfer of financial instruments, FTT may be payable by the underlying funds and the net asset value of such underlying funds may be adversely impacted, which may in turn adversely affect the net asset value of the relevant Fund/s; and
- c. subscriptions, transfers and redemptions of the Fund/s shares may be affected by FTT.

The Draft Directive is still subject to negotiations among the participating Member States and therefore might be changed at any time. Moreover, the provisions of the Draft Directive once adopted (the "New Directive") need to be implemented into the respective domestic laws of the participating Member States and the domestic provisions implementing the New Directive might deviate from the provisions contained in the New Directive. Prospective investors should consult their own tax advisers in relation to the consequences of any FTT associated with subscribing, purchasing, holding and disposing of shares in Funds.



**THE FOREGOING SUMMARY DOES NOT ADDRESS TAX CONSIDERATIONS WHICH MAY BE APPLICABLE TO CERTAIN SHAREHOLDERS UNDER THE LAWS OF JURISDICTIONS OTHER THAN MALTA. IT IS THE RESPONSIBILITY OF ALL PERSONS INTERESTED IN PURCHASING THE SHARES TO INFORM THEMSELVES AS TO ANY INCOME OR OTHER TAX CONSEQUENCES ARISING IN THE JURISDICTIONS IN WHICH THEY ARE RESIDENT OR DOMICILED FOR TAX PURPOSES, AS WELL AS ANY FOREIGN EXCHANGE OR OTHER FISCAL OR LEGAL RESTRICTIONS, WHICH ARE RELEVANT TO THEIR PARTICULAR CIRCUMSTANCES IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF THE SHARES.**

***(K) Documents for inspection***

The following documents shall be available for inspection at the registered office of the Company, during normal business hours:

- (a) The Articles;
- (b) The Offering Memorandum;
- (c) The Offering Supplement/s to the Offering Memorandum;
- (d) The most recent audited financial statements of the Company;
- (e) The agreements between the Company and its Service Providers;
- (f) The documents related to any loan financing agreements between the Company and the Fund/s with respect to Special Purpose Vehicles (if any).

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## **Appendix I – Net Asset Value**

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### ***Determination of Net Asset Value***

The Company shall on each Valuation Day determine the Net Asset Value, and the Net Asset Value per Share of each Fund. Each Fund's Net Asset Value shall be the value of that Fund's assets less its liabilities. The Net Asset Value per Share of each Fund shall be its Net Asset Value divided by the number of Shares in issue in such Class. The Net Asset Value shall be expressed in the Base Currency (or in such other currency as the Directors may determine) rounding down to 3 decimal places and shall be determined for each Dealing Day in accordance with Articles.

There shall be established a pool of assets for each Fund in the following manner:

- (i) the proceeds from the issue of shares representing a Fund shall be applied in the books of the Company to that Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of this Article;
- (ii) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;
- (iii) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund;
- (iv) where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Prime Broker, if any, shall be allocated to all the Funds pro-rata to the Net Asset Value of each Fund; Provided that all liabilities of the Company irrespective of the Fund to which they are attributable, shall (in the event of a winding up of the Company), unless otherwise agreed upon with the creditors, be borne by the Company as a whole and provided further that when issuing a Class of Shares in regard to any Fund/s, the Directors may allocate commission, duties and charges and ongoing expenses on a basis which is different from that which applies in the case of Shares in other Classes in the Fund.

Provided that all liabilities irrespective of the Fund to which they are attributable, shall (in the event of a winding up of the Company), unless otherwise agreed upon with the creditors, be borne by the Company as a whole and provided further that when issuing a Class of Shares in regard to any Fund/s, the Administrator may allocate commission, duties and charges and ongoing expenses on a basis which is different from that which applies in the case of Shares in other Funds.

### ***Suspension of Determination of the Net Asset Value***

The Directors may, at any time, but shall not be obliged to, temporarily suspend the determination of the Net Asset Value and the sale and redemption of Investor Shares, in the following instances: -

- (i) during any period (other than holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the investments, or in which trading thereon is restricted or suspended; or
- (ii) during any period when an emergency exists as a result of which disposal by the Company or any Fund of investments which constitute a substantial portion of the Company's or any Fund's assets is not practically feasible; or
- (iii) during any period when for any reason the prices of investments cannot be promptly or accurately ascertained by the Company; or

- (iv) during any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for investments cannot, in the opinion of the Company, be carried out at normal rates of exchange; or
- (v) during any period when the proceeds of sale or redemption of Investor Shares cannot be transmitted to or from the Company's account.

The Company may elect to treat the first Dealing Day on which the conditions giving rise to the suspension have ceased as a substitute Dealing Day in which case the Net Asset Value calculations shall be effected on the substitute Dealing Day.

Fees due to service providers of the Company shall continue to accrue during any period in which the determination of Net Asset Value is suspended.

Notice of any such suspension will be given to all Shareholders in the relevant Fund, including any Shareholder tendering his Investor Shares for redemption. Shareholders will be promptly notified upon the termination of such suspension. Notice of any suspension or postponement of the calculation of the Net Asset Value of a Fund will be published in either a daily newspaper and such other newspapers as the Directors may from time to time determine or on the Administrator's website and will also be notified to the MFSA without delay.

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## Appendix II – Valuation of Assets

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The Net Asset Value of the Shares in all Sub-Funds is calculated in the currency of the respective Sub-Fund. The Sub-Fund's Share value is calculated by dividing the respective net Sub-Fund assets (Sub-Fund assets less existing liabilities) by the number of the Shares in the Sub-Fund in circulation on the Valuation Day. When calculating the share value, share fractions are rounded off to three decimal places. In this process, the assets included in the Sub-Fund are valued according to the valuation rules laid out below.

The value of the assets of the Fund shall be determined by the Investment Manager as follows:

- A. Transferable securities and money market instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided below, at the last available market price or quotation prior to the time of valuation on the market deemed (by the Valuation Function) to be the primary exchange or market on which such securities trade, provided that fixed income securities which are quoted, listed or traded on an exchange or regulated market shall be valued on the basis of independent pricing sources deemed appropriate and reputable by the Investment Manager, including sources adopting composite valuation approaches and methodologies ("**Composite Valuation Sources**"). Any said sources will be set out in the Investment Manager's then current valuation policy.
- B. The value of any transferable security and/or money market instrument which is not quoted, listed or dealt in on a regulated market or which is so quoted, listed or dealt in but for which no such quotation or value is available or the available quotation or value is not, in the judgment of the Investment Manager, representative of the proper value of the instrument shall be valued as set out hereunder:
  - i. the initial value of such an investment shall be the amount expended by the Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other expenses incurred in the acquisition thereof and the vesting thereof in the respective Fund); and
  - ii. thereafter, the value of such investment shall be the fair value as determined by an expert valuer appointed for this purpose, which appointment must be consented to by the Directors and notified to the Auditors and must fulfil the requirements of the AIFMD. An expert valuer appointed for this purpose shall (i) be an independent person from the Company, its officials or any other service providers of the Company; (ii) be of good standing, with recognized and relevant qualifications, and an authorised member of a recognised professional body (hereinafter the "**Expert Valuer**").

PROVIDED THAT, notwithstanding what is stated above, in the case of fixed income instruments listed, at times quoted, or dealt in on an exchange/s or regulated market/s but for which no quotation or value is available on such exchange or market, the Investment Manager may elect to value said

fixed income instrument/s on the basis of Composite Valuation Sources.

- C. The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends and interest/profit accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after a decision by the Investment Manager making such discount as may be considered appropriate in such case to reflect the true value thereof.

- D. Derivative contracts traded on a regulated market shall be valued at the settlement price on the relevant market and in line with paragraph A) above. If the settlement price is not available, the value shall be the probable realisation value estimated by an Expert Valuer appointed for this purpose, which appointment must be consented to by the Directors and notified to the Auditors. Derivative contracts which are traded 'over-the-counter' will be valued at each Valuation Date either (i) on the basis of a quotation provided by the relevant counterparty; or (ii) by an Expert Valuer appointed for this purpose, which appointment must be consented to by the Directors and notified to the Auditors (the "**Alternative Valuation**").
- E. Forward foreign exchange contracts shall be valued in the same manner as derivatives contracts as mentioned in paragraph D) above.
- F. Units in collective investment schemes shall be valued at the latest available net asset value per unit as published by the relevant collective investment scheme or, if listed or traded on a regulated market, in accordance with paragraph A) above.
- G. Any value (whether of a security, derivative or cash) denominated other than in Euros will be converted into Euros as of the close of business on the relevant Valuation Day and WM Reuters or Bloomberg Terminal 'closing' quotes as of 1600GMT London will be used.
- H. The Investment Manager, in consultation with the Directors, may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.
- I. Notwithstanding any of the foregoing sub-paragraphs, the Directors may, upon the recommendation of the Investment Manager, adjust the value of any investment or other property or permit some other method of valuation to be used if they consider that in the circumstances (including without limitation: (a) a material volume of subscription or redemptions of Shares in one or more of the Funds; or (b) the marketability of the investments or other property; or (c) such other circumstances as deemed appropriate) such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investment or other property.

In calculating the Net Asset Value of each Sub-Fund, the following principles will apply:

- A. Every Share agreed to be issued by the Directors with respect to each Subscription Day shall be deemed to be in issue as of that Subscription Day and the assets of the Sub-Fund shall be deemed to include not only cash and property in the hands of the Depositary but also the amount of any cash or other property to be received in respect of Shares agreed to be issued after deducting therefrom (in the case of Shares agreed to be issued for cash) or providing for preliminary charges.
- B. Where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed unless the Directors have reason to believe such purchase or sale will not be completed.

Taxation recoverable shall only be recognized when the refund is received or when it is virtually certain that the refund shall be received.

- C. There shall be added to the assets of the relevant Fund a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses.
- D. There shall be deducted from the assets of the Fund:
- i. the total amount of any actual or estimated liabilities properly payable out of the assets of the Fund including any and all outstanding borrowings of the Fund, interest, fees and expenses payable on such borrowings and any estimated liability for tax and such amount in respect of contingent or projected expenses as the Investment Manager, in consultation with the Directors, consider fair and reasonable as of the relevant Valuation Day;
  - ii. such sum in respect of tax (if any) on income or capital gains realised on the investments of the Fund as in the estimate of the Investment Manager, in consultation with the Directors, will become payable;
  - iii. the amount (if any) of any distribution declared but not distributed in respect thereof;
  - iv. the remuneration of the Administrator, the Depositary, the Investment Manager, any Distributor and any other providers of services to the Fund accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
  - v. the total amount (whether actual or estimated) of any other liabilities properly payable out of the assets of the Fund (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Day;
  - vi. an amount as of the relevant Valuation Day representing the projected liability of the Fund in respect of costs and expenses to be incurred by the Fund in the event of a subsequent liquidation;
  - vii. an amount as of the relevant Valuation Day representing the projected liability of the relevant calls on Shares in respect of any warrants issued and/or options written by the Fund or Class of Shares; and
  - viii. any other liability which may properly be deducted.

The Investment Manager, with the consent of the Directors, may at its discretion permit any other method of valuation to be used if they consider that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good practice.

In the absence of fraud, bad faith, gross negligence or manifest error, every decision taken by the Investment Manager, the Directors, the Administrator, or any duly authorised person on behalf of the Fund in calculating the Net Asset Value of a Class of Shares or the Net Asset Value per Share shall be final and binding on the Fund and on present, past or future Shareholders, subject to the Articles.

Pursuant to the Administration Agreement the Company has delegated the calculation of the Net Asset Value to the Administrator.