FUND MANAGEMENT

MILEVACO FUND AIF V.C.I.C. PLC

Registered and incorporated under the Laws of Cyprus with Registration Number HE377207

OFFERING MEMORANDUM

Approval Date 08/05/2017

by

the Competent Authority, the Cyprus Securities and Exchange Commission

THIS ALTERNATIVE INVESTMENT FUND IS ESTABLISHED IN THE REPUBLIC OF CYPRUS, PURSUANT TO THE DECISION TAKEN BY THE CYPRUS SECURITIES AND EXCHANGE COMMISSION ON 08/05/2017 AND IS SUPERVISED BY THE CYPRUS SECURITIES AND EXCHANGE COMMISSION. IT IS ADDRESSED TO RETAIL, PROFESSIONAL AND WELL-INFORMED INVESTORS.

ALTERNATIVE INVESTMENT FUNDS DO NOT HAVE A GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RETURNS.

THE VALUE OF INVESTMENTS IN THIS ALTERNATIVE INVESTMENT FUND'S UNITS IS SUBJECT TO INCREASES OR DECREASES, AND THE INITIAL INVESTMENT AMOUNT IS NOT GUARANTEED. THERE IS A POTENTIAL RISK OF THE LOSS OF THE ENTIRE AMOUNT OF THE VALUE OF AN INVESTOR'S INVESTMENT IN THE ALTERNATIVE INVESTMENT FUND.

THE CYPRUS SECURITIES AND EXCHANGE COMMISSION HAS EXAMINED THE CONTENT OF THIS INFORMATION MEMORANDUM ONLY AS REGARDS TO MEETING THE INFORMATION REQUIREMENTS TOWARDS INVESTORS AS DEFINED IN THE ALTERNATIVE INVESTMENT FUNDS LAW 124(I)/2018AND THE RELEVANT DIRECTIVES PURSUANT TO IT. THE APPROVAL OF THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE A GUARANTEE FOR THE PERFORMANCE OF THE ALTERNATIVE INVESTMENT FUND.

EUROBANK CYPRUS LTD HAS BEEN APPOINTED AS DEPOSITARY OF THE ALTERNATIVE INVESTMENT FUND IN ACCORDANCE WITH SECTION 26 (1) OF THE ALTERNATIVE INVESTMENT FUNDS LAW 124(I)/2018.

PREPARED BY

LLPO LAW FIRM

MONTH AND YEAR IN WHICH INFORMATION MEMORANDUM WAS FIRST ISSUED: MAY 2017

FIRST AMENDED: JULY 2020

SECOND AMENDMENT: JANUARY 2021

THIRD AMENDMENT: OCTOBER 2023

FOURTH AMENDMENT: MAY 2024

DISCLAIMER

MILEVACO FUND AIF V.C.I.C. PLC (THE “FUND”) WAS INCORPORATED UNDER THE COMPANIES LAW, CAP. 113, AS AMENDED, ON 6 DECEMBER 2017, WITH REGISTRATION NUMBER HE 377207 AND WAS INITIALLY AUTHORIZED BY THE CYPRUS SECURITIES AND EXCHANGE COMMISSION (THE “CYSEC”) TO OPERATE AS AN INTERNALLY MANAGED ALTERNATIVE INVESTMENT FUND WITH LIMITED NUMBER OF PERSONS IN THE FORM OF A LIMITED COMPANY BY SHARES AS AN OPEN-ENDED INVESTMENT COMPANY OF VARIABLE CAPITAL AS PROVIDED FOR IN PART VI OF THE ALTERNATIVE INVESTMENT FUNDS LAW N.131(I) OF 2014, AS THIS WAS REPEALED AND REPLACED BY THE ALTERNATIVE INVESTMENT FUNDS LAW 124(I)/2018 AND IN ANY OTHER LAW WHICH REPLACES OR AMENDS IT (THE “AIF LAW’’). THE FUND HAS SUBSEQUENTLY BEEN CONVERTED TO AN EXTERNALLY MANAGED ALTERNATIVE INVESTMENT FUND.

THE FUND IS AUTHORISED BY CYSEC AS AN UMBRELLA SCHEME AND THEREFORE IT IS AUTHORISED TO OPERATE WITH SEPARATE INVESTMENT COMPARTMENTS.

THE FUND AND ITS INVESTMENT COMPARTMENTS IS RESERVED FOR RETAIL, PROFESSIONAL AND WELL-INFORMED INVESTORS AS DEFINED BY THE AIF LAW WHO, ON THE BASIS OF THIS OFFERING MEMORANDUM, HAVE MADE THEIR OWN ASSESSMENT OF THE CONDITIONS OF THEIR PARTICIPATION IN THE FUND AND ITS INVESTMENT COMPARTMENTS, IT IS THE RESPONSIBILITY OF INVESTORS, TO DETERMINE WHETHER THE FUND AND ITS INVESTMENT COMPARTMENTS DESCRIBED IN THIS OFFERING MEMORANDUM IS SUITABLE TO THEIR EXPECTATIONS OF PERFORMANCE AND RISK.

WHERE AN INVESTMENT COMPARTMENT IS RESERVED ONLY FOR PROFESSIONAL AND WELL-INFORMED INVESTORS, NO PERSON SHALL BE ACCEPTED AS AN INVESTOR UNLESS THAT PERSON HAS PROVIDED A WRITTEN CONFIRMATION THAT HE IS A PROFESSIONAL OR WELL-INFORMED INVESTOR WITHIN THE MEANING OF THE AIF LAW, THAT HE ACCEPTS THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND AND THAT HE HAS RECEIVED, UNDERSTOOD AND ACCEPTED THIS INVESTMENT WARNING.

THE FUND HAS THE LEGAL FORM OF A VARIABLE CAPITAL INVESTMENT COMPANY (“VCIC”) AND IT IS AN ALTERNATIVE INVESTMENT FUND WITH SEPARATE INVESTMENT COMPARTMENTS. THE FUND OR ANY OF ITS INVESTMENT COMPARTMENTS SHALL NOT HAVE THE POWER TO ISSUE BEARER SHARES.

THE FUND IS EXTERNALLY MANAGED BY GMM GLOBAL MONEY MANAGERS AIFM LTD (THE “MANAGER”). THE MANAGER IS RESPONSIBLE FOR MANAGING THE FUND’S PORTFOLIO AND CARRYING OUT ALL RELATED TRANSACTIONS FOR THE BENEFIT OF INVESTORS. THE MANAGER IS AUTHORISED BY THE CYSEC AS AN ALTERNATIVE INVESTMENT FUND MANAGER (THE “AIFM”) UNDER THE PROVISIONS OF THE ALTERNATIVE INVESTMENT FUND MANAGERS LAW 56(I)/2013 AND IN ANY OTHER LAW WHICH REPLACES OR AMENDS IT (THE “AIFM LAW”), AND IT IS REGULATED TO THIS END BY CYSEC UNDER LICENSE NUMBER AIFM33/56/2013.

ONLY THOSE PARTICULAR REPRESENTATIONS AND WARRANTIES, IF ANY, WHICH ARE MADE IN THIS OFFERING MEMORANDUM, THE MEMORANDUM & ARTICLES OF ASSOCIATION AND ANY SUBSCRIPTION APPLICATION OF A PROSPECTIVE

INVESTOR, SUBJECT TO SUCH LIMITATIONS AND RESTRICTIONS AS MAY BE AGREED, SHALL HAVE ANY LEGAL EFFECT AND SUBSCRIPTIONS FOR UNITS IN ANY INVESTMENT COMPARTMENTARE ONLY EFFECTED ON THE BASIS OF THIS OFFERING MEMORANDUM AND ITS SUPPLEMENTS AS APPROVED BY THE CYPRUS SECURITIES AND EXCHANGE COMMISSION. THIS OFFERING MEMORANDUM AND SUCH SUBSCRIPTION APPLICATION WILL SUPERSEDE AND EXTINGUISH ALL REPRESENTATIONS AND WARRANTIES MADE AT ANY TIME PRIOR TO THE DATE OF SUCH APPLICATION.

THE MEMORANDUM OF ASSOCIATION AND THE ARTICLES OF ASSOCIATION (TOGETHER THE “MEMORANDUM AND ARTICLES”), THE LATEST ANNUAL REPORT, THE LATEST HALF-YEARLY REPORT, THE LATEST KEY INVESTOR INFORMATION DOCUMENT AND INFORMATION ON THE LATEST NAV PER SHARE AND HISTORIC PERFORMANCE OF A COMPARTMENT MAY BE OBTAINED BY PROSPECTIVE OR EXITING INVESTORS EITHER THROUGH A DURABLE MEDIUM OR FROM THE REGISTERED OFFICE OF THE MANAGER, AT 43 AYION OMOLOGITON AVENUE 1080 NICOSIA UPON REQUEST FROM THE DIRECTORS OF THE MANAGER, OR FROM THE WEBSITE OF THE MANAGER OR FROM CYPRUS, ANY OTHER PERSONS AUTHORISED TO REPRESENT THE MANAGER AND/OR THE FUND AND SHALL BE DEEMED TO FORM PART OF THIS OFFERING MEMORANDUM.

THIS OFFERING MEMORANDUM DOES NOT PURPORT TO BE ALL INCLUSIVE OR TO CONTAIN ALL THE INFORMATION THAT A PROSPECTIVE INVESTOR MAY DESIRE IN EVALUATING THE FUND AND ITS INVESTMENT COMPARTMENTS. PROSPECTIVE INVESTORS SHOULD CONDUCT THEIR OWN INVESTIGATION AND ANALYSIS OF THE BUSINESS, DATA AND PROPERTY DESCRIBED HEREIN, AND SHOULD ALSO INFORM THEMSELVES ABOUT AND OBSERVE ANY LEGAL AND/OR REGULATORY REQUIREMENTS WHICH MAY BE APPLICABLE TO THEIR PROPOSED INVESTMENT IN, INVESTIGATION OR EVALUATION OF THE FUND AND ITS INVESTMENT COMPARTMENTS. ANY PERSON INTERESTED IN SUBSCRIBING UNITS IN ANY INVESTMENT COMPARTMENT OF THE FUND IS RECOMMENDED TO SEEK ITS OWN LEGAL, REGULATORY, TAX, ACCOUNTING AND FINANCIAL ADVICE.

THE CONTENTS OF THIS OFFERING MEMORANDUM SHOULD NOT BE CONSIDERED AS INVESTMENT, LEGAL OR TAX ADVICE. IN MAKING AN INVESTMENT DECISION THE ADDRESSEES MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND ITS INVESTMENT COMPARTMENTS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISK INVOLVED.

BEFORE MAKING A DECISION FOR INVESTING, INVESTORS ARE ENCOURAGED TO SEEK ADVICE FROM THEIR FINANCIAL ADVISER AND/OR ANY OTHER PROFESSIONAL ADVISER THEY MAY WISH.

NO PERSON, OTHER THAN THE MANAGER OF THE FUND, HAS BEEN AUTHORISED TO GIVE ANY INFORMATION OTHER THAN THAT CONTAINED IN THIS OFFERING MEMORANDUM, OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE UNITS DESCRIBED HEREIN, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE FUND.

THE MANAGER AND THE DIRECTORS HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM IS, TO ITS BEST OF THEIR KNOWLEDGE AND BELIEF, IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING MATERIAL TO SUCH.

INVESTORS ARE NOT PROTECTED BY ANY STATUTORY COMPENSATION ARRANGEMENTS IN THE EVENT OF THE FUND'S FAILURE. THE CYSEC SHALL NOT BE LIABLE BY VIRTUE OF ITS RECOGNITION OF THE ALTERNATIVE INVESTMENT FUND IF OR BY REASON OF ITS EXERCISE OF THE FUNCTIONS CONFERRED ON IT BY THE AIF LAW. RECOGNITION OF THE FUND DOES NOT CONSTITUTE A WARRANTY BY THE CYSEC AS TO THE CREDITWORTHINESS OF THE FINANCIAL PARTIES TO THE FUND.

NO ASSURANCES CAN BE GIVEN THAT EXISTING LAWS WILL NOT BE CHANGED OR INTERPRETED ADVERSELY. PROSPECTIVE INVESTORS MUST NOT CONSTRUE THIS OFFERING MEMORANDUM OR ANY SUPPLEMENT(S) AS LEGAL, TAX OR INVESTMENT ADVICE.

THE OFFERING MEMORANDUM

THE OFFERING MEMORANDUM PROVIDES INFORMATION ABOUT THE FUND AND CONTAINS INFORMATION WHICH PROSPECTIVE INVESTORS OUGHT TO KNOW AND SHOULD THEREFORE BE RETAINED FOR FUTURE REFERENCE BEFORE PROCEEDING WITH ANY INVESTMENT. DUE TO THE SIGNIFICANCE OF THE INFORMATION BEING PROVIDED IN THE PROSPECTUS AND OTHER RELATED DOCUMENTATION (SUCH AS THE MEMORANDUM AND ARTICLES, THE KEY INFORMATION DOCUMENT, THE ANNUAL AND SEMI-ANNUAL REPORTS, IF AVAILABLE ETC.) TO THE FUND, THE PROSPECTIVE INVESTORS, PRIOR TO THE COMMENCEMENT OF ANY INVESTMENT ACTIVITIES, ARE REQUIRED TO CONFIRM THAT THEY HAVE READ AND UNDERSTOOD THE OFFERING MEMORANDUM, OTHER RELATED DOCUMENTATION (SUCH AS THE MEMORANDUM AND ARTICLES, KEY INFORMATION DOCUMENT, THE ANNUAL AND SEMI-ANNUAL REPORTS, IF AVAILABLE ETC.) TO THE FUND AND THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE FUND.

THE MANAGER AND THE DIRECTORS OF THE FUND ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND THE PROVISIONS OF THE AIF LAW, THE RELEVANT CYSEC DIRECTIVES, THE COMPANIES LAW AND THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORTANCE OF SUCH INFORMATION. THE DIRECTORS ACCEPT RESPONSIBILITY ACCORDINGLY.

THE OFFERING MEMORANDUM IS NOT A PROSPECTUS IN ACCORDANCE WITH THE PROVISIONS OF THE LAW PROVIDING FOR THE CONDITIONS FOR MAKING AN OFFER TO THE PUBLIC OF SECURITIES, ON THE PROSPECTUS TO BE PUBLISHED 2005 AS TO THE REQUIREMENTS OF THE CONTENT OF A PROSPECTUS.

THIS OFFERING MEMORANDUM CONTAINS FORWARD LOOKING STATEMENTS THAT RELATE TO THE FUND'S AND ITS INVESTMENT COMPARTMENTS FINANCIAL CONDITION, RESULTS OF OPERATIONS, BUSINESS PLAN, STRATEGIES, COMPETITIVE POSITION AND GROWTH OPPORTUNITIES AND THE FINANCIAL AND REGULATORY ENVIRONMENTS IN WHICH THE FUND AND ITS INVESTMENT COMPARTMENTS WILL OPERATE. THESE FORWARD-LOOKING STATEMENTS ARE IDENTIFIABLE BY WORDS SUCH AS "ANTICIPATE", "ESTIMATE", "PROJECT", "PLAN", "INTEND", "EXPECT", "BELIEVE", "FORECAST" AND SIMILAR EXPRESSIONS, AND ARE LOCATED THROUGHOUT THIS OFFERING MEMORANDUM. PROSPECTIVE INVESTORS SHOULD BE AWARE THAT THESE STATEMENTS ARE ESTIMATES,

REFLECTING ONLY THE JUDGMENT OF THE MANAGEMENT AND PROSPECTIVE INVESTORS SHOULD NOT PLACE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS. ACTUAL RESULTS AND EVENTS COULD DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY THESE FORWARD-LOOKING STATEMENTS AS A RESULT OF FACTORS SUCH AS THOSE DESCRIBED IN "RISK FACTORS" AND ELSEWHERE IN THIS OFFERING MEMORANDUM. THEFUND, DOES NOT UNDERTAKE ANY OBLIGATION PUBLICLY TO UPDATE OR REVISE THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS OFFERING MEMORANDUM TO REFLECT EVENTS OR CIRCUMSTANCES OCCURRING AFTER THE DATE OF THIS OFFERING MEMORANDUM OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

THIS OFFERING MEMORANDUM SHALL BE HANDED OUT TO PROSPECTIVE INVESTORS FREE OF CHARGE UPON REQUEST.

THE INVESTOR UNITS REFERRED TO IN THIS OFFERING MEMORANDUM ARE OFFERED SOLELY ON THE BASIS OF THE INFORMATION CONTAINED THEREIN. RECIPIENTS OF THE OFFERING MEMORANDUM SHOULD NOTE THAT THERE MAY HAVE BEEN CHANGES IN THE AFFAIRS OF THE FUND SINCE THE DATE HEREOF.

SUPPLEMENTS

A SEPARATE SUPPLEMENT (EACH THE “SUPPLEMENT”) TO THIS OFFERING MEMORANDUM WILL BE ISSUED IN RESPECT OF EACH INVESTMENT COMPARTMENT AND THE TERMS AND CONDITIONS APPLICABLE TO EACH INVESTMENT COMPARTMENT WILL BE THOSE SET OUT IN THIS OFFERING MEMORANDUM AND THE RELEVANT SUPPLEMENT. TO THE EXTENT THAT THE TERMS AND CONDITIONS SET OUT IN ANY SUPPLEMENT DIFFER FROM THOSE SET OUT IN THE OFFERING MEMORANDUM, THE TERMS AND CONDITIONS SET OUT IN THE SUPPLEMENT WILL PREVAIL FOR THAT PARTICULAR INVESTMENT COMPARTMENT.

EACH SUPPLEMENT FORMS AN INTEGRAL PART OF THE OFFERING MEMORANDUM AND EACH SUPPLEMENT SHALL BE READ IN CONJUNCTION WITH THE OFFERING MEMORANDUM, AND REFERENCES TO THE OFFERING MEMORANDUM SHALL ALSO ENCOMPASS THE SUPPLEMENTS ISSUED AS OF THE DATE OF THIS OFFERING MEMORANDUM, UNLESS THE CONTEXT OTHERWISE REQUIRES.

THIS OFFERING MEMORANDUM AND THE RELEVANT SUPPLEMENTS SHOULD BE READ AND CONSTRUED AS ONE DOCUMENT. ALL THESE DOCUMENTS ARE AVAILABLE UPON REQUEST FROM THE REGISTERED OFFICE OF THE FUND, 15 AYION OMOLOGITON, 1080 NICOSIA, CYPRUS, AND SHALL BE DEEMED TO FORM PART OF THIS OFFERING MEMORANDUM.

RESTRICTIONS ON SOLICITATIONS AND RESALE

SUBSCRIPTION FOR INVESTOR UNITS MAY ONLY BE EFFECTED ON THE BASIS OF THIS OFFERING MEMORANDUM, THE MEMORANDUM AND ARTICLES OF ASSOCIATION, THE KEY INVESTOR INFORMATION DOCUMENT AND, AS APPROPRIATE, THE LATEST AUDITED ANNUAL ACCOUNTS AND ANY SUBSEQUENT HALF-YEARLY REPORT.

THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL TO, OR A SOLICITATION OF AN OFFER TO SUBSCRIBE FROM, ANYONE IN ANY

COUNTRY OR JURISDICTION (I) IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORISED, (II) IN WHICH ANY PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR (III) IN WHICH ANY SUCH OFFER OR SOLICITATION WOULD OTHERWISE BE UNLAWFUL. NO ACTION HAS BEEN TAKEN THAT WOULD, OR IS INTENDED TO, PERMIT A PUBLIC OFFER OF UNITS IN THE INVESTMENT COMPARTMENTS OF THE FUND IN ANY COUNTRY OR JURISDICTION WHERE ANY SUCH ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, UNITS MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS OFFERING MEMORANDUM NOR ANY OTHER INFORMATION, FORM OF APPLICATION, ADVERTISEMENT OR OTHER DOCUMENT MAY BE DISTRIBUTED OR PUBLISHED IN ANY COUNTRY OR JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS OFFERING MEMORANDUM COMES MUST INFORM THEMSELVES ABOUT AND OBSERVE ANY LEGAL RESTRICTIONS AFFECTING ANY SUBSCRIPTION OF INVESTOR UNITS IN ANY INVESTMENT COMPARTMENT. THE FUND IS NOT MAKING ANY REPRESENTATION OR WARRANTY TO ANY PROSPECTIVE INVESTOR REGARDING THE LEGALITY OF AN INVESTMENT IN ANY INVESTMENT COMPARTMENT BY SUCH PERSON UNDER APPROPRIATE SECURITIES OR SIMILAR LAWS.

THIS OFFERING MEMORANDUM AND ITS DISTRIBUTION DO NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SHARES IN ANY JURISDICTION WHERE OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. NO PERSON RECEIVING A COPY OF THIS PRIVATE PLACEMENT OFFERING MEMORANDUM IN ANY JURISDICTION MAY TREAT THE SAME AS CONSTITUTING AN INVITATION TO HIM, UNLESS IN THE RELEVANT JURISDICTION SUCH AN INVITATION OR SALE OR SOLICITATION OF AN OFFER TO BUY SHARES IN THE FUND COULD LAWFULLY BE MADE TO HIM WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL REQUIREMENTS OR WHERE SUCH REGISTRATION OR OTHER LEGAL REQUIREMENTS HAVE BEEN COMPLIED WITH.

CYSEC HAS APPROVED THE CONTENT OF THIS OFFERING MEMORANDUM ONLY AS REGARDS TO MEETING THE INFORMATION REQUIREMENTS TOWARDS THE INVESTORS AS DEFINED IN THE AIF LAW. THE APPROVAL OF THIS MEMORANDUM DOES NOT IMPLY A RECOMMENDATION TO INVESTORS FOR INVESTMENT IN THE FUND.

INVESTOR RESPONSIBILITY

ANY INVESTMENT ACCORDING TO THE INVESTMENT STRATEGY OF ANY INVESTMENT COMPARTMENT DESCRIBED IN THIS OFFERING MEMORANDUM INVOLVES A HIGH DEGREE OF RISK. EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT IT MUST BEAR THE ECONOMIC RISK OF INVESTMENT IN THE FUND AND BE ABLE TO WITHSTAND A TOTAL LOSS OF ITS INVESTMENT.

AN INVESTOR IN ANY INVESTMENT COMPARTMENT OF THE FUND IS SOLELY RESPONSIBLE FOR DETERMINING WHETHER THE INVESTMENT COMPARTMENT IS SUITABLE FOR HIS INVESTMENT PROFILE AND NEEDS.

PROSPECTIVE INVESTORS SHOULD REVIEW THIS OFFERING MEMORANDUM CAREFULLY AND IN ITS ENTIRETY AND CONSULT WITH THEIR OWN LEGAL, TAX AND FINANCIAL OR OTHER ADVISERS AUTHORISED TO PROVIDE INDEPENDENT ADVICE IN RELATION TO (I) THE LEGAL REQUIREMENTS WITHIN THEIR OWN

COUNTRIES FOR THE PURCHASE, HOLDING, EXCHANGE, REDEMPTION OR DISPOSAL OF UNITS S; (II) ANY FOREIGN EXCHANGE RESTRICTIONS TO WHICH THEY ARE SUBJECT IN THEIR OWN COUNTRIES IN RELATION TO THE PURCHASE, HOLDING, EXCHANGE, REDEMPTION OR DISPOSAL OF UNITS ; AND (III) THE LEGAL, TAX, FINANCIAL OR OTHER CONSEQUENCES OF SUBSCRIBING FOR, PURCHASING, HOLDING, EXCHANGING, REDEEMING OR DISPOSING OF UNITS . THE CONTENTS OF THIS OFFERING MEMORANDUM ARE NOT INTENDED TO CONTAIN AND SHOULD NOT BE REGARDED AS CONTAINING ANY SORT OF LEGAL, TAX, INVESTMENT OR OTHER ADVICE. PROSPECTIVE INVESTORS SHOULD SEEK THE ADVICE OF THEIR LEGAL, TAX AND FINANCIAL ADVISERS FOR ANY ADVICE IN RELATION TO THE UNITS OR IF THEY HAVE ANY DOUBTS REGARDING THE CONTENTS OF THIS OFFERING MEMORANDUM.

ANY INVESTMENT IN THE UNITS IS ONLY SUITABLE FOR INVESTORS WHO HAVING CAREFULLY CONSIDERED THEIR PERSONAL CIRCUMSTANCES AND ALL OF THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM, EITHER ON THEIR OWN OR IN CONJUNCTION WITH THE APPROPRIATE ADVISER, ARE CAPABLE OF UNDERSTANDING AND EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE UNITS OF ANY INVESTMENT COMPARTMENT OF THE FUND AND HAVE SUFFICIENT RESOURCES TO BE ABLE TO BEAR ANY LOSSES THAT MAY RESULT THEREFROM. PROSPECTIVE INVESTORS SHALL HAVE REGARD TO, AMONG OTHER MATTERS, THE CONSIDERATIONS CONTAINED UNDER THE HEADING “RISK FACTORS” IN THIS OFFERING MEMORANDUM IN WHICH THE RISK PROFILE OF INVESTORS WILL BE SPECIFIED.

PROSPECTIVE INVESTORS MUST ALSO REFER TO THE RELEVANT SUPPLEMENTS ATTACHED TO THE OFFERING MEMORANDUM. EACH SUPPLEMENT SETS OUT THE INVESTMENT OBJECTIVES, POLICY, RISK PROFILE AND RISK FACTORS AND OTHER FEATURES OF THE INVESTMENT COMPARTMENT CONCERNED.

ALL INVESTORS ARE ENTITLED TO THE BENEFIT OF, ARE BOUND BY AND ARE DEEMED TO HAVE NOTICE OF THE OFFERING MEMORANDUM AND THE ARTICLES OF ASSOCIATION.

THE INVESTOR UNITS ARE NOT AVAILABLE FOR INVESTMENT BY ANY U.S. PERSONS.

THE UNITS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE “1933 ACT”), AS AMENDED, OR THE SECURITIES LAWS OF ANY OF THE STATES OF THE UNITED STATES AND THE FUND HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED, OR THE LAWS OF ANY OF THE STATES OF THE UNITED STATES. ACCORDINGLY, NO SECURITIES REGULATORY AUTHORITY OR COMMISSION IN THE UNITED STATES, INCLUDING THE US SECURITIES AND EXCHANGE COMMISSION, HAS PASSED UPON THE VALUE OF THE SHARES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED OF THE OFFERING OF SHARES FOR SALE, OR PASSED UPON THE ADEQUACY OF THIS OFFERING MEMORANDUM OR ANY SUPPLEMENT. ANY CONTRARY REPRESENTATION IS CRIMINAL OFFENCE. THE INVESTOR UNITS MAY NOT BE OFFERED, SOLD OR PLEDGED OR OTHERWISE TRANSFERRED DIRECTLY OR INDIRECTLY IN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF ANY U.S. PERSON, AS DEFINED IN REGULATIONS OF THE 1933 ACT, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT. FOR THE PURPOSE OF THIS PARAGRAPH, THE “UNITED STATES” INCLUDES ITS POSSESSIONS, ITS

TERRITORIES AND ALL AREAS SUBJECT TO ITS JURISDICTION AND A "U.S. PERSON" IS A NATIONAL, CITIZEN OR RESIDENT OF THE UNITED STATES OF AMERICA OR A CORPORATION OR PARTNERSHIP ORGANISED UNDER THE LAWS OF THE UNITED STATES OF AMERICA.

STOCK EXCHANGE LISTING

THERE IS NO PUBLIC MARKET FOR THE UNITS, AND NO GUARANTEE THAT SUCH MARKET MAY DEVELOP IN THE FUTURE.

RISKS

THERE CAN BE NO ASSURANCE THAT THE FUND WILL ACHIEVE ITS INVESTMENT OBJECTIVE.

INVESTMENT IN THE FUND AND ITS INVESTMENT COMPARTMENTS INVOLVES SPECIAL RISKS, AND PURCHASE OF THE UNITS IN THE INVESTMENT COMPARTMENTS OF THE FUND SHOULD BE CONSIDERED ONLY BY PERSONS WHO BEAR THE ECONOMIC RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD AND WHO CAN AFFORD A TOTAL LOSS OF THEIR INVESTMENT.

THE CAPITAL RETURN AND INCOME OF THE FUND ARE BASED ON THE CAPITAL APPRECIATION AND INCOME ON THE INVESTMENTS IT HOLDS, LESS EXPENSES INCURRED. THEREFORE, THE FUND'S RETURN MAY BE EXPECTED TO FLUCTUATE IN RESPONSE TO CHANGES IN SUCH CAPITAL APPRECIATION, INCOME, AND EXPENSES.

INVESTMENT IN THE FUND AND ITS INVESTMENT COMPARTMENTS CARRIES WITH IT A DEGREE OF RISK. THE VALUE OF UNITS AND THE INCOME FROM THEM IS NOT GUARANTEED AND IT MAY GO DOWN AS WELL AS UP, AND INVESTORS MAY NOT GET BACK THE AMOUNT INVESTED. CONSEQUENTLY, THERE IS A SIGNIFICANT RISK OF THE LOSS OF THE ENTIRE AMOUNT OF THE VALUE OF AN INVESTOR'S INVESTMENT.

AN INVESTMENT IN THE FUND MAY NOT BE SUITABLE FOR ALL INVESTORS. YOUR ATTENTION IS ALSO DRAWN TO THE SECTION ENTITLED "INVESTOR RESPONSIBILITY" AND "RISKS" AS WELL AS IN THE RELEVANT SUPPLEMENT, IN WHICH THE RISK PROFILE OF INVESTOR IN THE RELEVANT INVESTMENT COMPARTMENT IS SPECIFIED.

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DEFINITIONS

1.1. Definitions

Administration Agreement	means any agreement for the time being subsisting between the Fund or any of its Investment Compartments, the Manager and the Administrator and relating to the appointment and duties of the Administrator;
Administrator	means the party acting as an administrator and described in this Offering Memorandum;
Administration Fee	means a fee payable to the Administrator by the Fund, its Investment Compartments or the Manager as further detailed in the Administration Agreement, the Articles, the Offering Memorandum and the relevant Supplements;
Advertising Costs	means all marketing and advertising cost including mandatory publications provided by the AIF Law and the costs of the publications of the Fund;
AIF or Alternative Investment Fund	means any collective investment undertaking, including Investment Compartments thereof, which, collectively: a. raises capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and b. does not require authorisation pursuant to section 9 of the Open-ended Undertakings for Collective Investments Law of 2012 or pursuant to the legislation of another Member State which harmonises the article 5 of the Directive 2009/65/EC into domestic legislation;
Alternative Investment Funds Law, AIF Law or AIF Law of 2018	means the Alternative Investment Funds Law N.124(I) of 2018, as may be amended from time to time;
AIFM	means the alternative investment funds manager which falls within the scope of the Alternative Investment Fund Managers Law;

AIFM Law	means the Alternative Investment Fund Managers Law 56(I)/2013 , as may be amended from time to time;
Applicant	means the person applying for Units in the Fund;
Articles or Articles of Association	means, the Articles of Association of the Fund as amended from time to time which are approved by CySEC and are submitted with the Registrar of Companies in the English language only;
Anti-Money Laundering Law	means the Prevention and Suppression of Money Laundering and Terrorist Financing Law 188(I) of 2007 or any Law substituting or amending the same;
Auditor	means any successor company as may be appointed by the Fund to act as the Auditor of the Fund;
Audit Fee	means a fee payable to the Auditor by the Fund and its Investment Compartments as further detailed in the Audit agreement and the Offering Memorandum;
Business Day	means a day, other than Saturday or Sunday, which is a bank business day in Cyprus;
Carbon Footprint	means the total amount of greenhouse gases (GHGs), specifically carbon dioxide (CO_2) and other equivalents like methane (CH_4) and nitrous oxide (N_2O), emitted directly or indirectly by an individual, organization, product, or event. It is usually expressed in terms of CO_2 equivalent (CO_2e) emissions, which allows for the comparison of emissions from different GHGs based on their global warming potential. Carbon footprints are typically measured in metric tons of CO_2 equivalent per year or per unit of activity (such as per capita emissions or emissions per unit of production);
Companies Law	means the Companies Law, Cap. 113, or any Law substituting or amending the same;
Fund	means the Investment Company, Milevaco Fund AIF V.C.I.C. Plc, incorporated under the Companies Law Cap. 113 on the 6th of December 2017, with registration number and initially authorised by the CySEC to operate as an internally managed AIF with

	Limited Number of Persons with authorization number LPAIF93/2014 in the form of a limited company by shares as an Open-Ended Investment Company of Variable Capital as provided for in Part VI of the Alternative Investment Funds Law N.131(I) of 2014, as this was repealed and replaced by the AIF Law. The Fund has subsequently been authorized to operate as an externally managed AIF pursuant to section 6(2)(b)(i) of the AIF Law. Where the context so requires the term Fund shall mean any of the Investment Compartments as the case may be;
Class of Units or Unit Class	means a particular division of Investor Units in an Investment Compartment as may be determined by the Management Shareholder after the proposal by the Manager;
Climate Change	means the long-term shifts in global or regional climate patterns. It is primarily driven by human activities, particularly the emission of greenhouse gases such as carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O), which trap heat in the Earth's atmosphere, leading to a warming effect known as the greenhouse effect;
Cut-Off Date	means the applicable Business Day prior to a Valuation Day or such other time as the Manager may determine for an Investment Compartment or Class by which Investors shall be able to submit an application for subscription or redemption of Investor Units;
Circular Economy	means the economic system aimed at minimizing waste and making the most of resources. In a circular economy, products, components, and materials are kept at their highest utility and value for as long as possible, with the aim of extending their lifespan, reducing resource consumption, and minimizing environmental impact;
Cyprus	means the Republic of Cyprus;
CySEC	means the Cyprus Securities and Exchange Commission;

CySEC Directives	means the directives issued by CySEC in exercise of its powers under the provisions of the AIF Law and AIFM Law, as published in the official gazette of the Republic of Cyprus;
Dealing Day	means the first Business Day after the Valuation Day, or any other Business Day on which the Manager determined to give effect to an application for subscription and/or requests for redemption of Units in relation to applications for subscription and/or requests for redemption of Units;
Depositary	means any company as may be appointed by the Manager of the Fund and approved by the CySEC to act as the Depositary of the Fund which is entrusted with the envisaged duties of the depositary as defined in section 24 of the Alternative Investment Fund Manager Law;
Depositary Agreement	means any agreement for the time being subsisting between the Depositary, the Manager and the Fund and relating to the appointment and duties of the Depositary;
Depositary Fee	means a fee payable to the Depositary by the Fund and its Investment Compartments as further detailed in the Depositary Agreement, the Articles, the Offering Memorandum and the relevant Supplements;
Directive DI131-2014-03	means the Directive issued by CySEC which defines general rules and investment restrictions imposed to AIFs of the Republic according to the nature of their assets and the Investors to which they are addressed, the efficient portfolio management techniques, the categories of AIFs of the Republic based on their investment objective and the structure of their investments as well as transparency rules and disclosures to Investors;
Directors	means the members of the Board of Directors of the Fund for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time;

Directors Remuneration	means the remuneration and expenses of the members of the Board of Directors of the Fund as may be determined by the Manager from time to time;
Distribution	means the payments of an Investment Compartment to its unit-holders, other than the payments which relate to the redemption or repurchase of units;
Duties and Charges	means all stamp duties, taxes, governmental charges, levies, exchange costs and commissions, transfer fees and expenses, agents' fees, brokerage fees, commissions, bank charges, registration fees, and other duties and charges, whether payable in respect of the constitution, increase or reduction of all of the cash and other assets of the Fund or the creation, acquisition, issue, conversion, exchange, purchase, holding, redemption, sale or transfer of Shares or Investments, by or on behalf of the Fund or in respect of the issue or cancellation of share certificates or otherwise, which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation including Redemption Fees and Subscription Fees (if any) payable on the redemption and the issue of Investor Shares respectively;
Eligible Investor	means Retail, Professional and Well-Informed Investors within the meaning of the AIF Law;
Environmental risks	means the potential threats or hazards to the natural environment and ecosystems, as well as to human health and well-being, resulting from various human activities and natural processes. These risks can have significant social, economic, and ecological consequences and may arise from both acute events and long-term trends;
ESG	means the abbreviations that stands for Environmental, Social, and Governance. It is a set of criteria used to evaluate a company's performance in these three areas, which are considered important factors in measuring the sustainability and ethical impact of an investment;

Euro or EUR	means the currency used by the Institutions of the European Union and the official currency of the Eurozone;
EU Taxonomy	means the classification system of the European Union, establishing a list of environmentally sustainable economic activities, in the context of the European Green Deal;
Financial Instrument	means all the assets defined as financial instruments in the article 2 (1) of the Law which provides for the provision of Investment Services, the exercise of investment activities, the operation of regulated markets and other related matters of 2017 (Law 87 (I)/2017);
Financial year	means the accounting period of the Fund ending on 31st December of each year, unless otherwise determined by the Directors;
Force Majeure	means any cause preventing a party from performing any or all of its obligations, which arises from or is attributable to acts, events, omissions or accidents beyond the reasonable control of the party so prevented including without limitation an act of God, war, riot, civil commotion, pandemics, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, fire, flood or storm.
Gender Diversity	Means the representation and inclusion of people of different genders within various contexts, such as workplaces, educational institutions, political organizations, and society at large;
Green House Gas Emissions – GHG Emissions	means the release of greenhouse gases (GHGs) into the atmosphere. The primary greenhouse gases include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), fluorinated gases (such as hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride), and ozone;
High Watermark	means the highest peak in value of the Investment Compartment over and above which the Manager is entitled to receive the Performance Fee as set out in an agreement, the Offering Memorandum or the relevant Supplement;

Hurdle Rate	means the minimum pre-set threshold rate of return (if any) of an Investment Compartment over and above which the Manager is entitled to receive the Performance Fee as set out in the Offering Memorandum;
Income Tax Law	means the Cyprus Income Tax Law N.118(I) of 2002 as may be amended from time to time;
Ineligible Person	means any person, firm or corporation applying for subscription of Investor Units or a holder of Investor Units a. that for legal, tax, regulatory or any other reason, or b. which is a U.S. Person and which from time to time, is determined by the Manager, in its sole discretion, to be ineligible to be a holder of Investor Units;
Investment Compartment	means a separate and segregated portfolio of assets and liabilities and having its own characteristics specified in the relevant Supplement appended in the Offering Memorandum;
General Meeting	as defined in the Articles of the Fund;
Good Governance Practices	means the processes, structures, and behaviors that organizations, institutions, and governments employ to ensure accountability, transparency, fairness, and responsibility in their operations;
Group or Investment Group	means the Fund and all its subsidiaries and associates;
Initial Offering Period (IOP)	means the period during which Investor Units of an Investment Compartment or Class (as applicable) may be offered by the Manager for subscription at the Initial Subscription Price as set out in the Offering Memorandum and Supplements;
Initial Subscription Price	means the initial fixed price at which any Investor Units of an Investment Compartment or Class may be offered for subscription during an Initial Offering Period, or in case there is no Initial Offering Period, on the first Dealing Day, as determined in the Offering Memorandum or the relevant Supplement and adding thereto such sums as may be determined as an appropriate provision for Duties and Charges;

Initial Subscription Date	means the starting date of the Initial Offering Period which shall be upon Investment Compartment License;
Investment Advisor or Investment Committee	means any person or group that makes investment recommendations or conducts investment analysis in return for a fee. This person or group is responsible for the provision of specialist research, market knowledge and strategic advice to the Fund or its Investment Compartments, to solve any problems raised and maximise its opportunities. Investment advice may include strategic company reviews, market research, advice on the purchase, sale or leasing of a private company, due diligence, assessing portfolio mix, syndicate management, etc;
Investment Advisory Fee	means the fee payable to the Investment Committee or the Investment Advisor(s) as may be appointed from time to time by the Fund or its Investment Compartments for the provision of investment advisory services;
Investments	means any investment or other asset of any description which an Investment Compartment is entitled to acquire, purchase, trade or invest in, in accordance with the Offering Memorandum and the provisions of the Articles of Association;
Investment Management Agreement	means any agreement for the time being subsisting between the Fund and the Manager in relation to the appointment and duties of the Manager. A copy of the Investment Management Agreement may be obtained from the Manager;
Investment Management Delegation Agreement	means any agreement for the time being subsisting between the Manager and a third party in relation to the delegation of obligation and duties of the Manager;
Investor	means a person wishing to invest in any Investment Compartment by way of Investor Units acquisition or any registered holder for the time being of Investor Units, where applicable;
Investor Profile	means the investment profile of the Eligible Investors as provided in the Offering Memorandum, decided from time to time by the

	Manager and specified in the Supplements for each Investment Compartment separately;
Investor Units or Unit(s)	means redeemable participating Units in the capital of the Fund which may be designated in one or more Classes, issued in accordance with the Offering Memorandum and the provisions of the Articles;
Investment Policy or Investment Strategy	means the Fund's and its Investment Compartments investment policy as set out in the Offering Memorandum and the relevant Supplement;
Key Investor Information Document ("KIID")	The informational document on an Investment Compartment which is required to be provided to prospective Investors (other than Professional Investors) throughout Europe wishing to acquire Units in that Compartment pursuant to the provisions of Regulation (EU) No 583/2010 on key investor information documents and conditions to be met when providing key investor information;
Law	means the Companies Law Cap. 113, as amended from time to time;
Local Law	means the law of a Target Market read in context;
Leverage	means the method by which the Manager increases the risk exposure of a Fund, either through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means;
Limited Liquidity Arrangements	means the liquidity arrangements or mechanisms applied to a Compartment, including but not limited to any applicable Lock-Up Periods, Minimum Holding Periods, deferral policies etc., with the aim to limit the Redemption rights of its Investors;
Lock-up Period	means the period of time in which Investors are not allowed to redeem or sell Investor Units of the Investment Compartment as described in the Offering Memorandum and the relevant Supplements, which is may extend up to five years from the anniversary date of the relevant Investment Compartment's

	activation date as may be extended by the Manager at its discretion for up to two additional anniversaries with an option to extend for one year and then a year further for a maximum of a total of seven years. Such extensions may only be applied having regard the provisions of the Directive DI131-2014-03 or any other instrument in force at the time setting-up rules relating to Lock-up Period;
Management Fee	means a fee payable to the Manager by the Investment Compartments as further detailed in the Investment Management Agreement, the Articles, the Offering Memorandum and the relevant Supplements;
Management Shares	means the non-redeemable voting shares in the capital of the Fund;
Management Shareholder	means the holder of Management Shares;
Manager	means any company as may be appointed by the Fund from time to time to act as the External Manager of the Fund in accordance with the AIF Law and subject to the terms and conditions of the Investment Management Agreement;
Memorandum or Offering Memorandum	means this Offering Memorandum of the Fund prepared in connection with the offering of Investor Units and including, where the context so admits or requires, any Supplement to the Offering Memorandum, produced in relation to any Investment Compartment or otherwise, and as same may be modified or supplemented from time to time subject to the prior notification and approval by CySEC. This Offering Memorandum, is not governed by the provisions of the Law 114(I)/2005 providing for the conditions for making an offer to the public of securities, on the prospectus to be published when securities are offered to the public, as amended;
Memorandum & Articles of Association	means the Memorandum & Articles of Association of the Fund;

Memorandum	means the Memorandum of Association of the Fund;
Minimum Capital Raising Amount	means €500,000.00 for each Investment Compartment or higher if specified in the Supplement of an individual Investment Compartment. The minimum amount of funds required to be raised within the subscription period, in order for the relevant Investment Compartment to continue its investment plans. If this level is not covered, all funds raised for the relevant Investment Compartment, will be returned to the Investors;
Minimum Subscription Amount	means the minimum amount or value of Investor Units that must be subscribed for the relevant Investment Compartment or Class, as may be specified from time to time in the Offering Memorandum and the relevant Supplement;
Minimum Additional Subscription Amount	means the minimum amount or value of additional Investor Units that must be subscribed for by any Investor in the relevant Investment Compartment as may be specified from time to time in the Offering Memorandum and the relevant Supplements;
Minimum Holding	means either a holding of Units in a Fund or Class the value of which by reference to the Net Asset Value per Unit is not less than such amount as may be determined by the Manager from time to time or such minimum number of Units, if any, which must be held by Investors in any Investment Compartment or Class as specified in the relevant Supplement;
Minimum Holding Period	means the period during which a Unit-Holder of a Compartment or Class is not entitled to a Redemption of Investor Units, that applies from the Investor's acquisition of such Units, either through an initial or subsequent Subscription, Transfer or Conversion of Units and ends at a date specified in the relevant Offering Supplement, if applicable.
Month	means a calendar month;
Net Asset Value or NAV	means the net asset value of Units of each Investment Compartment at any particular Valuation Day as detailed hereinafter;

Net Asset Value Per Unit	means the Net Asset Value of each Investment Compartment divided by the number of Investor Units in issue for the relevant Investment Compartment;
Net Profits	means the Profit After Tax as it appears in the annual audited financial statements of the Fund prepared in accordance with International Financial Reporting Standards;
Open-Ended Structure	means an AIF or any one of its Compartments, subject to the provisions of their individual Supplements, which allows for Redemptions of Investor Units prior the initiation of its Liquidation process, directly or indirectly from its own assets and in accordance with the rules and frequency defined in its Articles, this Offering Memorandum and any relevant Supplement, subject to a relevant request from any of its Investors and to any Limited Liquidity Arrangements in place, if applicable;
Over the Counter or "OTC"	means any transaction, the negotiation and execution of which does not take place on a regulated market;
Performance Fee	means a fee payable to the Manager based on the performance of the introduced investments as further detailed in the Offering Memorandum and the relevant Supplements;
Portfolio	means the investment assets held by each Investment Compartment from time to time;
Prevailing Exchange Rate	means the foreign exchange currency rate prevailing over the relevant Valuation Day and/or reporting period as quoted by the European Central Bank or any successor thereto or any other body, agency or service selected by the Manager as an authorised information suppler for the purpose of displaying such rates;
Principal Adverse Impacts	means the negative effects of investment decisions and business activities on sustainability factors such as environmental, social, and governance (ESG) considerations, in the context of the SFDR;
Professional Investor	means an Investor which is considered to be a professional client or may, on request, be treated as a professional client within the

	meaning of Second Appendix of the Investment Services and Activities and Regulated Markets Law 87(I)/2017 as amended;
Project	means any project that an Investment Compartment will invest;
Project Company	means all Special Purpose Vehicles ('SPVs') and intermediary holding companies that the Investment Compartment(s) may invest through, depending on the requirements of local law and tax considerations;
Redemption Day	means any business day, as the Manager determines, being a day on which Investors, may redeem Investor Units in accordance with the Offering Memorandum;
Redemption Fee	means such amount or amounts payable on the redemption of Investor Units which may be deducted and retained from the redemption proceeds, as further detailed in the Offering Memorandum;
Redemption Price	means the price at which Investor Units shall be redeemed by the relevant Investment Compartment at the request of an Investor calculated in accordance with the provisions of the Offering Memorandum;
Reference Currency	means the currencies in which the Investment Compartments or Classes are denominated as specified further in the Offering Memorandum and Supplements, and in case of an Investment Compartment, it is the currency on the grounds of which the Net Asset Value of the relevant Investment Compartment is calculated;
Redemption Proceeds	has the meaning assigned to it in the Offering Memorandum;
Register	means the register kept by the Administrator for the Management Shares and the for each Investment Compartment into which the names and addresses of, and the number of and Class of Investor Units held by Investors and the Management Shares held by the Management Shareholders are entered;

Registered Office or Office	means the registered office provided for in section 102 of the Companies Law;
Renewable Energy	means the energy generation processes that include sources such as solar, wind, hydroelectric, geothermal, and biomass. Renewable energy generation harnesses natural resources that are constantly replenished and do not produce greenhouse gas emissions during operation;
Restricted Person	means a person determined by the Manager as such defined further herein or in any of the Supplements;
Retail Investor	means an Investor who does not qualify as a Professional Investor nor as a Well-Informed Investor;
Secretary	means any person, firm or corporation appointed to perform the duties of the secretary of the Fund;
Set up fee	means the fee payable for the set up and launch of the Fund and its Investment Compartment(s) and shall include inter alia the preliminary expenses incurred in connection with the incorporation of the Fund, the obtaining by the Fund of authorisation from the Regulator and the launch of the first Investment Compartment including the costs and expenses of preparing, publishing and distributing the Offering Memorandum and other documents and all professional and legal fees and costs incurred in connection therewith; it is to be clarified that such professional fees include, among others, the cost of opening the account with the Depositary, a credit institution and the set-up of the ledger with the Administrator;
SFDR – Sustainable Financial Disclosure Regulation	SFDR means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector, as may be amended, modified or supplemented from time to time;
Special Purpose Vehicle (“SPV”)	Means a legal entity which is established through the acquisition of shares for segregating and protecting assets which are transferred or placed under its ownership;

Sustainable Investment	means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices;
Sustainability Indicators	Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained;
Subscription Fee	means any such amount or amounts payable by the Investor on the issue of Investor Units in an Investment Compartment as further detailed in the Offering Memorandum or the Supplements thereof;
Share	means a share of no par value in the share capital of the Fund including Management Shares and Investor Units;
Subscription Application	means the application of each Investor for subscribing for Investor Units in a particular Investment Compartment or a Class of the particular Investment Compartment;
Subscription Period	means the period set by the Manager as the Subscription period for Investor Units, as defined in the Subscription Agreement;
Subscription Price	means the price at which Investor Units shall be offered, outside the Initial Offering Period, calculated in accordance with the provisions of the Offering Memorandum and the Articles of Association and adding thereto such sum as the Manager may determine as an appropriate provision for Duties and Charges;
Subsidiary	As defined by the Law;
Supplement	means any Supplement to the Offering Memorandum of the Fund that may be issued from time to time and approved by CySEC, forming an integral part hereto and which is to be read in conjunction thereto, outlining information in respect of an Investment Compartment;
Target Market	means the Target Market of a particular Investment Compartment as further detailed in the Offering Memorandum and the relevant Supplement;

Total Capital Raising	means the total number of Investor Units multiplied by the Subscription Price at which each one was issued;
ESMA	means European Securities and Markets Authority
EURO, €	means the currency used by the Institutions of the European Union and the official currency of the Eurozone;
Unit-holder	means the holder of an Investor Unit or a fraction of an Investor Unit;
Valuation	means the Net Asset Value of an Investment Compartment as an aggregate value of the Investment Compartment's consolidated assets minus consolidated liabilities, including the Investment Compartment's interest received, uninvested cash, accounts receivable, accrued interest, deferred tax and accounts payable, in accordance with the Investment Compartment's accounting policies. The Net Asset Value will be calculated at the close of business on each Valuation Date and on any other date the Manager of the Fund at their sole discretion determine;
Valuation Date or Valuation Day	means a Business Day on which the Net Asset Value is determined or any other day as shall be determined by the Manager from time to time or as specified in the Offering Memorandum or Supplements;
Valuer/s	means any internationally recognised qualified property valuers, independent auditors or valuators or financial instruments hired by the Fund or any of its Investment Compartments from time to time as required;
Variable Capital Investment Company	means a company established or converted as variable capital investment company in accordance with the Law and and operates as a Variable Capital Investment Company in accordance with section 2 of chapter 8 of Part II of the AIF Law;
Well–Informed Investor	Every Investor which is not a Professional Investor and fulfils the following conditions: (a) confirms in writing that (i) he possesses sufficient knowledge and experience in financial and business matters in order to be able to

evaluate the benefits and risks associated with the planned investment in the Fund's Compartments and he is aware of the risks associated with the planned investments of the Fund's Compartments; or

(ii) his business activities are related with the management, acquisition or disposal of assets, either on his own account or on behalf of third parties, which are of the same type as the investments of the Compartment(s) he wishes to invest in; and

(b)

(i) his investment in a Compartment of the Fund is at least equal to the minimum of EUR 125,000 (one hundred twenty five thousand euro) (or currency equivalent); or

(ii) he has been assessed as a well-informed investor by a credit institution, or by an AIFM or by a UCITS management company or by an investment firm or by a manager which is licensed in the Republic of Cyprus or in another EU member state for the management of AIFs whose assets under management do not exceed the thresholds laid down in article 4(2) of the AIFM Law or the corresponding article 3 paragraph (2) of Directive 2011/61/EU, and the above mentioned assessment indicates that he possess sufficient knowledge and experience in financial and business issues to be able to evaluate the benefits and risks associated with the planned investments of the Fund's Compartment(s) based on its (their) investment policy(ies); or

(iii) he is employed by any of the entities mentioned in subparagraph (ii) of paragraph (b) above and receive total remuneration that takes him into the same remuneration bracket as persons who effectively conduct one of the business activities of the entities mentioned in subparagraph (ii) of paragraph (b) or as the executive members of their government body who effectively conduct one of their business activities; whereas

(c) without prejudice to paragraphs (a) and (b), persons who direct the Manager or they are assigned with portfolio management duties related with the Fund.

Wholly Owned Subsidiary	means a subsidiary company whose share capital is entirely owned by the holding Fund;

1.2. Law Definitions

Save as otherwise specifically provided herein, words and expressions defined in the AIF Law, the AIFM Law and the Law shall, if not inconsistent with the subject or context, bear the same meanings herein.

1.3. Law Reference

Unless expressly provided otherwise, a reference to a law or statutory provision is a reference to it as it is in force on the date when this document becomes binding but shall include reference to any modifications or re-enactments thereof for the time being in force provided that such inclusion does not create unintended consequences to the construction of the provision. A reference to a statute or statutory provision shall include all subordinate legislation made as at the date on which this document becomes binding by law or under statutory provision.

1.4. Currency Conversion

Where for the purposes of the provisions herein or for any other purpose any amount in one currency is required to be converted into another currency the Manager or the Directors as the case may be may effect such conversion using such rates as are quoted by such banks as the Manager or the Directors may deem appropriate at the relevant time except where otherwise herein is specifically provided.

1.5. Construction

Unless the context herein is inconsistent with such construction:

a. headings herein are used for convenience only and shall not affect the construction or interpretation of this document
b. words importing the singular number shall include the plural number and vice versa;
c. words importing the masculine gender only shall include the feminine gender;
d. words importing persons only shall include companies or associations or bodies of persons, whether corporate or not;
e. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
f. words following the terms including, include, in particular, for example or any similar

expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

g. other and otherwise are illustrative and shall not limit the sense of the words preceding them.

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DIRECTORY

Board of Directors Of The Fund	Miranda Costi – Non-Executive Director Constantinos Constantinides – Non-Executive Director
Secretary	A.I.L. Nominee Services Ltd
Registered Office	15 Ayioi Omologiton, Nicosia, Cyprus
Manager	**GMM Global Money Managers AIFM Ltd** Registration: HE395646 Authorization: AIFM33/56/2013 43 Ayion Omologiton Avenue 1080 Nicosia Cyprus
Administrator	As provided in each supplement for each investment compartment;
External Auditors	**EKKESHIS IERODIAKONOU LIMITED** 39 Themistokli Dervi Flat 102 1066 Nicosia, Cyprus
Legal Consultants	**LLPO Law Firm** 15 Ayion Omologiton 1080 Nicosia Cyprus
Depositary	**Eurobank Cyprus Ltd** 21/12/2007 41 Arch. Makarios Ave 1065 Nicosia Cyprus

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FUND STRUCTURE

3.1. Fund Overview

Name of the Fund	MILEVACO FUND AIF V.C.I.C. PLC
Registered Office	15 Ayioi Omologiton, Nicosia, Cyprus
Date of Incorporation	06/12/2017
Registration Number	HE377207
CySEC Registration Number	AIF75/2018
Fund Structure	Open-Ended
Legal Structure	Variable Capital Investment Company
Type of AIF	AIF
Type of Investors	Retail, Professional & Well-Informed
Type of Management	Externally Managed
Scheme Structure	Umbrella Scheme
Number of Uni-Holders	Unlimited
Listing Status	Not Listed
Life Duration	Unlimited
Financial Reporting	Annual Report as at 31st of December Half-Yearly Report as at 30th of June

3.2. Fund Structure

The Fund was incorporated under the Companies Law, Cap. 113 on 06/12/2017, with registration number HE377207. The Fund was initially authorised by CySEC to operate as an internally managed Alternative Investment Fund with limited number of persons in accordance with Part VI of the Alternative Investment Fund Law of 2014 on 08th May 2017 and is now authorized by CySEC on 20th July 2020 to operate as an externally managed Alternative Investment Fund, in the form of a limited liability company by shares as an open-ended investment company of variable capital in accordance with Part II of the AIF Law or in any other law which replaces or amends it.

The Fund is structured as an umbrella scheme, meaning that it can issue different Classes of Units with one or more Classes representing a separate Investment Compartment of the Fund, the assets of which are segregated from the assets of other Investment Compartments of the Fund.

The Fund is externally-managed by GMM Global Money Managers AIFM Ltd, pursuant to the provisions of section 6(2)(b)(i) of the AIF Law. The Manager provides collective management services to the Fund under the terms of the Investment Management Agreement.

Eurobank Cyprus Ltd has been appointed to act as the Depositary of the Fund.

3.3. Share Capital

The share capital of the Fund is EURO 10,000 divided into 1,000,000 Management Shares of EURO 0.01 each and 6,500,000 Shares of no-par value expressed as 6,500,000 Investor Units of no-par value, issued at initial price as it is specified in each Supplement. The Fund, qualifying as a Variable Capital Investment Fund, has its share capital being always equal to its Net Asset Value. The Fund 's share capital is automatically adjusted when additional Investor Units are issued or outstanding Investor Units are redeemed and no special announcements or publicity or other publicity formalities under the Companies Law are required in relation thereto.

3.4. Management Shares

The Management Shares shall bear the rights set forth hereunder and elsewhere in the Memorandum and Articles:

a. Voting Rights: The Management Shares carry voting rights in respect of all matters to be resolved in a general meeting of the members of the Fund;
b. Appointment of Directors: The Management Shares carry the exclusive right to appoint and remove the members of the Board of Directors of the Fund;
c. Dividend rights: The holders of Management Shares shall not be entitled to any dividends and/or any other distribution to be made out of the profits of the Investment Compartments;
d. Redemption Rights: The Management Shares are non-redeemable
e. Right over liquidation proceeds: In the event of the liquidation, dissolution or winding up of the Fund or distribution of its assets in anticipation thereof, the holders of Management Shares shall (i) have the right to repayment of capital after the return of capital paid up on the Investor Units and (ii) after the return of capital, not be entitled to the surplus of assets of the Fund.

3.5. Investor Units

The Investor Units shall bear the rights set forth hereunder and elsewhere in the Memorandum and Articles:

a. Voting Rights: The Investor Units do not confer upon the holders thereof the right to receive notice or to attend and vote at any General Meeting of the Fund.
b. Appointment of Directors: The Investor Units do not confer any rights to appoint

Directors;

c. Dividend Rights: The holders of Investor Units may be entitled to receive dividends and/or other distributions to be made out of the profits of the particular Investment Compartment which they hold Units;
d. Redemption Rights: The Investor Units may be redeemed on such terms and in such manner as described in this Offering Memorandum, the relevant Supplement of a particular Investment Compartment and the Memorandum & Articles;
e. Right over liquidation proceeds: In the event of the liquidation, dissolution or winding up of the Fund or distribution of its assets in anticipation thereof, the holders of Investor Units, subject to third parties preferential rights of payment, shall be entitled to (a) return of their capital and (b) (pro rata) the NAV of the particular Investment Compartment which the Investor hold Units subject to the repayment of capital corresponding to the holders of the Management Shares.

Each Investment Compartment of the Fund will be represented by a specific issue class of Investor Units and any reference as to the issuance or sale of Investment Units shall refer to the specific class of Investor Units.

Investor Units constituting a Class hereof may be denominated in any currency and different Classes of Investor Units in the particular Investment Compartment may further be denominated in different currencies as described in the Memorandum or the Supplement of the particular Investment Compartment.

Investor Units of each Investment Compartment shall be issued to Investors in registered form. Investor Units shall carry no voting rights and no pre-emptive subscription rights. In the event of the liquidation of any Investment Compartment, each Investor Unit of the particular Investment Compartment is entitled to its proportionate share of the particular Investment Compartment assets after payment of the particular Investment Compartment debts and expenses, taking into account the particular Investment Compartment rules for the allocation of assets and liabilities as set out in the Memorandum and Articles of Association and the relevant Supplement.

3.6. Investment Compartments

The Fund is authorised to operate as an AIF with more than one Investment Compartments under its umbrella. Each Investment Compartment corresponds to a separate portfolio of assets and liabilities of the Fund. Investment Compartments are distinguished by their specific investment objectives, policy, risk profile, investment techniques or any other specific features. Prospective Investors may choose which Investment Compartment or Investment Compartments may be most appropriate for their specific risk and return expectations, as well as for their diversification needs.

Each Investment Compartment is subject to the provisions of Part II of the AIF Law as a standalone AIF. The rights of Unit-Holders and creditors' claims or the obligations of a particular Investment Compartment created by its constitution, operation or dissolution are limited to the assets of that Investment Compartment. In spite of this, the Fund and its Investment Compartments constitute a single legal entity.

An Investment Compartment (the 'investor-compartment') of the Fund may invest in another Investment Compartment of the Fund (the 'target-compartment'), if only such investments are permitted by such investor-compartment's relevant Supplement and the following conditions are met in a cumulative manner:

a. The investor-compartment shall totally invest up to 35% of its assets in the target-compartment;

b. The target-compartment shall not acquire Investor Units of the investor-compartment;

c. The value of the Investor Units that correspond to the investments in accordance with point (a) shall not be calculated twice in the calculation of the capital of the Fund;

d. The voting rights, if any, attached to the Investor Units which correspond to the investment of the investor-compartment in the target compartment shall be suspended for as long as they are held by the investor-compartment

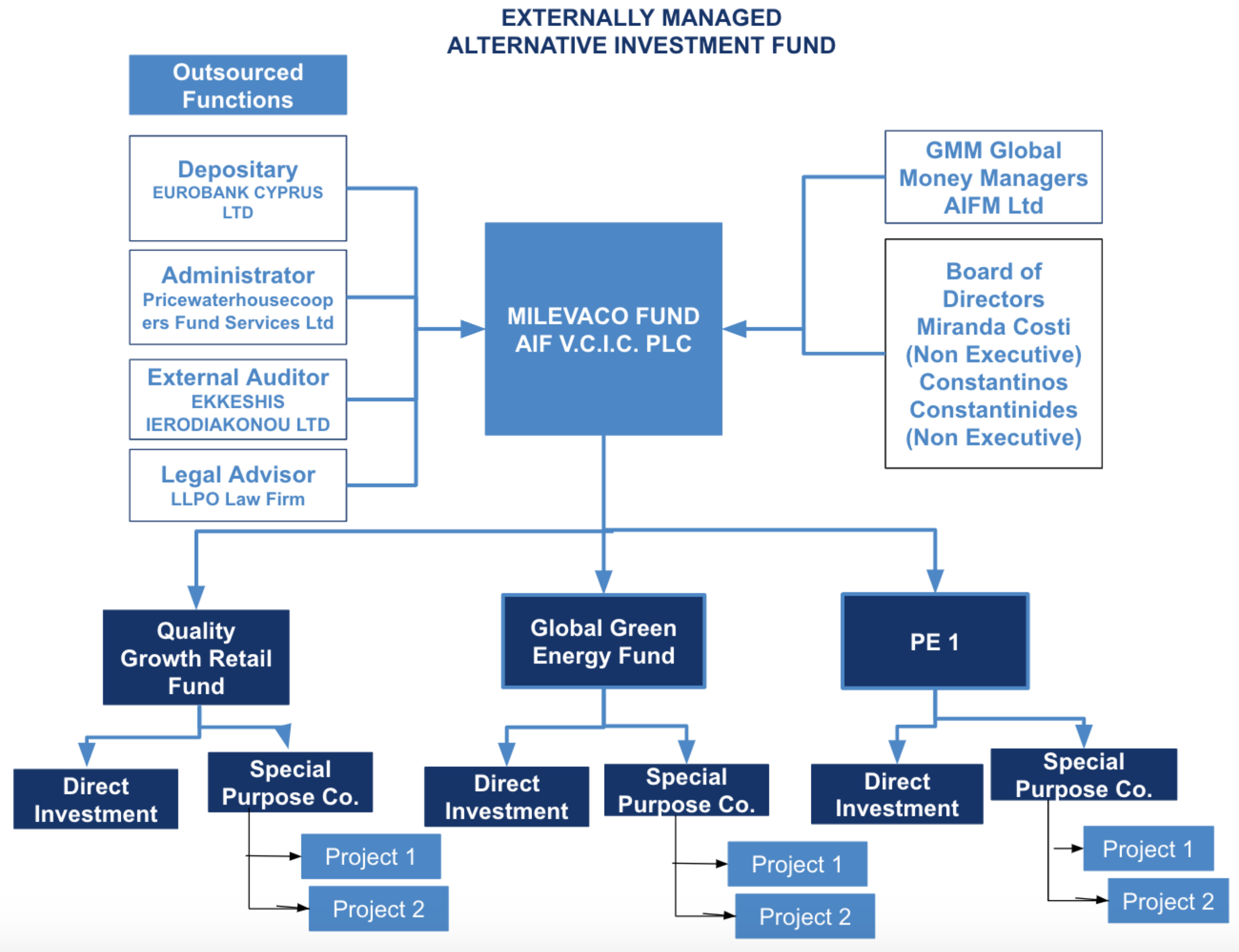
e. Any Management Fees or related remuneration, marketing and Redemption or Redemption Fee or any expenses regarding the marketing and the Redemption regarding the investments of the investor-compartment into a target compartment shall not be accounted.

As of the date of this Offering Memorandum, the Investment Compartments under the Umbrella of the Fund are the following:

a. Quality Growth Retail Fund
b. Global Green Energy Fund
c. MILEVACO PE1

Each Investment Compartment of the Fund will be represented by one or many Classes of Units and any reference as to the issuance or sale of Investor Units shall refer to a specific Class of Units.

The Fund's Investment Compartments will invest either directly or through Special Purpose Vehicles which may serve sometimes as intermediary holding companies, depending on the requirements of local law and commercial requirements.



3.7. Change of the Organisational Structure

In the event the Fund intends to change its organizational structure, a decision by the Board of Directors is required through a special resolution. The relevant change shall also be depicted in this Offering Memorandum and the Memorandum & Articles if applicable. Any change in the organizational structure of the Fund requires the prior notification and written approval of CySEC.

In the case of such an event, the Investors will be notified once the change becomes effective. In the event the Investors object to the change of the Fund's structure, they are entitled to redeem their Investor Units currently held in the Investment Compartment with the terms that existed prior to the relevant change. In this case, the Investors will be allowed to redeem their Units as follows:

a. within ten (10) calendar days from the notification of the amendment to them, where the redemption or repurchase of Units takes place on a daily basis;

b. within one (1) month from the notification of the amendment to them, where the redemption or repurchase of Units takes place, at least, weekly;

c. by the date at which the one after the next scheduled date of redemption or repurchase of Units shall take place, where the redemption or repurchase takes place on a monthly basis; and

d. by the next scheduled redemption or repurchase date, in every other case, on the condition that between the notification of the amendment to the Unit Holders and the expiry of the right of redemption or repurchase of their Units according to the provisions of the rules prior the amendment, there is a time period of, at least, thirty (30) days.

3.8. Subsidiaries

Subject to the provisions of the AIF Law, the Investment Compartment of the Fund may establish or acquire one or more Wholly Owned Subsidiary companies, which for any reason the Manager may consider it desirable to establish, acquire or utilise, for the purpose of entering into transactions or contracts and/or holding certain Investments or other property of the Fund.

3.9. Financial Year

The Fund's financial year ends on 31st December of each year and the first financial year of the Fund shall begin on the incorporation of the Fund and shall end on 31st December of the year of incorporation of the Fund.

The financial statements of the Fund shall be presented in Euro.

3.10. Fund's Life

In accordance with the provisions of the Memorandum & Articles of Association of the Fund, the existence of the Fund shall continue for unlimited duration unless otherwise specified by the Management Shareholders. The Management Shareholders at their absolute discretion may limit the duration of the Fund under certain circumstances. Each Investment Compartment shall continue for unlimited duration unless otherwise specified by the Manager and provided for in the relevant Supplement. The Manager at its absolute discretion may limit the duration of an Investment Compartment as may see fit. The extension or limitation of the Fund’s life cannot be effected without the prior notification and approval by CySEC.

4

INVESTMENT GUIDELINES

4.1. Investment Objective

The purpose of the Fund is to provide Investors with an opportunity for investment in the professionally managed Investment Compartments of the Fund which will adopt specific Investment Policies suitable for the needs of every Investor, in order to achieve an optimum return from the capital invested. The Investment Compartments will seek to achieve its objective, in accordance with its Investment Policy implemented by the Manager.

Pending investment of any part of the capital of any Investment Compartment or where market or other factors so warrant, the assets of such Investment Compartment, subject to the general investment restrictions set out under the heading 4.6. Investment Restrictions (pg.) below, may be invested in ancillary liquid assets such as money market instruments and cash or term deposits denominated in such currency or currencies as the Manager may determine from time to time.

The Supplement of a particular Investment Compartment may provide for different Investment Objective and investment restrictions for each Investment Compartment individually.

4.2. Target Market

There are no geographical restrictions regarding the Investment Policy of the Fund and its Investment Compartments. The Fund and its Investment Compartments will seek investment opportunities based on their potential growth regardless where these investments are situated.

The Supplement of a particular Investment Compartment may provide for such limitations and geographical restrictions for each Investment Compartment individually.

4.3. Investment Policy

The Investment Policy of the Investment Compartments are described in the Supplement of each Investment Compartment.

4.4. Use of Leverage

Any of the Investment Compartments may incur leverage as the Manager may decide from time to time. If any of the Investment Compartment is addressed to Retail Investors it may also incur leverage as the Manager may decide from time to time but at any time it cannot exceed the 25% of the Investment Compartment’s NAV.

4.5. Investment Process

The Investment Compartments will invest either directly or by committing to Special Purpose Vehicles (SPVs) the minimum level of capital required to formulate its Investment Policy.

The Manager will select potential investments by adhering to a thorough investment process that may include due diligence or market research. The Manager may delegate any aspect of the process to any Investment Advisor or Investment Committee.

The Supplement of a particular Investment Compartment may provide for a different or more specific Investment Process for each Investment Compartment individually.

4.6. Investment Restrictions

The Fund and its Investment Compartments are subject to all applicable rules, restrictions and limits set forth in Directive DI131-2014-03 as well as by other CySEC Directives that may be issued, from time to time, under section 15 of the AIF Law.

The Investment Compartments will be classified into one of the categories laid down in Directive DI131-2014-03 i.e. Private Equity/Real Estate etc. only if they will be investing at least 60% of their assets into one the respective categories of assets. Specific investment restrictions relating to each Investment Compartment's classification will be set out in their relevant Supplements.

The summary below provides a comprehensive list of the general rules and restrictions set forth in Directive DI131-2014-03:

1. An Investment Compartment may establish a wholly owned subsidiary company as long as it complies with the following conditions:

a. The establishment of the subsidiary requires the prior approval of CySEC.

b. The subsidiary must be wholly owned and controlled by the Fund. The majority of the members of the Board of Directors of the subsidiary shall consist of members of the management of the Fund.

c. The subsidiary shall not be considered as an investment fund.

d. The subsidiary shall not have any right to appoint third parties or to enter into any contractual arrangements with third parties, unless the Investment Compartment is a party in such appointments or contractual arrangements.

e. The instruments of incorporation of the Fund must allow the Investment Compartment to establish subsidiaries.

f. The instruments of incorporation of the subsidiary must include provisions which restrict (i) the subsidiary from acting other than under the control of the Investment Compartment and (ii) any person or entity other than the Investment Compartment to hold shares of the subsidiary. The provisions of the previous sentence shall not restrict the Investment Compartment to dispose and transfer to third parties its total holding in the subsidiary.

g. The assets held by the subsidiary must be valued in accordance with the Fund's valuation rules.

2. The Fund is not allowed to amend its instruments of incorporation to be converted to a closed-ended Fund.

3. Any Investment Compartment may establish limited liquidity arrangements, such as side pocket share classes, into which assets, which have become illiquid or difficult to value, may be placed, provided that the ability to establish such arrangements has been provided in the relevant Supplements.

4. Any Investment Compartment which is addressed to Professional or Well-Informed Investors may derogate from the investment restrictions contained in the Directive DI131-2014-03 in the cases where it is specified in the relevant Supplement.

5. Any Investment Compartment which is addressed to Retail Investors may derogate from the investment restrictions contained in the Directive DI131-2014-03 for a period of 12 months from the date of the notification of its authorization.

6. Any Investment Compartment which is addressed to Professional and Well-Informed Investors may derogate from the investment restrictions contained in the Directive DI131-2014-03 in the cases where this is specified in the relevant Supplement.

The Manager may adopt further restrictions or limits for a particular Investment Compartment if so, justified by the specific investment policy of that Investment Compartment. Such restrictions will be disclosed in the in the Supplement relating to that Investment Compartment.

4.7. Associated Risks

The Investment Policy of each Investment Compartment entails various risks related with the Investment Policy of the Investment Compartment. The risks associated with the investments of the Investment Compartments are described in more detail in section titled Risk Factors and Investment Considerations (pg.). Specific risks pertaining to each Investment Compartment are detailed in the Supplement of that particular Investment Compartment.

The investments of each Investment Compartment may be subject to substantial fluctuations and no guarantee can be given that the value of an Investment Compartment Unit will not fall below its value at the time of acquisition.

The Fund is intended to be a medium to long-term investment vehicle (depending on the investment policy of the relevant Investment Compartments). Units may however be redeemed on each Valuation Day. Substantial redemptions of Units by Unitholders within a limited period of time could cause the Fund to liquidate assets more rapidly than would otherwise be desirable, which could adversely affect the value of both the Units being redeemed and the outstanding Units.

4.8. Change of the Investment Policy

The Manager may change the Investment Policy of any Investment Compartment subject to a decision by the Board of Directors of the Fund. The relevant change shall also be depicted in the Memorandum and Articles of Association of the Fund. Any change in the Investment Policy of any Investment Compartment requires the prior written notification and approval of CySEC.

In the case of such an event, the Unit-Holders will be notified once the change in the Investment Policy becomes effective. In the event the Investors object to the change of the Investment Compartment Policy, they are entitled to redeem their Units currently held in the Investment Compartment with the terms that existed prior to the relevant change. In this case, the Investors will be allowed to redeem their Shares as follows:

a. Within ten (10) calendar days from the notification of the amendment to them, where the redemption or repurchase of Investor Units takes place on a daily basis;
b. within one (1) month from the notification of the amendment to them, where the redemption or repurchase of Investor Units takes place, at least, weekly;
c. by the date at which the one after the next scheduled date of redemption or repurchase of Investor Units shall take place, where the redemption or repurchase takes place on a monthly basis; and
d. by the next scheduled redemption or repurchase date, in every other case, on the condition that between the notification of the amendment to the Unit Holders and the expiry of the right of redemption or repurchase of their Investor Units according to the provisions of the rules prior the amendment, there is a time period of, at least, thirty (30) days.

5

FEES AND EXPENSES

5.1. General

All fees and expenses of the Fund and of each Investment Compartment shall be covered proportionately by each Investment Compartment as detailed below.

5.2. Set Up Fees

The costs of establishing the Fund, shall be allocated in each Investment Compartment established within the first year of incorporation.

The Set Up Fee of the Fund and each individual Investment Compartment, the cost of initial offering of its Units, the preparation and printing of the Offering Memorandum and any other relevant document(s), marketing costs and fees of all professionals shall be allocated to the relevant Investment Compartment and amortised in such period as may be determined by the Manager at its discretion and may be charged to the Portfolio within such amortisation period and on such terms and in such manner as the Manager sees fit.

5.3. Management Fee

The Manager is entitled to receive out of the assets of each Investment Compartment remuneration for the management services it provides as described in the Investment Management Agreement and in the relevant Supplements. The specific terms and conditions of the Management Fee shall be set in respect of each Investment Compartment in the relevant Supplement.

Unless otherwise set out in the relevant Supplement, the following costs and expenses are included in the Management Fee (and are therefore borne by the Manager):

a. the cost of personnel employed and/or hired by the Manager to the extent such personnel carries out the management activities to be performed by the Manager;
b. the costs of any and all publicity to be made by the Manager, including but not limited to advertising and the sending of brochures, for the purpose of creating investment opportunities on behalf of the Investment Compartments;
c. any and all office costs to be made by the Manager arising from or connected with the management activities to be carried out by the Manager, including but not limited to providing office space and equipment; and
d. travel and lodging expenses for managing directors and employees of the Manager and other personnel hired by the Manager to be made in connection with the management activities.

Unless otherwise determined in a Supplement the Management Fee is:

a. A percentage calculated on Net Asset Value of the particular compartment;

b. Payable monthly at the end of each month.

5.4. Performance Fee

The Manager, the Investment Advisors, the Investment Committee, their affiliates and/or third parties may be entitled to a Performance Fee to the performance realised by the underlying assets of each relevant Investment Compartment as specified in the relevant Supplement.

Unless otherwise determined in a Supplement the Performance Fee is:

a. A percentage calculated on the Net Asset Value of the particular Investment Compartment which exceed the Hurdle Rate determined;

b. Calculated and accrued annually;

c. Payable whenever there is the required cashflow;

d. Accrued only if the Investment Compartment NAV exceeds the High Watermark of the Investment Compartment.

Details of the performance fee methodology, if different, is described in the Supplement of each Investment Compartment.

5.5. Depositary Fee

The Depositary shall receive out of the assets of each Investment Compartment remuneration for its services it provides as described in the Depositary Agreement and the relevant Supplement. The specific terms and conditions of the Depositary Fee shall be set in respect of each Investment Compartment in the relevant Depositary Agreement and the specific Supplement.

Unless otherwise determined in a Supplement the Depositary Fee is:

a. A percentage calculated on Net Asset Value of the particular compartment;

b. Payable monthly at the end of each month.

The Depositary Fee for each Investment Compartment is determined in the relevant Supplement.

5.6. Director’s Remuneration

Directors Remuneration shall from time to time be determined by the Manager and allocated to each Investment Compartment. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Fund or in connection with the business of the Fund. All such expenses shall be allocated to each Investment Compartment proportionately.

5.7. External Audit Fee

Each Investment Compartment shall be allocated the Audit Fee, paid by the Fund for the provision of auditing services by the External Auditor of the Fund. The fee payable to the External Auditor will be specified in the agreement to be concluded between the two parties in accordance to the services to be provided.

5.8. Administration Fee

Pursuant to the Administration Agreement between each Investment Compartment and the Administrator, each Investment Compartment or the Manager is obliged to pay an annual fee for the administration services provided.

Unless otherwise determined in a Supplement the Management Fee is:

a. A percentage calculated on Net Asset Value of the particular compartment;

b. Payable monthly at the end of each month by the Manager to the Administrator;

c. The Administration fee will be accrued and calculated on each Valuation Day.

d. Further details in regards to the fee and any additional charges are further specified in the Administration Agreement and each Supplement.

5.9. Investment Advisory Fees

Unless otherwise determined in the Supplement of each Investment Compartment, the Investment Advisors or Investment Committee (if any) are entitled to receive an advisory fee. Such fee shall be determined by the Manager noted in writing in the Investment Advisor agreement or the Investment Committee regulation. In the event that an Investment Advisor or an Investment Committee shall be appointed in any of the Investment Compartments, the Investment Advisory Fee shall be documented in the relevant Supplement of the Investment Compartment.

5.10. Regulatory Fees

Regulatory fees are the fees payable to the relevant regulatory authorities , the Duties and Charges and any fees, costs and expenses incurred in connection with making any filings with any government body or regulatory authority as well as statutory or regulatory fees, if any, levied against or in respect of the Fund together with the costs incurred in preparing any submission required by any tax, statutory or regulatory authority.

The Fund is obliged to pay an annual fee of EUR 1,800 to CySEC for the Fund, EUR 400 for each Investment Compartment and EUR 350 to the Registrar of Companies as an Annual Levy.

Regulatory Fees shall be allocated proportionately to each individual Investment Compartment.

5.11. Advertising Costs

Advertising Costs shall be paid by the Fund and allocated proportionately to each individual Investment Compartment if made for the benefit of all the Fund or by the particular Investment Compartment if made for the benefit of an Investment Compartment.

5.12. Service Provider Fees

The Manager reserves the right to negotiate and amend any fees payable to service providers, to the extent possible that such negotiation and amendment is in the best interests of the Fund, its Investment Compartments and the Investors.

5.13. Other Expenses

The Fund will bear all of its costs not borne by the Manager, including:

a. all expenses payable to or incurred by the Fund, the Administrator, the Depositary, the Manager or adviser appointed by or on behalf of the Fund or with respect to any Investment Compartment or Class and their respective delegates;
b. transaction costs and expenses directly related to the purchase, due diligence, holding, or sale of investments (including broken deal costs related to unsuccessful acquisitions and disposals);
c. all taxes or government duties which may be payable on the assets, income or expenses of the Fund and bank charges and commissions incurred by or on behalf of the Fund in the course of its business;
d. all expenses of the Directors;
e. the remuneration and expenses of any paying agent or representative or correspondent bank appointed in any jurisdiction in compliance with the law or other requirements of that jurisdiction;
f. brokerage and bank charges incurred by the Fund’s business transactions;
g. the remuneration, commissions and expenses incurred or payable in the marketing, promotion and distribution of Units including without limitation commissions payable

to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Units in the Fund and the costs and expenses of preparation and distribution of all marketing material and advertisements;

h. all fees and expenses connected with the preparation, publication and supply of information to Unitholders and the public including, without limitation, the cost of preparing, translating, printing, distributing the Offering Memorandum and any Supplements and any periodic updates thereof, marketing literature, the annual audited report, the half-yearly reports and any other periodic reports and the calculation, publication and circulation of the Net Asset Value per Unit, certificates, confirmations of ownership and of any notices given to Unitholders in whatever manner;

i. all fees and expenses incurred in connection with the convening and holding of Unitholders' meetings;

j. all fees and expenses incurred or payable in registering and maintaining an Investment Compartment or Class registered with any and all governmental and/or regulatory and/or rating agencies, clearance and/or settlement systems and/or any exchanges in any various countries and jurisdictions including, but not limited to, all filing and translation expenses;

k. all fees and expenses incurred or payable in listing and in maintaining or complying with the requirements for the listing of the Shares on any Stock Exchange, if any;

l. legal and other professional fees and expenses incurred by the Fund or by or on behalf of its delegates in any actions taken or proceedings instituted or defended to enforce, protect, safeguard, defend or recover the rights or property of the Fund;

m. any amount payable under indemnity provisions contained herein or any agreement with any functionary of the Fund including provisions indemnifying the functionary against claims arising from negligence, fraud or willful default;

n. all sums payable in respect of any policy of insurance taken out by the Fund including, without limitation, any policy in respect of directors' and officers' liability insurance cover for the Directors or the Manager and any of its officers or representatives;

o. all other liabilities and contingent liabilities of the Fund of whatsoever kind and all fees and expenses incurred in connection with the Fund 's operation and management including, without limitation, all fiduciary, interest on borrowings, all company secretarial expenses and all Companies Registration Office filings and statutory fees and all regulatory fees;

p. all expenses involved in obtaining and maintaining a credit rating for the Fund from any rating agency;

q. all fees and expenses to the auditors, the legal, tax and accounting advisers to the Fund, the Administrator, the Directors, Investment Advisers, the Fund Secretary providers including fiduciary, advisory, brokers or otherwise to the Fund or any of its investment Compartments;

r. the costs of any amalgamation or restructuring of the Fund or any Investment Compartment;

s. the costs of winding up the Fund or terminating any Class or Investment Compartment;

t. the financial consequences of all errors including a technology error or malfunction in the computers, networks and systems used by the Directors or the Manager and service providers;

u. all other direct or indirect out-of-pocket costs;

v. the costs of required capital;

w. all other fees and all expenses incurred in connection with the Fund 's operation and management;

x. any applicable value added tax.

All costs will, to the extent possible, be allocated to and brought at the charge of the Investment Compartment in or on behalf of which the costs were incurred. To the extent costs cannot be thus allocated they will be charged to each Investment Compartment proportionately.

All costs and expenses not borne by the Manager pursuant to the provisions of this Offering Memorandum but which arose in connection with the operation of the Fund and any Investment Compartment which is directly attributable to a specific Investment Compartment, including any value added taxes, shall be settled at the level of such Investment Compartment, in accordance with the provisions set out in each such Supplement. Such costs and expenses which cannot be allotted to one specific Investment Compartment will be charged to the different Investment Compartments in equal parts or, as far as it is justified by the nature of the sums concerned proportionately.

6

BOARD OF DIRECTORS

6.1. General

The Board of Directors consists of two Non-Executive Directors of the Fund and it aims to establish and oversee best practice for the services provided by the Fund.

The Directors shall be responsible for reviewing the general investment objectives and Investment Policy of the Fund in compliance with the applicable laws and the Articles. The operations of the Fund are to be reviewed at regularly scheduled meetings of the Board of Directors.

The Board of Directors shall decide a distribution of dividends to the Investors after the proposal by the Manager.

The Board of Directors carry the right to appoint, and remove the Manager of the Fund, with a written consent of 75% of the Investors counted individually for each Investment Compartment and at the level of all Investment Compartments.

6.2. Members of the Board

The Members of the Board of Directors of the Fund as at the date of this Memorandum are the following:

Miranda Costi – Non-Executive Director

Miranda holds BAA on Secretarial Studies from the University of Nicosia. She used to work at Nicos Efrem stockbrokers from 1999 until May 2002 as a Back Officer Administrator. From June 2002 until September 2008 she worked as an Office Administrator- Personal Assistant at Private Medical Center and from January 2009 until August 2009 she used to be a Sales Manager at Alpan Cosmetics Ltd. From August 2009 until September 2014 she was working at Tornaritis & Co LLC as Office Administrator and Corporate Administrator. After that, Miranda started a job as Company Administrator at Fiducionic Corporate Ltd, from October 2014 until present time.

Constantinos Constantinides – Non-Executive Director

Constantinos Constantinides graduated from the University of Salford in the UK and holds a Bachelors' degree in Accounting and Finance. Constantinos is a Fellow member of the Association of Chartered Certified Accountants of the United Kingdom (ACCA) and the Institute of Certified Public accountants of Cyprus (ICPAC).

He joined Abacus in August 2003 where he was mostly involved in providing administrative and accounting services for a portfolio of international business companies. In August 2005 Constantinos joined BP Eastern Mediterranean Limited where he was the business controller of the Aviation business of the company and part of the Financial Control & Accounting department. He re-joined Abacus in March 2007 as an assistant manager and reached the position of Senior Manager in 2015, looking after a portfolio of private, public and listed International Business Companies.

In June 2018 he left Abacus to start his own business (CCHQ Services Limited) a Company licenced by ICPAC, offering services in the fields of business advisory, accountancy, fiduciary and corporate administration

6.3. Director's Disclosure

No Director has:

a. Any unspent convictions in relation to indictable offences; or

b. Been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director; or

c. Been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration, or company voluntary arrangements or made any composition or arrangements with its creditors generally or with any class of its creditors; or

d. Been a partner of any partnership which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnerships voluntary arrangement, or had a receiver appointed to any partnership asset;

e. Had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or

f. Been disqualified by a court from acting as a director or from acting management or conduct of affairs of any company.

6.4. Changes in the Board

The Directors of the Fund are appointed by the Management Shareholders of the Fund as specified in the Memorandum and Articles of Association.

The Directors of the Fund shall not change without the prior notification and approval of the CySEC.

7

MANAGER

7.1. Appointment of Manager

The Fund has, subject to the provisions of the AIF Law, appointed a Manager which will assume responsibility for ensuring compliance with the functions of the AIF Law and the CySEC Regulations, upon such terms and conditions including the right to remuneration payable by the Fund as provided in the Investment Management Agreement. The appointment of the Manager shall be in accordance with the requirements of the CySEC.

7.2. Identity of the Manager

GMM Global Money Managers AIFM Ltd is registered in Cyprus since 19/03/2019 as a limited liability company under the Law and is authorised by CySEC to operate as an AIFM, offering the services described in article 6(5) of the AIFM Law under license number AIFM33/56/2013.

7.3. Responsibilities of the Manager

Pursuant to an Investment Management Agreement, the Manager will have the responsibility for the following functions:

a) portfolio management;
b) risk management;
c) administration:
d) legal and fund management accounting services;
e) customer inquiries;
f) valuation and pricing, including tax returns;
g) regulatory compliance monitoring;
h) maintenance of unit/shareholder register;
i) distribution of income;
j) unit/shares issues and redemptions;
k) contract settlements, including certificate dispatch;
l) record keeping;
m) marketing;
n) activities related to the assets of the AIFs as follows:

i. services necessary to meet the fiduciary duties of the AIFM;
ii. facilities management;
iii. real estate administration activities;
iv. advice to undertakings on capital structure;
v. industrial strategy and related matters;
vi. advice and services relating to mergers and the purchase of undertakings; and

vii. other services connected to the management of the AIF and the companies and other assets in which it has invested.

7.4. Portfolio Management

The portfolio management function of the Fund and its Investment Compartments shall be exercised by its Manager as it stems out from its Memorandum and Articles of Association and the Investment Management Agreement that its exclusive purpose is the management of its portfolio in accordance with the AIF Law.

The Manager shall have full discretion, powers and authorities to manage the assets of the Investment Compartments, in accordance with the Laws, the Memorandum and Articles of Association, the Investment Management Agreement, this Offering Memorandum and any Supplement. In particular, the Manager shall have full authority to make any acquisition or disposal and generally deal in the assets of any Investment Compartment, including:

a. to purchase or otherwise acquire, sell or otherwise dispose of, convert and invest in underlying investments;
b. to enter into, make and perform all contracts, agreements, and other undertakings, including any and all arrangements with market intermediaries and agents performing services in relation to transaction services on behalf of any Investment Compartment, to the extent that they are in compliance with the Laws, the Investment Policy, and/or the rules, regulations and practices of the relevant markets, where applicable;
c. to give all instructions necessary to execute all subscriptions, redemptions, negotiations of rights and adjustments linked to the assets of any Investment Compartment;
d. to arrange for the deposit of cash of any Investment Compartment with the Depositary, or for their disposition and payment of investments or acquisitions;
e. to take all investment decisions concerning the relevant Investment Compartment including the exercise of voting rights attached to the investments and other powers and discretions conferred on the owner of the assets forming the portfolio of the relevant Investment Compartment at its complete discretion, subject to any specific instruction from the relevant Investment Compartment in relation to any particular investment.

7.5. Collective Management of Assets

For the purpose of efficient management of the Fund and where the investment policies so permit, the Manager may opt to manage all or part of the assets of certain Investment Compartments in common. Assets so managed shall be referred to hereinafter as a “pool”. Such pools are created solely for internal management purposes and do not constitute a separate legal entity. Therefore, they cannot be directly accessed by investors. Each of the jointly managed Investment Compartments shall remain entitled to its own specific assets. The assets jointly managed in the pools may be divided and transferred to all the participating Investment Compartments at any time.

If the assets of several Investment Compartments are pooled in order to be managed jointly, a written record is kept of that portion of the assets in the pool which can be allocated to each of the Investment Compartments s concerned, with reference to the Investment Compartment's original share in this pool. The rights of each participating Investment Compartment to the jointly managed assets shall relate to each individual position in the respective pool. Additional investments made for the jointly managed Investment Compartments shall be allocated to these Investment Compartments in an amount proportionate to their participation while assets, which have been sold, shall be deducted from each participating Investment Compartment's assets accordingly.

7.6. Investment Committee and Advisors

The Manager, subject to the requirements of AIF and AIFM Law, may choose to appoint or use Investment Advisors, Investment Committees or other experts, for proposing possible investments or advices to the investments of each Investment Compartment or to provide such other services as required, upon such terms and conditions as the Manager thinks fit, including the right to remuneration.

7.7. Risk Management

The Manager shall use a risk-management process that enables monitoring and measuring at any time the value of the portfolio positions and their contribution to the overall risk profile of the Investment Compartments.

The risk-management process is performed by the Manager with a frequency and methodology appropriate to the risk profile of each Investment Compartment. The risk management process shall include the calculation of the global exposure of each Investment Compartment. Such calculation will be performed using advanced risk measurement methodologies as may be appropriate and which shall be applied in accordance with the most recent applicable guidelines of the European Securities and Markets Authority ("ESMA"). The Manager shall ensure that the method selected to measure the global exposure is appropriate, taking into account the investment strategy, the types and complexities of the assets used and the proportion of the Investment Compartment's portfolio.

7.8. Liquidity Risk Management

The Fund benefits from a liquidity risk management system. The fundamental objective of the system is to ensure that the liquidity of the fund assets allows meeting redemption requests from Unitholders and other financial commitments, while preserving the principle of fair treatment of Investors.

In this context, procedures have been put in place to enable a monitoring of the liquidity risks of each Investment Compartment and to ensure that the liquidity profile of the Investment Compartment's investment portfolio is such that the Investment Compartment can normally meet its share redemption obligations in case of an open-ended Investment Compartment. Procedures have also been adopted to address redemption rights in exceptional circumstances, including so-called special arrangements. The Manager may, under exceptional circumstances and in the interest of the relevant Investment Compartment or of the Investors of the relevant Investment Compartment, apply gates and/or side pockets.

In general, the procedures in place take into consideration the fact that unless there is contrary indication or provision in any Supplement, relating to a specific Investment Compartment:

a. The Investment Compartments are addressed to Investors as provided in 11.3. Eligible Investors (pg.);
b. An Investor is allowed to subscribe by contributing consideration in kind as provided in 12.6. Contribution-in-kind (pg.);
c. The Redemption procedure of the Investment Compartments allows for a redemption in kind as provided in 16.8. Settlement (pg.);
d. The lock up period for each Investment Compartment as described in its Supplement.

7.9. Operations Management

Further to the above, the Manager is also responsible for all the operational duties and decision that needs to be taken by the Fund such as:

a. appointment of Depositary, Administrator, Credit Institution;
b. payment of running expenses of the Fund such as Administration fees, Audit fees and other related fees;
c. acceptance of subscriptions, redemptions and transfers of the Investors of the Investment Compartments;
d. any other responsibility and duty related to the operational side of the Fund such as:
    i. ensure that valuation policies and procedures are established and implemented;
    ii. ensure and verify that the general Investment Policy, strategy and risk limits of each Investment Compartment are properly implemented;
    iii. approve and review the adequacy of the internal procedures for undertaking investment decisions, so as to ensure that such decisions are consistent with the approved Investment Policy of each Investment Compartment;

iv. approve and review the risk management policy
v. avoid conflicts of interest;
vi. review and evaluate the work carried out by the Internal Auditor;
vii. discuss internal audit issues and adopt strategies to improve the operation of the internal audit mechanism;
viii. determine the remuneration of staff and senior management of the Fund, if any.

7.10. Structure Determination

The Manager is responsible for determining the internal structure of the Fund, by appointing officers, each assigned with specific duties and responsibilities and endowed with the powers necessary for effectively carrying them out. The Manager shall establish a clear and quick reporting chain based on which information regarding suspicious transactions is passed without delay to the Compliance Officer.

7.11. Delegation of Management Functions

The Manager may delegate functions and duties to any person or persons so appointed, in accordance with the requirements of CySEC and to the extent permitted by the AIF Law and the AIFM Law and the relevant CySEC Directives and subject to an Investment Management Delegation Agreement or any other agreement with similar effect. In such case, the overall control and ultimate responsibility shall remain with the Manager. If any such company shall resign or be dismissed or its appointment shall otherwise be terminated, the Manager shall use their best endeavour to appoint some other person, firm or corporation in its place if required.

7.12. Professional Liability

To cover potential professional liability risks resulting from its activity the Manager holds additional own funds which are appropriate to cover potential liability risks arising from professional negligence.

7.13. Resignation and replacement of the Manager

The Manager may resign from the management of the Fund only where an eligible substitute has been appointed, unless the Fund after the resignation of its Manager becomes internally-managed under the provisions of article 6(2)(a)(i) or (ii) of the AIF Law. The replacement of the Manager of the Fund, for any reason, is subject to the CySEC's approval. The CySEC shall also approve the new Manager, after taking into consideration the Unitholders' interests. The replacement of the Manager of the Fund will produce a relevant amendment to the Memorandum and Articles of Association of the Fund, which shall be communicated to its Unitholders.

8

DEPOSITARY

8.1. Depositary General

The Fund operates with a Depositary in accordance with Section 26 of AIF Law and Sections 23 - 28 of AIFM Law which is appointed by the Manager. The appointment of a depositary shall be documented in a written contract between the Depositary, the Fund and the Manager. The Depositary shall be a company qualified to act as Depositary as per the relevant provisions of the AIFM Law and which has the prior approval of CySEC. The Depositary has no decision-making discretion relating to the Fund.

8.2. Identity of the Depositary

Eurobank Cyprus Ltd has been appointed to act as the Depositary of the Fund. Eurobank Cyprus Ltd offers a range of products and services in corporate and investment banking, private banking and international business banking, adding value to the development of the services provided by Cyprus as an important financial centre. With strong capital adequacy, the bank continuous organic growth as well as the strength of people, the bank continues developing operations to the benefit of customers, providing effective solutions to meet rapidly evolving and complex needs.

8.3. Responsibilities of the Depositary

The Depositary is responsible for the following functions:

a. Cash Monitoring;

b. Safekeeping of Assets; and

c. Oversight;

8.4. Cash Flow Monitoring

The Depositary shall in general ensure that the Fund’s cash flows are properly monitored and shall, in particular ensure that:

a. all payments made by or on behalf of Investors upon the subscription of Units of an Investment Compartment have been received; and

b. all cash of the Fund has been booked in cash accounts opened in the name of the Fund or on the name of the Manager acting on behalf of the Fund or in the name of the Depositary acting on behalf of the Fund at an entity referred to in sub-paragraphs (a), (b), (c) or (d) of paragraph 20 of the Directive for the Authorisation and Operating Conditions of CIFs, DI144-2007-01 of 2012, or another entity of the same nature, in the relevant market where cash accounts are required, provided that such entity is subject to effective prudential regulation and supervision which have the same effect as union law and are effectively enforced and in accordance with the principles set out in paragraph 18 of the Directive for the Authorisation and Operating Conditions of CIFs, DI144-2007-01 of 2012.

8.5. Safekeeping of Assets

The Depositary will be responsible for the safekeeping of all Investments made by the Investment Compartments. All assets held by the Depositary on behalf of the Investment Compartments will be held either directly by or in the name of the Depositary or sub depositaries(s), nominee(s), agent(s) or delegate(s) thereof in one or more of the jurisdictions in which the Fund will invest. The Depositary will be responsible for implementing banking and financial transactions for the account of the Investment Compartments. Subject to certain conditions, the Depositary is authorised to use any party (including clearance systems, depositories, sub-depositaries, outsourcing or overseas data processing agents) in relation to any of the services or duties of the Depositary and may delegate to any such party any of its services or duties, provided that the Depositary shall use reasonable are to ensure that it only engages professional and competent parties.

The Investments of the Investment Compartment shall be entrusted to the depositary for safe-keeping, as follows:

a. For the financial instruments of each Investment Compartment that can be held in custody:

   i. the Depositary shall hold in custody all financial instruments that can be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;

   ii. for that purpose, the Depositary shall ensure that all those financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts, opened in the name of the Fund so that they can be clearly identified as belonging to the Fund in accordance with the applicable law at all times.

b. For other assets:

   i. the Depositary shall verify the ownership of the Investment Compartment of such assets and shall maintain a record of those assets for which it is satisfied that the Investment Compartment holds the ownership of such assets;

   ii. the assessment whether the Investment Compartment holds the ownership shall be based on information or documents provided by the Investment Compartment and, where available, on external evidence;

   iii. the Depositary shall keep the record referred to in point (i) up-to-date.

8.6. Oversight

The Depositary shall in general execute the regulatory oversight over the affair of the Fund and shall, in particular:

a. ensure that the sale, issue, re-purchase, redemption and cancellation of Units of the Fund are carried out in accordance with the applicable national law and the Fund's Articles; and
b. ensure that the value of the Units of the Fund is calculated in accordance with the applicable national law, the Fund's Articles and the procedures laid down in section 19 of the AIFM Law pertaining to valuation; and
c. carry out the instructions of the Manager, unless they conflict with the applicable national law or Fund's Articles; and
d. ensure that in transactions involving the Investment Compartments' assets any consideration is remitted to the relevant Investment Compartment within the usual time limits; and
e. ensure that the Investment Compartments' income is applied in accordance with the applicable national law and the Fund's Articles.

8.7. Depositary Indemnity

The Fund agrees to indemnify the Depositary, its sub-Depositaries and any of their respective agents or nominees to the extent and in the circumstances set out in the relevant agreement.

Accordingly, any liability owed or indemnity payable to the Depositary pursuant to the relevant agreement shall be limited to the assets and liabilities of the relevant Investment Compartment.

8.8. Paying Agent

In its capacity as Principal Paying Agent of the Fund, the Depositary is in charge of the payment of the dividends and/or redemption proceeds to the Unit-holders of the each Investment Compartment or of the payment of the dividends and/or redemption proceeds to the various paying agents that can be appointed from time to time by the Principal Paying Agent with the approval of the Manager of the Fund.

8.9. Prime Broker

Unless otherwise provided in the relevant Supplement of each Investment Compartment there is no Prime Broker appointed for the Fund and its Investment Compartments.

8.10 Resignation & Replacement of the Depositary

The replacement of the Depositary can take place only after the approval of the choice of the new Depositary by CySEC.

In case of a serious breach of the Depositary's obligations, or in order to protect the interests of the Unitholders where the Depositary does not exercise its duties in the interests of the Unithlolders, CySEC may demand the replacement of the Depositary by a new Depositary, which shall be subject to its approval. An application for the replacement of the Depositary may also be filed by the Manager, as representative of the Unitholders.

Where the Manager requires the replacement of the Depositary, it must propose a new Depositary in replacement of the previous one and informs the Depositary under replacement relatively.

The Depositary has no decision-making discretion relating to the Compartments' investments.

9

EXTERNAL AUDITOR

9.1. General

The Fund has appointed Ekkeshis Ierodiakonou Limited as the External Auditors pursuant to an Audit Services Agreement.

9.2. Reporting Obligations

The Manager shall prepare and submit an annual report, which is audited by an independent auditor. The Fund's annual report shall include, at least, the following information:

a. A balance sheet or a statement of assets and liabilities of the Fund;

b. Income and expenditure account of the Fund for the Financial Year;

c. A report on the activities of the Fund of the Financial Year;

d. Any material changes in the information listed in section 30 of the AIFM Law 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 Manager to its staff, and number of beneficiaries, and where relevant, Performance Fee paid by the Fund;

f. The aggregate amount of remuneration broken down by Senior Management and members of staff of the Manager whose actions have a material impact on the risk profile of the Fund.

The annual report shall be prepared in accordance to the International Financial Reporting Standards (IFRSs). The External Auditor's report, including any qualifications, shall be reproduced in full in the Fund's annual report.

9.3. Responsibilities

The auditor, who prepares the audit report regarding the accounting information included in the annual report, shall, in accordance with section 81 of the AIF Law, immediately, bring to the attention of CySEC the following information:

a. every event or decision that came to its attention during the exercise of its duties and relates to the Fund, where this event or decision may:

i. result in a substantial violation of a provision of the AIF Law or the AIFM Law; or

ii. affect the ongoing operation of the Fund; or

iii. substantially affect the ability of the Fund to fulfil its obligations to its Unit-Holders or comply with any obligation that stems from the AIF Law or its

Memorandum and Articles; or

iv. result in a refusal to certify the annual financial statements of the Fund or to the expression of an adverse audit opinion.

b. every event or decision related to the Fund and is referred to in paragraph (a) which came to its attention, during the exercise of its audit duties in another company which has close links with the Fund resulting from a control relationship of the Fund and the company, or during the exercise of another duty related to that company.

The auditor shall provide to the CySEC any information requested, in relation to any matter which relates to information the auditor is in position to know or should have known because of the exercise of its duties as the auditor of the Fund.

10

ADMINISTRATOR

10.1. Delegation to Administrator

The Manager may appoint a person, firm or corporation to act as Administrator of the any Investment Compartment for the purpose of administering the affairs of the Investment Compartment and to perform such other duties upon such terms and conditions including the right to remuneration payable by the Investment Compartment as the Manager (with the agreement of the said Administrator) may from time to time determine. The appointment of the Administrator shall be in accordance with the requirements of CySEC.

The Manager herewith delegates the powers and responsibilities set out in article 6(1)(b) of the AIF Law to the Administrator as provided in the Supplement of each individual Investment Compartment.

10.2. Identity of the Administrator

The identity of the Administrator for each Investment Compartment is provided in the relevant Supplement.

10.3. Responsibilities of the Administration

The administrative functions carried out by the Administrator are those been delegated pursuant to an Administration Agreement subsisting in each Investment Compartment and details of which are specified in the relevant Supplement. The functions not delegated by each Administration Agreement shall be carried out by the Manager.

Unless otherwise provided in the relevant Supplement and the corresponding Administration Agreement the Administrator shall carry out all the administration duties and tasks in relation to the Fund or each Investment Compartment as follows:

a. legal and accounting fund management services;
b. customer inquiries;
c. valuation and pricing, including tax returns;
d. regulatory compliance monitoring;
e. maintenance of unit/shareholder register;
f. distribution of income of the Fund;
g. Unit issues and redemptions;
h. contract settlements, including certificate dispatch;
i. record keeping.

10.4. Limitation of Liability

The Administration Agreements may provide that the Administrator shall not be liable for actions taken in good faith and in the absence of fraud, willful default or gross negligence while performing its duties hereunder. For each Investment Compartment, the Manager reserves the right to change the administration arrangements and/or, in its discretion to appoint additional or alternative administrator(s). The Administrator has no decision-making discretion relating to any investment.

11

THE ISSUE

11.1. Issue

The Issue consists of a subscription of Investor Units in a particular Investment Compartment, each Investor Unit being linked to one Unit in the capital of a particular Class of Shares of an Investment Compartment issued at an Initial Subscription Price during an Initial Offering Period as specified herein. Following the last subscription day, Units may be subscribed for on any Dealing Day at prices based on Net Asset Value per Unit.

The initial issue for each Investment Compartment is conditional upon raising the Minimum Capital Raising Amount before expenses, being raised no later than the end of the subscription period and within twelve months from the date of authorisation of each Investment Compartment, otherwise becoming unconditional. The amount collected will be deposited by each Investment Compartment to each Investment Compartment subscription bank account. In the event of not raising the Minimum Capital Raising Amount by the end of the Initial Offering Period, each Investment Compartment will return the amount collected to the Investors plus accrued interest, if any.

11.2. The Subscription

Applications of each investor during the first subscription must be for the Minimum Subscription Amount and subsequently the Minimum Additional Subscription Amount.

The terms and conditions for applying for Investor Units are set out in the Subscription Application.

Investor Units of each Investment Compartment are available for issue during the relevant Initial Offering Period at the Initial Subscription Price per Investor Unit or as designated in the particular Investment Compartment.

After the close of the Initial Offering Period, Investors may subscribe for Investor Units on the Subscription Days at the applicable Subscription Price, calculated with reference to the Net Asset Value per Unit on the relevant Valuation Day.

The Manager is authorised to close or restrict the Investment Compartments to new subscriptions, either for a specified period or until it otherwise determines and either in respect of all Investors or new Investors only.

11.3. Eligible Investors

Unless otherwise specifically provided in any Supplement pertaining to a particular Investment Compartment, in general, the Fund and its Investment Compartments is available to Retail, Professional and Well-Informed Investors who:

a. are able to lose a substantial portion or even all the money they invest in the relevant

Investment Compartment,

b. prepared to accept the risks inherent in investing,

c. understand the high degree of risk involved,

d. believe that the investment is suitable based upon their investment objectives and financial needs,

e. have no need for liquidity of investment and

f. before investing, will seek independent professional advice on the implications of investing in the Fund and its Investment Compartments.

12

SUBSCRIPTION PROCEDURE

12.1. Initial Offering of Investor Units

During the Initial Offering Period, each Investment Compartment expects to raise the Minimum Capital Raising Amount on a consolidated basis and excluding commissions, set up fees and other fees and expenses. Each Investment Compartment shall use the net proceeds of the Initial Offering Period for executing its Investment Policy as determined by the Manager.

12.2. Further Subscriptions of Investor Units

Following the Initial Offering Period, applications may be made to purchase Investor Units on each Valuation Day at the Subscription Price calculated with reference to the Net Asset Value per Unit calculated for that Valuation Day.

Unless otherwise determined by the Manager of the Investment Compartments, Units will be issued one (1) Business Day after the Valuation Day, being the Dealing Day, at the Subscription Price based on Net Asset Value per Unit that Valuation Day.

No Units of any Class shall be issued by the relevant Investment Compartment during any period in which the determination of the Net Asset Value per Unit is suspended.

12.3. Minimum Subscription Amount and Additional Subscription Amount

Applications during the Initial Offering Period must be for the Minimum Subscription Amount and subsequent subscriptions for the Minimum Additional Subscription Amount.

However, the Manager, at its discretion, may vary the Minimum Subscription Amount or the Minimum Additional Subscription Amount from time to time.

12.4. Subscription Fee

Each individual Investment Compartment may charge Subscription Fee as specified in its Supplement.

The Manager reserves the right to change the Subscription Fee. In the event the change of the Subscription Fee is for individual subscriptions, it shall be made prior to any Subscription Application, shall be reflected in the individual Subscription Application and shall not affect the Offering Memorandum and its Supplements. In the event the change of the Subscription Fee is general for any Investment Compartment the Offering Memorandum and the relevant Supplement shall be revised, to depict any additional charge. Any taxes, commissions and other fees incurred in the respective countries or jurisdictions in which Units are sold will also be charged, if any, to the Investors.

12.5. Subscription Application

The Subscription Application is the application that will be signed by each Investor subscribing for Investor Units, individually. The Subscription Application lays down the terms which the Investors should have knowledge of and accept, in order to subscribe for Investor Units of the relevant Investment Compartment.

The Investor who wants to participate in the Fund shall fill out a Subscription Application. The Subscription Application is reviewed by the Manager before being approved to ensure that the Investor meets specific requirements. The Subscription Application sets forth the acceptance by the Investor of the provisions of the Offering Memorandum, the Supplements, the Memorandum and Articles of Association and the last Annual Report under which the Investor will be bound if accepted. The Subscription Application contains all the information required in order for the Investor to be subscribed in the Investment Compartment. Information include among others personal information of the investor, commitment amount, additional holders if any, details of the beneficial owners, Bank details etc. In addition, the Subscription Application includes all the required information that need to be submitted from the potential Investor in order for the Manager to be able to evaluate whether he/she is proper and fit in accordance with the requirements of the AIF Law and this Offering Memorandum and/or relevant Supplement.

The documentation requested to be obtained is also needed for the KYC (Know Your Client) and AML (Anti-Money Laundering) procedures to be followed by the Manager subject to the requirements of the applicable laws.

The Subscription Application and any documents thereof may be executed, signed and delivered by electronic means as further specified by the Manager.

12.6. Contribution-in-kind

An Investor is allowed to subscribe to the Investment Compartments by contributing consideration in kind related to the Investment Policy. The respective capital contribution of the Investor will be assessed on the basis of at least one report from an independent valuer who meets the requirements of Article 73 of Regulation (EU) No. 231/2013 and shall be free of liens. The value of the capital contribution shall not be less than the Minimum Subscription Amount fixed by the Manager.

12.7. Application Procedure

Completed Subscription Application shall be provided to the Manager or the Administrator, as specified in the Subscription Application in writing by electronic mail or facsimile or by such other means as may be prescribed by the Manager. Original Completed Subscription Application must follow promptly by post along with any supporting documentation.

Any application for subscription following the Initial Offering Period shall be irrevocable. Subscription requests received prior to the Cut-Off Date shall be effected on the basis of the Net Asset Value per Unit determined on the applicable Valuation Day. Any subscription request received after the Cut-Off Date will be processed on the next Valuation Day on the basis of the Net Asset Value per Unit determined on that Valuation Day. Units will be issued within three (3) Business Day after the Valuation Day, being the Dealing Day.

12.8. Payment Procedure

Payment for all the Units must be received in an account held by the Investment Compartment, either in cash or cheque, in the Reference Currency no later than one (1) Business Day prior to the applicable Valuation Day. The normal currency of payment for Units will be the Reference Currency of the relevant Investment Compartment. If any issue or sales taxes become payable to the relevant tax administration, the Initial Subscription Price or Subscription Price will increase by that amount, or be deducted by the total subscription amount.

12.9. Notification of Transaction

Provided (i) the subscription proceeds in clear funds and /or contributed assets and (ii) all documentation required have been received, a confirmation letter will be sent to the Investor (or its nominated agent if so requested by the Investor) by ordinary post, electronic mail or facsimile as soon as reasonably practicable after the relevant Dealing Day, providing full details of the transaction. In the event of any Banking delay and for the purposes of closing the subscription promptly, the Manager may approve a payment as in clear funds although a banking procedure may not be completed yet.

Title to registered Units is evidenced by entries in the Register kept by the Manager and/or the Administrator. Units certificates will not be issued unless so requested by a Unitholder. In such case the share certificate shall be in the form approved by the Board of Directors of the Manager and any charges incurred for its issuance shall be burden by the Unitholder.

12.10. Rejection of Subscriptions

The Manager may reject any Subscription in whole or in part, and it may, at any time and from time to time and in their absolute discretion without liability and without notice, discontinue the issue and sale of Units.

If any Subscription is not accepted in whole or in part, the subscription monies or the balance outstanding will be returned without delay to the subscriber by post or bank transfer at the subscriber's risk without any interest.

12.11. Subscription Through Nominees

Any Investor will only be able to fully exercise his rights directly against any Investment Compartment, if the Investor is registered himself and in his own name in the Register of the Investment Compartment. In cases where an Investor invests in the Investment Compartment through an intermediary investing into the Investment Compartment in his own name but on behalf of the Investor (a "Nominee"), it may not always be possible for the Investor to exercise certain rights directly against the Investment Compartment.

For the avoidance of doubt, in cases where a Nominee invests into the Investment Compartment in his own name but on behalf of several Investors, any applicable Minimum Subscription Amounts and/or holding amounts will be assessed at the level of the Nominee, without applying any look-through to the level of the individual, underlying Investors.

12.12. Allocation

The rights attached to the Investor Units for each Investment Compartment will be uniform in all respects and they will form a single class for all purposes unless the particular Investment Compartment Units is divided into classes of Units. All Investors Units issued pursuant to the subscription, will be issued and fully payable at the Initial Subscription Price, during the Initial Offering Period. After the end of the Initial Offering Period the Subscription Price will be based on the NAV of the respective Valuation Day.

12.13 Register and Registration of Investor Units

Investor Units are issued only in registered form. The Fund is not allowed to issue bearer shares. Title to registered Investor Units subscribed to a Unitholder is evidenced by having the account name, address and the number of Investor Units held, entered in the Register. The Register is kept in such manner as to show at all times the Unitholders subscribed in each Compartment and the Investor Units in issue allocated to each Investment Compartment. The Register is kept in the form of electronic records, provided that legible evidence is produced therefrom to satisfy the requirements of applicable law and the provisions of the Articles,

12.13. Money Laundering Prevention

Investors should note that the Manager may refuse to accept a subscription request if it is not accompanied by such additional information as they may reasonably require, including without limitation information required for money laundering verification purposes.

Pursuant to applicable Cyprus laws and regulations comprising but not limited to the Prevention and Suppression of Money Laundering Activities Law of 2007 (Law 188(I)/2007) as this may be amended from time to time and CySEC's AML Directive for the Prevention of Money Laundering and Terrorist Financing and any CySEC Directives and circulars issued from time to time, the Fund must comply with anti-money laundering and financing of terrorism procedures.

As a result, the Fund must principally ascertain the identity of the subscriber and beneficial owners in accordance with Cyprus laws and regulations. The Fund may require subscribers to provide any document it deems necessary to effect such identification. In any case of delay or failure by an applicant to provide the required documents, the application for subscription will not be accepted.

Neither the Administrator nor the Fund or the Manager shall have any liability for delays or failure to process deals as a result of the applicant providing no or incomplete documentation.

Investors may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations as well as internal requirements.

The Prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007, No.188 (I)/2007, as amended (the “Money Laundering Law”) and the AML Directive for the Prevention of Money Laundering and Terrorist Financing contain provisions intended to define and criminalise the laundering of the proceeds generated from all serious criminal offences and provides for the confiscation of such proceeds aiming at depriving criminals from the profits of their crimes.

The Anti - Money Laundering Law makes it an offence for any person to provide assistance to another person to obtain, conceal, retain or invest funds if the person knows or suspects, or should have known or suspected, that the funds are the proceeds of criminal conduct. Criminal conduct is defined to include homicide, drug and arms trafficking, appropriation of money by illegal means, dealing in stolen goods, and corruption by public officials, etc. The offence of assisting in money laundering carries a penalty of 14 years' imprisonment or a fine or both. It is a defence that the person concerned reported his knowledge or suspicion to the police or to his employer at the first available opportunity.

In addition, the Money Laundering Law contains specific provisions intended to prevent money laundering in the financial sector. It is therefore a criminal offence punishable by up to 14 years of imprisonment or a penalty of up to €500.000,00 or both, for the Fund to enter into any contract or relationship with an Investor unless the Manager:

a. Applies acceptable procedures in relation to client identification and record keeping;

b. Maintains appropriate internal control and communication procedures and

c. Ensures that the Manager’s employees and affiliates are educated and trained in applying these procedures in the exercise of their duties.

The purpose behind such procedures is to ensure that money laundering by the Fund’s Unitholders is detected and prevented. By ensuring compliance with the requirements of the Anti-Money Laundering Law, the AML Compliance Officer, who will be also responsible for the Anti-money laundering issues and reporting to the Unit of combating Money Laundering any knowledge or suspicion as to money laundering, the Manager will avoid any liability for the concealment of money laundering.

13

NET ASSET VALUE

13.1. General Principles

The Administrator, to which the Manager has delegated the Administration function of the Fund, shall on or with respect to each Valuation Day determine the Net Asset Value (NAV) of each Investment Compartment and the NAV per Investor Unit in accordance with the following provisions. The calculation of the NAV of each Investment Compartment will be performed by the Administrator and approved by the Manger.

The NAV will be expressed respectively in the Reference Currency of the Investment Compartment. The NAV per Unit in the Reference Currency of the Class, if a different currency denomination of the Reference Currency of the Investment Compartment, is the equivalent of the NAV per Unit in the Reference Currency of the Investment Compartment converted at the Prevailing Exchange Rate. The same shall apply in the case of the Reference Currency of the Investment Compartment and the Reference Currency of the Fund is different. The Valuation Day for each Investment Compartment is specified in the relevant Supplement.

13.2. Valuation Specifics

The NAV of an Investment Compartment shall be calculated by ascertaining the value of the relevant assets of the Investment Compartment pursuant to the Valuation Procedures detailed below and deducting thereto the total liabilities of the relevant Investment Compartment.

The NAV per Unit shall be determined by dividing the NAV of the relevant Investment Compartment by the total number of Units issued in the Investment Compartment the relevant Valuation Day and shall be rounded up or down, as the case may be, to the next smallest Unit of the Reference Currency.

13.3. Adjustment of the Net Asset Value (Single Swing Pricing)

In order to protect existing Unitholders, the NAV per Unit Class of an Investment Compartment may be adjusted upwards or downwards by a maximum percentage ("swing factor") as specified in the relevant Supplement", in the event of a net surplus of subscription or redemption applications on a particular Valuation Day. In such case the same NAV applies to all incoming and outgoing investors on that particular Valuation Day. The adjustment of the Net Asset Value is aiming to cover in particular but not exclusively transaction costs, tax charges and bid/offer spreads incurred by the respective Investment Compartment due to subscriptions, redemptions and/or conversions in and out of the Investment Compartment. Existing Unitholders would no longer have to indirectly bear these costs, since they are directly integrated into the calculation of the NAV and hence, are borne by incoming and outgoing investors.

The Net Asset Value may be adjusted on every Valuation Day on a net deal basis. The Manager can set a threshold (net capital flows that needs to be exceeded) to apply the adjustment to the Net Asset Value. Unitholders should note that the performance calculated on the basis of the Net Asset Value might not reflect the true portfolio performance as a consequence of the adjustment of the Net Asset Value.

13.4. Valuation Dates

The Net Asset Value of each Investment Compartment will be calculated at least annually or on a frequency specified in the relevant Supplement.

13.5. Valuation Procedures

The assets of each Investment Compartment, shall be deemed to include:

a. All investment holdings held in the Portfolio of each Investment Compartment;
b. All cash in hand or on deposit, including any interest accrued thereon;
c. All bills and demand notes receivable and accounts receivable (including proceeds of transferable securities and money market instruments sold but not delivered);
d. All bonds, notes, certificates of deposit, Shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other transferable securities and money market instruments, financial instruments and similar assets owned by the relevant Investment Compartment, provided that the Manager or the Administrator may make adjustments with regards to fluctuations in the market value of transferable securities and money market instruments caused by trading ex-dividends, ex-rights, or by similar practices;
e. All stock, cash dividends and cash distributions receivable by the relevant Investment Compartment to the extent information thereon is reasonably available to the Investment Compartment;
f. All interest accrued on any interest bearing assets owned by the relevant Investment Compartment except to the extent that the same is included or reflected in the principal amount of such asset;
g. The set up expenses of the Fund and the relevant Investment Compartment, including the cost of issuing and distributing Units of the Fund, insofar as the same have not been written off;
h. All other assets of any kind and nature including expenses paid in advance.

Unless otherwise provided in the Supplement of each Investment Compartment the value of such assets shall be determined as follows:

a. The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends, interest declared or accrued and not yet received, all of which are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;

b. Transferable securities and money market instruments listed on a recognised stock exchange or dealt on any other regulated market will be valued at their closing prices. In the event that there should be several such markets, transferable securities and money market instruments will be valued based on the market with the highest frequency, regularity and volume of transactions. If no stock exchange transaction was made on the Valuation Date, account shall be taken of the price of the previous day when the regulated market was in session and, if no stock exchange transaction was made on that day either, account shall be taken of the last bid or ask price;

c. The value of non-Euro transferable securities is generally determined based upon the last transaction price on the foreign exchange or market on which it is primarily traded and in the currency of that market as of the close of the appropriate exchange or, if there have been no transactions during that day, at the closing price. The Manager has determined that when the period of time between when the foreign exchanges or markets close and when the Investment Compartments compute their respective NAV's could cause the value of foreign transferable securities to no longer be representative or accurate, and as a result, may necessitate that such transferable securities be valued on the grounds of fair value. Accordingly, for foreign transferable securities, the Investment Compartments may use an independent pricing service, which shall be monitored and reviewed on regular intervals, to fair value price the transferable security as of the close of regular trading on the relevant Stock Exchange;

d. Exceptionally, in the event that the latest available price does not, in the opinion of the Manager, truly reflect the fair value of the relevant transferable securities and money market instruments, the value of such transferable securities and money market instruments will be defined by the Manager based on the reasonably foreseeable sales proceeds determined prudently and in good faith by the Manager;

e. Transferable securities and money market instruments which are listed and traded on a regulated stock exchange but for which no stock exchange transactions have been made in a period exceeding fifteen (15) Business Days from the Valuation Day, will be deemed not listed in a regulated market and will be valued in accordance with (f) below;

f. Transferable securities and money market instruments not listed or traded on a stock exchange or not dealt on another regulated market will be valued on the first Business Day of every half month using all relevant information about the issuer, the prevailing market conditions at the Valuation Day and the possible price realizable for the assets. The Directors will adopt and apply criteria which are based on the issuers' call offers, or, if this is not feasible, the mid-value of the put and call offers of the issuer published by specialised and independent from the Manager. In case the application of the previous sentence is not possible, the Manager may use widely recognised and accepted methods of valuation used in international capital markets and ensure that the criteria used are in accordance with market values. This valuation may be undertaken by the Manager's counterparty as long as it is provided for in the relevant Supplement and the Manager periodically determines, reviews and evaluates the valuation methodologies used. Furthermore, the method and criteria of valuation shall be consistently applied and may be amended only if necessary by the current circumstances and after approval from CySEC, and it shall be justified in the following annual report;

g. Transferable securities and money market instruments which are in the process of being listed in a regulated stock exchange will be valued based on criteria used for similar assets traded on a regulated market and issued by the same legal entity, taking into consideration the characteristics of exchangeability and liquidity of the issues of each of these two assets. All other transferable securities and money market instruments and other assets will be valued at fair value as determined in good faith pursuant to procedures established by the Director; and

h. All real estate assets will be valued by at least one independent Valuer hired by the Manager on behalf of the Investment Compartment. The Valuer will value the properties according to a fair market value principle (deemed to be "the amount at which the asset could be exchanged in an open and unrestricted market between informed, knowledgeable, willing parties, acting at arm's length and under no compulsion to act, expressed in terms of money or money's worth"). In the event of two valuers, the average of the two valuations will be used as the value of the asset. If the two valuations provided differ by more than 15% of the value of the lowest valuation then the Manager at their sole discretion can request a third valuation by a third independent Valuer. The Manager will then select the two valuations that are closest together (in the case that all three valuations are equidistant from each other, then the lowest two will be used) and take the average to be used as the value of the asset. The Manager may, at their discretion, adjust the value of an asset downwards (but not upwards) if they feel that the valuation of the asset is overly optimistic. In case an asset is sold, then its value will be the sale price achieved in the sale regardless of any valuations for that asset.

i. Private equity investments will initially be valued either at cost or at fair value. Transaction costs such as legal fees, third party advisory fees or administrative expenses will be added to the investment costs in those cases where it is possible to clearly and directly allocate these to the investments. Private equity investments shall be valued at least once a year and every time there is evidence that the last determined value is no longer fair or proper, in accordance to IFRS standards, or as per the guidelines issued by the European Private Equity and Venture Capital Association (EVCA).

j. For any other assets not covered in (a) to (i) above, their value will be calculated in accordance with applicable valuation techniques.

The liabilities of each Investment Compartment shall be deemed to include:

a. All temporarily contract loans, bills and accounts payable;
b. All accrued interest on loans of the Investment Compartment (including accrued fees for commitment for such loans);
c. All accrued or payable expenses including the Management Fees, Depositary Fees, Administrator Fees, Banker Fees and any other third-party service provider fees, that have been appointed;
d. All known liabilities, present and future, including all matured contractual obligations for payment of money or property;
e. An appropriate provision for future taxes based on income to the relevant Valuation Day, as determined from time to time by the Manager, and other reserves, if any, authorised and approved by the Directors; and
f. All other liabilities of the Investment Compartment of whatsoever kind and nature except liabilities represented by Units. In determining the amount of such liabilities, all expenses payable and all costs incurred by the relevant Investment Compartment will be taken into account. Such fees and expenses shall comprise among other the fees payable to the Directors (including all reasonable out- of-pocket expenses), investment advisors (if any), Investment or Sub-investment managers, accountants, Credit Institutions, permanent representatives in places of registration, fees for legal and auditing services, costs of any proposed listings and of maintaining such listings, promotion, printing, reporting and publishing expenses including reasonable marketing and advertising expenses and costs of preparing, translating and printing in different languages of Offering Memorandums, addenda, explanatory memoranda, registration statements, Annual Reports, all taxes levied on the assets and the income of the Investment Compartment and any stamp duties payable, registration fees and other expenses payable to governmental and supervisory authorities in any relevant jurisdictions, insurance costs, costs of extraordinary measures carried out in the interests of Investors in particular, but not limited to, arranging expert opinions and dealing with legal proceedings (for the avoidance of doubt this does not include costs of legal proceedings brought against the Manager and/or the Credit Institutions) and all other operating expenses, including the cost of buying and selling assets, customary transaction fees, and fees charged by custodian banks or their agents (including free payments and receipts and any reasonable out-of-pocket expenses, i.e. stamp taxes, registration costs, scrip fees, special transportation costs, etc),

customary brokerage fees and commissions charged by Credit Institutions and brokers for transferable securities and money market instrument transactions and similar transactions, interest and postage, telephone, and facsimile charges. The Manager may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period. However, as far as costs for publications and production of documents are concerned, only such costs for publications and production of documents are incumbent on the Investment Compartment.

Unless otherwise specified in the relevant Supplement, if after the calculation of the NAV of any Investment Compartment, there has been a material change in the quotations on the markets on which a substantial portion of the investments attributable to the relevant Investment Compartment are dealt or quoted, the Manager may, in order to safeguard the interests of Investors and the relevant Investment Compartment, cancel the first valuation and carry out a second valuation, for all the Classes concerned, prudently and in good faith.

13.6. Temporary suspension of NAV calculation

The Manager may declare a temporary suspension of the determination on any Valuation Date of the Net Asset Value (and hence the Net Asset Value per Investor Share) during:

a. any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments attributable to such Investment Compartment from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the relevant Investment Compartment attributable to such Investment Compartment quoted thereon;
b. the existence of any state of affairs which constitutes an emergency in the opinion of the Manager as a result of which disposal or valuation of assets attributable to the Investment Compartment concerned would be impracticable;
c. any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of an Investment Compartment or the current price or value on any stock exchange or other market in respect of the assets attributable to such Investment Compartment;
d. any period when the Investment Compartment is unable to repatriate funds for the purpose of making payments on the Redemption of Units of such Investment Compartment or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Units cannot, in the opinion of the Managers, be effected at normal rates of exchange;

e. when for any other reason the prices of any investments to such Investment Compartment cannot promptly or accurately be ascertained;

f. when such suspension is required by the CySEC as being in the best interest of the Investors, or

g. During Force Majeure events.

14

DISTRIBUTION POLICY

14.1. Policy and Procedure

The Directors may distribute after the proposal by Manager, in respect of each accounting period a percentage of surplus net income represented by the dividends, interest, and realised capital gains received for the Fund to the holders of Units of the Fund, after charging expenses and various other items, as set out under “Fees and Expenses”. In addition, the Directors, after the proposal by the Manager may distribute to the holders of Units of the Fund such part of any capital gains less realised and unrealised capital losses attributable to the Fund as, in their opinion, is appropriate to maintain a satisfactory level of distribution.

The Fund may declare periodic distributions out of the net investment income and net realised capital gains and, if considered necessary to maintain a reasonable level of dividends, out of any other funds available for distribution.

The part of the year's net income that has been decided to be distributed will be distributed to the holders of the Investor Units.

The part of the year's net income corresponding to re-investing categories will be capitalised in the Fund for the benefit of the accumulating classes of Units.

Dividends will be declared in the Reference Currency of the Investment Compartment but, for the convenience of Investors, payment may be made in a currency chosen by the investor.

14.2. Currency Exchange Distribution

The exchange rates used to calculate payments will be determined by the Administrator by reference to normal banking rates. Such currency transaction will be effected with the Credit Institution at the relevant Investor's cost. In the absence of written instructions, dividends will be paid in the Reference Currency of the Fund. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the Fund.

15

CONVERSION OF UNITS

15.1. Conversion Procedure

Investors may convert all or part of their Units into the corresponding amount of Units in another Class or other Classes of Units within the same or other Investment Compartment or Compartments. This may include a conversion (i) within the same Investment Compartment or (ii) within the same and one or more other Investment Compartments or (iii) within one or more other Investment Compartments, assuming they comply with all the requirements with respect to the Class or Classes of Units into which the existing Units are to be converted. Conversions will be effected at the relevant Subscription Price and Redemption Price determined on the basis of the Net Asset Value per Unit on that Valuation Day.

15.2. Application Procedure

Unitholders may apply for a conversion in writing by electronic mail or facsimile to the Manager or the Administrator (with original document to follow promptly by post) stating (i) which existing Units in a Class of Units to be converted and (ii) the Class or Classes of Units and Investment Compartment or Investment Compartments to which they are to be converted. The application for conversion must include either (i) the monetary amount the Investor wishes to convert or (ii) the number of Units the Investor wishes to convert. In addition, the application for conversion must include the Investor's personal details together with its personal account number(s). Failure to provide any of this information may result in delay of the application for conversion.

Any application for conversion received by the Manager or the Administrator prior to the Cut-Off Date on any Dealing Day shall be effected on the basis of the Net Asset Value per Unit determined on that Dealing Day. Any application for conversion received by the Manager or the Administrator after the Cut-Off Date on any Dealing Day, or any day that is not a Dealing Day, will be processed on the next following Dealing Day on the basis of the Net Asset Value per Unit as determined on that Dealing Day.

Any application for conversion shall be considered as irrevocable and must be duly signed by all registered Unitholders whose name appears in the Register of the relevant Investment Compartment, except for the case where an acceptable power of attorney has been provided to the Manager.

15.3. Limitation on Conversions

The Manager shall ensure that the Investment Compartments have at all times enough liquidity to satisfy any conversion request. If the redemption and conversion requests in aggregate exceed 10% of the Net Asset Value of the relevant Investment Compartment at any time, the Manager may decide to delay, without any unnecessary delay, the execution of such applications until the corresponding amount of assets of the Investment Compartment have been realised.

15.4. Notification of Transaction

Following such conversion of Units, a confirmation statement will be sent by the Manager or the Administrator to the relevant Unitholder (or its nominated agent if so requested by the Unitholder) by ordinary post, electronic mail or facsimile as soon as reasonably practicable after the relevant Dealing Day, detailing the number of Units of the new Investment Compartment and/or Class obtained by conversion and the price thereof.

16

REDEMPTIONS

16.1. General

The holders of Investor Units shall be entitled to submit a request for the redemption of all or any of the Investor Units held by them, in accordance with the provisions of this Offering Memorandum, its Supplements and the Memorandum and Articles.

On payment of the Redemption Price, the corresponding Units will be cancelled immediately in the Investment Compartment Register. Any taxes, commissions and other fees incurred in the respective countries in which the Units are redeemed will be charged. The Investment Compartment shall at all times maintain sufficient liquidity to satisfy any redemption requests for Units, unless a lawful temporary suspension of redemption applies.

16.2. Redemption Request

Investors wishing to have all or some of their Units redeemed by the Investment Compartment may apply to do so by completing and sending a Redemption Request Form to the recipient mentioned on the Redemption Request Form by any means mentioned on the Redemption Request Form. The original completed Redemption Request Form must follow promptly by post. The application for redemption of any Units must include the number of Units the Investor wishes to redeem. In addition, the application for redemption must include the Investor's personal details. Failure to provide any of the aforementioned information may result in delay of such application for redemption. No redemption payment may be made to an Investor until the Redemption Request Form and all documentation required by the Fund has been received, including the original Redemption Request Form and any documents in connection with anti-money laundering, and the anti-money laundering procedures have been completed.

Any application for redemption received by the Fund prior to the Cut-Off Date shall be effected on the basis of the Net Asset Value per Unit determined on the applicable Valuation Day. Any application for redemption received by the Administrator after the Cut-Off Date will be processed on the next Valuation Day on the basis of the Net Asset Value per Unit as determined on such Valuation Day. Redeemable Shares will be cancelled one (1) Business Day after the Valuation Day, being the Dealing Day.

16.3. Irrevocability of Redemption

Any application for redemption shall be irrevocable, except in the case of a suspension and must be duly signed by the registered Unitholders whose name appears on the Register of the Investment Compartment, except for the case where an acceptable power of attorney has been provided.

16.4. Redemption Dates

The Investor shall be entitled to submit a request as provided in the Supplement of the particular Investment Compartment or any other day approved by the Manager.

16.5. Redemption Price and proceeds

The Redemption Price per Investor Unit will be equal to the NAV per Unit as of the Valuation Date immediately preceding the Redemption Date.

The Manager at their sole discretion may commission a new NAV calculation to be used in determining the Redemption Price if the Manager feels that the previous NAV is out of date and no longer representative.

The redemption proceeds will be equal to the number of Investor Units the Investor has asked to redeem multiplied by the Redemption Price.

16.6. Notification of Transaction

A confirmation statement will be sent by the Administrator to the relevant Unitholder (or its nominated agent if so requested by the Investor) by ordinary post, electronic mail or facsimile as soon as reasonably practicable after the relevant Dealing Day, detailing the redemption proceeds due.

In calculating the redemption proceeds, the amount will be rounded to the nearest cent (0.01), with the Investment Compartment being entitled to receive the adjustment.

The Redemption Price per Unit may be higher or lower than the Subscription Price paid by the Investor, depending on the NAV per Unit of the Valuation Date immediately preceding the Redemption Date.

Payment for Units redeemed will be paid in cash in the Reference Currency of the Investment Compartment not later than fifteen (15) Business Days after the relevant Valuation Day, unless legal constraints, such as foreign exchange controls or restrictions on capital movements, or other circumstances, make it impossible or impracticable to transfer the redemption amount to the country in which the application for redemption was submitted.

16.7. Redemption Fee

Upon redemption of Units, the Unitholders will not be charged with a Redemption Fee unless otherwise provided in a Supplement pertaining to a particular Investment Compartment.

The Manager reserves the right to further charge a Redemption Fee upon an individual investor provided such fee is provided in the Subscription Application or generally in a particular Investment Compartment if provided for in the particular Supplement.

Any taxes, commissions and other fees incurred in the respective countries or jurisdictions in which Shares are sold will also be charged if any to the Investors.

16.8. Settlement

Redemption shall be affected in cash if available. If and to the extent that the Manager determines that there are insufficient funds in the particular Investment Compartment for the purposes of effecting a cash redemption they shall be entitled to effect a redemption either in specie or at their discretion in a mixture of in specie and in cash.

Where redemption is to be effected either wholly or partly in specie it shall be effected by the appropriation of assets of the Investment Compartment of the relevant value (which shall be conclusively determined by the Manager in good faith) in satisfaction of the Redemption Price. The transfer of assets pursuant to the redemption will normally be effected within 180 Business Days (or within such other time period as may be specified in the relevant Supplement) of the Redemption Date provided that the Investor enters into such additional documentation to the same extent as the Investment Compartment and/or the vehicle through which the Investment Compartment makes its investment as the case may be.

16.9. Limitation on Redemption

Redemptions shall be limited with respect to all Investors seeking to redeem Investor Units as of a same Redemption Date so that each such Investor shall have the percentage of its redemption request honored; the balance of such Requests for Redemption shall be processed by the Investment Compartment on the next Valuation Day on which Requests for Redemption are accepted, subject to the same limitation. On such day, such Requests for Redemption of Investor Units will be complied with in priority to subsequent requests. Details of such limitations, if any, are determined in Supplement of each Investment Compartment.

16.10 Lock-Up Period

A Lock-Up Period may be imposed by the Manager as may be further determined in the relevant Supplement to be created for an Investment Compartment, if applicable. The Lock-Up Period starts from the Launch Day of an Investment Compartment or Class and ends at a specific date disclosed in the relevant Supplement and is a period during which Unitholders of a Compartment or Class are not entitled to a Redemption of Investor Units.

16.11. Minimum Holding Period

A Minimum Holding Period may also be imposed by Manager as may be further determined in the relevant Supplement to be created for an Investment Compartment, if applicable. The Minimum Holding Period is the period during which a Unitholder of a Compartment or Class is not entitled to a Redemption of Investor Units, that applies from the Unitholder's acquisition of such Units, either through an initial or subsequent Subscription, Transfer or Conversion of Investment Shares and ends at a date specified in the relevant Offering Supplement.

16.12. *Market Timing*

The Manager does not permit practices related to "Market Timing" (i.e. a method through which an investor systematically subscribes and redeems or converts Units of Classes within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value). It therefore reserves the right to reject subscription and conversion applications from an investor who the Fund suspects of using such practices and to take, if appropriate, the necessary measures to protect the other investors of the Fund.

16.13. Compulsory Redemptions

The Manager in its sole and absolute discretion may, after giving notice of at least ten (10) days, compulsorily redeem, including but not limited to the following circumstances:

a. the Investor Units are held by or for the benefit (directly or indirectly) of any Ineligible Person;
b. a holder of Investor Units has become an Ineligible Person;
c. such Investor Units have been acquired in breach of any laws of any country or the decision, order or determination of any governmental agency;
d. such redemption would eliminate or reduce the exposure of the Investment Compartment or the Fund or any of its holders of Investor Units to adverse tax or regulatory consequences;
e. any of the representations given by the holder of Investor Units in its subscription agreement were not true or have ceased to be true;
f. if the holder of Investor Units has failed to provide any information or declaration required by the Manager within ten days of being requested to do so;
g. when the Fund is being liquidated;
h. Any other reason at the sole and absolute discretion of the Manager.

The Manager is not obliged to specify the reason for a compulsory redemption;

The Manager may charge any legal, accounting or administrative costs associated with such compulsory redemption.

Distributions in respect of a compulsory redemption shall be made in the same manner and under the same terms as a regular redemption.

16.14. Money Laundering

Investors should note that the Manager may refuse to accept a redemption request if it is not accompanied by such additional information as they may reasonably require, including without limitation information required for money laundering verification purposes.

The Fund is required to comply with the provisions of the new Anti-Money Laundering Law of 2007 and CySEC's Directive regarding the prevention of Money Laundering and Terrorist Financing. Also, the Fund shall at all times abide by the Guidance Notes/ Regulations/Directives issued by the CySEC in relation to the above-named law.

17

MARKETING AND ADVERTISING

17.1. Introduction

The Fund shall ensure that all information, it addresses to, or disseminates in such a way that it is likely to be received by, retail clients or potential retail clients, including marketing communications, satisfies the conditions laid down by the AIF Law, the AIFM Law and relevant directives.

17.2. Marketing material and advertisements

All marketing material and advertisements shall be prepared in accordance with the AIF Law, the AIFM Law, CySEC's Directive 131-56-02 regarding the terms and the procedure for the marketing of the units of AIFs and AIFs with Limited Number of Persons.

The information shall not use the name of any competent authority in such a way that would indicate or suggest endorsement or approval by that authority of the products or services of the Fund or the Investment Compartment.

17.3. Information to Potential Investors

Potential Investors prior to any subscription of Units in any Investment Compartment shall be made available the following documents:

a. the Offering Memorandum;
b. all Supplements;
c. the Memorandum and Articles of Association; and
d. the Annual Report.
e. the Semi-Annual Report
f. the Key Investor Information Document (KIID)
g. information on the latest NAV per Share and historic performance, if applicable.

17.4. Provision of KIID

The Fund is issuing a Key Investor Information Document (KIID) for each Investment Compartment separately which is made available to potential investors.

17.5. Assessment of suitability

The Fund and its Investment Compartments shall collect the relevant information of potential investors of the Investment Compartments in order to conduct appropriate tests as to their knowledge and experience regarding the Investment Compartment to which they wish to invest. This will be done through the use of questionnaires, completed by the investors /

clients during the account opening process and during personal discussions with them through interviews (physically or where appropriate through technological means, such as teleconference).

18

RISK FACTORS AND INVESTMENT CONSIDERATIONS

18.1. General

An investment in each Investment Compartment carries several risks. Prospective Investors should consider among others, the following general risk factors before subscribing in any Investment Compartment. More specific risk factors, if any, may be determined in the Supplement of each Investment Compartment. It should be noted that it is not possible to identify every risk factor relevant to investing in the Fund and the Investment Compartments. The matters and investment risks set out in this Offering Memorandum do not purport to be exhaustive and prospective Investors are urged to consult their advisers before deciding to invest in the Fund and the Investment Compartments.

The Fund is intended to be a medium to long-term investment vehicle (depending on the investment policy of the relevant Investment Compartments). Investor Units may however be redeemed on each Valuation Day. Substantial redemptions of Units by Unitholders within a limited period of time could cause the Fund to liquidate positions/assets more rapidly than would otherwise be desirable, which could adversely affect the value of both the Investor Units being redeemed and the outstanding Units. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the NAV per Unit could make it more difficult for the Fund to generate trading profits or recover losses.

The use of the word Fund in Section 16 shall include all and each individual Investment Compartment and the risk mentioned shall refer to each Investment Compartment.

18.2. SFDR considerations

The Sustainable Finance Disclosure Regulation (SFDR) is a framework established by the European Union (EU). It mandates that Financial Market Participants (FMPs) communicate the environmental and social repercussions of their transactions to relevant stakeholders.

SFDR differentiates sustainable financial products into three subcategories: Article 6, Article 8 and Article 9. These categories help investors in identifying investment products based on their ambition-level regarding sustainability.

- Article 6 products applies to financial products that do not have a sustainability focus in their investment strategy and that prioritise traditional financial returns.
- Article 8 products are labelled as "products promoting environmental or social characteristics", alongside financial objectives. Their primary goal does not need to be explicit sustainability. They actively consider the environmental or social impact of their investments, but it is not considered as an objective. Article 8 products incorporate ESG considerations but alongside broader investment objectives.
- Article 9 products covers products that are designed to have sustainability as their primary goal (objective), aiming to make a positive impact on environmental or social

factors. Article 9 products have a clear objective of generating a positive sustainable impact, adhering to specific environmental or social goals. Article 9 products embody a stronger commitment to sustainability.

The aim of the different categories is to help investors understand the sustainability goals of their different products. In addition, the higher the article number, the more disclosure is required in order for an investment to justify the sustainability approach and measurable impacts of the products.

18.2.1. Categorisation of the Milevaco Fund Investment Compartments

For the Milevaco Fund AIF V.C.I.C. Plc, the Investment Compartments "***Quality Growth Retail Fund***" and **"*Milevaco PE1*"** do not promote environmental or social characteristics, do not have a sustainable investment as their objective, nor consider Principal Adverse Impacts on sustainability factors, and are considered as falling within the scope of Article 6 of the SFDR.

The Investment Compartment "***Global Green Energy Fund***" falls within the scope of Article 9 of the SFDR as it has a sustainable investment as their objective and considers Adverse Impacts on sustainability factors.

Investment Compartment	**SFDR Categorisation**	**Sustainability Risks & PAIs**
Quality Growth Retail Fund	Article 6	The Investment Compartment does not have a sustainability focus when selecting investments within the scope of the SFDR. Whilst the returns of equity and/or equity-related securities of companies involved in the sectors of hospitality, education, health and real estate development could indirectly be impacted by a sustainability risk event and such impacts may in turn affect the yearly performance and the yield of the investment, it is considered to be unlikely that such impacts will cause material effects to the returns of the Investment Compartment, especially impacts envisioned in the SFDR. Based on historical information, the Manager did not identify any increase in the severity of extreme weather events (i.e. cyclones, hurricanes, heat or cold waves, or floods) in the geographical focus areas of the Investment Compartment and hence the physical impacts of climate change are deemed to be immaterial. Regarding other

		environmental considerations, the Manager has identified that all entities involved are compliant with relevant environmental regulations and that, to the knowledge of the Manager, no such risks occurred in the past. In addition, the likelihood of incidents to have significant impact due to of bribery and corruption, inequality, unfair treatment of labour and/or human rights abuses, as well as negative impacts from unethical business practices, inaccurate accounting records and/or general poor governance were also deemed to be statistically improbable, since the companies are fully compliant with laws and regulations and the Manager was not able to identify past occurrences of such risks materialising either in investee companies, the Investment Compartment and/or the Manager. This Investment Compartment, in the framework of SFDR, does not consider principle adverse impacts (PAI) within the investment decision making process. This is because this strategy is neither Article 8 or 9 and does not have any ESG mandate to consider adverse impacts.
Global Green Energy Fund	Article 9	All investments within the Global Green Energy Fund are chosen according to their Sustainability scope. An investment which has been identified to have excessive sustainability risk exposure is filtered out of the investment process and the Fund's investable universe. By integrating sustainability risks into the investment process, the ambition is that any major loss of value resultant of a major sustainability risk event is avoided, whilst any sustainability risk that is taken is considered and controlled and the Fund's sustainability objectives are met. This Fund considers principle adverse impacts (PAI) within the investment decision making process, as provided in Supplement 2 and Appendix A of this Offering Memorandum.
Milevaco PE1	Article 6	The Investment Compartment does not have a sustainability focus when selecting investments within the scope of the SFDR. Whilst the returns of private equity securities could indirectly be impacted by a

		sustainability risk event and such impacts may in turn affect the yearly performance and the yield of the investment, it is considered to be unlikely that such impacts will cause material effects to the returns of the Investment Compartment, especially impacts envisioned in the SFDR. Based on historical information, the Manager did not identify any increase in the severity of extreme weather events (i.e. cyclones, hurricanes, heat or cold waves, or floods) in the geographical focus areas of the Investment Compartment and hence the physical impacts of climate change are deemed to be immaterial. Regarding other environmental considerations, the Manager has identified that all entities involved are compliant with relevant environmental regulations and that, to the knowledge of the Manager, no such risks occurred in the past. In addition, the likelihood of incidents to have significant impact due to of bribery and corruption, inequality, unfair treatment of labour and/or human rights abuses, as well as negative impacts from unethical business practices, inaccurate accounting records and/or general poor governance were also deemed to be statistically improbable, since the companies are fully compliant with laws and regulations and the Manager was not able to identify past occurrences of such risks materialising either in investee companies, the Investment Compartment and/or the Manager. This Investment Compartment, in the framework of SFDR, does not consider principle adverse impacts (PAI) within the investment decision making process. This is because this strategy is neither Article 8 or 9 and does not have any ESG mandate to consider adverse impacts.

For all Article 8 Funds and Article 9 Funds, the Manager evaluates underlying investments in companies according to the good governance criteria outlined in the SFDR where relevant data is available and as appropriate given the underlying investment type. These criteria relate to sound management structures, employee relations, remuneration of staff and tax compliance. The Manager may consider additional factors relating to good governance in its assessment of the sustainability related characteristics of underlying issuers depending on the particular ESG strategy applicable to the Fund.

The Manager will assess the good governance assessment framework of any delegated managers, including third party managers, where relevant information is available.

For the Article 9 Funds, a majority of the assets will be invested in sustainable investments. In addition to exposure to Sustainable Investments, all holdings within these Article 9 Funds will be assessed as doing no significant harm.

18.2.2. Consideration of Principal Adverse Impact ("PAIs")

While the Manager considers ESG risks for all portfolios and these risks may coincide with environmental or social themes associated with the PAIs, unless stated otherwise in the SFDR PCDs, the Funds do not commit to considering PAIs in driving the selection of their investments.

For the Milevaco Fund AIF V.C.I.C. Plc, the Investment Compartments “Quality Growth Retail Fund” and “Milevaco PE1” which fall within the scope of Article 6 of the SFDR, do not commit to considering PAIs as part of their investment strategy.

The Investment Compartment “*Global Green Energy Fund*” falls within the scope of Article 9 of the SFDR and accounts for PAIs within its investment strategy.

18.2.3. SFDR Pre-Contractual Disclosures

The pre-contractual disclosure “Annexes” or “PCDs” for the Funds classified under Article 8 or Article 9 pursuant to the SFDR are available in “Appendix A” SFDR-PCDs” of the Offering Memorandum.

For the Funds classified as SFDR Article 8 with Sustainable Investments as well as SFDR Article 9, the disclosures in relation to the shares in Sustainable Investment with an environmental and/or social objective have been updated in the PCDs.

18.2.4. Taxonomy Regulation

For the Milevaco Fund AIF V.C.I.C. Plc, the Investment Compartments ***“Quality Growth Retail Fund”*** and ***“Milevaco PE1”*** which fall within the scope of Article 6 for the purposes of the SFDR, do not consider the EU criteria for environmentally sustainable economic activities.

The Investment Compartment “***Global Green Energy Fund*”** falls within the scope of Article 9 of the SFDR and alignment with the EU Taxonomy regulation is described in the PCDs (“Appendix A”).

In general, financial products falling within the scope of Article 8 and Article 9 of the SFDR are required to disclose the proportion of investment in environmentally sustainable economic activities under Article 3 of the Taxonomy Regulation ("Environmentally Sustainable Economic Activities") selected for such Funds, including details of the proportions of enabling activities and transitional activities within the meaning of the Taxonomy Regulation.

The Technical Screening Criteria ("TSC") were finalised on 9 December 2021 (i.e. in respect of the first two Taxonomy environmental objectives of climate change mitigation and climate change adaptation) and the remaining four Taxonomy environmental objectives are not yet in force. These detailed criteria will require the availability of multiple, specific data points regarding each investment. As at the date hereof, there is insufficient reliable, timely and verifiable data available for the Manager to be able to assess investments using the TSC.

In addition, the Regulatory Technical Standards (RTS) under the SFDR which define the methodology for the calculation of the share of environmentally sustainable investments and the templates for these disclosures are not yet in force. As at the date hereof, the Manager is not able to provide standardised and comparable disclosures on the Taxonomy alignments of the Funds.

Due to a general lack of available data regarding the Taxonomy alignment of alternative assets, the Manager is not able to confirm whether such investments are in fact Taxonomy aligned and accordingly are not considered as such in calculations until this data is reported on or otherwise becomes more reliable. Accordingly, while these Articles 8 Funds and Article 9 Funds may have investments in the activities referred to above, they do not currently commit to investing more than 0% of their assets in investments aligned with the EU criteria for Environmentally Sustainable Economic Activities.

The Manager is keeping this situation under active review and where, in its discretion, it has assessed that it has sufficient reliable, timely and verifiable data on the Funds' investments, the Manager will update the descriptions referred to above, in which case this Offering Memorandum or the relevant Supplement will be updated.

18.2.5. Sustainability Risks Consideration

Pursuant to the SFDR, Funds are required to disclose the manner in which Sustainability Risks are integrated into the investment decisions and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Funds. Where Sustainability Risks are deemed not to be relevant, the relevant Funds must disclose a clear and concise explanation of the reasons therefor.

The Manager recognises that various Sustainability Risks could threaten investment returns at individual asset level and portfolio level. These Sustainability Risks may include climate change transition and physical risks, natural resources depletion, waste intensity, labor retention, turnover and unrest, supply chain disruption, corruption and fraud and reputational concerns associated with human rights violations.

The Manager recognises that the universe of relevant Sustainability Risks will grow and evolve over time. The materiality of such risks and financial impacts on an individual asset and on a portfolio as a whole depends on industry, country, asset class, and investment style. The Manager is ultimately responsible for the incorporation of materially relevant Sustainability Risks into due diligence and research, valuation, asset selection, portfolio construction, and ongoing investment monitoring alongside with other material risk factors.

Where Sustainability Risks are integrated into investment decisions, the assessment of the likely impact of the relevant Sustainability Risks on the returns of the Funds must therefore be conducted at each Fund level. The relevant Funds may be exposed to different Sustainability Risks varying from issuers, markets, sectors, financial instruments, geographical regions, etc.

Unless specific information is given in relation to each Fund, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of a Fund.

18.3. Risk Factors Consideration

Before making an investment decision with respect to Units of any Class in an Investment Compartment, prospective Investors should carefully consider all of the information set out in this Offering Memorandum, as well as their own personal circumstances. The risk factors referred to this document, alone or collectively, may reduce the return on the Units and could result in the loss of all or a proportion of an Investor's investment in the Units of the Investment Compartment. The price of the Units can go down as well as up and their value is not guaranteed. Investors may not receive, at redemption or liquidation, the amount that they originally invested in any Class of Units or any amount at all.

The risks may include or relate to equity markets, bond markets, foreign exchange rates, interest rates, credit risk, use of derivatives, counterparty risk, market volatility, political risks and sustainability risks. The risk factors set out in this Offering Memorandum are not exhaustive. Each Investment Compartment is intended to be a medium to long term investment vehicle, depending on the investment policy. Units may however be redeemed on each Valuation Day. Substantial redemptions of Units by Investors within a limited period of time could cause the relevant Investment Compartment to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Units being redeemed and the outstanding Units. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the Net Asset Value per Unit could make it more difficult for the relevant Investment Compartment to generate trading profits or recover losses.

18.4. *Business Risk*

There can be no assurance that the Investment Compartments will achieve its investment objectives in respect of any of the policies employed. The investment results of each Investment Compartment managed by the Manager are reliant upon the success of the strategies implemented by the Manager.

18.5. *Historical Performance*

The past performance of the Investment Compartments or any other investment vehicle managed by the Board of Directors is not meant to be an indication of their potential future performance. The nature of and risks associated with the Investment Compartments may differ substantially from those investments and strategies undertaken historically by the Board of Directors or the Investment Compartments themselves. In addition, market conditions and investment opportunities may not be the same for the Investment Compartments as they had been in the past, and may be less favorable. Therefore, there can be no assurance that the Investment Compartments' assets will perform as well as the past investments managed by the Board of Directors. It is possible that significant disruptions in, or historically unprecedented effects on, the financial markets and/or the businesses in which the Investment Compartments invest could diminish any relevance the historical performance data of the Investment Compartments may have to the future performance of those Investment Compartments.

18.6. *Concentration of Investments Risk*

Each Investment Compartment may at certain times hold relatively few investments always subject to the overall investment restrictions under relevant Directives. Any Investment Compartment could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

18.7. *Declining Performance and Growing Size Risk*

Trading large positions may adversely affect prices and performance. In addition, there can be no assurance that appropriate investment opportunities will be available to accommodate future increases in assets under management which may require the Manager and its affiliates to modify their investment decisions for any Investment Compartment because they cannot deploy all the assets in the manner they desire. There can be no assurance whatsoever as to the effect of an increase in assets under management may have on the Investment Compartment's future performance.

18.8. *Effect of Substantial Redemptions and Reduced Size Risk*

Substantial redemptions by Unitholders within a short period of time could require any Investment Compartment to liquidate securities positions or other assets more rapidly than would otherwise be desirable, possibly reducing the value of the relevant Investment Compartment assets and/or disrupting the Manager's investment strategy. Reduction in the size of the relevant Investment Compartment could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the relevant Investment Compartment ability to take advantage of particular investment opportunities or decrease in its ratio of income to expenses.

18.9. *Reliance on the Manager and Dependence on Key Personnel*

The Manager will have the responsibility for the Investment Compartments' investment activities. Investors must rely on the judgment of the Manager in exercising this responsibility.

18.10. *Fee Incentive Risk*

In addition to receiving a Management Fee, the Manager may also receive a Performance Fee based on the appreciation in the value of the Investment Compartment's assets. Accordingly, the Performance Fee will increase with regard to unrealised appreciation as well as realized gains. A Performance Fee may be paid on unrealised gains which may subsequently never be realized. The Performance Fee may create an incentive for the Manager to make investments for an Investment Compartment which are riskier than would be the case in the absence of such a fee.

18.11. *Accounting Treatment Risk*

The Manager may amortise certain expenses over a period, as it considers such treatment to be more equitable to the Investor. This treatment, in case it is deemed to be not in accordance with International Financial Reporting Standards, may result in showing a different Net Asset Value per Unit. If the difference between the Net Asset Value per Offering Memorandum and the Net Asset Value per International Financial Reporting Standards is considered material, a modification may be included in the Auditor's Report.

18.12. *Model Risk*

Certain policies require the use of quantitative valuation models as developed by third parties. As market dynamics shift over time (for example, due to changing market conditions and participants), a previously highly successful model often becomes outdated or inaccurate. As a result, the Manager may not recognise this and substantial losses may be incurred. There can be no assurance that the Manager or any of its affiliates will be successful in continuing to develop and maintain effective quantitative models.

18.13. *No Operating History*

The Fund is a newly organised company with no operating history. The Fund does not have any historical financial statements or other meaningful operating or financial data on which potential investors may evaluate the Fund and its Investment Compartments performance.

18.14. *Non-Diversified Status*

Any of the Investment Compartments may be a non-diversified fund. A non-diversified fund may have a significant part of its investments in a smaller number of issuers than a diversified fund. Having a larger percentage of assets in a smaller number of issuers makes a non-diversified fund, like the Fund, more susceptible to the risk that one single event or occurrence can have a significant adverse impact upon the Fund.

18.15. *Trading Execution Risk*

Many of the trading techniques used by the Investment Compartments require rapid and efficient execution of transactions. Inefficient executions can eliminate the small pricing differentials that Manager may seek to exploit, and thus may materially impact the profitability of an Investment Compartment's position.

18.16. *Factors impacting the value of the Investment Compartments' Assets*

Existing or prospective Investors should be aware that an investment in the Units involves assessing the risk of an investment linked to the Investment Compartment's assets. The value of the Investment Compartment's assets may vary over time and may increase or decrease by reference to a variety of factors. The value of the assets owned by an Investment Compartment may go up or down, sometimes rapidly and/or unpredictably. Securities may decline in value due to factors affecting securities markets generally or in particular industries represented in the securities markets. The value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse impact upon the Investment Compartment.

18.17. *Equity Securities Risk*

Stock markets are volatile, and the prices of equity securities fluctuate based on changes in a company's financial condition and overall market and economic conditions. Although common stocks have historically generated higher average total returns than fixed income securities over the long-term, common stocks also have experienced significantly more volatility in those returns and, in certain periods, have significantly under-performed relative to fixed income securities. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock held by any Investment Compartment. A common stock may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. The value of a particular common stock held by any Investment Compartment may decline for a number of other reasons which directly relate to the issuer, such as management performance, financial leverage, the issuer's historical and prospective earnings, the value of its assets and reduced demand for its goods and services. Also, the prices of common stocks are sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks to which any Investment Compartment has exposure. Common stock prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase. Common equity securities in which any Investment Compartment may invest are structurally subordinated to preferred stock, bonds and other debt instruments in a company's capital structure in terms of priority to corporate income and are therefore inherently more risky than preferred stock or debt instruments of such issuers.

18.18. *Smaller Capitalization Risk*

Smaller capitalization companies may have limited product lines or markets. They may be less financially secure than larger, more established companies. They may depend on a small number of key personnel. If a product fails or there are other adverse developments, or if management changes, any Investment Compartment's investment in a smaller capitalization company may lose substantial value. In addition, it is more difficult to get information on smaller companies, which tend to be less well known, have shorter operating histories, do not have significant ownership by large investors and are followed by relatively few securities analysts.

The securities of smaller capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than larger capitalization securities or the market as a whole. In addition, smaller capitalization securities may be particularly sensitive to changes in interest rates, borrowing costs and earnings. Investing in smaller capitalization securities requires a longer term view.

18.19. *Securities of Smaller and Emerging Growth Companies*

Investment in smaller or emerging growth companies involves greater risk than is customarily associated with investments in more established companies. The securities of smaller or emerging growth companies may be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group.

While smaller or emerging growth company issuers may offer greater opportunities for capital appreciation than large cap issuers, investments in smaller or emerging growth companies may involve greater risks and thus may be considered speculative. The fund managers believe that properly selected companies of this type have the potential to increase their earnings or market valuation at a rate substantially in excess of the general growth of the economy. Full development of these companies and trends frequently takes time.

Small capitalisation and emerging growth securities will often be traded only in the OTC market or on a regional securities exchange and may not be traded every day or in the volume typical of trading on a national securities exchange. As a result, the disposition by the relevant Investment Compartment of portfolio securities may require the Investment Compartment to make many small sales over a lengthy period of time, or to sell these securities at a discount from market prices or during periods when, in fund management's judgment, such disposition is not desirable.

The process of selection and continuous supervision by the Manager does not, of course, guarantee successful investment results; however, it does provide access to an asset class not available to the average individual due to the time and cost involved. Careful initial selection is particularly important in this area as many new enterprises have promise but lack certain of the fundamental factors necessary to prosper. Investing in small capitalisation and emerging growth companies requires specialised research and analysis. In addition, many investors cannot invest sufficient assets in such companies to provide wide diversification.

Small companies are generally little known to most individual investors although some may be dominant in their respective industries. The fund managers believe that relatively small companies will continue to have the opportunity to develop into significant business enterprises. The private companies, that any Investment Compartment may invest, may have limited financial resources, shorter operating histories, more asset concentration risk, narrower product lines and smaller market shares than larger businesses, which tend to render such private companies more vulnerable to competitors' actions and market conditions, as well as general economic downturns. These companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. These companies may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity. In addition, the relevant Investment Compartment values the private company investments in accordance with valuation guidelines adopted by the Manager, in good faith, which are designed to accurately reflect the fair value of securities valued in accordance with such guidelines. The relevant Investment Compartment is not required to but may utilise the services of one or more independent valuation firms to aid in determining the fair value of these investments. Valuation of private company investments may involve application of one or more of the following factors: (i) analysis of valuations of publicly traded companies in a similar line of business, (ii) analysis of valuations for comparable merger or acquisition transactions, (iii) yield analysis and (iv) discounted cash flow analysis. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of the Investment Compartment's private investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the amounts the relevant Investment Compartment may realise on any dispositions of such investments. In addition, the impact of changes in the market environment and other events on the fair values of the relevant Investment Compartment's investments that have no readily available market values may differ from the impact of such changes on the readily available market values for the relevant Investment Compartment other investments. The Investment Compartment NAV could be adversely affected if the Investment Compartment's determinations regarding the fair value of the Investment Compartment's investments were materially higher than the values that the Investment Compartment ultimately realises upon the disposal of such investments.

18.20. *Co-Investment Risk*

Any Investment Compartment may also co-invest in private investments sourced by third party investors unaffiliated with either the Fund, Investment Compartment or the Manager, such as private equity firms. Any Investment Compartment's ability to realise a profit on such investments will be particularly reliant on the expertise of the lead investor in the transaction. To the extent that the lead investor in such a co-investment opportunity assumes control of the management of the private company, the relevant Investment Compartment will be reliant not only upon the lead investor's ability to research, analyze, negotiate and monitor such investments, but also on the lead investor's ability to successfully oversee the operation of the company's business. Any Investment Compartment's ability to dispose of such investments is typically severely limited, both by the fact that the securities are unregistered and illiquid and by contractual restrictions that may preclude the relevant Investment Compartment from selling such investment. Often the Investment Compartment may exit such investment only in a transaction, such as an initial public offering or sale of the company, on terms arranged by the lead investor. Such investments may be subject to additional valuation risk, as the Investment Compartment's ability to accurately determine the fair value of the investment may depend upon the receipt of information from the lead investor. The valuation assigned to such an investment through application of the Investment Compartment's valuation procedures may differ from the valuation assigned to that investment by other co-investors.

Any Investment Compartment will first offer any Investor the opportunity to co-invest with all other Unit-holders pro-rata, according to their respective capital investments. Thereafter, any remaining Co-Investment opportunity shall be offered to all other Investors pro rata in accordance with their respective capital investments. Thereafter, any remaining Co-Investment opportunity may be offered by the relevant Investment Compartment to third parties.

Each participant in a Co-Investment opportunity shall be liable for its share of the legal expenses incurred in connection with each such Co-Investment. Always provided that the aggregate amount offered for such Co-Investment does not exceed 50% of the amount invested by each Investment Compartment in each investment.

18.21. *Private Company Competition Risk*

Many entities may potentially compete with any of Investment Compartment in making private investments. Many of these competitors are substantially larger and have considerably greater financial, technical and marketing resources than any of the Investment Compartments. Some competitors may have a lower cost of funds and access to funding sources that are not available to any of the Investment Compartments. In addition, some competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of, or different structures for, private investments than any of the Investment Compartments. As a result of this competition, the Investment Compartment may not be able to pursue attractive private investment opportunities from time to time.

18.22. *New Issued Risk*

"New Issue" are initial public offerings of equity securities. Investments in companies that have recently gone public have the potential to produce substantial gains for each

Investment Compartment. However, there is no assurance that the relevant Investment Compartment will have access to profitable IPOs and therefore investors should not rely on any past gains from IPOs as an indication of future performance. The investment performance of the relevant Investment Compartment during periods when it is unable to invest significantly or at all in IPOs may be lower than during periods when the relevant Investment Compartment is able to do so. Securities issued in IPOs are subject to many of the same risks as investing in companies with smaller market capitalizations. Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, the prices of securities sold in IPOs may be highly volatile or may decline shortly after the initial public offering. When an initial public offering is brought to the market, availability may be limited and the relevant Investment Compartment may not be able to buy any shares at the offering price, or, if it is able to buy shares, it may not be able to buy as many shares at the offering price as it would like.

18.23. *Growth Stock Risk*

Securities of growth companies may be more volatile since such companies usually invest a high portion of earnings in their business, and they may lack the dividends of value stocks that can cushion stock prices in a falling market. Stocks of companies the Manager believes are fast-growing may trade at a higher multiple of current earnings than other stocks. The values of these stocks may be more sensitive to changes in current or expected earnings than the values of other stocks. Earnings disappointments often lead to sharply falling prices because investors buy growth stocks in anticipation of superior earnings growth. If the Manager's assessment of the prospects for a company's earnings growth is wrong, or if the Manager's judgment of how other investors will value the company's earnings growth is wrong, then the price of the company's stock may fall or may not approach the value that the Manager has placed on it.

18.24. *Value Stock Risk*

The Manager may be wrong in its assessment of a company's value and the stocks the Investment Compartment owns may not reach what the Manager believes. A particular risk of the Investment Compartment's value is that some holdings may not recover and provide the capital growth anticipated or a stock judged to be undervalued may actually be appropriately priced. Further, because the prices of value-oriented securities tend to correlate more closely with economic cycles than growth-oriented securities, they generally are more sensitive to changing economic conditions, such as changes in interest rates, corporate earnings, and industrial production. The market may not favor value-oriented stocks and may not favor equities at all. During those periods, the Investment Compartment's relative performance may suffer.

18.25. *Risks Associated with Options on Securities Generally*

There are several risks associated with transactions in options on securities. For example, there are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events.

18.26. *Risks of Writing Options*

As the writer of a covered call option, the Investment Compartment forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but has retained the risk of loss should the price of the underlying security decline. In other words, as the Investment Compartment writes covered calls over more of its portfolio, the Investment Compartment's ability to benefit from capital appreciation becomes more limited. The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying security at the exercise price.

If the Investment Compartment writes call options on indices or baskets of securities that include securities that are not in the Investment Compartment's portfolio or that are not in the same proportion as securities in the Investment Compartment's portfolio will experience loss, which theoretically could be unlimited, if the value of the index or basket appreciates above the exercise price of the option written by the Investment Compartment.

When the Investment Compartment writes covered put options, it bears the risk of loss if the value of the underlying stock declines below the exercise price minus the put premium. If the option is exercised, the Investment Compartment could incur a loss if it is required to purchase the stock underlying the put option at a price greater than the market price of the stock at the time of exercise plus the put premium the Investment Compartment received when it wrote the option. While the Investment Compartment's potential gain in writing a covered put option is limited to distributions earned on the liquid assets securing the put option plus the premium received from the purchaser of the put option, the Investment Compartment risks a loss equal to the entire exercise price of the option minus the put premium.

18.27. *Exchange-Listed Options Risks*

There can be no assurance that a liquid market will exist when the Investment Compartment seeks to close out an option position. Reasons for the absence of a liquid secondary market on an exchange include the following:

a. there may be insufficient trading interest in certain options;
b. restrictions may be imposed by an exchange on opening transactions or closing transactions or both;
c. trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of options;
d. unusual or unforeseen circumstances may interrupt normal operations on an exchange;
e. the facilities of an exchange or the Options Clearing Corporation may not at all times be adequate to handle current trading volume; or
f. one or more exchanges could, for economic or other reasons, decide or be compelled at some future date to discontinue the trading of options (or a particular class or series of options). If trading were discontinued, the secondary market on that exchange (or in that class or series of options) would cease to exist. However, outstanding options on that exchange that had been issued by the Options Clearing Corporation as a result of trades on that exchange would continue to be exercisable in accordance with their terms. The Investment Compartment's ability to terminate OTC options is more limited than with exchange-traded options and may involve the risk that broker-dealers participating in such transactions will not fulfill their obligations. If the Investment Compartment was unable to close out a covered call option that it had written on a security, it would not be able to sell the underlying security unless the option expired without exercise.

The hours of trading for options may not conform to the hours during which the underlying securities are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the underlying markets that cannot be reflected in the options markets. Call options are marked to market daily and their value will be affected by changes in the value of and dividend rates of the underlying common stocks, an increase in interest rates, changes in the actual or perceived volatility of the stock market and the underlying common stocks and the remaining time to the options' expiration. Additionally, the exercise price of an option may be adjusted downward before the option's expiration as a result of the occurrence of certain corporate events affecting the underlying equity security, such as extraordinary dividends, stock splits, merger or other extraordinary distributions or events. A reduction in the exercise price of an option would reduce the Investment Compartment's capital appreciation potential on the underlying security.

18.28. *Over-the-Counter Option Risk*

The Investment Compartments may write (sell) unlisted OTC options to a significant extent.

Options written by any Investment Compartment with respect to non-U.S. securities, indices or sectors generally will be OTC options. OTC options differ from exchange-listed options in that they are two-party contracts, with exercise price, premium and other terms negotiated between buyer and seller, and generally do not have as much market liquidity as exchange-listed options. The counterparties to these transactions typically will be major international credit institutions, broker-dealers and financial institutions. The relevant Investment Compartment may be required to treat as illiquid securities being used to cover certain written OTC options. The OTC options written by the relevant Investment Compartment will not be issued, guaranteed or cleared by the Options Clearing Corporation. In addition, the relevant Investment Compartment's ability to terminate the OTC options may be more limited than with exchange-traded options. Credit institutions, broker-dealers or other financial institutions participating in such transactions may fail to settle a transaction in accordance with the terms of the option as written. In the event of default or insolvency of the counterparty, the relevant Investment Compartment may be unable to liquidate an OTC option position.

18.29. *Index Option Risk*

Any Investment Compartment may sell index put and call options from time to time. The purchaser of an index put option has the right to any depreciation in the value of the index below the exercise price of the option on or before the expiration date. The purchaser of an index call option has the right to any appreciation in the value of the index over the exercise price of the option on or before the expiration date. Because the exercise of index options is settled in cash, sellers of index call options, such as any Investment Compartment, cannot provide in advance for their potential settlement obligations by acquiring and holding the underlying securities. The Investment Compartment will lose money if it is required to pay the purchaser of an index option the difference between the cash value of the index on which the option was written and the exercise price and such difference is greater than the premium received by the Investment Compartment for writing the option. The value of index options written by the Investment Compartment, which will be priced daily, will be affected by changes in the value of and dividend rates of the underlying common stocks in the respective index, changes in the actual or perceived volatility of the stock market and the remaining time to the options' expiration. The value of the index options also may be adversely affected if the market for the index options becomes less liquid or smaller. Distributions paid by the Investment Compartment on its common shares may be derived in part from the net index option premiums it receives from selling index put and call options, less the cost of paying settlement amounts to purchasers of the options that exercise their options. Net index option premiums can vary widely over the short-term and long-term.

18.30. *Limitation on Option Writing Risk*

The number of call options an Investment Compartment can write is limited by the total assets the Investment Compartment holds and is further limited by the fact that all options represent 100 share lots of the underlying common stock. Furthermore, the Investment Compartment's options transactions will be subject to limitations established by each of the exchanges, boards of trade or other trading facilities on which such options are traded. These limitations govern the maximum number of options in each class which may be written or purchased by a single investor or group of investors acting in concert, regardless of whether the options are written or purchased on the same or different exchanges, boards of trade or other trading facilities or are held or written in one or more accounts or through one or more brokers. Thus, the number of options which the Investment Compartment may write or purchase may be affected by options written or purchased by other clients of the Manager. An exchange, board of trade or other trading facility may order the liquidation of positions found to be in excess of these limits, and it may impose certain other sanctions.

18.31. *Tax Risk*

Income on options on individual stocks will generally not be recognised by the Investment Compartment for tax purposes until an option is exercised, lapses or is subject to a "closing transaction" (as defined by applicable regulations) pursuant to which the Investment Compartment's obligations with respect to the option are otherwise terminated. If the option lapses without exercise or is otherwise subject to a closing transaction, the premiums received by the Investment Compartment from the writing of such options will generally be characterised as short-term capital gain. If an option written by the Investment Compartment is exercised, the Investment Compartment may recognise taxable gain depending on the exercise price of the option, the option premium, and the tax basis of the security underlying the option. The character of any gain on the sale of the underlying security as short-term or long-term capital gain will depend on the holding period of the Investment Compartment in the underlying security. In general, distributions received by unit-holders of the Investment Compartment that are attributable to short-term capital gains recognised by the Investment Compartment from its option writing activities will be taxed to such shareholders as ordinary income and will not be eligible for the reduced tax rate applicable to qualified dividend income.

As a result, the Investment Compartment will generally recognise gain or loss on the last day of each taxable year equal to the difference between the value of the option on that date and the adjusted basis of the option. The adjusted basis of the option will consequently be increased by such gain or decreased by such loss. Any gain or loss with respect to options on indices and sectors will be treated as short-term capital gain or loss to the extent of 40% of such gain or loss and long-term capital gain or loss to the extent of 60% of such gain or loss. Because the mark-to-market rules may cause the Investment Compartment to recognise gain in advance of the receipt of cash, the Investment Compartment may be required to dispose of investments in order to meet its distribution requirements.

18.32. *Preferred Securities Risk*

There are special risks associated with investing in preferred securities, including:

a. Preferred securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If any Investment Compartment owns a preferred security that is deferring its distributions, the relevant Investment Compartment may be required to report income for tax purposes although it has not yet received such income.

b. Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure in terms of having priority to corporate income and liquidation payments, and therefore will be subject to greater credit risk than debt instruments.

c. Generally, preferred security holders (such as the Investment Compartments) have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may elect a number of directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred security holders no longer have voting rights. In the case of any Investment Compartment preferred securities, holders generally have no voting rights, except if (i) the issuer fails to pay dividends for a specified period of time or (ii) a declaration of default occurs and is continuing.

d. In certain varying circumstances, an issuer of preferred securities may redeem the securities prior to a specified date.

e. Any Investment Compartment preferred securities are typically issued by corporations, generally in the form of interest bearing notes with preferred securities characteristics, or by an affiliated business of the relevant Investment Compartment of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The relevant Investment Compartment preferred securities market consists of both fixed and adjustable coupon rate securities that are either perpetual in nature or have stated maturity dates.

f. The relevant Investment Compartment preferred securities are typically junior and fully subordinated liabilities of an issuer and benefit from a guarantee that is junior and fully subordinated to the other liabilities of the guarantor. In addition, Investment Compartment preferred securities typically permit an issuer to defer the payment of income for five years or more without triggering an event of default. Because of their subordinated position in the capital structure of an issuer, the ability to defer payments for extended periods of time without default consequences to the issuer, and certain other features (such as restrictions on common dividend payments by the issuer or ultimate guarantor when full cumulative payments on the Investment Compartment preferred securities have not been made), this relevant Investment Compartment preferred securities are often treated as close substitutes for traditional preferred securities, both by issuers and investors.

g. The relevant Investment Compartment preferred securities include but are not limited to Investment Compartment originated preferred securities ("TOPRS®"); monthly income preferred securities ("MIPS®"); quarterly income bond securities ("QUIBS®"); quarterly income debt securities ("QUIDS®"); quarterly income preferred securities ("QUIPSSM"); corporate Investment Compartment securities ("CORTS®"); public income notes ("PINES®"); and other Investment Compartment preferred securities.

h. The relevant Investment Compartment preferred securities are typically issued with a final maturity date, although some are perpetual in nature. In certain instances, a final maturity date may be extended and/or the final payment of principal may be deferred at the issuer's option for a specified time without default. No redemption can typically take place unless all cumulative payment obligations have been met, although issuers may be able to engage in open-market repurchases without regard to whether all payments have been paid.

i. The relevant Investment Compartment preferred securities are issued by the relevant Investment Compartment or other special purpose entities established by operating companies and are not a direct obligation of an operating company. At the time the Investment Compartment or the special purpose entity sells such preferred securities to investors, it purchases debt of the operating company (with terms comparable to those of the Investment Compartment or the special purpose entity securities), which enables the operating company to deduct for tax purposes the interest paid on the debt held by the Investment Compartment or the special purpose entity. The Investment Compartment or the special purpose entity is generally required to be treated as transparent such that the holders of the Investment Compartment, so the preferred securities are treated as owning beneficial interests in the underlying debt of the operating company. Accordingly, payments on the Investment Compartment preferred securities are treated as interest rather than dividends. The Investment Compartment or the special purpose entity in turn would be a holder of the operating company's debt and would have priority with respect to the operating company's earnings and profits over the operating company's common shareholders, but would typically be subordinated to other classes of the operating company's debt. Typically a preferred share has a rating that is slightly below that of its corresponding operating company's senior debt securities.

j. From time to time, preferred securities, including Investment Compartment preferred securities, have been, and may in the future be, offered having features other than those described herein. The Investment Compartment reserves the right to invest in these securities if the Manager believes that doing so would be consistent with the Investment Compartment's investment objectives and policies. Since the market for these instruments would be new, the Investment Compartment may have difficulty disposing of them at a suitable price and time. In addition to limited liquidity, these instruments may present other risks, such as high price volatility.

18.33. *Convertible Securities Risk*

Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. As with all fixed income securities, the market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus may not decline in price to the same extent as the underlying common stock. Convertible securities rank senior to common stock in an issuer's capital structure and consequently entail less risk than the issuer's common stock.

18.34. *Synthetic Convertible Securities Risk*

The Investment Compartment may invest in synthetic convertible securities, which are created through a combination of separate securities that possess the two principal characteristics of a traditional convertible security. A holder of a synthetic convertible security faces the risk of a decline in the price of the security or the level of the index involved in the convertible component, causing a decline in the value of the security or instrument, such as a call option or warrant, purchased to create the synthetic convertible security. Should the price of the stock fall below the exercise price and remain there throughout the exercise period, the entire amount paid for the call option or warrant would be lost. Because a synthetic convertible security includes the income-producing component as well, the holder of a synthetic convertible security also faces the risk that interest rates will rise, causing a decline in the value of the income-producing instrument. Synthetic convertible securities are also subject to the risks associated with derivatives.

18.35. *Warrants Risk*

If the price of the underlying stock does not rise above the exercise price before the warrant expires, the warrant generally expires without any value and the Investment Compartment loses any amount it paid for the warrant. Thus, investments in warrants may involve substantially more risk than investments in common stock. Warrants may trade in the same markets as their underlying stock; however, the price of the warrant does not necessarily move with the price of the underlying stock.

18.36. *REITs Risk*

To the extent that the Investment Compartment invests in real estate related investments, including REITs, it will be subject to the risks associated with owning real estate and with the real estate industry generally. These include difficulties in valuing and disposing of real estate, the possibility of declines in the value of real estate, risks related to general and local economic conditions, the possibility of adverse changes in the climate for real estate, environmental liability risks, the risk of increases in property taxes and operating expenses, possible adverse changes in zoning laws, the risk of casualty or condemnation losses, limitations on rents, the possibility of adverse changes in interest rates and in the credit markets and the possibility of borrowers paying off mortgages sooner than expected, which may lead to reinvestment of assets at lower prevailing interest rates. To the extent that the Investment Compartment invests in REITs, it will also be subject to the risk that a REIT may default on its obligations or go bankrupt. REITs are generally not taxed on income timely distributed to shareholders, provided they comply with the applicable requirements of the Code. By investing in REITs indirectly through the Investment Compartment, a shareholder will bear not only his or her proportionate share of the expenses of the Investment Compartment, but also, indirectly, similar expenses of the REITs. Mortgage REITs are pooled investment vehicles that invest the majority of their assets in real property mortgages and which generally derive income primarily from interest payments thereon. Investing in mortgage REITs involves certain risks related to investing in real property mortgages. In addition, mortgage REITs must satisfy highly technical and complex requirements in order to qualify for the favorable tax treatment accorded to REITs under the Code. No assurances can be given that a mortgage REIT in which the Investment Compartment invests will be able to continue to qualify as a REIT or that complying with the REIT requirements under the Code will not adversely affect such REIT’s ability to execute its business plan.

18.37. *Master Limited Partnerships Risk*

Investments in publicly traded MLPs, which are limited partnerships or limited liability companies taxable as partnerships, involve some risks that differ from an investment in the common stock of a corporation. MLPs may derive income and gains from the exploration, development, mining or production, processing, refining, transportation (including pipelines transporting gas, oil, or products thereof), or the marketing of any mineral or natural resources. MLPs generally have two classes of owners, the general partner and limited partners. When investing in an MLP, the Investment Compartment generally purchases publicly traded common units issued to limited partners of the MLP. The general partner is typically owned by a major energy company, an investment fund, the direct management of the MLP or is an entity owned by one or more of such parties. The general partner may be structured as a private or publicly traded corporation or other entity. The general partner typically controls the operations and management of the MLP through an up to 2% equity interest in the MLP plus, in many cases, ownership of common units and subordinated units. Limited partners own the remainder of the partnership, through ownership of common units, and have a limited role in the partnership's operations and management. As compared to common stockholders of a corporation, holders of MLP common units have more limited control and limited rights to vote on matters affecting the partnership.

MLPs are typically structured such that common units and general partner interests have first priority to receive quarterly cash distributions up to an established minimum amount ("minimum quarterly distributions" or "MQD"). Common and general partner interests also accrue arrearages in distributions to the extent the MQD is not paid. Once common and general partner interests have been paid, subordinated units receive distributions of up to the MQD; however, subordinated units do not accrue arrearages. Distributable cash in excess of the MQD paid to both common and subordinated units is distributed to both common and subordinated units generally on a pro rata basis. The general partner is also eligible to receive incentive distributions if the general partner operates the business in a manner which results in distributions paid per common unit surpassing specified target levels. As the general partner increases cash distributions to the limited partners, the general partner receives an increasingly higher percentage of the incremental cash distributions. A common arrangement provides that the general partner can reach a tier where it receives 50% of every incremental dollar paid to common and subordinated unit holders. These incentive distributions encourage the general partner to streamline costs, increase capital expenditures and acquire assets in order to increase the partnership's cash flow and raise the quarterly cash distribution in order to reach higher tiers. Such results benefit all security holders of the MLP.

MLP common units represent a limited partnership interest in the MLP. Common units are listed and traded. securities exchanges, with their value fluctuating predominantly based on prevailing market conditions and the success of the MLP. The Investment Compartment will generally purchase common units in market transactions. Unlike owners of common stock of a corporation, owners of common units have limited voting rights and have no ability to elect directors. In the event of liquidation, common units have preference over subordinated units, but not over debt or preferred units, to the remaining assets of the MLP.

18.38. *Restricted and Illiquid Securities Risk*

The Investment Compartment may invest without limitation in illiquid or less liquid securities or securities in which no secondary market is readily available or which are otherwise illiquid, including private placement securities. The Investment Compartment may not be able to readily dispose of such securities at prices that approximate those at which the Investment Compartment could sell such securities if they were more widely-traded and, as a result of such illiquidity, the Investment Compartment may have to sell other investments or engage in borrowing transactions if necessary to raise cash to meet its obligations. Limited liquidity can also affect the market price of securities, thereby adversely affecting the Investment Compartment's NAV and ability to make dividend distributions. The financial markets in general, and certain segments of the mortgage related securities markets in particular, have in recent years experienced periods of extreme secondary market supply and demand imbalance, resulting in a loss of liquidity during which market prices were suddenly and substantially below traditional measures of intrinsic value. During such periods, some securities could be sold only at arbitrary prices and with substantial losses. Periods of such market dislocation may occur again at any time. Privately issued debt securities are often of below investment grade quality, frequently are unrated and present many of the same risks as investing in below investment grade public debt securities.

Restricted securities are securities that may not be sold to the public without an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), or that may be sold only in a privately negotiated transaction or pursuant to an exemption from registration. When registration is required to sell a security, the Investment Compartment may be obligated to pay all or part of the registration expenses and considerable time may pass before the Investment Compartment is permitted to sell a security under an effective registration statement. If adverse market conditions develop during this period, the Investment Compartment might obtain a less favorable price than the price that prevailed when the Investment Compartment decided to sell. The Investment Compartment may be unable to sell restricted and other illiquid securities at opportune times or prices.

18.39. *Investment Companies Risk*

Subject to the limitations set forth in the Fund's governing documents or as otherwise permitted by the CySEC, any Investment Compartment may acquire shares in other investment companies. The market value of the shares of other investment companies may differ from their NAV. As an investor in investment companies, the Investment Compartment would bear its ratable share of that entity's expenses, including its Manager and administration fees, while continuing to pay its own Manager and administration fees and other expenses. As a result, shareholders will be absorbing duplicate levels of fees with respect to investments in other investment companies.

The securities of other investment companies in which the Investment Compartment may invest may be leveraged. As a result, the Investment Compartment may be indirectly exposed to leverage through an investment in such securities. An investment in securities of other investment companies that use leverage may expose the Investment Compartment to higher volatility in the market value of such securities and the possibility that the Investment Compartment's long-term returns on such securities (and, indirectly, the long-term returns of the Investment Compartment's common shares) will be diminished.

ETFs are generally not actively managed and may be affected by a general decline in market segments relating to its index. An ETF typically invests in securities included in, or representative of, its index regardless of their investment merits and does not attempt to take defensive positions in declining markets.

18.40. *Fixed Income Securities Risks*

Fixed income securities in which the Investment Compartments may invest are generally subject to the following risks:

a. The market value of bonds and other fixed-income securities changes in response to interest rate changes and other factors. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise. The Investment Compartment may be subject to a greater risk of rising interest rates due to the current period of historically low interest rates. The magnitude of these fluctuations in the market price of bonds and other fixed-income securities is generally greater for those securities with longer maturities. Fluctuations in the market price of the Investment Compartment's investments will not affect interest income derived from instruments already owned by the Investment Compartment, but will be reflected in the Investment Compartment's NAV. The Investment Compartment may lose money if short-term or long-term interest rates rise sharply in a manner not anticipated by Investment Compartment management. To the extent the Investment Compartment invests in debt securities that may be prepaid at the option of the obligor (such as mortgage-related securities), the sensitivity of such securities to changes in interest rates may increase (to the detriment of the Investment Compartment) when interest rates rise. Moreover, because rates on certain floating rate debt securities typically reset only periodically, changes in prevailing interest rates (and particularly sudden and significant changes) can be expected to cause some fluctuations in the NAV of the Investment Compartment to the extent that it invests in floating rate debt securities. These basic principles of bond prices also apply to. A security backed by the "full faith and credit" of the is guaranteed only as to its stated interest rate and face value at maturity, not its current market price. Just like other fixed-income securities, government-guaranteed securities will fluctuate in value when interest rates change.

b. During periods in which the Investment Compartment may use leverage, such use of leverage will tend to increase the Investment Compartment's interest rate risk. The Investment Compartment may utilise certain strategies, including taking positions in futures or interest rate swaps, for the purpose of reducing the interest rate sensitivity of fixed income securities held by the Investment Compartment and decreasing the Investment Compartment's exposure to interest rate risk. The Investment Compartment is not required to hedge its exposure to interest rate risk and may choose not to do so. In addition, there is no assurance that any attempts by the Investment Compartment to reduce interest rate risk will be successful or that any hedges that the Investment Compartment may establish will perfectly correlate with movements in interest rates.

c. The Investment Compartment may invest in variable and floating rate debt instruments, which generally are less sensitive to interest rate changes than longer duration fixed rate instruments, but may decline in value in response to rising interest rates if, for example, the rates at which they pay interest do not rise as much, or as quickly, as market interest rates in general. Conversely, variable and floating rate instruments generally will not increase in value if interest rates decline. The Investment Compartment also may invest in inverse floating rate debt securities, which may decrease in value if interest rates increase, and which also may exhibit greater price volatility than fixed rate debt obligations with similar credit quality. To the extent the Investment Compartment holds variable or floating rate instruments, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities, which may adversely affect the NAV of the Investment Compartment's common shares.

d. The value of fixed income securities may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage, reduced demand for the issuer's goods and services, historical and prospective earnings of the issuer and the value of the assets of the issuer.

e. Credit risk is the risk that one or more fixed income securities in the Investment Compartment's portfolio will decline in price or fail to pay interest or principal when due because the issuer of the security experiences a decline in its financial status. Credit risk is increased when a portfolio security is downgraded or the perceived creditworthiness of the issuer deteriorates. To the extent the Investment Compartment invests in below investment grade securities, it will be exposed to a greater amount of credit risk than a fund which only invests in investment grade securities. See "—Below Investment Grade Securities Risk." In addition, to the extent the Investment Compartment uses credit derivatives, such use will expose it to additional risk in the event that the bonds underlying the derivatives default. The degree of credit risk depends on the issuer's financial condition and on the terms of the securities.

18.41. *Market Volatility*

Market volatility reflects the degree of instability and expected instability of the performance of the Investment Compartment's assets. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices of instruments which offer protection against such market volatility. The prices of these instruments are generally determined by the forces of supply and demand in the options and derivatives markets. These forces are themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

18.42. *Liquidity and Market Characteristics*

In some circumstances, investments may become relatively illiquid making it difficult to dispose of them at the prices quoted on the various exchanges. Accordingly, an Investment Compartment's ability to respond to market movements may be impaired and the Investment Compartment may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

18.43. *Underlying Funds*

A Funds of Funds investment renders the investing Investment Compartment dependent on the investment results and liquidity conditions of the underlying investment funds. Existing or prospective Investors should be aware that the investing Investment Compartment is subject to the liquidity management measures applied and the investment results, positive or negative, achieved by the underlying investment funds.

18.44. *Volatility Trading and Stagnant Markets*

Market volatility is a derivative of directional market movements and is itself often materially more volatile than underlying reference asset prices. Price movements are influenced by many unpredictable factors, such as market sentiment, inflation rates, interest rate movements and general economic and political conditions. At any given time, different market participants will have different views on the level of market volatility; if the Manager incorrectly estimates market volatility, then it will misprice the options which it trades. Volatility strategies depend on mispricing and changes in volatility. In periods of trendless, stagnant markets and/or deflation, alternative investment strategies have materially diminished prospects for profitability.

18.45. *Relative Value Strategies*

The success of relative value trading is dependent on the ability to exploit relative mis-pricings among interrelated instruments. Although relative value positions are considered to have a lower risk profile than directional trades – as the former attempt to exploit price differentials not overall price movements – relative value strategies are by no means without risk. Mis-pricing, even if correctly identified, may not converge within the time frame in which an Investment Compartment maintains its positions. Even pure “riskless” arbitrage — which is rare — can result in significant losses if the arbitrage cannot be sustained (for example due to margin calls) until expiration. An Investment Compartment’s relative value strategies are subject to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence or inaccuracy of its own or third-party valuation models. Market disruptions may also force an Investment Compartment to close out one or more positions. Such disruptions have in the past resulted in substantial losses for relative value strategies.

18.46. *Event Driven Strategy*

The success of event driven trading depends on the successful prediction of whether various corporate events will occur or be consummated. The consummation of mergers, exchange offers, tender offers and other similar transactions can be prevented or delayed, or the terms changed, by a variety of factors. If a proposed transaction appears likely not to be consummated or is not consummated at all or is delayed, the market price of the securities purchased by an Investment Compartment may decline sharply and result in losses to such Investment Compartment.

18.47. *Commodity and Energy Trading*

An Investment Compartment may from time to time have a significant commitment to commodity and energy index trading (i.e. trading in indices on electricity, natural gas, oil, crops and meats and related derivative instruments, including swaps, options and futures). Commodity index and energy index trading involves certain financial risks that are qualitatively different from those incurred in trading securities and other financial instruments.

18.48. *Distressed Strategies*

The Investment Compartment may invest in securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems, or issuers that are involved in bankruptcy or reorganization proceedings. Investments of this type involve substantial financial business risks that can result in substantial or total losses. Among the problems involved in investments in troubled issuers is the fact that information as to the conditions of such issuers may be limited, thereby reducing the Board of Director’s ability to monitor the performance and to evaluate the advisability of continued investments in specific situations. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value.

18.49. *Below Investment Grade Debt Securities*

The Investment Compartments may invest in fixed-income instruments which are or are deemed to be the equivalent in terms of quality to securities rated below investment grade by the rating agencies and accordingly involve greater risk. Such securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk to adverse conditions. These securities offer higher returns than bonds with higher ratings as compensation for holding an obligation of an issuer perceived to be less creditworthy. While all security investments have some degree of risk, these types of securities may be subject to greater market fluctuations and risk of loss of income and principal than are investments in lower yielding fixed-income securities with higher ratings.

18.50. *Conflicts Relating to Equity and Debt Ownership by the Investment Compartment and Other Clients of the Board of Directors*

The Manager to which the management of an Investment Compartment's portfolio has been assigned may at the same time also manage other clients' accounts. The Investment Compartment's portfolio managed by the Manager and the other clients' accounts maintained by the Manager may at various times hold both debt and equity interests in issuers that are financially distressed or might become bankrupt. During negotiations among creditors or bankruptcy proceedings of such issuers, the Investment Compartment and such other clients may have competing claims for the remaining assets of such issuers.

18.51. *Trading in Securities of Emerging Market Issuers*

The Investment Compartments may trade in securities of issuers located in emerging markets subject to the regulations governing trades of this nature detailed in this Prospectus and the relevant Supplement. The economies of certain emerging market countries may be vulnerable to changes in international trading patterns, trade barriers and other protectionist or retaliatory measures. Investments in emerging markets may also be adversely affected by governmental actions such as the imposition of capital controls, nationalization of companies or industries, expropriation of assets or the imposition of punitive taxes. In addition, certain governments may prohibit or impose substantial restrictions on foreign investing in capital markets or in certain industries. Any such action could severely affect security prices, impair the Investment Compartments' ability to purchase or sell emerging market securities or otherwise adversely affect the Investment Compartments. Other emerging market risks may include, without limitation, difficulties in pricing securities and difficulties in enforcing favorable legal judgments in courts.

18.52. *Regulated Markets in Emerging Market Countries*

Trading on Regulated Markets in emerging market countries may be conducted in such a manner that all participants are not offered an equal opportunity to execute certain trades and may also be subject to a variety of political influences and the possibility of direct government intervention. If settlement procedures are unable to keep pace with the volume of transactions it will be difficult to conduct such transactions. Any difficulty with clearance or settlement procedures on such Regulated Markets may expose the relevant Investment Compartments to losses. Any trading in emerging markets will be subject to the regulations governing trades of this nature as may be detailed in this Offering Memorandum and the relevant Supplement.

18.53. *Access to Non-Public Information*

The Investment Compartments may from time to time have access to non-public information, through the principals and/or employees or agents of the Manager, as applicable, following execution of a non-disclosure agreement or under any other circumstances. Such access to non-public information may have the effect of impairing the Manager's ability to sell or buy the related investments when, and upon the terms, it might otherwise had desired, including as a result of applicable securities laws.

18.54. *Hedging*

From time to time, the Manager may employ various hedging techniques in an attempt to reduce the risk of highly speculative investments in securities. Not all positions will be hedged. There is a substantial risk, however, that hedging techniques may not always be effective in limiting losses. Hedging transactions also limit the opportunity for gains in case the value of a hedged portfolio position increases.

18.55. *Forward Foreign Exchange Contracts*

The Manager may enter into forward foreign currency contracts as a means of managing the risks associated with changes in exchange rates. A forward foreign currency contract is a contractually binding agreement to exchange one currency for foreign currencies at a specified future date and specified amount which is set by the parties at the time of entering into the contract. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. The Manager will generally use such currency contracts to fix a definite price for securities they have agreed to buy or sell and may also use such contracts to hedge the Investment Compartment's investments against adverse exchange rate changes. Alternatively, the Manager and on behalf of the Investment Compartments may enter into a forward contract to sell a different foreign currency for a fixed EURO amount, for example, where the Manager believes that the EURO value of the currency to be sold will fall whenever there is a decline in the EURO value of the currency in which securities of the relevant Investment Compartments are denominated ("cross-hedge"). The profitability of forward foreign currency transactions depends upon correctly predicting future changes in exchange rates between two foreign currencies. As a result, the Investment Compartments may incur either a gain or loss on such transactions. While forward foreign currency transactions may help reduce losses on securities denominated in a foreign currency, they may also reduce gains on such securities depending on the actual changes in the currency's exchange value relative to that of the offsetting currency involved in the transaction.

Forward foreign exchange contracts are generally effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain Credit Institutions have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the Credit Institutions is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. An Investment Compartment is subject to the risk of the inability or refusal of its counterparties to perform according to such contracts. Any such default would eliminate any profit potential and compel an Investment Compartment to cover its commitments for resale or repurchase, if any, at the market price at the time. These events could result in significant losses.

18.56. *Risks of Stock Index Options*

The Investment Compartments may purchase and sell call and put options on both securities and stock indices. A stock index measures the movement of a certain group of stocks by assigning relative values to the common stocks included in the index. The effectiveness of purchasing or selling stock index options as a hedging technique will depend upon the extent to which price movements in assets that are hedged correlate with price movements of the stock index selected.

18.57. *Equity Funds Risk*

As the Investment Compartments will invest a substantial amount of the their assets in equity securities, the main risk is that the value of the equity securities they hold may decrease in response to the activities of an individual company or in response to general market, business and economic conditions. If this occurs, an Investment Compartment's Share price may also decrease.

18.58. *Directional Trading*

Certain positions taken by an Investment Compartment may be designed to profit from forecasting absolute price movements in a particular instrument. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position, will often not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations.

18.59. *Prepayment Risk*

During periods of declining interest rates, borrowers may exercise their option to prepay principal earlier than scheduled. For fixed rate securities, such payments often occur during periods of declining interest rates, forcing the Investment Compartment to reinvest in lower yielding securities, resulting in a possible decline in the Investment Compartment's income and distributions to shareholders. This is known as prepayment or "call" risk. Below investment grade securities frequently have call features that allow the issuer to redeem the security at dates prior to its stated maturity at a specified price (typically greater than par) only if certain prescribed conditions are met ("call protection"). For premium bonds (bonds acquired at prices that exceed their par or principal value) purchased by the Investment Compartment, prepayment risk may be enhanced.

18.60. *Reinvestment Risk*

Reinvestment risk is the risk that income from the Investment Compartment's portfolio will decline if the Investment Compartment invests the proceeds from matured, traded or called fixed income securities at market interest rates that are below the Investment Compartment portfolio's current earnings rate.

18.61. *Duration and Maturity Risk*

The Investment Compartment has no set policy regarding portfolio maturity or duration of the fixed-income securities it may hold. The Manager may seek to adjust the duration or maturity of the Investment Compartment's fixed-income holdings based on its assessment of current and projected market conditions and all other factors that the Manager deems relevant. Any decisions as to the targeted duration or maturity of any particular category of investments will be made based on all pertinent market factors at any given time. The Investment Compartment may incur costs in seeking to adjust the portfolio average duration or maturity. There can be no assurance that the Manager's assessment of current and projected market conditions will be correct or that any strategy to adjust duration or maturity will be successful at any given time. Generally speaking, the longer the duration of any fixed-income securities in the Investment Compartment's portfolio, the more exposure the Investment Compartment will have to the interest rate risks described above.

18.62. *Corporate Bonds Risk*

The market value of a corporate bond generally may be expected to rise and fall inversely with interest rates. The market value of intermediate and longer term corporate bonds is generally more sensitive to changes in interest rates than is the market value of shorter term corporate bonds. The market value of a corporate bond also may be affected by factors directly related to the issuer, such as investors' perceptions of the creditworthiness of the issuer, the issuer's financial performance, perceptions of the issuer in the market place, performance of management of the issuer, the issuer's capital structure and use of financial leverage and demand for the issuer's goods and services. Certain risks associated with investments in corporate bonds are described elsewhere in this Offering Memorandum in further detail, including under "—Fixed Income Securities Risks—Credit Risk," "—Fixed Income Securities Risks—Interest Rate Risk," "—Fixed Income Securities Risks—Prepayment Risk," "—Inflation Risk" and "—Deflation Risk." There is a risk that the issuers of corporate bonds may not be able to meet their obligations on interest or principal payments at the time called for by an instrument. Corporate bonds of below investment grade quality are often high risk and have speculative characteristics and may be particularly susceptible to adverse issuer-specific developments. Corporate bonds of below investment grade quality are subject to the risks described herein under "—Below Investment Grade Securities Risk."

18.63. *Below Investment Grade Securities Risk*

The Investment Compartment may invest in securities that are rated, at the time of investment, below investment grade quality (rated Ba/BB or below, or unrated but judged to be of comparable quality by the Manager), which are commonly referred to as "high yield" or "junk" bonds and are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. The value of high yield, lower quality bonds is affected by the creditworthiness of the issuers of the securities and by general economic and specific industry conditions. Issuers of high yield bonds are not perceived to be as strong financially as those with higher credit ratings. These issuers are more vulnerable to financial setbacks and recession than more creditworthy issuers, which may impair their ability to make interest and principal payments. Lower grade securities may be particularly susceptible to economic downturns. It is likely that an economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities. See "—Risk Associated with Recent Market Events."

Lower grade securities, though high yielding, are characterised by high risk. They may be subject to certain risks with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated securities. The secondary market for lower grade securities may be less liquid than that for higher rated securities. Adverse conditions could make it difficult at times for the Investment Compartment to sell certain securities or could result in lower prices than those used in calculating the Investment Compartment's NAV. Because of the substantial risks associated with investments in lower grade securities, you could lose money on your investment in common shares of the Investment Compartment, both in the short-term and the long-term.

The prices of fixed income securities generally are inversely related to interest rate changes; however, below investment grade securities historically have been somewhat less sensitive to interest rate changes than higher quality securities of comparable maturity because credit quality is also a significant factor in the valuation of lower grade securities. On the other hand, an increased rate environment results in increased borrowing costs generally, which may impair the credit quality of low-grade issuers and thus have a more significant effect on the value of some lower grade securities. In addition, the current extraordinary low rate environment has expanded the historic universe of buyers of lower grade securities as traditional investment grade oriented investors have been forced to accept more risk in order to maintain income. As rates rise, these recent entrants to the low-grade securities market may exit the market and reduce demand for lower grade securities, potentially resulting in greater price volatility.

The ratings of Moody's, S&P, Fitch and other rating agencies represent their opinions as to the quality of the obligations which they undertake to rate. Ratings are relative and subjective and, although ratings may be useful in evaluating the safety of interest and principal payments, they do not evaluate the market value risk of such obligations. Although these ratings may be an initial criterion for selection of portfolio investments, the Manager also will independently evaluate these securities and the ability of the issuers of such securities to pay interest and principal. To the extent that the Investment Compartment invests in lower grade securities that have not been rated by a rating agency, the Investment Compartment's ability to achieve its investment objectives will be more dependent on the Manager's credit analysis than would be the case when the Investment Compartment invests in rated securities.

The Investment Compartment may invest in securities rated in the lower rating categories (rated as low as D, or unrated but judged to be of comparable quality by the Manager). For these securities, the risks associated with below investment grade instruments are more pronounced. The Investment Compartment may purchase stressed or distressed securities, including securities that are in default or the issuers of which are in bankruptcy, which involve heightened risks. See "—Distressed and Defaulted Securities Risk."

18.64. *Distressed and Defaulted Securities Risk*

Investments in the securities of financially distressed issuers are speculative and involve substantial risks. These securities may present a substantial risk of default or may be in default at the time of investment. The Investment Compartment may incur additional expenses to the extent it is required to seek recovery upon a default in the payment of principal or interest on its portfolio holdings. In any reorganization or liquidation proceeding relating to a portfolio company, the Investment Compartment may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. Among the risks inherent in investments in a troubled entity is the fact that it frequently may be difficult to obtain information as to the true financial condition of such issuer. The Manager's judgment about the credit quality of the issuer and the relative value and liquidity of its securities may prove to be wrong. Distressed securities and any securities received in an exchange for such securities may be subject to restrictions on resale.

18.65. *Yield and Ratings Risk*

The yields on debt obligations are dependent on a variety of factors, including general market conditions, conditions in the particular market for the obligation, the financial condition of the issuer, the size of the offering, the maturity of the obligation and the ratings of the issue. The ratings of Moody's, S&P and Fitch represent their respective opinions as to the quality of the obligations they undertake to rate. Ratings, however, are general and are not absolute standards of quality. Consequently, obligations with the same rating, maturity and interest rate may have different market prices. Subsequent to its purchase by the Investment Compartment, a rated security may cease to be rated. The Manager will consider such an event in determining whether the Investment Compartment should continue to hold the security.

18.66. *Unrated Securities Risk*

Because the Investment Compartment may purchase securities that are not rated by any rating organization, the Manager may, after assessing their credit quality, internally assign ratings to certain of those securities in categories similar to those of rating organizations. Some unrated securities may not have an active trading market or may be difficult to value, which means the Investment Compartment might have difficulty selling them promptly at an acceptable price. To the extent that the Investment Compartment invests in unrated securities, the Investment Compartment's ability to achieve its investment objectives will be more dependent on the Manager's credit analysis than would be the case when the Investment Compartment invests in rated securities.

18.67. *Emerging Markets Risk*

The Investment Compartment may invest in "emerging market" in Cyprus. Such investments are particularly speculative and entail all of the risks of investing in Non-U.S. Securities but to a heightened degree. "Emerging market" countries generally include every nation in the world except developed countries, that is, the United States, Canada, Japan, Australia, New Zealand and most countries located in Western Europe. Investments in the securities of issuers domiciled in countries with emerging capital markets involve certain additional risks that do not generally apply to investments in securities of issuers in more developed capital markets, such as (i) low or non-existent trading volume, resulting in a lack of liquidity and increased volatility in prices for such securities, as compared to securities of comparable issuers in more developed capital markets; (ii) uncertain national policies and social, political and economic instability, increasing the potential for expropriation of assets, confiscatory taxation, high rates of inflation or unfavorable diplomatic developments; (iii) possible fluctuations in exchange rates, differing legal systems and the existence or possible imposition of exchange controls, custodial restrictions or other foreign or U.S. governmental laws or restrictions applicable to such investments; (iv) national policies that may limit the Investment Compartment's investment opportunities such as restrictions on investment in issuers or industries deemed sensitive to national interests; and (v) the lack or relatively early development of legal structures governing private and foreign investments and private property.

Foreign investment in certain emerging market countries may be restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment in certain emerging market issuers and increase the costs and expenses of the Investment Compartment. Certain emerging market countries require governmental approval prior to investments by foreign persons in a particular issuer, limit the amount of investment by foreign persons in a particular issuer, limit the investment by foreign persons only to a specific class of securities of an issuer that may have less advantageous rights than the classes available for purchase by domiciliaries of the countries and/or impose additional taxes on foreign investors.

Emerging markets are more likely to experience hyperinflation and currency devaluations, which adversely affect returns to. In addition, many emerging markets have far lower trading volumes and less liquidity than developed markets. Since these markets are often small, they may be more likely to suffer sharp and frequent price changes or long-term price depression because of adverse publicity, investor perceptions or the actions of a few large investors. Also, there may be less publicly available information about issuers in emerging markets than would be available about issuers in more developed capital markets, and such issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which are subject. In certain countries with emerging capital markets, reporting standards vary widely.

Many emerging markets have histories of political instability and abrupt changes in policies and these countries may lack the social, political and economic stability characteristic of more developed countries. As a result, their governments are more likely to take actions that are hostile or detrimental to private enterprise or foreign investment than those of more developed countries, including expropriation of assets, confiscatory taxation, high rates of inflation or unfavorable diplomatic developments. In the past, governments of such nations have expropriated substantial amounts of private property, and most claims of the property owners have never been fully settled. There is no assurance that such expropriations will not reoccur. In such an event, it is possible that the Investment Compartment could lose the entire value of its investments in the affected market. Some countries have pervasiveness of corruption and crime that may hinder investments. Certain emerging markets may also face other significant internal or external risks, including the risk of war, and ethnic, religious and racial conflicts. In addition, governments in many emerging market countries participate to a significant degree in their economies and securities markets, which may impair investment and economic growth. National policies that may limit the Investment Compartment's investment opportunities include restrictions on investment in issuers or industries deemed sensitive to national interests. In such a dynamic environment, there can be no assurance that any or all of these capital markets will continue to present viable investment opportunities for the Investment Compartment.

Emerging markets may also have differing legal systems and the existence or possible imposition of exchange controls, custodial restrictions or other laws or restrictions applicable to such investments. Sometimes, they may lack or be in the relatively early development of legal structures governing private and foreign investments and private property. In addition to withholding taxes on investment income, some countries with emerging markets may impose differential capital gains taxes on foreign investors.

Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because the Investment Compartment will need to use brokers and counterparties that are less well capitalised, and custody and registration of assets in some countries may be unreliable. The possibility of fraud, negligence, undue influence being exerted by the issuer or refusal to recognise ownership exists in some emerging markets, and, along with other factors, could result in ownership registration being completely lost. The Investment Compartment would absorb any loss resulting from such registration problems and may have no successful claim for compensation. In addition, communications between the United States and emerging market countries may be unreliable, increasing the risk of delayed settlements or losses of security certificates.

18.68. *Foreign Currency Risk*

Because the Investment Compartment may invest in securities denominated or quoted in different currencies, changes in foreign currency exchange rates may affect the value of securities held by the Investment Compartment and the unrealised appreciation or depreciation of investments. Currencies of certain countries may be volatile and therefore may affect the value of securities denominated in such currencies, which means that the Investment Compartment's NAV could decline as a result of changes in the exchange rates between foreign currencies and the U.S. dollar. The Manager may, but is not required to, elect for the Investment Compartment to seek to protect itself from changes in currency exchange rates through hedging transactions depending on market conditions. In addition, certain countries, particularly emerging market countries, may impose foreign currency exchange controls or other restrictions on the transferability, repatriation or convertibility of currency.

18.69. *LIBOR Risk*

According to various reports, certain financial institutions, commencing as early as 2005 and throughout the global financial crisis, routinely made artificially low submissions in the London Inter-Bank Offered Rate ("LIBOR") setting process. Since the LIBOR scandal came to light, several financial institutions have been fined significant amounts by various financial regulators in connection with allegations of manipulation of LIBOR rates. Other financial institutions in various countries are being investigated for similar actions. These developments may have adversely affected the interest rates on securities whose interest payments were determined by reference to LIBOR. Any future similar developments could, in turn, reduce the value of such securities owned by the Investment Compartment.

18.70. *Leverage Risk*

The use of leverage creates an opportunity for increased Investor Units net investment income dividends, but also creates risks for the Unitholders. The Investment Compartment cannot assure you that the use of leverage, if employed, will result in a higher yield on the Investor Shares. Any leveraging strategy the Investment Compartment employs may not be successful.

Leverage involves risks and special considerations for the Investment Compartment, including:

a. the likelihood of greater volatility of NAV, market price and dividend rate of the Investor Units than a comparable portfolio without leverage;
b. the risk that fluctuations in interest rates on borrowings and short-term debt or in the interest or dividend rates on any leverage that the Investment Compartment must pay will reduce the return to the Unitholders;
c. the effect of leverage in a declining market, which is likely to cause a greater decline in the NAV of the Investor Units than if the Investment Compartment were not leveraged, which may result in a greater decline in the market price of the Investor Shares;
d. when the Investment Compartment uses financial leverage, the management fee payable to the Manager will be higher than if the Investment Compartment did not use leverage; and
e. leverage may increase operating costs, which may reduce total return.

Any decline in the NAV of the Investment Compartment's investments will be borne entirely by the Unitholders. Therefore, if the market value of the Investment Compartment's portfolio declines, leverage will result in a greater decrease in NAV to the Unitholders than if the Investment Compartment were not leveraged. This greater NAV decrease will also tend to cause a greater decline in the market price for the Investor Shares. While the Investment Compartment may from time to time consider reducing any outstanding leverage in response to actual or anticipated changes in interest rates in an effort to mitigate the increased volatility of current income and NAV associated with leverage, there can be no assurance that the Investment Compartment will actually reduce any outstanding leverage in the future or that any reduction, if undertaken, will benefit the Unitholders. Changes in the future direction of interest rates are very difficult to predict accurately. If the Investment Compartment were to reduce any outstanding leverage based on a prediction about future changes to interest rates, and that prediction turned out to be incorrect, the reduction in any outstanding leverage would likely operate to reduce the income and/or total returns to Unitholders relative to the circumstance where the Investment Compartment had not reduced any of its outstanding leverage. The Investment Compartment may decide that this risk outweighs the likelihood of achieving the desired reduction to volatility in income and Unit price if the prediction were to turn out to be correct, and determine not to reduce any of its outstanding leverage as described above.

The Investment Compartment does not intend to borrow money or issue debt securities or preferred shares during its first full year of operations, but may in the future borrow funds from credit institutions or other financial institutions, or issue debt securities or preferred shares, as described in this Offering Memorandum. Certain types of leverage the Investment Compartment may use may result in the Investment Compartment being subject to covenants relating to asset coverage and portfolio composition requirements. The

Investment Compartment may be subject to certain restrictions on investments imposed by guidelines of one or more rating agencies, which may issue ratings for any debt securities or preferred shares issued by the Investment Compartment. The Manager does not believe that these covenants or guidelines will impede it from managing the Investment Compartment's portfolio in accordance with the Investment Compartment's investment objectives and policies.

The Investment Compartment may invest in the securities of other investment companies. Such investment companies may also be leveraged, and will therefore be subject to the leverage risks described above. This additional leverage may in certain market conditions reduce the NAV of the Investment Compartment's Investor Units and the returns to the Unitholders.

18.71. *Risk of Use of Leverage*

The Investment Compartments may achieve some leverage through the use of financial derivatives instruments for the purpose of making investments/hedging purposes or through borrowings. The use of leverage creates special risks and may significantly increase the Investment Compartments' investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure of an Investment Compartment to capital risk.

18.72. *Risks Associated with the Use of or Trading in Derivatives*

The Manager shall ensure that each Investment Compartment's global exposure relating to financial derivative instruments does not exceed the total net value of its portfolio. The risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, the future market movements and the time available to liquidate the positions.

While the use of derivatives will take place prudently under the limits and conditions prescribed by the AIF Law and the CySEC Directives, it nevertheless involves risks different from and in certain cases greater than the risks presented by more traditional investments. The following is a non-exhaustive list of related risks associated with the use of or trading in derivatives by an Investment Compartment.

18.73. *Control and Monitoring of the Use of Derivative Products*

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

18.74. *Debt Securities*

An Investment Compartment may invest in derivatives of debt securities which will expose the Investment Compartment to credit, liquidity and interest rate risks. Evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

18.75. *Market Liquidity and Leverage*

Changes in overall market leverage, deleveraging as a consequence of a decision by the counterparties with which an Investment Compartment enters into repurchase/reverse repurchase agreements or derivative transactions in an effort to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may adversely affect the Investment Compartment’s portfolio.

18.76. *Credit Default Swaps*

An Investment Compartment may purchase and sell credit derivatives contracts — primarily credit default swaps — both for hedging and other purposes. Credit default swaps generally trade on the basis of theoretical pricing and valuation models, which may not accurately value such swap positions when established or when subsequently traded or unwound under actual market conditions.

18.77. *Liquidity Risk*

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price. The Investment Compartment will only enter into OTC Derivatives if it is allowed to liquidate such transactions at any time at fair value.

18.78. *Counterparty Risk*

The Investment Compartments may enter into transactions in OTC markets, which will expose the Investment Compartments to the credit of their counterparties and their ability to satisfy the terms of such contracts. The Investment Compartments are subject to the risk of the insolvency of their counterparties such as broker-dealers, futures commission merchants, Credit Institutions or other financial institutions, exchanges or clearinghouses. For example, the Investment Compartments may enter into swap arrangements or other derivative techniques as specified in the relevant Supplements, each of which exposes the Investment Compartments to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Investment Compartments could experience delays in liquidating the position and significant losses, including declines in the value of their investment during the period in which the Fund seeks to enforce its rights, as well as inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due to, for instance, bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In the event of failure of the counterparty the Investment Compartment may only rank as an unsecured creditor in respect of sums due from the issuer in question, meaning that the Investment Compartment may be unable to recover part or all of the assets exposed to that counterparty and any such recovery may be significantly delayed.

18.79. *Absence of Regulation in OTC Transactions*

Transactions in OTC Derivatives carry higher risk as in general there is less governmental regulation and supervision in the OTC markets than in transactions entered into on Regulated Exchanges.

18.80. *Additional Risks Associated with an Underlying of OTC Derivatives Linked to Specific Types of Securities or Assets*

There are special risk considerations associated with an underlying of OTC Derivatives of which the performance is linked directly or indirectly to the following types of securities or assets. The degree of exposure to such factors will depend on the precise way in which an underlying of OTC Derivatives is linked to such assets.

18.81. *Futures and Options*

There is special risk considerations associated with an underlying of OTC Derivatives of which the performance is linked to futures, options or other derivative contracts. Depending on the nature of the underlying assets, reference rates or other derivatives to which they relate and on the liquidity in the relevant contract, the prices of such instruments may be highly volatile and hence risky in nature.

18.82. *Securities of Companies principally engaged in the Real Estate industry*

There is special risk considerations associated with an underlying of OTC Derivatives of which the performance is linked to securities of companies principally engaged in the real estate industry. These include: risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighborhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of an underlying of OTC Derivatives and thus the Investment Compartments' investments.

18.83. *Commodities and Energies*

Prices of commodity indices and energy indices are influenced by, among other things, various macro-economic factors such as changing supply and demand relationships, weather conditions and other natural phenomena, agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments (including government intervention in certain markets) and other unforeseeable events.

18.84. *Indexes*

Where an underlying of OTC Derivatives consists of an index it will not be actively managed and the selection of the component indices, assets or securities will be made in accordance with the relevant index composition rules and eligibility criteria and not by reference to any performance criteria or performance outlook. Accordingly, the composition of the index is not designed to follow recommendations or research reports issued by the index sponsor, its affiliates or any other person. No index sponsor has any obligation to take the needs of the Fund or the Investors into consideration in determining, composing or calculating any underlying of OTC Derivatives.

18.85. *Derivatives*

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

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

18.86. *Repurchase Agreements Risk*

Subject to its investment objectives and policies, the Investment Compartment may invest in repurchase agreements. Repurchase agreements typically involve the acquisition by the Investment Compartment of fixed income securities from a selling financial institution such as a credit institution, savings and loan association or broker-dealer. The agreement provides that the Investment Compartment will sell the securities back to the institution at a fixed time in the future. The Investment Compartment does not bear the risk of a decline in the value of the underlying security unless the seller defaults under its repurchase obligation. In the event of the bankruptcy or other default of a seller of a repurchase agreement, the Investment Compartment could experience both delays in liquidating the underlying securities and losses, including possible decline in the value of the underlying security during the period in which the Investment Compartment seeks to enforce its rights thereto; possible lack of access to income on the underlying security during this period; and expenses of enforcing its rights. While repurchase agreements involve certain risks not associated with direct investments in fixed income securities, the Investment Compartment follows procedures approved by the Board that are designed to minimise such risks. In addition, the value of the collateral underlying the repurchase agreement will be at least equal to the repurchase price, including any accrued interest earned on the repurchase agreement. In the event of a default or bankruptcy by a selling financial institution, the Investment Compartment generally will seek to liquidate such collateral. However, the exercise of the Investment Compartment's right to liquidate such collateral could involve certain costs or delays and, to the extent that proceeds from any sale upon a default of the obligation to repurchase were less than the repurchase price, the Investment Compartment could suffer a loss.

18.87. *Reverse Repurchase Agreements Risk*

Reverse repurchase agreements involve the risks that the interest income earned on the investment of the proceeds will be less than the interest expense of the Investment Compartment, that the market value of the securities sold by the Investment Compartment may decline below the price at which the Investment Compartment is obligated to repurchase the securities and that the securities may not be returned to the Investment Compartment. There is no assurance that reverse repurchase agreements can be successfully employed.

18.88. *Dollar Roll Transactions Risk*

Dollar roll transactions involve the risk that the market value of the securities the Investment Compartment is required to purchase may decline below the agreed upon repurchase price of those securities. If the broker/dealer to which the Investment Compartment sells securities becomes insolvent, the Investment Compartment's right to purchase or repurchase securities may be restricted. Successful use of dollar rolls may depend upon the Manager's ability to predict correctly interest rates and prepayments. There is no assurance that dollar rolls can be successfully employed. These transactions may involve leverage.

18.89. *When-Issued, Forward Commitment and Delayed Delivery Transactions Risk*

The Investment Compartment may purchase securities on a when-issued basis (including on a forward commitment or "TBA" (to be announced) basis) and may purchase or sell securities for delayed delivery. When-issued and delayed delivery transactions occur when securities are purchased or sold by the Investment Compartment with payment and delivery taking place in the future to secure an advantageous yield or price. Securities purchased on a when-issued or delayed delivery basis may expose the Investment Compartment to counterparty risk of default as well as the risk that securities may experience fluctuations in value prior to their actual delivery. The Investment Compartment will not accrue income with respect to a when-issued or delayed delivery security prior to its stated delivery date. Purchasing securities on a when-issued or delayed delivery basis can involve the additional risk that the price or yield available in the market when the delivery takes place may not be as favorable as that obtained in the transaction itself

18.90. *Event Risk*

Event risk is the risk that corporate issuers may undergo restructurings, such as mergers, leveraged buyouts, takeovers, or similar events financed by increased debt. As a result of the added debt, the credit quality and market value of a company's securities may decline significantly

18.91. *Defensive Investing Risk*

For defensive purposes, the Investment Compartment may allocate assets into cash or short-term fixed income securities without limitation. In doing so, the Investment Compartment may succeed in avoiding losses but may otherwise fail to achieve its investment objectives. Further, the value of short-term fixed income securities may be affected by changing interest rates and by changes in credit ratings of the investments. If the Investment Compartment holds cash uninvested it will be subject to the credit risk of the depository institution holding the cash.

18.92. *Structured Investments Risks*

The Investment Compartment may invest in structured products, including structured notes, ELNs and other types of structured products. Holders of structured products bear risks of the underlying investments, index or reference obligation and are subject to counterparty risk. The Investment Compartment may have the right to receive payments only from the structured product and generally does not have direct rights against the issuer or the entity that sold the assets to be securitised. While certain structured products enable the investor to acquire interests in a pool of securities without the brokerage and other expenses associated with directly holding the same securities, investors in structured products generally pay their share of the structured product's administrative and other expenses.

Although it is difficult to predict whether the prices of indices and securities underlying structured products will rise or fall, these prices (and, therefore, the prices of structured products) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. If the issuer of a structured product uses shorter term financing to purchase longer term securities, the issuer may be forced to sell its securities at below market prices if it experiences difficulty in obtaining such financing, which may adversely affect the value of the structured products owned by the Investment Compartment.

18.93. *Structured Notes Risk*

Investments in structured notes involve risks, including credit risk and market risk. Where the Investment Compartment's investments in structured notes are based upon the movement of one or more factors, including currency exchange rates, interest rates, referenced bonds and stock indices, depending on the factor used and the use of multipliers or deflators, changes in interest rates and movement of the factor may cause significant price fluctuations. Additionally, changes in the reference instrument or security may cause the interest rate on the structured note to be reduced to zero and any further changes in the reference instrument may then reduce the principal amount payable on maturity. Structured notes may be less liquid than other types of securities and more volatile than the reference instrument or security underlying the note.

18.94. *Equity-Linked Notes Risk*

ELNs are hybrid securities with characteristics of both fixed income and equity securities. An ELN is a debt instrument, usually a bond, that pays interest based upon the performance of an underlying equity, which can be a single stock, basket of stocks or an equity index. The interest payment on an ELN may in some cases be leveraged so that, in percentage terms, it exceeds the relative performance of the market. ELNs generally are subject to the risks associated with the securities of equity issuers, default risk and counterparty risk. Additionally, because the Investment Compartment may use ELNs as an alternative or complement to its options strategy, the use of ELNs in this manner would expose the Investment Compartment to the risk that such ELNs will not perform as anticipated, and the risk that the use of ELNs will expose the Investment Compartment to different or additional default and counterparty risk as compared to a similar investment executed in an options strategy.

18.95. *Credit-Linked Notes Risk*

A CLN is a derivative instrument. It is a synthetic obligation between two or more parties where the payment of principal and/or interest is based on the performance of some obligation (a reference obligation). In addition to the credit risk of the reference obligations and interest rate risk, the buyer/seller of the CLN is subject to counterparty risk.

18.96. *Event-Linked Securities Risk*

Event-linked securities are a form of derivative issued by insurance companies and insurance-related special purpose vehicles that apply securitization techniques to catastrophic property and casualty damages. Unlike other insurable low-severity, high-probability events, the insurance risk of which can be diversified by writing large numbers of similar policies, the holders of a typical event-linked securities are exposed to the risks from high-severity, low-probability events such as that posed by major earthquakes or hurricanes. If a catastrophe occurs that “triggers” the event-linked security, investors in such security may lose some or all of the capital invested. In the case of an event, the funds are paid to the bond sponsor—an insurer, reinsurer or corporation—to cover losses. In return, the bond sponsors pay interest to investors for this catastrophe protection. Event-linked securities can be structured to pay-off on three types of variables—insurance-industry catastrophe loss indices, insured-specific catastrophe losses and parametric indices based on the physical characteristics of catastrophic events. Such variables are difficult to predict or model, and the risk and potential return profiles of event-linked securities may be difficult to assess. Catastrophe-related event-linked securities have been in use since the 1990s, and the securitization and risk-transfer aspects of such event-linked securities are beginning to be employed in other insurance and risk-related areas. No active trading market may exist for certain event-linked securities, which may impair the ability of the Investment Compartment to realise full value in the event of the need to liquidate such assets.

18.97. *Strategic Transactions and Derivatives Risk*

The Investment Compartment may engage in various Strategic Transactions for duration management and other risk management purposes, including to attempt to protect against possible changes in the market value of the Investment Compartment's portfolio resulting from trends in the securities markets and changes in interest rates or to protect the Investment Compartment's unrealised gains in the value of its portfolio securities, to facilitate the sale of portfolio securities for investment purposes or to establish a position in the securities markets as a temporary substitute for purchasing particular securities or to enhance income or gain. Derivatives are financial contracts or instruments whose value depends on, or is derived from, the value of an underlying asset, reference rate or index (or relationship between two indices). The Investment Compartment also may use derivatives to add leverage to the portfolio and/or to hedge against increases in the Investment Compartment's costs associated with any leverage strategy that it may employ. The use of Strategic Transactions to enhance current income may be particularly speculative.

Strategic Transactions involve risks. The risks associated with Strategic Transactions include (i) the imperfect correlation between the value of such instruments and the underlying assets, (ii) the possible default of the counterparty to the transaction, (iii) illiquidity of the derivative instruments, and (iv) high volatility losses caused by unanticipated market movements, which are potentially unlimited. Although both OTC and exchange-traded derivatives markets may experience the lack of liquidity, OTC non-standardised derivative transactions are generally less liquid than exchange-traded instruments. The illiquidity of the derivatives markets may be due to various factors, including congestion, disorderly markets, limitations on deliverable supplies, the participation of speculators, government regulation and intervention, and technical and operational or system failures. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which the Investment Compartment may conduct its transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the Investment Compartment to the potential of greater losses. Furthermore, the Investment Compartment's ability to successfully use Strategic Transactions depends on the Manager's ability to predict pertinent securities prices, interest rates, currency exchange rates and other economic factors, which cannot be assured. The use of Strategic Transactions may result in losses greater than if they had not been used, may require the Investment Compartment to sell or purchase portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation the Investment Compartment can realise on an investment or may cause the Investment Compartment to hold a security that it might otherwise sell. Additionally, segregated or earmarked liquid assets, amounts paid by the Investment Compartment as premiums and cash or other assets held in margin accounts with respect to Strategic Transactions are not otherwise available to the Investment Compartment for investment purposes. Please see the Investment Compartment's SAI for a more detailed description of Strategic Transactions and the various derivative instruments the Investment Compartment may use and the various risks associated with them.

Many OTC derivatives are valued on the basis of dealers' pricing of these instruments. However, the price at which dealers value a particular derivative and the price which the same dealers would actually be willing to pay for such derivative should the Investment Compartment wish or be forced to sell such position may be materially different. Such differences can result in an overstatement of the Investment Compartment's NAV and may materially adversely affect the Investment Compartment in situations in which the Investment Compartment is required to sell derivative instruments. Exchange-traded derivatives and OTC derivative transactions submitted for clearing through a central counterparty have become subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible SEC- or CFTC- mandated margin requirements. These regulators also have broad discretion to impose margin requirements on non-cleared over-the-counter derivatives. These margin requirements will increase the overall costs for the Investment Compartment.

While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the derivative and the underlying security, and there can be no assurance that the Investment Compartment's hedging transactions will be effective.

Derivatives may give rise to a form of leverage and may expose the Investment Compartment to greater risk and increase its costs. Recent legislation calls for new regulation of the derivatives markets. The extent and impact of the regulation is not yet known and may not be known for some time. New regulation may make derivatives more costly, may limit the availability of derivatives, or may otherwise adversely affect the value or performance of derivatives.

18.98. *Counterparty Risk*

The Investment Compartment will be subject to credit risk with respect to the counterparties to the derivative contracts purchased by the Investment Compartment. Because derivative transactions in which the Investment Compartment may engage may involve instruments that are not traded on an exchange or cleared through a central counterparty but are instead traded between counterparties based on contractual relationships, the Investment Compartment is subject to the risk that a counterparty will not perform its obligations under the related contracts. If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the Investment Compartment may experience significant delays in obtaining any recovery in bankruptcy or other reorganization proceedings. The Investment Compartment may obtain only a limited recovery, or may obtain no recovery, in such circumstances. Although the Investment Compartment intends to enter into transactions only with counterparties that the Manager believes to be creditworthy, there can be no assurance that, as a result, a counterparty will not default and that the Investment Compartment will not sustain a loss on a transaction. In the event of the counterparty's bankruptcy or insolvency, the Investment Compartment's collateral may be subject to the conflicting claims of the counterparty's creditors, and the Investment Compartment may be exposed to the risk of a court treating the Investment Compartment as a general unsecured creditor of the counterparty, rather than as the owner of the collateral.

The counterparty risk for cleared derivatives is generally lower than for uncleared OTC derivative transactions since generally a clearing organization becomes substituted for each counterparty to a cleared derivative contract and, in effect, guarantees the parties' performance under the contract as each party to a trade looks only to the clearing organization for performance of financial obligations under the derivative contract. However, there can be no assurance that a clearing organization, or its members, will satisfy its obligations to the Investment Compartment, or that the Investment Compartment would be able to recover the full amount of assets deposited on its behalf with the clearing organization in the event of the default by the clearing organization or the Investment Compartment's clearing broker. In addition, cleared derivative transactions benefit from daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Uncleared OTC derivative transactions generally do not benefit from such protections. This exposes the Investment Compartment to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Investment Compartment to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Investment Compartment has concentrated its transactions with a single or small group of counterparties.

In addition, the Investment Compartment is subject to the risk that issuers of the instruments in which it invests and trades may default on their obligations under those instruments, and that certain events may occur that have an immediate and significant adverse effect on the value of those instruments. There can be no assurance that an issuer of an instrument in which the Investment Compartment invests will not default, or that an event that has an immediate and significant adverse effect on the value of an instrument will not occur, and that the Investment Compartment will not sustain a loss on a transaction as a result.

18.99. *Swaps Risk*

Swaps are types of derivatives. Swap agreements involve the risk that the party with which the Investment Compartment has entered into the swap will default on its obligation to pay the Investment Compartment and the risk that the Investment Compartment will not be able to meet its obligations to pay the other party to the agreement. In order to seek to hedge the value of the Investment Compartment's portfolio, to hedge against increases in the Investment Compartment's cost associated with interest payments on any outstanding borrowings or to seek to increase the Investment Compartment's return, the Investment Compartment may enter into swaps, including interest rate swap, total return swap or credit default swap transactions. In interest rate swap transactions, there is a risk that yields will move in the direction opposite of the direction anticipated by the Investment Compartment, which would cause the Investment Compartment to make payments to its counterparty in the transaction that could adversely affect Investment Compartment performance. In addition to the risks applicable to swaps generally (including counterparty risk, high volatility, liquidity risk and credit risk), credit default swap transactions involve special risks because they are difficult to value, are highly susceptible to liquidity and credit risk, and generally pay a return to the party that has paid the premium only in the event of an actual default by the issuer of the underlying obligation (as opposed to a credit downgrade or other indication of financial difficulty).

Historically, swap transactions have been individually negotiated non-standardised transactions entered into in OTC markets and have not been subject to the same type of government regulation as exchange-traded instruments. However, the OTC derivatives markets have recently become subject to comprehensive statutes and regulations. In particular, in the United States, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), signed into law by President Obama on July 21, 2010, requires that certain derivatives with U.S. persons must be executed on a regulated market and a substantial portion of OTC derivatives must be submitted for clearing to regulated clearinghouses. As a result, swap transactions entered into by the Investment Compartment may become subject to various requirements applicable to swaps under the Dodd-Frank Act, including clearing, exchange-execution, reporting and recordkeeping requirements, which may make it more difficult and costly for the Investment Compartment to enter into swap transactions and may also render certain strategies in which the Investment Compartment might otherwise engage impossible or so costly that they will no longer be economical to implement. Furthermore, the number of counterparties that may be willing to enter into swap transactions with the Investment Compartment may also be limited if the swap transactions with the Investment Compartment are subject to the swap regulation under the Dodd-Frank Act.

Credit default and total return swap agreements may effectively add leverage to the Investment Compartment’s portfolio because, in addition to its Managed Assets, the Investment Compartment would be subject to investment exposure on the notional amount of the swap. Total return swap agreements are subject to the risk that a counterparty will default on its payment obligations to the Investment Compartment thereunder. The Investment Compartment is not required to enter into swap transactions for hedging purposes or to enhance income or gain and may choose not to do so. In addition, the swaps market is subject to a changing regulatory environment. It is possible that regulatory or other developments in the swaps market could adversely affect the Investment Compartment’s ability to successfully use swaps.

18.100. *Securities Lending Risk*

The Investment Compartment may lend securities to financial institutions. Securities lending involves exposure to certain risks, including operational risk (i.e., the risk of losses resulting from problems in the settlement and accounting process), “gap” risk (i.e., the risk of a mismatch between the return on cash collateral reinvestments and the fees the Investment Compartment has agreed to pay a borrower), and credit, legal, counterparty and market risk. If a securities lending counterparty were to default, the Investment Compartment would be subject to the risk of a possible delay in receiving collateral or in recovering the loaned securities, or to a possible loss of rights in the collateral. In the event a borrower does not return the Investment Compartment’s securities as agreed, the Investment Compartment may experience losses if the proceeds received from liquidating the collateral do not at least equal the value of the loaned security at the time the collateral is liquidated, plus the transaction costs incurred in purchasing replacement securities. This event could trigger adverse tax consequences for the Investment Compartment. The Investment Compartment could lose money if its short-term investment of the collateral declines in value over the period of the loan. Substitute payments for dividends received by the Investment Compartment for securities loaned out by the Investment Compartment will generally not be considered qualified dividend income. The securities lending agent will take the tax effects on shareholders of this difference into account in connection with the Investment Compartment’s securities lending program. Substitute payments received on tax-exempt securities loaned out will generally not be tax-exempt income.

18.101. *Short Sales Risk*

Short-selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. If the price of the security sold short increases between the time of the short sale and the time the Investment Compartment replaces the borrowed security, the Investment Compartment will incur a loss; conversely, if the price declines, the Investment Compartment will realise a capital gain. Any gain will be decreased, and any loss will be increased, by the transaction costs incurred by the Investment Compartment, including the costs associated with providing collateral to the broker-dealer (usually cash and liquid securities) and the maintenance of collateral with its depositary. Although the Investment Compartment's gain is limited to the price at which it sold the security short, its potential loss is theoretically unlimited.

Short-selling necessarily involves certain additional risks. However, if the short seller does not own the securities sold short (an uncovered short sale), the borrowed securities must be replaced by securities purchased at market prices in order to close out the short position, and any appreciation in the price of the borrowed securities would result in a loss. Uncovered short sales expose the Investment Compartment to the risk of uncapped losses until a position can be closed out due to the lack of an upper limit on the price to which a security may rise. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. There is the risk that the securities borrowed by the Investment Compartment in connection with a short-sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short-sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Investment Compartment may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received at the time the securities were originally sold short.

In September 2008, in response to spreading turmoil in the financial markets, the SEC temporarily banned short selling in the stocks of numerous financial services companies, and also promulgated new disclosure requirements with respect to short positions held by investment managers. The SEC's temporary ban on short selling of such stocks has since expired, but should similar restrictions and/or additional disclosure requirements be promulgated, especially if market turmoil occurs, the Investment Compartment may be forced to cover short positions more quickly than otherwise intended and may suffer losses as a result. Such restrictions may also adversely affect the ability of the Investment Compartment to execute its investment strategies generally. Similar emergency orders have also recently been instituted in non-U.S. markets in response to increased volatility. The SEC recently adopted amendments to Regulation SHO under the Exchange Act that restrict the ability to engage in a short sale at a price that is less than or equal to the current best bid if the price of the covered security has decreased by 10% or more from the covered security's closing price as of the end of the prior day.

18.102. *Inflation Risk*

Inflation risk is the risk that the value of assets or income from investment will be worth less in the future, as inflation decreases the value of money. As inflation increases, the real value of the common shares and distributions on those shares can decline. In addition, during any periods of rising inflation, interest rates on any borrowings by the Investment Compartment would likely increase, which would tend to further reduce returns to the holders of common shares.

18.103. *Deflation Risk*

Deflation risk is the risk that prices throughout the economy decline over time, which may have an adverse effect on the market valuation of companies, their assets and their revenues. In addition, deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Investment Compartment's portfolio.

18.104. *EMU and Redenomination Risk*

As the European debt crisis progressed, the possibility of one or more Eurozone countries exiting the EMU, or even the collapse of the Euro as a common currency, arose, creating significant volatility at times in currency and financial markets generally. The effects of the collapse of the Euro, or of the exit of one or more countries from the EMU, on the. and global economy and securities markets are impossible to predict and any such events could have a significant adverse impact on the value and risk profile of the Investment Compartment's portfolio. Any partial or complete dissolution of the EMU could have significant adverse effects on currency and financial markets, and on the values of the Investment Compartment's portfolio investments. If one or more EMU countries were to stop using the Euro as its primary currency, the Investment Compartment's investments in such countries may be redenominated into a different or newly adopted currency. As a result, the value of those investments could decline significantly and unpredictably. In addition, securities or other investments that are redenominated may be subject to foreign currency risk, liquidity risk and valuation risk to a greater extent than similar investments currently denominated in Euros. To the extent a currency used for redenomination purposes is not specified in respect of certain EMU-related investments, or should the Euro cease to be used entirely, the currency in which such investments are denominated may be unclear, making such investments particularly difficult to value or dispose of. The Investment Compartment may incur additional expenses to the extent it is required to seek judicial or other clarification of the denomination or value of such securities.

18.105. *Market Disruption and Geopolitical Risk*

The aftermath of instability in Afghanistan, Pakistan, Egypt, Libya, Syria, Russia, Ukraine and the Middle East, possible terrorist attacks around the world, growing social and political discord in world, the European debt crisis, widened economic sanctions applied to Russia, further downgrade of securities and other similar events, may have long-term effects on the worldwide financial markets and may cause further economic uncertainties worldwide.

The Investment Compartment does not know how long the securities markets may be affected by these events and cannot predict the effects of these and similar events in the future on the economy and securities markets. The Investment Compartment may be adversely affected by abrogation of international agreements and national laws which have created the market instruments in which the Investment Compartment may invest, failure of the designated national and international authorities to enforce compliance with the same laws and agreements, failure of local, national and international organization to carry out the duties prescribed to them under the relevant agreements, revisions of these laws and agreements which dilute their effectiveness or conflicting interpretation of provisions of the same laws and agreements.

The Investment Compartment may be adversely affected by uncertainties such as terrorism, international political developments, and changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries in which it is invested.

18.106. *Regulation and Government Intervention Risk*

The recent instability in the financial markets discussed above has led certain governments to take a number of unprecedented actions designed to support certain financial institutions and segments of the financial markets that have experienced extreme volatility, and in some cases a lack of liquidity, including through direct purchases of equity and debt securities. Federal, state, and other governments, their regulatory agencies or self-regulatory organizations may take actions that affect the regulation of the issuers in which the Investment Compartment invests in ways that are unforeseeable. Legislation or regulation may also change the way in which the Investment Compartment is regulated. Such legislation or regulation could limit or preclude the Investment Compartment’s ability to achieve its investment objectives.

18.107. *Legal, Tax and Regulatory Risks*

Legal, tax and regulatory changes could occur that may materially adversely affect the Investment Compartment. For example, the regulatory and tax environment for derivative instruments in which the Investment Compartment may participate is evolving, and changes in the regulation or taxation of derivative instruments may materially adversely affect the value of derivative instruments held by the Investment Compartment and the ability of the Investment Compartment to pursue its investment strategies.

18.108. *Legislation Risk*

At any time after the date of this Offering Memorandum, legislation may be enacted that could negatively affect the assets of the Investment Compartment. Legislation or regulation may change the way in which the Investment Compartment itself is regulated. The Manager cannot predict the effects of any new governmental regulation that may be implemented and there can be no assurance that any new governmental regulation will not adversely affect the Investment Compartment's ability to achieve its investment objectives.

18.109. *Decision-Making Authority Risk*

Investors have no authority to make decisions or to exercise business discretion on behalf of the Investment Compartment, except as set forth in the Investment Compartment's governing documents. The authority for all such decisions is generally delegated to the Board, which in turn, has delegated the day-to-day management of the Investment Compartment's investment activities to the Manager, subject to oversight by the Board.

18.110. *Management Risk*

The Investment Compartment is subject to management risk because it is an actively managed investment portfolio. The Manager and the individual portfolio managers will apply investment techniques and risk analyses in making investment decisions for the Investment Compartment, but there can be no guarantee that these will produce the desired results. The Investment Compartment may be subject to a relatively high level of management risk because the Investment Compartment may invest in derivative instruments, which may be highly specialised instruments that require investment techniques and risk analyses different from those associated with equities and bonds.

18.111. *Market and Selection Risk*

Market risk is the possibility that the market values of securities owned by the Investment Compartment will decline. There is a risk that equity and/or bond markets will go down in value, including the possibility that such markets will go down sharply and unpredictably.

Stock markets are volatile, and the price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock held by the Investment Compartment. Also, the price of common stocks is sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks to which the Investment Compartment has exposure. Common stock prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuers occur.

The prices of fixed income securities tend to fall as interest rates rise, and such declines tend to be greater among fixed income securities with longer maturities. Market risk is often greater among certain types of fixed income securities, such as zero coupon bonds that do not make regular interest payments but are instead bought at a discount to their face values and paid in full upon maturity. As interest rates change, these securities often fluctuate more in price than securities that make regular interest payments and therefore subject the Investment Compartment to greater market risk than a fund that does not own these types of securities.

When-issued and delayed delivery transactions are subject to changes in market conditions from the time of the commitment until settlement, which may adversely affect the prices or yields of the securities being purchased. The greater the Investment Compartment's outstanding commitments for these securities, the greater the Investment Compartment's exposure to market price fluctuations.

Selection risk is the risk that the securities that the Investment Compartment's management selects will underperform the equity and/or bond market, the market relevant indices or other Investment Compartments with a similar investment objective and investment strategies.

18.112. *Reliance on the Manager*

The Investment Compartment is dependent upon services and resources provided by the Manager. The Manager is not required to devote its full time to the business of the Investment Compartment and there is no guarantee or requirement that any investment professional or other employee of the Manager will allocate a substantial portion of his or her time to the Investment Compartment. The loss of one or more individuals involved with the Manager could have a material adverse effect on the performance or the continued operation of the Investment Compartment.

18.113. *Reliance on Service Providers*

The Investment Compartment must rely upon the performance of service providers to perform certain functions, which may include functions that are integral to the Investment Compartment's operations and financial performance. Failure by any service provider to carry out its obligations to the Investment Compartment in accordance with the terms of its appointment, to exercise due care and skill or to perform its obligations to the Investment Compartment at all as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Investment Compartment's performance and returns to shareholders. The termination of the Investment Compartment's relationship with any service provider, or any delay in appointing a replacement for such service provider, could materially disrupt the business of the Investment Compartment and could have a material adverse effect on the Investment Compartment's performance and returns to shareholders.

18.114. *Information Technology Systems*

The Investment Compartment is dependent on the Manager for certain management services as well as back-office functions. The Manager depends on information technology systems in order to assess investment opportunities, strategies and markets and to monitor and control risks for the Investment Compartment. It is possible that a failure of some kind which causes disruptions to these information technology systems could materially limit the Manager's ability to adequately assess and adjust investments, formulate strategies and provide adequate risk control. Any such information technology-related difficulty could harm the performance of the Investment Compartment. Further, failure of the back-office functions of the Manager to process trades in a timely fashion could prejudice the investment performance of the Investment Compartment.

The Board of Directors depends on information technology systems in order to assess investment opportunities, strategies and markets and to monitor and control risks for the Investment Compartment. It is possible that a failure of some kind which causes disruptions to these information technology systems could materially limit the Board of Directors ability to adequately assess and adjust investments, formulate strategies and provide adequate risk control.

18.115. *Misconduct of Employees and of Service Providers*

Misconduct or misrepresentations by employees of the Manager or the Investment Compartment's service providers could cause significant losses to the Investment Compartment. Employee misconduct may include binding the Investment Compartment to transactions that exceed authorised limits or present unacceptable risks and unauthorised trading activities, concealing unsuccessful trading activities (which, in any case, may result in unknown and unmanaged risks or losses) or making misrepresentations regarding any of the foregoing. Losses could also result from actions by the Investment Compartment's service providers, including, without limitation, failing to recognise trades and misappropriating assets. In addition, employees and service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Investment Compartment's business prospects or future marketing activities. Despite the Manager's due diligence efforts, misconduct and intentional misrepresentations may be undetected or not fully comprehended, thereby potentially undermining the Manager's due diligence efforts. As a result, no assurances can be given that the due diligence performed by the Manager will identify or prevent any such misconduct.

18.116. *Portfolio Turnover Risk*

The Investment Compartment's annual portfolio turnover rate may vary greatly from year to year, as well as within a given year. Portfolio turnover rate is not considered a limiting factor in the execution of investment decisions for the Investment Compartment. A higher portfolio turnover rate results in correspondingly greater brokerage commissions and other transactional expenses that are borne by the Investment Compartment. High portfolio turnover may result in an increased realization of net short-term capital gains by the Investment Compartment which, when distributed to common shareholders, will be taxable as ordinary income. Additionally, in a declining market, portfolio turnover may create realised capital losses.

18.117. *Property valuation is inherently subjective and uncertain*

The valuation of property and real estate is inherently subjective. As a result, valuations are subject to uncertainty. Moreover, all property and real estate valuations are made on the basis of assumptions which may not prove to reflect the true position. There is no assurance that the valuations of the properties and real estates will reflect actual sale prices even where any such sales occur shortly after the relevant valuation date.

18.118. *Real estate investments are relatively illiquid*

Real Estates are relatively illiquid. Such illiquidity may affect Investment Compartment's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiry of the originally agreed term. This could have an adverse effect on the Investment Compartment's financial condition and results of operations, with a consequential adverse effect on the market value of the Investment Compartment's shares or on the Investment Compartment's ability to make expected distributions to its shareholders. In addition, the illiquid nature of real estate investments may cause delays in satisfying redemption requests.

18.119. *The value of any property portfolio may fluctuate as a result of factors outside the owner's control*

Real Estate investments are subject to varying degrees of risks. Rents and values are affected (among other things) by changing demand for commercial real estate, changes in general economic conditions, changing supply with a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of any property portfolio may also fluctuate as a result of other factors outside the owner's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, the financial condition of lessees, potentially adverse tax consequences, interest and inflation rate fluctuations. The Investment Compartment's operating performance would be affected by a downturn in the real estate.

18.120. *Construction risk*

The targeted company may, in future, enter into construction agreements with building contractors to construct and develop its projects. The costs of these projects can vary due to:

a. scope and design changes;
b. increases in the rate of inflation of building materials;
c. increases in taxes and other regulatory charges;
d. changes in laws, regulations or government policies (including those relating to health and environmental compliance safety) which increase the costs of compliance with such laws, regulations or policies;
e. unforeseen expenditure which arises as a result of defects affecting the existing buildings which form a part of the development project and which need to be rectified.

Any material increase in the costs of, or delay in completing, construction projects may adversely affect the profitability of the Investment Compartment and/or reduce its net asset value growth.

18.121. *Natural Disasters and Accidents*

If large-scale of natural disasters occur, including major earthquakes and typhoons, and if physical injury and business interruption are caused by damaged facilities and if serious accidents, disasters caused by illegal activities such as terrorist attacks, failures of equipment and information systems, and problems caused by the inadequate quality of construction work the Investment Compartment's performance and financial position could be adversely affected.

18.122. *Decline in land prices*

If real estate prices fall due to a sluggish real estate market or other factors, the Investment Compartment's performance and financial position could be adversely affected through declines in revenues and the posting of a valuation loss and a loss on sales of the targeted companies.

18.123. *Social environment risk*

The risks of social environment are related to people’s values, society structure and society system change. For example, if people’s values changed suddenly, it will be associated with unimaginable uncertainties. Stable and orderly society is the precondition for the people to have the desire to purchase property. If there are less of social harmony and good public security, the real estate value will go down, the real estate sales will be affected accordingly, and investor have to face huge risks. Also, different custom, culture, religion belief, values not only will affect real estate investment’s cost, and also will restrict the real estate demand.

18.124. *Political environment risk*

The political environment is the main source and is kind of more complicated source of risk. The risks related to politics include political stability, democratic decision-making, transparent government management and supervision. The different regulation system comes with different attitudes and relative policies towards business.

In an unstable politics condition, people are unable to make correct predictions on future economic development. The fixed assets investment like real estate investment will be constrained within a limited level. Consequently, the real estate business will be reduced, and the real estate investors’ opportunity to gain profits will be small. More seriously, once there was a war, it will bring a death-blow to the real estate market. When the war broken out, the building will be destroyed in a sudden, the real estate price will go down calamitously, and no one would like to continue any real estate construction: the whole real estate market has to be stuck in the “ice stage”. However, in modern society, the war risk is small to the real estate investment.

18.125. *Land Policy risk*

Land is the basis of all real estate investment. Changes of land management system and land regulation, different land acquirement way (bid, public auction, sale under agreement) will have immense influence on real estate investment. For example, to avoid the land price deviate too widely from normal the market price, government will implement tight land regulation policies, which might bring unpredicted loss on the real estate investor. The land regulation policies such as the government will sell the land at high price to limit the land supply, obviously this will increase the cost of the real estate investment. On the contrary, when the market was permeated by speculation phenomenon, the government will increase the cost of the real estate investment. On the contrary, when the market was permeated by speculation phenomenon, the government will increase the supply of cheap land to caution against the speculation activities in the market. Consequently, it will bring high risks to the real estate investors who stock up the land at an earlier period.

18.126. *Urban Planning Risk*

The changes in urban planning will affect the real estate value both for those of the finished on construction and going to be constructed property. The changes in traffic system and infrastructure, the building-height limits of the building will have tremendous impacts on the real estate value. In fact, the real estate investor buys a parcel of land is to buy the expected profits of this land in the future. The land value is determined not only by the situation, also by the prospect usage.

18.127. *Investment Through Nominees*

Investors wishing to invest in the Investment Compartment through a nominee that invests in its name but on behalf of the Investors should ensure to have an accurate understanding of their rights and of the means available to exercise these rights against the Investment Compartment , when using the services of such nominee or in the case of registration through such nominee. To this end, Investors should seek external advice if necessary.

18.128. *Maximum Redemption Amount*

The Investment Compartment will have the option to limit the number of Shares redeemable on any date (other than at the maturity date, where applicable) to the maximum number so specified and, in conjunction with such limitation, to limit the number of Shares redeemable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Shares being redeemed on any date (other than the maturity date, where applicable) exceeds such maximum number and the Investment Compartment has elected to limit the number of Shares redeemable on such date, an Investor may not be able to redeem on such date all the Shares that it desires to redeem. Investors should review this Offering Memorandum to ascertain whether and how such provisions apply.

18.129 Sustainability Risk Factors

Sustainability risks are factors that can negatively impact the long-term viability, reputation, and performance of businesses, investments, or projects. Some common sustainability risks include, but are not limited to, the following:

- Climate Change and Environmental Risks: These include physical risks such as extreme weather events, sea-level rise, and natural disasters, as well as transition risks stemming from regulatory changes, carbon pricing, or shifts in consumer preferences towards eco-friendly products and services.

- Resource Scarcity and Supply Chain Risks: Risks related to the availability and depletion of natural resources, including water scarcity, energy shortages, and raw material supply disruptions. Businesses reliant on scarce resources or complex global supply chains are vulnerable to price volatility, supply shortages, and reputational damage.

- Pollution and Waste Management: Risks associated with pollution, waste disposal practices, and regulatory compliance related to air and water quality standards.

- Biodiversity Loss: Risks arising from habitat destruction, species extinction, and ecosystem degradation affecting industries reliant on natural ecosystems.

- Regulatory and Compliance Risks: Risks associated with non-compliance with environmental regulations, labour laws, human rights standards, or other legal requirements. Regulatory fines, lawsuits, and reputational damage can result from violations of laws or failure to meet regulatory standards.

- Product Safety and Quality: Risks related to product safety issues, recalls, or ethical concerns impacting consumer trust and brand reputation.

- Employee Diversity and Inclusion: Risks from lack of diversity and inclusion practices leading to workforce challenges and talent retention issues.

- Social and Human Rights Risks: These include risks related to labour practices, worker safety, human rights abuses, and community relations. Issues such as labour exploitation, discrimination, child labour, or forced labour can lead to reputational damage, legal liabilities, and supply chain disruptions.

- Reputational Risks: Negative publicity, stakeholder activism, or public backlash against perceived unethical or unsustainable business practices can damage a company's brand reputation, erode customer trust, and impact market value. Reputational risks can arise from environmental controversies, social injustices, or governance scandals.

- Corporate Governance: Risks associated with weak board oversight, executive compensation practices, and lack of transparency in decision-making processes. Risks arising from shareholder disputes, minority shareholder rights, and governance structures that may not align with best practices.

- Business Ethics and Corruption: Risks related to unethical business practices, bribery, corruption, and regulatory non-compliance.

- Financial Risks: Sustainability-related risks can have financial implications, including asset devaluation, credit downgrades, increased borrowing costs, or loss of investor confidence. Failure to manage sustainability risks effectively can lead to financial losses, reduced profitability, or decreased market share.

- Technological Risks: Risks associated with technological disruptions, innovations, or obsolescence. Companies that fail to adapt to emerging technologies, such as renewable energy, energy-efficient solutions, or sustainable production methods, may face competitive disadvantages or operational challenges.

- Health and Safety Risks: Risks related to occupational health and safety hazards, workplace accidents, or exposure to hazardous substances. Failure to ensure safe working conditions for employees and contractors can result in injuries, fatalities, legal liabilities, and reputational damage.

- Community Engagement and License to Operate Risks: Risks associated with inadequate community engagement, stakeholder consultation, or failure to address local concerns and expectations. Businesses reliant on community support or operating in sensitive areas may face opposition, protests, or project delays due to lack of social license to operate.

- Cybersecurity and Data Privacy Risks: Risks related to cybersecurity breaches, data breaches, or unauthorised access to sensitive information. Inadequate cybersecurity measures can expose businesses to financial losses, legal liabilities, reputational damage, and erosion of customer trust and confidence.

- Market and Competitive Risks: Risks from changing consumer preferences, emerging technologies, and market disruptions impacting business viability and competitiveness.

- Supply Chain Risks: Risks arising from dependencies on suppliers with poor ESG practices, supply chain disruptions, and geopolitical instability affecting sourcing and production processes.

19

CONFLICTS OF INTEREST

19.1. General

The Directors, the Manager, the Depositary, the Administrator, the External Auditors in the course of their respective businesses, may have potential conflicts of interest with the Fund, its Investment Compartments and/or the investors. Each of the Directors, the Manager, Administrator, the External Auditor and their affiliates currently manage or may manage in the future the trading or may provide other services for investment funds or accounts in addition to those of the Fund and its Investment Compartments. In the event that any of the above named persons and/or entities elect to undertake such activities and other business activities in the future, such persons and or their respective principals or affiliates may be subject to conflicting demands in respect of allocating management time, services and other functions. The Directors, the Manager, the Administrator or the External Auditor and their affiliates may engage in such business activities provided that their performance in relation to the Fund is not unreasonably impaired.

19.2. Disclosure of Conflicts

In the event that the Directors, the Manager, the Depositary, the Administrator or the External Auditor and their principals or affiliates consider that a particular situation may result in any relevant person having an actual and existing (not potential) conflict between its obligations to the Fund and other interest must disclose any such interest financial, fiduciary or otherwise in any proposal, contract or other matter in respect of which the Fund will decide. The Directors, the Manager, the Depositary, the Administrator and the External Auditor are expected to execute their duties in good faith and with a view to the best interests of the Fund, its Investment Compartments and its Investors.

In evaluating these potential conflicts of interest, an Investor should be aware that the Directors and the Manager have a responsibility to the Investors to exercise good faith and fairness in all dealings affecting the Fund.

19.3. Acknowledgement of Potential Conflicts

Indicatively, a non-exhaustive list of situations where a conflict of interest may arise is provided below:

- A Director of the Manager and/or of the Fund has a direct interest in one or more underlying investments or business associates;
- A Director of the Manager and/or of the Fund has a financial and/or other incentive to favour the interests of one or more Investors to the disadvantage of another Investor;

- A proposed or existing Director of the Manager and/or of the Fund may have personal or business conflicts of interest that may affect decisions that are in the best interests of the various stakeholders, including the Investors. Such interest may be direct, or indirect, for instance through a legal entity to which the Director in question is a shareholder and/or director or through another natural person that is an immediate relative of that Director;
- One or more service providers of the Manager and/or of the Fund, including, but not limited to, the Depositary, the Fund Administrator, the External Auditor, or any companies assigned to offer services at the SPV level may offer their services to competitors of the Manager and/or of the Fund and may have a direct or indirect incentive to provide their services in a way that may be unfair and/or disadvantageous to the Fund and subsequently adversely affect the position of the Investors.

19.4 Mitigation Actions

The Manager has organizational and administrative arrangements for identifying, preventing, managing and disclosing conflicts of interest in order to prevent any damage to the interests of the Investors. The Manager is committed to conducting business in a manner that ensures the Manager’s, the Fund’s, the Depositary’s, the Fund Administrator’s, the External Auditor’s, the affiliate’s and other associates’ business judgment and decision making is not influenced by undue personal interests.

Measures are taken in order to avoid any conflict of interest situations. Furthermore, when a conflict of interest arises, measures shall be taken in order not to damage Investors’ interests. If the arrangements put in place to manage conflicts of interest are not sufficient as per the assessment of its appointed regulatory compliance officer and/or internal auditor of the Manager, to ensure with reasonable confidence that the risk of damage to the interests of the Fund or the Investor will be prevented, the Manager will disclose the general nature and sources of conflicts of interest to the Investors.

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TREATMENT OF INVESTORS

20.1. Fair Treatment of Investors

Investors are being given a fair treatment by ensuring that they are treated in accordance with the applicable requirements of the applicable laws and regulations.

The Manager has procedures, arrangements and policies in place to ensure compliance with the principles of fair treatment of investors within the same Investment Compartment. The principles of treating investors fairly include, but are not limited to:

a. acting in the best interests of each Investment Compartment and its investors;
b. executing the investment decisions taken for the account the Investment Compartment in accordance with the objectives, the Investment Policy and the risk profile of the Investment Compartment;
c. ensuring that the interests of any group of investors (if any) in one Investment Compartment are not placed above the interests of any other group of investors of the same Investment Compartment;
d. ensuring that fair, correct and transparent pricing models and valuation systems are used for the Investment Compartment;
e. preventing undue costs being charged to an Investment Compartment and its investors;
f. taking all reasonable steps to avoid conflicts of interest and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of investors
g. recognising and dealing with complaints fairly.

20.2. Dealings of Related Parties

The Directors, Manager, the Administrator, the Custodian or any other related person including their respective principals and affiliates will endeavour to treat each investment pool, Investment Compartment and Investor reasonably fairly and not to unreasonably favour one Investor, Investment Compartment or investment pool over another. Any such person will not be prevented from dealing with the Fund, as principal or as agent, provided that any such dealings are on terms no less favourable to the Fund than could reasonably have been obtained had the dealing been effected with an independent third party. Any such person may charge and retain a commission or fee in respect of any such dealing provided such fee or commission is not in unreasonable excess of rates commonly payable in respect of such dealings.

20.3. Preferential Treatment

From time to time the Fund, an Investment Compartment or the Manager as applicable may afford preferential terms of investment to certain groups of investors. In assessing whether such terms are afforded to an investor, the Fund will ensure that any such concession is not inconsistent with its obligation to act in the overall best interests of the Investment Compartment and its investors. In particular, the Manager may typically exercise its discretion to waive the initial charge or investment minima for investment in a Class for investors that are investing sufficiently large amounts, either initially or are anticipated to do so over time, such as service providers and professional investors. In case the Fund decides to afford preferential terms to certain group of investors CySEC will be notified accordingly. In addition, the Offering Memorandum or the relevant Supplement shall be updated so as to include the relevant terms and information required in relation to the preferential treatment.

As of the date of this Offering Memorandum, there is not any preferential treatment to any Unitholder or certain group of Unitholders.

20.4. Information to Investors

The Manager based on subsections (4) and (5) of Section 30 of the AIFM Law, shall periodically and not later than annually disclose to Investors:

a. the percentage of the relevant Investment Compartment's assets which are subject to special arrangements arising from their illiquid nature;
b. any new arrangements for managing the liquidity of the relevant Investment Compartment;
c. the current risk profile of the relevant Investment Compartment and the risk management systems employed by the Manager to manage those risks

In addition, the Manager in case of employing leverage on behalf of an Investment Compartment, shall disclose, on a regular basis and not later than annually the following:

a. any changes to the maximum level of leverage which the Manager may employ on behalf of the Investment Compartment as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement; and
b. the total amount of leverage employed by that Investment Compartment.

The provisions of the paragraph above is not applicable to Venture Capital investments.
The disclosure to the Investors of the information provided in the previous paragraphs, of the NAV (when available) as provided in 13 NET ASSET VALUE (pg.) and all historical performance of the individual Investment Compartments shall be made by a publication in the website of the Manager and any other method as the Manager may decide from time to time.

21

TAX CONSIDERATIONS

21.1. General

The following section is a short summary overview of certain important Cyprus domestic taxation principles and other related considerations that may be or become relevant with respect to the Fund and the Investors.

This section is based upon laws, regulations, decrees, circulars, double taxation conventions, administrative practices and judicial decisions in effect as at the date of this Offering Memorandum and insofar as it relates to matters set out herein, all or part of which may be amended or revoked at any time, with or without retroactive effect as at the date of this Offering Memorandum.

This section is intended only as general guidance and does not purport to be a complete summary or analysis of the applicable Cyprus tax framework and does not contain any statement with respect to any applicable tax considerations in any jurisdiction other than Cyprus (for either the Fund or the Investors).

It is the responsibility of any person interested in investing in the Fund to secure information/advice on the tax consequences of any such investment, the specific operations of the Fund and any foreign exchange or other fiscal restrictions which might be relevant to their specific circumstances. Prospective Investors are advised to consult with professional advisers as regards any taxation aspects applicable to the Subscription, buying, holding, Redemption, conversion or selling of the Investor Units under the laws of their jurisdiction of citizenship, residence, domicile or incorporation.

21.2. Tax Residency

The Fund will be considered to be tax resident in Cyprus if its management and control is exercised in Cyprus.

Even though there is no definition in the Cyprus tax laws as to what constitutes "management and control", the Cyprus tax authorities interpret this by reference to the concept of "central management and control", following the principles established in various common law countries (e.g. UK).

Based on the relevant case law, the Cyprus tax authorities have taken the view that in determining where the "management and control" of a company is, one should focus mainly on the place where top level decisions are made. The central policy core of a company and the highest level at which a company is controlled and policy decisions are taken is usually considered to be in the place where the company’s Board of Directors meets.

The above should be adhered to, in order for the Fund to be considered as tax resident in Cyprus and also to be entitled to the benefits of all European directives as well as the Double Tax Treaty network of Cyprus.

It is expected that the Fund will be regarded as having its tax residency in Cyprus (by reason of management and control being exercised in Cyprus).

21.3. Corporate Income Tax (CIT)

CIT is imposed on Cyprus tax resident companies at the uniform rate of twelve and a half percent (12.5%) for each year of assessment on all income accrued or derived from all chargeable sources both within and outside Cyprus (i.e. worldwide income basis), subject to available exemptions and deductions as per the law. More specifically, all relevant expenses incurred wholly and exclusively for the production of (taxable) income constitute deductible expenses whereas, inter-alia, dividends, capital gains or profits from the disposal of "securities" constitute tax exempt incomes.

Any foreign taxes suffered may, under conditions, be credited against the Cyprus CIT liability on the same incomes.

Deductible expenses:

In general, expenses shall be deductible in computing the chargeable tax basis of the Fund, provided that these are being incurred wholly & exclusively for the production of (taxable) income of the Fund, unless otherwise stated in the law.

Notional Interest Deduction:

Availability for Notional Interest Deduction in regards to new corporate equity of the Fund, under conditions and capped at 80% of taxable income of the Fund.

Available exemptions from CIT include:

1. Exemption of profits on disposal of "securities". The Cyprus tax law explicitly defines the term "securities" to include shares, bonds, debentures, founders' shares and other securities of companies or other legal persons, incorporated in Cyprus or abroad, and rights thereon. The Cyprus tax authorities have also issued tax technical circulars by which listing (by way of a non-comprehensive list) the financial instruments which should be considered as qualifying '"securities" for the purposes of applying the said exemption provisions.
2. Exemption of dividend incomes (except in the case of dividends which are deductible for tax purposes at the level of the payer).
3. Exemption of trading profits from qualifying foreign permanent establishments.

Losses:

Where a loss arises during a year of assessment, which if a gain or profit would have been chargeable to tax, it can be set off against current year profits and any excess can be carried forward for a period of five years from the end of the tax year in which the loss was incurred.

21.4. Special DefenceDefense Contribution (“SDC”)

Cyprus tax resident companies are subject to SDC on a gross basis on certain types of “passive” income. More specifically, where applicable, SDC is assessed at the rate of 17% on dividends, subject to conditions, at the rate of 30% on “passive” interest income (interpreted to mean interest income not arising in the ordinary course of the business or closely connected thereto) and at the effective rate of 2,25% on rental income.

Dividend income:

Dividend Income from Cyprus: Dividends received from Cyprus tax resident companies are exempted from SDC, subject to certain anti-avoidance provisions.

Dividend Income from abroad (relevant to dividends which are not deductible for tax purposes by the paying company): Dividends received from non-Cyprus tax residents are also exempted from SDC unless:

1. the company paying the dividend engages directly or indirectly more than fifty per cent (50%) in activities which lead to investment income; and
2. the foreign tax burden on the income of the company paying the dividend is substantially lower than the tax burden of the company which is resident in Cyprus (‘substantially lower’ has been clarified, via tax authorities’ communication, to mean an effective tax rate of less than 6,25% on the profits distributed).

When exemption does not apply, the dividend income is subject to SDC at the rate of 17%. Any foreign taxes paid can also be credited against the SDC liability, under conditions.

Deemed dividend distribution (“DDD”):

A Cyprus tax resident company is deemed to distribute as a dividend 70% of its accounting profits (as adjusted for SDC purposes), two years from the end of the tax year in which the profits were generated.

Such a deemed dividend distribution is reduced with payments of actual dividends effected by the company during the relevant year in which the profits were generated or effected during the following two years.

On the remaining net amount (if any) of deemed dividend SDC is imposed at the rate of 17% to the extent that the ultimate direct and indirect (under conditions) shareholders of the company are individuals who are both Cyprus tax resident and Cyprus domiciled.

21.5. Interest Income

Cyprus tax resident companies are subject to 30% SDC on a gross basis on “passive” interest income i.e. interest income not arising in the ordinary course of the business or closely connected thereto. “Active” interest income is exempt from SDC (however it is subject to CIT - see CIT section for further details).

21.6. Capital Gains Tax (“CGT”)

CGT is imposed at the flat rate of 20% on the following:

1. gains arising from the disposal of immovable property situated in Cyprus (when the disposal is not subject to CIT);
2. gains arising from the disposal of shares in companies not listed on any recognised stock exchange which own immovable property situated in Cyprus; and
3. gains arising from the disposal of shares in companies not listed on any recognised stock exchange which indirectly own immovable property situated in Cyprus and at least 50% of the market value of the company’s shares is derived from immovable property situated in Cyprus.

In case of share disposals only that part of the gain relating to the immovable property situated in Cyprus is subject to CGT.

21.7. Stamp Duty

The establishment of the Fund and the Subscription, Redemption, conversion or transfer of its Investor Units are exempted from Cyprus stamp duty.

21.8. Withholding Taxes

Cyprus in general does not levy any withholding taxes on any payments of dividend, interest and/ or royalties made by Cypriot companies abroad or within Cyprus, except in the cases of (a) royalty payments abroad on rights being used in Cyprus, under conditions, (b) dividend payments to Cyprus tax resident and Cyprus domiciled individuals, and (c) ‘passive’ interest payments to Cyprus tax resident companies and Cyprus tax resident and Cyprus domiciled individuals.

21.9. Double Tax Treaties and EU Directives

A company which is considered to be tax resident in Cyprus can benefit from the double tax treaty network of Cyprus, as well as application of EU Directives.

21.10. Dissolution of the Fund

In case of dissolution of the Fund (not within the context of a qualifying reorganisation) the total of its profits of the last five years prior to the dissolution (examined on a standalone basis; not cumulative total), which have not been distributed or deemed to have been distributed, shall be deemed on dissolution to be distributed and the shareholders shall be deemed to receive such Distributions which shall be subject to SDC.

The above should apply only to the extent that the recipients of the dissolution proceeds are Cyprus tax resident and Cyprus domiciled individuals or Cyprus tax resident companies beneficially owned (directly or indirectly, under conditions) by Cyprus tax resident and Cyprus domiciled individuals.

21.11. Value Added Tax (“VAT”)

VAT registration and VAT status of the Fund:

Under normal circumstances, the activities carried out by the Fund are considered for VAT purposes to constitute economic activities. This conclusion was reached by the European Court of Justice in its decision for case C-8/03"BBL vs Belgian State", which has been endorsed by the Cypriot VAT authorities.

Due to the fact that the Fund should be considered as carrying out economic activities, it may have an obligation to register for VAT purposes in Cyprus.

The right of the Fund to recover any VAT suffered on expenses will depend on the specific transactions carried out by the Fund.

Management services:

As per the provisions of the VAT legislation, the management of special investment funds is exempt from VAT provided certain conditions are met.

21.12. Taxation of Investors

The tax treatment of income to be earned by the Investors will primarily depend upon their tax residency and domicile status, whether physical or legal persons, and the nature of the income.

Cyprus tax resident Investors: income to be received will be subject to Cyprus tax as per the provisions of the relevant Cyprus tax legislation.

Non-Cyprus tax resident Investors: should not be subject to Cyprus tax provided that they do not have a Permanent Establishment ("PE") in Cyprus. If there is a Cyprus PE then all income attributed to such PE will be subject to the provisions of the Cyprus tax legislation.

Sale of Investor Units of the Fund

Cyprus CGT (see above) could apply for the Investors, as computed by reference to the values of the underlying properties directly or indirectly owned by the Fund which are situated in Cyprus).

Value Added Tax ('VAT') considerations on ownership of Investor Units in the Fund

The ownership of the Investor Units in the Fund should not create on its own any VAT implications. However, the Investors must examine the impact that the holding of such Investor Units or the generation of incomes therefrom may have on their right to recover input VAT on expenses.

22

LAW AND JURISDICTION

22.1. Governing Law and Jurisdiction

The Fund and any of its Investment Compartments shall be governed by the Laws of Cyprus and any dispute arising under or in connection with this Memorandum shall be subject to the exclusive jurisdiction of the Cyprus Courts.

22.2. Contractual Relation

There shall be no valid representations made between the Investor and the relevant Investment Compartment or any other party, other than those provided and included in:

a. the Offering Memorandum;
b. the relevant Supplement;
c. the Memorandum and Articles of Association; and
d. the Annual Report.

The contractual relation created on subscription of Units is only between the Investor and the Fund and the Investors will only be able to exercise their rights against the Fund and will not have any direct contractual rights against the service providers of the Fund appointed from time to time. Further the enforcement of such rights are exhausted and limited only to the property of the particular Investment Compartment of which the particular Investor has Units and no claim against the fund in general shall be maintained if there is no clear indication on the face of the claim that the claim is made only against the particular Investment Compartment.

22.3. Dispute Resolution

Unless otherwise indicated in this Offering Memorandum, the parties can also enter dispute resolution Arbitration proceedings as applicable in Cyprus.

FUND MANAGEMENT

SUPPLEMENT 1

JULY 2020

relating to the offer of Units in the

QUALITY GROWTH RETAIL FUND

(hereinafter referred to as the “Investment Compartment”)

an Investment Compartment of **Milevaco Fund AIF V.C.I.C. Plc**

(hereinafter referred to as the “Fund”)

Addressed to Retail Investors

Important Notice: This Supplement should be read in the context of and in conjunction with the latest version of the Offering Memorandum of the Fund. To the extent of any inconsistency between the terms of this Supplement and the Offering Memorandum, this Supplement shall prevail with respect to the Investment Compartment. The Fund has also published a Key Investor Information Document (the “KIID”) in respect of the Investment Compartment. If you are in any doubt as to the contents of this Supplement you should consult your advisors. Distribution of this Supplement, which forms part of the Offering Memorandum, is not authorised unless accompanied by a copy of the Offering Memorandum.

PREPARED BY

LLPO LAW FIRM

IMPORTANT INFORMATION

Suitability of investment

You should inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Units.

The Units are not principal protected. The value of the Units may go up or down and you may not get back the amount you have invested. See the section headed "Risk Factors and Investment Considerations " of the Offering Memorandum and the section headed “Risk Factors” of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Units is only suitable for you if you (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

MEANING OF TERMS

All capitalised terms shall have the same definition/interpretation as in the Offering Memorandum. In this Supplement, the term Compartment shall refer to **QUALITY GROWTH RETAIL FUND**, unless the context clearly indicates otherwise.

Name	QUALITY GROWTH RETAIL FUND
Investment Strategy Classification	Private Equity Retail AIF;
Structure	Open-Ended with Limited Liquidity Arrangements;
Life Duration	Unlimited
Administrator	Pricewaterhousecoopers Fund Services Limited PwC Central, 43 Demostheni Severi Avenue, CY-1080 Nicosia, Cyprus;
Investment Objective	The objective of the Investment Compartment is to provide long term capital growth primarily by investing in principally in equity and/or equity-related securities of non-listed companies;
Investment Policy	The Investment Compartment will seek to achieve its Investment Objective by investing principally in equity and/or equity-related securities of companies of any market capitalization incorporated or having their principal business activities in Europe with main focus in the regions of Cyprus and Greece, involved in the sectors of hospitality, education, health and real estate development. Since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Investment Compartment may also on an ancillary basis seek investment opportunities in equity-linked securities of the abovementioned sectors as well as equity, equity linked and/or equity-related securities of companies which do not fulfil the requirements set out above. Also, the Investment Compartment may invest in any other Investment Compartment of the Fund. The Manager may change the Investment Policy of the Investment Compartment subject to a decision by the Board of Directors. Any changes in the Investment Policy of any Investment Compartment require the prior written approval of CySEC.

In the case of such an event, the Investors will be notified once the change in the Investment Policy becomes effective.

Investment Process As provided in the Offering Memorandum

SFDR Categorisation The Investment Compartment does not promote environmental or social characteristics and does not have a sustainable investment objective, therefore is considered as falling within the scope of Article 6 of the SFDR.

Special Investment Restrictions

1. The Investment Compartment shall invest at least 60% of its assets:
   a. in equity or quasi-equity instruments such as participation rights, equity securities or transferable securities of holding companies or capital contributions or company participations, participating loans, rights in distribution of profits, options or other securities embedding the option to acquire the above mentioned participating rights, securities or transferable securities, convertible bonds which are issued by:

      i. undertakings that at the time of the investment of the Investment Compartment are not admitted to trading on a regulated market or on a Multilateral Trading Facility (MTF) as defined in the Investment Services and Activities and Regulated Markets Law or in the Directive 2004/39/EC, or in another regulated or unregulated market of a third country, fulfil the criteria of section 2(1) of the Public Offer and Prospectus Law or of section 2 of the Annex of the Commission Recommendation 2003/361/EU and are established in Cyprus or in a EU member state or a third country. In the last case, the third country is not listed as a Non-Cooperative Country and Territory by the Financial Action Task Force on Anti-Money Laundering and Terrorist Financing, has signed an agreement with Cyprus to ensure that the third country fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, including any multilateral agreements.

ii. The undertakings of the previous paragraph , shall not include a credit institution as defined in 4(1) of the Regulation 2013/575/EU, an investment firm as defined in 4(1)(1) of the Directive 2004/39/EC, an insurance or a reinsurance undertaking as defined in Article 13(1) and (4) of Directive 2009/138/EC, a financial holding company as defined in Article 4(20) of the Regulation 2013/575/EU, a mixed-activity holding company as defined in Article 2(15) of the Directive 2002/78/EC, financial institutions as defined in Article 4(26) of the Regulation 2013/575/EU and insurance portfolio undertakings of Article 212(1)(f) of Directive 2009/138/EC, which have been established in Cyprus or in other EU member state or respective undertakings established in third countries.

b. secured or unsecured loans granted to the undertakings referred in the previous paragraph, on the condition that the Investment Compartment already holds investments in these undertakings provided that no more than 30% of the assets of the Investment Compartment that may be invested in accordance with these paragraphs, is used for such loans.

c. current demands on current accounts in favor of undertakings the Investment Compartment invests in accordance with paragraph (a) above at least 5%. Such investments shall not exceed the 15% of the investment in each undertaking in which the

Investment Compartment has invested in accordance with paragraph (a) above.

2. The Investment Compartment shall not invest more than 1/3 of its assets in any one of the instruments provided in paragraph1 above.
3. The investment limits provided in paragraphs 1 and 2 above shall apply from the date defined in this Offering Memorandum, which takes into consideration the specifics and the characteristics of the assets in which the Investment Compartment intends to invest and shall be within one year from the authorisation date of the Investment Compartment. The Securities and Exchange Commission may, in exceptional circumstances and after the submission of a properly justified investment plan, extend the relevant deadline for an additional year.
4. The Investment Compartment may invest up to 40% of its assets in instruments other than the ones provided for in the previous paragraphs.
5. When the Investment Compartment invest in any other Investment Compartment of the Fund (the 'target-compartment'), the following conditions are met in a cumulative manner:
   a. The Investment Compartment shall totally invest up to 35% of its assets in the target-compartment;
   b. The target-compartment shall not acquire Investor Units of the Investment Compartment;
   c. The value of the Investor Units that correspond to the investments in accordance with point (a) shall not be calculated twice in the calculation of the capital of the Fund;
   d. The voting rights, if any, attached to the Investor Units which correspond to the investment of the Investment Compartment in the target compartment shall be suspended for as long as they are held by the Investment Compartment;

The Management Fees or related remuneration, marketing and Redemption or Redemption Fee or any expenses regarding the marketing and the Redemption regarding the investments of the

Investment Compartment into a target compartment shall not be accounted.

General Investment Restrictions

1. The Investment Compartment may invest up to 40% of its assets in the following assets:
   a. Transferable securities.
   b. Money market instruments.
   c. Units of collective investment undertakings.
   d. Financial derivative instruments including equivalent cash-settled instruments, dealt on a regulated market of the Republic of Cyprus or of another EU member state or on another regulated market in a EU member state which operates regularly and is recognised and open to the public or on a regulated market of a third country, which operates regularly and is recognised and open to the public and, for that last case, provided that (i) is included in the list of the markets approved by the Minister of Finance of the Republic of Cyprus after a relevant suggestion by CySEC, or is provided for in the Fund's Memorandum and Articles. The Investment Compartment addressed to Retail Investors can also invest in financial derivative instruments dealt in over-the-counter provided that (i) the underlying of the derivative consists of an instrument that satisfies the conditions set out in this paragraph, financial indices, interest rates, foreign exchange rates or currencies, in which the Investment Compartment may invest according to its investment objectives as stated in its Memorandum and Articles, and (ii) the conditions of paragraph 32(3) of Directive DI 131-2014-03 are satisfied.
   e. Deposits with credit institutions.
   f. Real estate and real estate related assets.
   g. Title deeds and mortgage related securities.
   h. Collateralised Debt Obligations' Securities up to 30%.
   i. Commodities up to 20%.
   j. Foreign exchange, up to 20%.
2. The retail Investment Compartment may also hold ancillary liquid assets.
3. With prejudice to the provisions of the Directive DI131-2014-03 which apply to the private equity and real estate funds, the

Investment Compartment shall not raise capital from the public through the issue of debt securities.

4. The Investment Compartment is permitted to borrow and secure such borrowing with the assets of the Investment Compartment where such activities are permitted by its constitutional documents of the Fund rules. The borrowings, at any given time, shall not exceed the 25% of its NAV. The credit balance shall not be offset against borrowings when determining the percentage of borrowings outstanding.
5. The Investment Compartment that invests in various currencies, may borrow in foreign currency through back to back loans. Any currency acquired in accordance with the above, shall not be considered as a loan for the calculation of the limit of paragraph 5 above provided that the offsetting deposit equals or exceeds the value of the loan in foreign currency. If this loan exceeds the value of the respective deposit, the excess amount shall be considered as a loan for the purposes of the calculations of paragraph 5 above.
6. Companies which are included in the same group, as this defined for the purposes of consolidated accounts in Directive 83/349/EEC or in accordance with recognised international accounting rules, are considered as a single organization/issuer for the purpose of calculating the limits contained in paragraphs above.
7. Where the Investment Compartment invests in the units of other collective investment funds that are managed, directly or by delegation, by the same external manager or by any other company with which the management company is linked by common management or control, or by a substantial holding, it ensures that the specific manager or the other company shall not have the right to charge any subscription or redemption fees on the investments of the Investment Compartment in the units of the other collective investment funds.
8. The investment of the Investment Compartment in another collective investment fund is prohibited if it is carried out for receiving additional management fee or/and commission in relation to portfolio management or with the target for charging such additional commissions.

9. If the Investment Compartment invest in cash, they shall not keep on deposit more than 10% of their net assets with the same institution. This limit is increased to 30% for deposits which are deposited to (i) a credit institution authorised in an EU member state and (ii) the Depositary or a credit institution which is associated or related company of the Depositary.
10. If the Investment Compartment invest in other investment funds the following conditions apply:
    a. it shall not invest in closed-ended investment funds,
    b. it can invest up to 20% of its assets in open or closed-ended investment funds, which are subject to prudential supervision as long as the Investment Compartment does not invest more than 10% of its assets in the units of the same investment fund and the investment funds in which it invests shall not invest more than 20% of their assets in other investment funds,
    c. the Investment Compartment shall not invest more than 10% of its assets in investment funds that are not subject to prudential supervision and to retail investors' protection rules equivalent to those of Cyprus.
11. The Investment Compartment shall not invest more than 20% of their assets in real estate. Where an Investment Compartment invests in real estate and in other investment funds, the total of those investments shall not exceed the 25% of the assets of the Investment Compartment.
12. The real estate in which the Investment Compartment invests shall be insured.
13. The Investment Compartment shall only acquire a real estate interest where that interest has been valued in advance by an independent certified valuer. Such a valuation must be contained in a report and it must confirm that if the real estate interest was acquired for the Investment Compartment, it could be disposed of at that valuation within a reasonable period. The real estate interest must be acquired within six months from the date of the report and at a price which is within 5% of the valuation price. In any case, the reasons that justify derogation from the provisions of the previous sentence shall be described in the respective annual and half-yearly report of the Investment Compartment.

14. Where the Investment Compartment invests in financial derivative instruments, the counterparty risk from an OTC derivative transaction shall not exceed (i) the 10% of its assets if the counterparty is either a credit institution authorised within the EU or the Depositary of the Fund, or a credit institution related with the Depositary or (ii) the 5% of its assets in all other cases. The global exposure of an Investment Compartment relating to financial derivative instruments shall not exceed the 100% of the net asset value of the Investment Compartment.

Target Market Europe

Leverage The Investment Compartment may incur Leverage up to the 25% of its net assets. Leverage will be obtained inter alia, by entering into private loan agreements with reputable banking or financial institutions or from other sources as decided by the Manager.

Risk Profile The risks associated with the investment in the Investment Compartment are high and no capital preservation strategies will be implemented.

Special Risks As provided in the Offering Memorandum.

An investment in the Investment Compartment should be considered an investment that entails substantial risks, including but not limited to:

- The Investor Units are not listed on any securities exchange and it is not anticipated that a secondary market for the Investor Units will develop.
- The Investor Units are subject to substantial restrictions on transferability and resale and may not be transferred or resold.
- Although the Investment Compartment may accept redemption of Investor Units, however, it may not be able to sell or otherwise liquidate its investments and this might restrict the Investment Compartment's ability to meet redemption requests.
- Loss of capital.
- There is no guarantee that the Investment Compartment will achieve its investment objective.

Special attention shall be given in the following risks:

Use of Leverage Risk:

The Investment Compartment may achieve some leverage through the use of financial derivatives instruments for the purpose of making investments/hedging purposes and through private loan agreements with reputable banking or financial institution. The use of leverage creates special risks and may significantly increase the Investment Compartment's investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure of an Investment Compartment to capital risk.

The use of leverage creates an opportunity for increased Investor Units net investment income dividends, but also creates risks for the Unitholders. The Investment Compartment cannot assure you that the use of leverage, if employed, will result in a higher yield on the Investor Shares. Any leveraging strategy the Investment Compartment employs may not be successful.

Leverage involves risks and special considerations for the Investment Compartment, including:

a. the likelihood of greater volatility of NAV, market price and dividend rate of the Investor Units than a comparable portfolio without leverage;
b. the risk that fluctuations in interest rates on borrowings and short-term debt or in the interest or dividend rates on any leverage that the Investment Compartment must pay will reduce the return to the Unitholders;
c. the effect of leverage in a declining market, which is likely to cause a greater decline in the NAV of the Investor Units than if the Investment Compartment were not leveraged, which may result in a greater decline in the market price of the Investor Shares;
d. when the Investment Compartment uses financial leverage, the management fee payable to the Manager will be higher than if the Investment Compartment did not use leverage; and
e. leverage may increase operating costs, which may reduce total return.

Any decline in the NAV of the Investment Compartment's investments will be borne entirely by the Unitholders. Therefore, if the market value of the Investment Compartment's portfolio declines, leverage will result in a greater decrease in NAV to the Unitholders than if the Investment Compartment were not leveraged. This greater NAV decrease will also tend to cause a greater decline in the market price for the Investor Shares. While the Investment Compartment may from time to time consider reducing any outstanding leverage in response to actual or anticipated changes in interest rates in an effort to mitigate the increased volatility of current income and NAV associated with leverage, there can be no assurance that the Investment Compartment will actually reduce any outstanding leverage in the future or that any reduction, if undertaken, will benefit the Unitholders. Changes in the future direction of interest rates are very difficult to predict accurately. If the Investment Compartment were to reduce any outstanding leverage based on a prediction about future changes to interest rates, and that prediction turned out to be incorrect, the reduction in any outstanding leverage would likely operate to reduce the income and/or total returns to Unitholders relative to the circumstance where the Investment Compartment had not reduced any of its outstanding leverage. The Investment Compartment may decide that this risk outweighs the likelihood of achieving the desired reduction to volatility in income and Unit price if the prediction were to turn out to be correct, and determine not to reduce any of its outstanding leverage as described above.

The Investment Compartment does not intend to borrow money or issue debt securities or preferred shares during its first full year of operations, but may in the future borrow funds from credit institutions or other financial institutions, or issue debt securities or preferred shares, as described in this Offering Memorandum. Certain types of leverage the Investment Compartment may use may result in the Investment Compartment being subject to covenants relating to asset coverage and portfolio composition requirements. The Investment Compartment may be subject to certain restrictions on investments imposed by guidelines of one or more rating agencies, which may issue ratings for any debt securities or preferred shares issued by the Investment Compartment. The Manager does not believe that these covenants or guidelines will impede it from managing the Investment Compartment’s portfolio in accordance with the Investment Compartment’s investment objectives and policies.

The Investment Compartment may invest in the securities of other investment companies. Such investment companies may also be leveraged, and will therefore be subject to the leverage risks described above. This additional leverage may in certain market conditions reduce the NAV of the Investment Compartment’s Investor Units and the returns to the Unitholders.

Market and Selection Risk

Market risk is the possibility that the market values of securities owned by the Investment Compartment will decline. There is a risk that equity and/or bond markets will go down in value, including the possibility that such markets will go down sharply and unpredictably.

Stock markets are volatile, and the price of equity securities fluctuates based on changes in a company’s financial condition and overall market and economic conditions. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock held by the Investment Compartment. Also, the price of common stocks is sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks to which the Investment Compartment has exposure. Common stock prices fluctuate for several reasons, including changes in investors’ perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuers occur.

The prices of fixed income securities tend to fall as interest rates rise, and such declines tend to be greater among fixed income securities with longer maturities. Market risk is often greater among certain types of fixed income securities, such as zero-coupon bonds that do not make regular interest payments but are instead bought at a discount to their face values and paid in full upon maturity. As interest rates change, these securities often fluctuate more in price than securities that make regular interest payments and therefore subject the Investment Compartment to greater market risk than a fund that does not own these types of securities.

When-issued and delayed delivery transactions are subject to changes in market conditions from the time of the commitment until settlement, which may adversely affect the prices or yields of the securities being purchased. The greater the Investment Compartment’s outstanding commitments for these securities, the greater the Investment Compartment’s exposure to market price fluctuations.

Selection risk is the risk that the securities that the Investment Compartment’s management selects will underperform the equity and/or bond market, the market relevant indices or other Investment Compartments with a similar investment objective and investment strategies.

Declining Performance and Growing Size Risk

Trading large positions may adversely affect prices and performance. In addition, there can be no assurance that appropriate investment opportunities will be available to accommodate future increases in assets under management which may require the Manager and its affiliates to modify their investment decisions for the Investment Compartment because they cannot deploy all the assets in the manner they desire. There can be no assurance whatsoever as to the effect of an increase in assets under management may have on the Investment Compartment’s future performance.

Equity Securities Risk

Stock markets are volatile, and the prices of equity securities fluctuate based on changes in a company’s financial condition and overall market and economic conditions. Although common stocks have historically generated higher average total returns than fixed income securities over the long-term, common stocks also have experienced significantly more volatility in those returns and, in certain periods, have significantly under-performed relative to fixed income securities. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock held by the Investment Compartment. A common stock may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. The value of a particular common stock held by the Investment Compartment may decline for a number of other reasons which directly relate to the issuer, such as management performance, financial leverage, the issuer's historical and prospective earnings, the value of its assets and reduced demand for its goods and services. Also, the prices of common stocks are sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks to which the Investment Compartment has exposure. Common stock prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase. Common equity securities in which the Investment Compartment may invest are structurally subordinated to preferred stock, bonds and other debt instruments in a company's capital structure in terms of priority to corporate income and are therefore inherently more risky than preferred stock or debt instruments of such issuers.

Securities of Smaller and Emerging Growth Companies

Investment in smaller or emerging growth companies involves greater risk than is customarily associated with investments in more established companies. The securities of smaller or emerging growth companies may be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group.

While smaller or emerging growth company issuers may offer greater opportunities for capital appreciation than large cap issuers, investments in smaller or emerging growth companies may involve greater risks and thus may be considered speculative. The fund managers believe that properly selected companies of this type have the potential to increase their earnings or market valuation at a rate substantially in excess of the general growth of the economy. Full development of these companies and trends frequently takes time.

Small capitalisation and emerging growth securities will often be traded only in the OTC market or on a regional securities exchange and may not be traded every day or in the volume typical of trading on a national securities exchange. As a result, the disposition by the relevant Investment Compartment of portfolio securities may require the Investment Compartment to make many small sales over a lengthy period of time, or to sell these securities at a discount from market prices or during periods when, in fund management's judgment, such disposition is not desirable.

The process of selection and continuous supervision by the Manager does not, of course, guarantee successful investment results; however, it does provide access to an asset class not available to the average individual due to the time and cost involved. Careful initial selection is particularly important in this area as many new enterprises have promise but lack certain of the fundamental factors necessary to prosper. Investing in small capitalisation and emerging growth companies requires specialised research and analysis. In addition, many investors cannot invest sufficient assets in such companies to provide wide diversification.

Small companies are generally little known to most individual investors although some may be dominant in their respective industries. The Manager believes that relatively small companies will continue to have the opportunity to develop into significant business enterprises. The private companies, that the Investment Compartment may invest, may have limited financial resources, shorter operating histories, more asset concentration risk, narrower product lines and smaller market shares than larger businesses, which tend to render such private companies more vulnerable to competitors' actions and market conditions, as well as general economic downturns. These companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. These companies may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity. In addition, the Investment Compartment will value the private company investments in accordance with valuation guidelines adopted by the Manager, in good faith, which are designed to accurately reflect the fair value of securities valued in accordance with such guidelines. The Investment Compartment is not required to but may utilise the services of one or more independent valuation firms to aid in determining the fair value of these investments. Valuation of private company investments may involve application of one or more of the following factors: (i) analysis of valuations of publicly traded companies in a similar line of business, (ii) analysis of valuations for comparable merger or acquisition transactions, (iii) yield analysis and (iv) discounted cash flow analysis. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of the Investment Compartment's private investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the amounts the Investment Compartment may realise on any dispositions of such investments. In addition, the impact of changes in the market environment and other events on the fair values of the Investment Compartment's investments that have no readily available market values may differ from the impact of such changes on the readily available market values for the Investment Compartment other investments. The Investment Compartment's NAV could be adversely affected if the Investment Compartment's determinations regarding the fair value of the Investment Compartment's investments were materially higher than the values that the Investment Compartment ultimately realises upon the disposal of such investments.

Restricted and Illiquid Securities Risk

The Investment Compartment may invest without limitation in illiquid or less liquid securities or securities in which no secondary market is readily available or which are otherwise illiquid, including private placement securities. The Investment Compartment may not be able to readily dispose of such securities at prices that approximate those at which the Investment Compartment could sell such securities if they were more widely-traded and, as a result of such illiquidity, the Investment Compartment may have to sell other investments or engage in borrowing transactions if necessary to raise cash to meet its obligations. Limited liquidity can also affect the market price of securities, thereby adversely affecting the Investment Compartment's NAV and ability to make dividend distributions. The financial markets in general, and certain segments of the mortgage related securities markets in particular, have in recent years experienced periods of extreme secondary market supply and demand imbalance, resulting in a loss of liquidity during which market prices were suddenly and substantially below traditional measures of intrinsic value. During such periods, some securities could be sold only at arbitrary prices and with substantial losses. Periods of such market dislocation may occur again at any time. Privately issued debt securities are often of below investment grade quality, frequently are unrated and present many of the same risks as investing in below investment grade public debt securities.

Restricted securities are securities that may not be sold to the public without an effective registration statement, or that may be sold only in a privately negotiated transaction or pursuant to an exemption from registration. When registration is required to sell a security, the Investment Compartment may be obligated to pay all or part of the registration expenses and considerable time may pass before the Investment Compartment is permitted to sell a security under an effective registration statement. If adverse market conditions develop during this period, the Investment Compartment might obtain a less favorable price than the price that prevailed when the Investment Compartment decided to sell. The Investment Compartment may be unable to sell restricted and other illiquid securities at opportune times or prices.

Market Volatility

Market volatility reflects the degree of instability and expected instability of the performance of the Investment Compartment's assets. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices of instruments which offer protection against such market volatility.

The prices of these instruments are generally determined by the forces of supply and demand in the options and derivatives markets. These forces are themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

Liquidity and Market Characteristics

In some circumstances, investments may become relatively illiquid making it difficult to dispose of them at the prices quoted on the various exchanges. Accordingly, the Investment Compartment's ability to respond to market movements may be impaired and the Investment Compartment may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

Competition risk

The Investment Compartment, investing into operational companies, competes with other investors, including, without limitation, with other investment companies or private capital investment funds. Thus, there is a risk that competition with other investors will demand that the Investment Compartment would conduct transactions at less favourable conditions than it would be possible in other cases.

Sector Concentration

In case the Investment Compartment may invest in a single or small number of sectors may have greater exposures to the market, liquidity, tax, legal, regulatory, and economic risks of those sectors than in case it may diversify its investments across a number of sectors, thereby making such fund more susceptible to any adverse events affecting those sectors. This may result in lower liquidity of such assets and/or a higher volatility of the NAV than an Investment Compartment that diversifies across more sectors.

a. Healthcare Sector Risk: The market value of securities of issuers in the healthcare sector will be adversely affected by factors such as rising costs of medical products and services, pricing pressure, extensive government regulation, restrictions on government reimbursement for medical expenses, costs associated with obtaining and protecting patents, product liability and other claims, changes in technologies and other market developments.

b. Real Estate Securities Risk: Certain Investment Compartment's investments in real estate securities are subject to substantially the same risks as direct investments in real estate. Real estate values fluctuate depending on factors such as local, regional and national economic environment, rental market demand, interest rates changes, as well as the management, organization, skill and capital funding of the managers and operators of the underlying properties. When economy slows or if interest rates rise, mortgage and financing costs will increase and can affect the profitability and liquidity of properties in the real estate market. This will potentially lead to declines in property values and hence adversely affect the value of investor's investments.

Investments in Medium and Small Companies

The prices of securities of medium and small companies generally are more volatile than those of larger companies; the securities are often less liquid and these companies may be subject to more abrupt fluctuations in market price than larger, more established companies. Investments in securities of companies with medium and small market capitalisations are generally considered to offer greater opportunity for appreciation but may involve greater risks than those customarily associated with more established companies as they are generally more likely to be adversely affected by poor economic or market conditions. These companies may have limited product lines, markets or financial resources, or they may be dependent upon a limited management group. In addition to exhibiting greater volatility, medium and small companies' stocks may, to a degree, fluctuate independently of larger company stocks (i.e., small company stocks may decline in price as the prices of large company stock rise or vice versa). For funds investing in such companies, transactions, particularly those large in size, are likely to have a greater impact on the relevant funds' costs than similar transactions in large sized firms because of the relatively illiquid nature of markets in medium and small companies' shares.

Securities of Companies principally engaged in the Real Estate industry

There are special risk considerations associated with an underlying of OTC Derivatives of which the performance is linked to securities of companies principally engaged in the real estate industry. These include: risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighborhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of an underlying of OTC Derivatives and thus the Investment Compartments' investments.

Property valuation is inherently subjective and uncertain

The valuation of property and real estate is inherently subjective. As a result, valuations are subject to uncertainty. Moreover, all property and real estate valuations are made on the basis of assumptions which may not prove to reflect the true position. There is no assurance that the valuations of the properties and real estates will reflect actual sale prices even where any such sales occur shortly after the relevant valuation date.

Real estate investments are relatively illiquid

Real Estates are relatively illiquid. Such illiquidity may affect Investment Compartment's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiry of the originally agreed term. This could have an adverse effect on the Investment Compartment's financial condition and results of operations, with a consequential adverse effect on the market value of the Investment Compartment's shares or on the Investment Compartment's ability to make expected distributions to its Unitholders. In addition, the illiquid nature of real estate investments may cause delays in satisfying redemption requests.

The value of any property portfolio may fluctuate as a result of factors outside the owner's control

Real Estate investments are subject to varying degrees of risks. Rents and values are affected (among other things) by changing demand for commercial real estate, changes in general economic conditions, changing supply with a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of any property portfolio may also fluctuate as a result of other factors outside the owner's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, the financial condition of lessees, potentially adverse tax consequences, interest and inflation rate fluctuations. The Investment Compartment's operating performance would be affected by a downturn in the real estate.

Construction risk

The targeted company may, in future, enter into construction agreements with building contractors to construct and develop its projects. The costs of these projects can vary due to:

a. scope and design changes;
b. increases in the rate of inflation of building materials;
c. increases in taxes and other regulatory charges;
d. changes in laws, regulations or government policies (including those relating to health and environmental compliance safety) which increase the costs of compliance with such laws, regulations or policies;
e. unforeseen expenditure which arises as a result of defects affecting the existing buildings which form a part of the development project and which need to be rectified.

Any material increase in the costs of, or delay in completing, construction projects may adversely affect the profitability of the

Investment Compartment and/or reduce its net asset value growth.

Natural Disasters and Accidents

If large-scale of natural disasters occur, including major earthquakes and typhoons, and if physical injury and business interruption are caused by damaged facilities and if serious accidents, disasters caused by illegal activities such as terrorist attacks, failures of equipment and information systems, and problems caused by the inadequate quality of construction work the Investment Compartment’s performance and financial position could be adversely affected.

Decline in land prices

If real estate prices fall due to a sluggish real estate market or other factors, the Investment Compartment's performance and financial position could be adversely affected through declines in revenues and the posting of a valuation loss and a loss on sales of the targeted companies.

Land Policy risk

Land is the basis of all real estate investment. Changes of land management system and land regulation, different land acquirement way (bid, public auction, sale under agreement) will have immense influence on real estate investment. For example, to avoid the land price deviate too widely from normal the market price, government will implement tight land regulation policies, which might bring unpredicted loss on the real estate investor. The land regulation policies such as the government will sell the land at high price to limit the land supply, obviously this will increase the cost of the real estate investment. On the contrary, when the market was permeated by speculation phenomenon, the government will increase the cost of the real estate investment. On the contrary, when the market was permeated by speculation phenomenon, the government will increase the supply of cheap land to caution against the speculation activities in the market. Consequently, it will bring high risks to the real estate investors who stock up the land at an earlier period.

Urban Planning Risk

The changes in urban planning will affect the real estate value both for those of the finished on construction and going to be constructed property. The changes in traffic system and infrastructure, the building-height limits of the building will have tremendous impacts on the real estate value. In fact, the real estate investor buys a parcel of land is to buy the expected profits of this land in the future. The land value is determined not only by the situation, also by the prospect usage.

Sustainability Risks

The risks listed above are the most relevant risks of the Investment Compartment, and include ESG and broader Sustainability considerations. Investors should be aware that other Sustainability risks may also be relevant to the Compartment. Please refer to the section "Risk Factors And Investment Considerations" (Chapter 18) for a full description of these risks.

Sustainability Risks Consideration

The Manager has reviewed the relevance of sustainability risks within the investment strategy of this Investment Compartment and determined that sustainability risks are not deemed material or will drive a material negative financial impact on the value of a Fund, for the following reasons:

Investment Focus: The Investment Compartment targets sectors and industries with inherently lower exposure to sustainability risks, such as hospitality, health and education, where environmental and social impacts are relatively minimal compared to heavy industries.

Risk Mitigation Practices: The manager has implemented risk mitigation practices and due diligence processes to address potential sustainability risks associated with these investments. This includes assessing company policies, regulatory compliance, and resilience to environmental and social disruptions.

Conflicts of Interest

Potential Conflicts

For the sake of transparency, it is disclosed that the Investment Compartment shall primarily invest, purchase or acquire assets from Quality Group. Also, Quality Group shall primarily manage, monitor, develop, construct, or manage the sale of the assets of the Investment Compartment and may receive fees and commission. Further to the above, any Investment Committee or Investment

Advisors who may be appointed to the Investment Compartment shall comprises primarily by the members or experts of Quality Group.

Quality Group ("QG"), is one of the leading and most respected group of companies in Cyrus and has been operating in several of the most significant sectors of the Cypriot economy for more 28 years.

Recently QG of companies has also expanded its operations to Greece, where the Property Development sector is expected to increase dramatically over the next decade.

Since its establishment, an enduring commitment has been to remain active internationally, with inhouse services extending to developing, design, construction, hospitality & hospital management, property management and comprehensive fiduciary services.

QG has α well-diversified presence in the sectors of:

1. **Property Developments**

   Invest, design, build and sell all types of projects, such as houses, apartments, offices, shops.

2. **Hospitality**

   Operation and management of branded Hotels and Serviced Apartment buildings (such as Radisson, Indigo, Best Western), as well as F&B outlets (toρ nautch restaurants).

3. **Healthcare**

   Operation and management of a private hospital with a target to transform it into a preferred medical destination for the middle east region for specific type of services

4. **Education**

   Cooperation with private universities, and operation and management of dedicated student accommodation units.

Actions Against Conflicts

The Manager is committed to conducting business in a manner that ensures the Investment Compartment’s and its associates’ business judgment and decision making is not influenced by undue personal interests. On the contrary, when the Investment Compartment or its SPVs conduct business with Quality Group or any other company where there is an established conflict of interest, the servicing company has to demonstrate that the services it provides are at least in line with the market average, if not more competitive. As such Quality Group may provide evidence of their market rates and compare them to the market average. Also, in the attempts to promote transparency, Quality Group consent to make available for disclosure the contractual agreements made between them and the Investment Compartment.

Reference Currency	Euro;
Target Capital Raising	Euro 100,000,000;
Minimum Capital Raising Amount	Euro 500,000;
Investors Profile	Retail;
Investor Country of Domicile	Worldwide;
Restricted Persons	US;
Initial Offering Period	Upon licensing of the Investment Compartment;
Initial Subscription Date	Upon licensing of the Investment Compartment;
Initial Subscription Price	Euro 100;
Minimum Subscription Amount	Euro 10,000;
Minimum Additional Subscription Amount	Euro 10,000;
Subscription in Kind	Yes, as per the provisions of the Offering Memorandum;
Valuation Day	Last Business Day of each June and December;

Dealing Days	First day after each Valuation Day For Subscriptions: First Business Day of each January and July For Redemptions: First Business Day of each January and July, subject to Limited Liquidity Arrangements;
Cut-Off Date for Subscription	10 Business Days prior to Valuation Day;
Subscription Day	The day following the Valuation Day, being the Dealing Day and/or such other Business Day as the Manager may from time to time determine;
Frequency of Investor Subscriptions	a. Semi Annually; or b. On any other date the Manager may determine at its own discretion, performing also calculation of NAV; or c. Any time provided that the Investor Units shall be issued the day following the next calculation of NAV;
Minimum Holding Period	5 years (starting from the date of Subscription);
Frequency of NAV Calculation	Semi Annually;
Dividend Policy	At the discretion of the Board of Directors after the proposal by the Manager;
Redemption Day	The day following the Valuation Day, being the Dealing Day, and/or such other Business Day as the Manager may from time to time determine after the expiration of the Minimum Holding Period;
Cut-Off Date for Redemption	10 Business Days prior to Valuation Day;
Frequency of Investor Redemption	Semi Annually and on any other date the Manager may determine at its own discretion after the expiration of the Minimum Holding Period, performing also calculation of NAV.
Redemption in Kind	Yes, as per the provisions of the Offering Memorandum
Set Up Fee	Euro 17,500;
Management Fee	Annual fee of 1.4% of the NAV of the Investment Compartment with a minimum Management Fee of Euro 22,500;

Performance Fee	No Performance Fee;
Depositary Fee	0.09% for NAV up to Euro 10M, 0.07% for NAV from Euro 10M to Euro 20M, 0.06% for NAV from Euro 20M to Euro 30M, 0.05% for NAV from Euro 30M to Euro 50M, with a minimum monthly Depositary Fee of Euro 450; Ownership Verification Fee: Euro 200 per transaction; Once-off fee of Euro 1,500 for the set up of the Fund at the bank;
Administrator Fee	Annual Fee of 0.06% of the Investment Compartment Gross Asset Value (“GAV”) with minimum Administration Fee Euro 18,500;
Transfer Agency Services Fee	2% of the Subscription Amount capped at Euro 500 per transaction payable to the Administrator;
Subscription Fee	0%-5% on the Subscription Amount, at the discretion of the Manager;
Redemption Fee	0%-3% at the discretion of the Manager;
Regulatory Fee	As per the Directives and Regulations of the CySEC and the Registrar of Companies.

GMM
FUND MANAGEMENT

SUPPLEMENT 2

JANUARY 2021

relating to the offer of Units in the

GLOBAL GREEN ENERGY FUND

(hereinafter referred to as the "Investment Compartment")

an Investment Compartment of **Milevaco Fund AIF V.C.I.C. Plc**

(hereinafter referred to as the "Fund")

Addressed to Retail Investors

Important Notice: This Supplement should be read in the context of and in conjunction with the latest version of the Offering Memorandum of the Fund. To the extent of any inconsistency between the terms of this Supplement and the Offering Memorandum, this Supplement shall prevail with respect to the Investment Compartment. The Fund has also published a Key Investor Information Document (the "KIID") in respect of the Investment Compartment. If you are in any doubt as to the contents of this Supplement you should consult your advisors. Distribution of this Supplement, which forms part of the Offering Memorandum, is not authorised unless accompanied by a copy of the Offering Memorandum.

PREPARED BY

LLPO
LAW FIRM

IMPORTANT INFORMATION

Suitability of investment

You should inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Units.

The Units are not principal protected. The value of the Units may go up or down and you may not get back the amount you have invested. See the section headed "Risk Factors and Investment Considerations " of the Offering Memorandum and the section headed “Risk Factors” of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Units is only suitable for you if you (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters**.**

MEANING OF TERMS

All capitalised terms shall have the same definition/interpretation as in the Offering Memorandum. In this Supplement, the term Compartment shall refer to **GLOBAL GREEN ENERGY FUND**, unless the context clearly indicates otherwise.

Name	GLOBAL GREEN ENERGY FUND
Investment Strategy Classification	Private Equity Retail AIF investing in renewable energy;
Structure	Open-Ended with Limited Liquidity Arrangements;
Life Duration	Unlimited
Administrator	Pricewaterhousecoopers Fund Services Limited PwC Central, 43 Demostheni Severi Avenue, CY-1080 Nicosia, Cyprus;
Investment Objective	The objective of the Investment Compartment is to provide long term capital growth and positive returns to investors primarily by making sustainable impact investments in private companies engaged and operating in European Union and USA.
Investment Policy	The Investment Compartment will seek to achieve its Investment Objective by investing principally in private companies engaged in the green/renewable energy sector and circular economy activities in the European Union and USA. In addition to the investments referred above, the Investment Compartment may also hold cash and may temporarily invest such cash in cash equivalents, money market instruments, government securities, and other securities, if, in the opinion of the Manager, the prevailing market and economic conditions justifies their undertaking. The Investment Compartment will invest mainly in companies whose significant proportion of their activities (as measured by turnover, enterprise value, earning before income and tax, or similar metrics) are related to, but not limited to, renewable energy production and distribution, and

technologies that promote responsible consumption and circular economy.

A minimum of 80% of the investments of this Investment Compartment will be in the economic activities stated above which contribute to the environmental objectives of climate change mitigation and transition to circular economy under the Taxonomy Regulation, thus these investments will be Taxonomy eligible.

The Investment Compartment has Sustainable Investment as its objective and the Manager considers the investee companies as qualifying as “sustainable investments” for the purposes of the Regulation 2019/2088 of the European Parliament and the Council on sustainability-related disclosures in the financial services sector (SFDR). Hence, the Investment Compartment is categorised as Article 9 fund according to SFDR.

The Manager may change the Investment Policy of the Investment Compartment subject to a decision by the Board of Directors. Any changes in the Investment Policy of any Investment Compartment require the prior written approval of CySEC.

In the case of such an event, the Investors will be notified once the change in the Investment Policy becomes effective.

SFDR Categorisation Article 9

Contribution to Environmental Objectives The Investment Compartment contributes to the “climate change mitigation” objective in accordance with Regulation (EU) 2020/852, Article 10, through its investments in companies dedicated to climate change mitigation through the generation of energy via green/renewable energy and in particular through hydroelectric power stations.

By engaging in these endeavors, the Investment Compartment adheres to the principles of SFDR regarding climate change mitigation activities, which among other principles, include:

- generating, transmitting, storing, distributing, or using renewable energy in line with Directive (EU) 2018/2001, including through using innovative technology with a potential for significant future savings or through necessary reinforcement or extension of the grid;
- increasing clean or climate-neutral mobility;
- establishing energy infrastructure required for enabling the decarbonisation of energy systems;
- producing clean and efficient fuels from renewable or carbon-neutral sources.

The Investment Compartment contributes to the “transition to a circular economy” objective in accordance with Regulation (EU) 2020/852 Article 13, through its investments in companies dedicated to advancing the circular economy through various initiatives which include, but not limited to, providing solutions for the trade of used items, extending the lifecycle of technology to maximise its utility, generating energy via biogas extracted from waste management processes.

By engaging in these endeavors, the Investment Compartment adheres to the principles of SFDR regarding circular economy activities, which among other principles, include:

1. using natural resources, including sustainably sourced bio-based and other raw materials, in production more efficiently
2. increasing the durability, reparability, upgradability, or reusability of products;
3. increasing the recyclability of products;
4. preventing or reducing waste generation, and
5. increasing the development of the waste management infrastructure needed for prevention, preparing for re-use, and recycling, while ensuring

that the recovered materials are recycled as high-quality secondary raw material input in production, thereby avoiding downcycling.

Investment Process	As provided in the Offering Memorandum
Special Investment Restrictions	1. The Investment Compartment shall invest at least 60% of its assets: a. in equity or quasi-equity instruments such as participation rights, equity securities or transferable securities of holding companies or capital contributions or company participations, participating loans, rights in distribution of profits, options or other securities embedding the option to acquire the above mentioned participating rights, securities or transferable securities, convertible bonds which are issued by: i. undertakings that at the time of the investment of the Investment Compartment are not admitted to trading on a regulated market or on a Multilateral Trading Facility (MTF) as defined in the Investment Services and Activities and Regulated Markets Law or in the Directive 2004/39/EC, or in another regulated or unregulated market of a third country, fulfil the criteria of section 2(1) of the Public Offer and Prospectus Law or of section 2 of the Annex of the Commission Recommendation 2003/361/EU and are established in Cyprus or in a EU member state or a third country. In the last case, the third country is not listed as a Non-Cooperative Country and

Territory by the Financial Action Task Force on Anti-Money Laundering and Terrorist Financing, has signed an agreement with Cyprus to ensure that the third country fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, including any multilateral agreements.

ii. The undertakings of the previous paragraph , shall not include a credit institution as defined in 4(1) of the Regulation 2013/575/EU, an investment firm as defined in 4(1)(1) of the Directive 2004/39/EC, an insurance or a reinsurance undertaking as defined in Article 13(1) and (4) of Directive 2009/138/EC, a financial holding company as defined in Article 4(20) of the Regulation 2013/575/EU, a mixed-activity holding company as defined in Article 2(15) of the Directive 2002/78/EC, financial institutions as defined in Article 4(26) of the Regulation 2013/575/EU and insurance portfolio undertakings of Article 212(1)(f) of Directive 2009/138/EC, which have been established in Cyprus or in other EU member state or respective undertakings established in third countries.

b. secured or unsecured loans granted to the undertakings referred in the previous paragraph, on the condition that the Investment Compartment already holds investments in these undertakings provided that no more than 30% of the assets of the Investment Compartment that may be invested in accordance with these paragraphs, is used for such loans.

c. current demands on current accounts in favor of undertakings the Investment Compartment invests in accordance with paragraph (a) above at least 5%. Such investments shall not exceed the 15% of the investment in each undertaking in which the Investment Compartment has invested in accordance with paragraph (a) above.

2. The Investment Compartment shall not invest more than 1/3 of its assets in any one of the instruments provided in paragraph 1 above.
3. The investment limits provided in paragraphs 1 and 2 above shall apply from the date defined in this Offering Memorandum, which takes into consideration the specifics and the characteristics of the assets in which the Investment Compartment intends to invest and shall be within one year from the authorisation date of the Investment Compartment. The Securities and Exchange Commission may, in exceptional circumstances and after the submission of a properly justified investment plan, extend the relevant deadline for an additional year.
4. The Investment Compartment may invest up to 40% of its assets in instruments other than the ones provided for in the previous paragraphs.
5. When the Investment Compartment invest in any other Investment Compartment of the Fund (the ‘target-compartment’), the following conditions are met in a cumulative manner:
   a. The Investment Compartment shall totally invest up to 35% of its assets in the target-compartment;

b. The target-compartment shall not acquire Investor Units of the Investment Compartment;
c. The value of the Investor Units that correspond to the investments in accordance with point (a) shall not be calculated twice in the calculation of the capital of the Fund;
d. The voting rights, if any, attached to the Investor Units which correspond to the investment of the Investment Compartment in the target compartment shall be suspended for as long as they are held by the Investment Compartment;

6. In aiming to achieve superior long-term returns and the sustainable impact investment objective, the Manager will also exclude investments in the following companies (based on information available to the Manager on these companies):
   a. Companies that generate over 5% of their revenues from the extraction or exploration of fossil fuels or from the use of fossil fuels for electricity generation;
   b. Electricity utility companies with a carbon intensity that are not aligned with a below $2^{o}C$ scenario;
   c. Companies that generate revenue from the manufacture of Controversial Weapons or by providing either an essential and/or tailor-made product or service to the manufacturers of Controversial Weapons and companies that generate over 5% of their revenues from production of conventional weapons;
   d. Companies that generate over 5% of their revenues from nuclear power;
   e. Companies that generate revenues from the production of tobacco products and

companies that receive over 5% of their revenues from tobacco distribution;

f. Companies that generate over 2% of their revenues from gambling products;
g. Companies that generate over 2% of their revenues from adult entertainment products;
h. Companies that generate over 2% of their revenues from the production of alcohol and companies that receive over 5% of their revenues from alcohol distribution;
i. Companies that generate over 5% of their revenue from Genetically Modified Organisms - GMO crop production.
j. In addition, the Manager excludes companies that are in contravention of the principles of the UN Global Compact.

The Management Fees or related remuneration, marketing and Redemption or Redemption Fee or any expenses regarding the marketing and the Redemption regarding the investments of the Investment Compartment into a target compartment shall not be accounted.

General Investment Restrictions

1. The Investment Compartment may invest up to 40% of its assets in the following assets:
   a. Transferable securities.
   b. Money market instruments.
   c. Units of collective investment undertakings.
   d. Financial derivative instruments including equivalent cash-settled instruments, dealt on a regulated market of the Republic of Cyprus or of another EU member state or on another regulated market in a EU member state which operates regularly and is recognised and open to the public or on a regulated market of a third country, which operates regularly and is recognised and open to the public and, for that last case, provided that (i) is included in the list of the markets approved by the

Minister of Finance of the Republic of Cyprus after a relevant suggestion by CySEC, or is provided for in the Fund's Memorandum and Articles. The Investment Compartment addressed to Retail Investors can also invest in financial derivative instruments dealt in over-the-counter provided that (i) the underlying of the derivative consists of an instrument that satisfies the conditions set out in this paragraph, financial indices, interest rates, foreign exchange rates or currencies, in which the Investment Compartment may invest according to its investment objectives as stated in its Memorandum and Articles, and (ii) the conditions of paragraph 32(3) of Directive DI 131-2014-03 are satisfied.

e. Deposits with credit institutions.
f. Real estate and real estate related assets.
g. Title deeds and mortgage related securities.
h. Collateralised Debt Obligations' Securities up to 30%.
i. Commodities up to 20%.
j. Foreign exchange, up to 20%.

2. The retail Investment Compartment may also hold ancillary liquid assets.
3. With prejudice to the provisions of the Directive DI131-2014-03 which apply to the private equity and real estate funds, the Investment Compartment shall not raise capital from the public through the issue of debt securities.
4. The Investment Compartment is permitted to borrow and secure such borrowing with the assets of the Investment Compartment where such activities are permitted by its constitutional documents of the Fund rules. The borrowings, at any given time, shall not exceed the 25% of its NAV. The credit balance shall not be offset against borrowings when determining the percentage of borrowings outstanding.
5. The Investment Compartment that invests in various currencies, may borrow in foreign currency through back

to back loans. Any currency acquired in accordance with the above, shall not be considered as a loan for the calculation of the limit of paragraph 5 above provided that the offsetting deposit equals or exceeds the value of the loan in foreign currency. If this loan exceeds the value of the respective deposit, the excess amount shall be considered as a loan for the purposes of the calculations of paragraph 5 above.

6. Companies which are included in the same group, as this defined for the purposes of consolidated accounts in Directive 83/349/EEC or in accordance with recognised international accounting rules, are considered as a single organization/issuer for the purpose of calculating the limits contained in paragraphs above.
7. Where the Investment Compartment invests in the units of other collective investment funds that are managed, directly or by delegation, by the same external manager or by any other company with which the management company is linked by common management or control, or by a substantial holding, it ensures that the specific manager or the other company shall not have the right to charge any subscription or redemption fees on the investments of the Investment Compartment in the units of the other collective investment funds.
8. The investment of the Investment Compartment in another collective investment fund is prohibited if it is carried out for receiving additional management fee or/and commission in relation to portfolio management or with the target for charging such additional commissions.
9. If the Investment Compartment invest in cash, they shall not keep on deposit more than 10% of their net assets with the same institution. This limit is increased to 30% for deposits which are deposited to (i) a credit institution authorised in an EU member state and (ii) the Depositary or a credit institution which is associated or related company of the Depositary.
10. If the Investment Compartment invest in other investment funds the following conditions apply:

a. it shall not invest in closed-ended investment funds,
b. it can invest up to 20% of its assets in open or closed-ended investment funds, which are subject to prudential supervision as long as the Investment Compartment does not invest more than 10% of its assets in the units of the same investment fund and the investment funds in which it invests shall not invest more than 20% of their assets in other investment funds,
c. the Investment Compartment shall not invest more than 10% of its assets in investment funds that are not subject to prudential supervision and to retail investors' protection rules equivalent to those of Cyprus.

11. The Investment Compartment shall not invest more than 20% of their assets in real estate. Where an Investment Compartment invests in real estate and in other investment funds, the total of those investments shall not exceed the 25% of the assets of the Investment Compartment.
12. The real estate in which the Investment Compartment invests shall be insured.
13. The Investment Compartment shall only acquire a real estate interest where that interest has been valued in advance by an independent certified valuer. Such a valuation must be contained in a report and it must confirm that if the real estate interest was acquired for the Investment Compartment, it could be disposed of at that valuation within a reasonable period. The real estate interest must be acquired within six months from the date of the report and at a price which is within 5% of the valuation price. In any case, the reasons that justify derogation from the provisions of the previous sentence shall be described in the respective annual and half-yearly report of the Investment Compartment.
14. Where the Investment Compartment invests in financial derivative instruments, the counterparty risk from an OTC derivative transaction shall not exceed (i) the 10% of its assets if the counterparty is either a credit institution

authorised within the EU or the Depositary of the Fund, or a credit institution related with the Depositary or (ii) the 5% of its assets in all other cases. The global exposure of an Investment Compartment relating to financial derivative instruments shall not exceed the 100% of the net asset value of the Investment Compartment.

Consideration of Sustainability Indicators

The Investment Compartment seeks to maximise total return commensurate with a high level of risk and in a manner consistent with the principles of Environmental, Social and Governance "ESG" focused investing.

The Investment Compartment will invest at least 80% of total assets in investments which pursue a positive ESG objective or outcome and do not adopt ESG exclusionary screens solely as their ESG policy and in all cases being investments with status aligned with the SFDR Regulation, in particular with the requirements set out under Article 8 or 9 of the SFDR Regulation.

The analysis of investments is based on a large number of proven fundamental factors relevant to the individual target company (such as company growth potential, cash generation, and financial discipline) as well as on impact and sustainability characteristics. In the latter case, the Manager will have regard to such factors as impact opportunity (the opportunity for creating positive change, and the potential extent of that change).

The Manager will also have regard to financial sustainability, and long-term value creation when evaluating companies for investment. The Manager bases the sustainable investment strategy on the belief that a company can achieve impact in three ways: (i) providing innovative new products or services; (ii) broadening access of existing products through preferential pricing or supplying to places where it was not supplied before; or (iii) operating in a way that by itself creates substantial benefits, for example through the company's treatment of employees and the environment.

In addition to the analysis of individual companies set out above, the Manager utilises a quantitative and qualitative Environmental, Social and Governance ("ESG") research process, including the indicators of Principal Adverse Impacts as described in Annex I of the EU 2022/1288 Regulation. The Manager will also undertake assessment the ESG qualities of each company. ESG includes environmental items (such as the impact on natural resources), social issues (such as human rights) and governance (being the way in which the company is run). The Manager assesses the ESG characteristics of an investment by considering ESG research and scores from a wide variety of sources, when available.

Target Market Europe and USA

Leverage The Investment Compartment may incur Leverage up to the 25% of its net assets. Leverage will be obtained inter alia, by entering into private loan agreements with reputable banking or financial institutions or from other sources as decided by the Manager.

Risk Profile The risks associated with the investment in the Investment Compartment are high and no capital preservation strategies will be implemented.

Special Risks As provided in the Offering Memorandum.

An investment in the Investment Compartment should be considered an investment that entails substantial risks, including but not limited to:

- The Investor Units are not listed on any securities exchange and it is not anticipated that a secondary market for the Investor Units will develop.
- The Investor Units are subject to substantial restrictions on transferability and resale and may not be transferred or resold.

- Although the Investment Compartment may accept redemption of Investor Units, however, it may not be able to sell or otherwise liquidate its investments and this might restrict the Investment Compartment's ability to meet redemption requests.
- Loss of capital.
- There is no guarantee that the Investment Compartment will achieve its investment objective.

Special attention shall be given in the following risks:

Use of Leverage Risk:

The Investment Compartment may achieve some leverage through the use of financial derivatives instruments for the purpose of making investments/hedging purposes and through private loan agreements with reputable banking or financial institution. The use of leverage creates special risks and may significantly increase the Investment Compartment's investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure of an Investment Compartment to capital risk.

The use of leverage creates an opportunity for increased Investor Units net investment income dividends, but also creates risks for the Unitholders. The Investment Compartment cannot assure you that the use of leverage, if employed, will result in a higher yield on the Investor Shares. Any leveraging strategy the Investment Compartment employs may not be successful.

Leverage involves risks and special considerations for the Investment Compartment, including:

a. the likelihood of greater volatility of NAV, market price and dividend rate of the Investor Units than a comparable portfolio without leverage;
b. the risk that fluctuations in interest rates on borrowings and short-term debt or in the interest or dividend rates on any leverage that the Investment Compartment must pay will reduce the return to the

Unitholders;

c. the effect of leverage in a declining market, which is likely to cause a greater decline in the NAV of the Investor Units than if the Investment Compartment were not leveraged, which may result in a greater decline in the market price of the Investor Shares;
d. when the Investment Compartment uses financial leverage, the management fee payable to the Manager will be higher than if the Investment Compartment did not use leverage; and
e. leverage may increase operating costs, which may reduce total return.

Any decline in the NAV of the Investment Compartment's investments will be borne entirely by the Unitholders. Therefore, if the market value of the Investment Compartment's portfolio declines, leverage will result in a greater decrease in NAV to the Unitholders than if the Investment Compartment were not leveraged. This greater NAV decrease will also tend to cause a greater decline in the market price for the Investor Shares. While the Investment Compartment may from time to time consider reducing any outstanding leverage in response to actual or anticipated changes in interest rates in an effort to mitigate the increased volatility of current income and NAV associated with leverage, there can be no assurance that the Investment Compartment will actually reduce any outstanding leverage in the future or that any reduction, if undertaken, will benefit the Unitholders. Changes in the future direction of interest rates are very difficult to predict accurately. If the Investment Compartment were to reduce any outstanding leverage based on a prediction about future changes to interest rates, and that prediction turned out to be incorrect, the reduction in any outstanding leverage would likely operate to reduce the income and/or total returns to Unitholders relative to the circumstance where the Investment Compartment had not reduced any of its outstanding leverage. The Investment Compartment may decide that this risk outweighs the likelihood of achieving the desired reduction to volatility in income and Unit price if the prediction were to turn out to be correct, and determine not to reduce any of its outstanding leverage as described above.

The Investment Compartment does not intend to borrow money or issue debt securities or preferred shares during its first full year of operations, but may in the future borrow funds from credit institutions or other financial institutions, or issue debt securities or preferred shares, as described in this Offering Memorandum. Certain types of leverage the Investment Compartment may use may result in the Investment Compartment being subject to covenants relating to asset coverage and portfolio composition requirements. The Investment Compartment may be subject to certain restrictions on investments imposed by guidelines of one or more rating agencies, which may issue ratings for any debt securities or preferred shares issued by the Investment Compartment. The Manager does not believe that these covenants or guidelines will impede it from managing the Investment Compartment's portfolio in accordance with the Investment Compartment's investment objectives and policies.

The Investment Compartment may invest in the securities of other investment companies. Such investment companies may also be leveraged, and will therefore be subject to the leverage risks described above. This additional leverage may in certain market conditions reduce the NAV of the Investment Compartment's Investor Units and the returns to the Unitholders.

Market and Selection Risk

Market risk is the possibility that the market values of securities owned by the Investment Compartment will decline. There is a risk that equity and/or bond markets will go down in value, including the possibility that such markets will go down sharply and unpredictably.

Stock markets are volatile, and the price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock held by the Investment Compartment. Also, the price of common stocks is sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks to which the Investment Compartment has exposure. Common stock prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuers occur.

The prices of fixed income securities tend to fall as interest rates rise, and such declines tend to be greater among fixed income securities with longer maturities. Market risk is often greater among certain types of fixed income securities, such as zero-coupon bonds that do not make regular interest payments but are instead bought at a discount to their face values and paid in full upon maturity. As interest rates change, these securities often fluctuate more in price than securities that make regular interest payments and therefore subject the Investment Compartment to greater market risk than a fund that does not own these types of securities.

When-issued and delayed delivery transactions are subject to changes in market conditions from the time of the commitment until settlement, which may adversely affect the prices or yields of the securities being purchased. The greater the Investment Compartment's outstanding commitments for these securities, the greater the Investment Compartment's exposure to market price fluctuations.

Selection risk is the risk that the securities that the Investment Compartment's management selects will underperform the equity and/or bond market, the market relevant indices or other Investment Compartments with a similar investment objective and investment strategies.

Declining Performance and Growing Size Risk

Trading large positions may adversely affect prices and performance. In addition, there can be no assurance that appropriate investment opportunities will be available to accommodate future increases in assets under management which may require the Manager and its affiliates to modify their investment decisions for the Investment Compartment because they cannot deploy all the assets in the manner they desire. There can be no assurance whatsoever as to the effect of an increase in assets under management may have on the Investment Compartment's future performance.

Risks related to Green and Renewable Energy Industry

Investments in the green/renewable energy industry, are subject to the following risks:

Geopolitical situations leading in unfavorable movement in oil prices: Geopolitical situations affecting international oil prices have an impact on the cost of power generation. Decreases in oil prices influence the competitiveness of the renewable energy sector due to an increase in demand of traditional energy sources. Such situations include but are not limited to governmental decisions, war, aliases between the countries etc.

Regulatory and Policy Risk: The risk arising from uncertainty regarding potential adverse changes in domestic or international environmental laws or regulations in regard to renewable energy investments resulting in lower than expected revenues.

Stability of the Energy sector: Unforeseen events such as natural disasters, epidemics, war, terrorism etc. might cause the global energy demand to fall significantly causing the stability of the energy sector to deteriorate. In addition, the renewable energy sector is highly dependent on the economic and political situation of the country of operation and any instabilities in the local system might cause significant uncertainty in the sector.

Supply and Demand Risks: A key risk to the renewable energy sector and any business operating therein, is the relationship between the energy available for consumption (supply) and the consumer demand. Several factors driving the supply and demand for renewable energy as well as the traditional alternatives in place, might not be controllable and as such, they might lead to unfavorable shifts and/or movements in the supply and demand equation. As a result, the performance of the investments might be negatively influenced.

General Weather conditions: Extreme weather conditions and other natural hazards might affect operations, productivity and/or efficiency. In addition, any extreme weather conditions interrupting the normal operation of the business might limit the production capacity which will essentially lead to loss of customers and revenue.

Risks related to companies operating in Circular Economy activities

Companies operating in Circular Economy activities face unique risks associated with their business models and operational strategies. The Circular Economy aims to minimise waste and maximise resource efficiency by designing products and systems that enable materials to be reused, repaired, or recycled. While this approach offers environmental and economic benefits, it also presents specific risks that companies need to manage. Special risks associated with Circular Economy activities are:

Resource Availability: Dependence on scarce or limited resources for recycling or remanufacturing processes, which may be subject to price volatility or supply chain disruptions.

Supply Chain Complexity: Managing complex supply chains involving multiple stakeholders (e.g., suppliers, recyclers, remanufacturers) and ensuring transparency and traceability of materials.

Technological Challenges: Adoption of innovative technologies (e.g., advanced recycling, material recovery) that may be costly, unproven, or require specialised expertise.

Quality Control: Ensuring the quality and consistency of recycled materials or remanufactured products to meet customer expectations and regulatory standards.

Market Volatility: Exposure to fluctuations in commodity prices (e.g., recycled materials, secondary raw materials) and market demand for circular products.

Investment Risk: Need for significant upfront investments in infrastructure, technology, and research and development (R&D) for Circular Economy operations.

Regulatory Uncertainty: Adapting to evolving regulations and policies related to waste management, recycling targets, and product stewardship schemes.

Compliance Requirements: Meeting compliance obligations for waste handling, environmental permits, and extended producer responsibility (EPR) regulations.

Greenwashing: Risks associated with misrepresentation or exaggeration of Circular Economy initiatives, leading to reputational damage and loss of consumer trust.

Stakeholder Expectations: Managing stakeholder expectations regarding sustainability commitments, transparency, and social impact.

Market Disruption: Potential disruption from new entrants, technological innovations, or changing consumer preferences favoring circular products.

Competitive Landscape: Facing competition from traditional linear economy businesses and ensuring differentiation based on Circular Economy principles.

Product Safety: Ensuring the safety and performance of recycled or remanufactured products to minimise liability risks related to defects or product failures.

Intellectual Property Protection: Protecting intellectual property rights associated with Circular Economy technologies and processes.

Equity Securities Risk

Stock markets are volatile, and the prices of equity securities fluctuate based on changes in a company's financial condition and overall market and economic conditions. Although common stocks have historically generated higher average total returns than fixed income securities over the long-term, common stocks also have experienced significantly more volatility in those returns and, in certain periods, have significantly under-performed relative to fixed income securities. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock held by the Investment Compartment. A common stock may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. The value of a particular common stock held by the Investment Compartment may decline for a number of other reasons which directly relate to the issuer, such as management performance, financial leverage, the issuer’s historical and prospective earnings, the value of its assets and reduced demand for its goods and services. Also, the prices of common stocks are sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks to which the Investment Compartment has exposure. Common stock prices fluctuate for several reasons, including changes in investors’ perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase. Common equity securities in which the Investment Compartment may invest are structurally subordinated to preferred stock, bonds and other debt instruments in a company’s capital structure in terms of priority to corporate income and are therefore inherently more risky than preferred stock or debt instruments of such issuers.

Securities of Smaller and Emerging Growth Companies

Investment in smaller or emerging growth companies involves greater risk than is customarily associated with investments in more established companies. The securities of smaller or emerging growth companies may be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group.

While smaller or emerging growth company issuers may offer greater opportunities for capital appreciation than large cap issuers, investments in smaller or emerging growth companies may involve greater risks and thus may be considered speculative. The fund managers believe that properly selected companies of this type have the potential to increase their earnings or market valuation at a rate substantially in excess of the general growth of the economy. Full development of these companies and trends frequently takes time.

Small capitalisation and emerging growth securities will often be traded only in the OTC market or on a regional securities exchange and may not be traded every day or in the volume typical of trading on a national securities exchange. As a result, the disposition by the relevant Investment Compartment of portfolio securities may require the Investment Compartment to make many small sales over a lengthy period of time, or to sell these securities at a discount from market prices or during periods when, in fund management's judgment, such disposition is not desirable.

The process of selection and continuous supervision by the Manager does not, of course, guarantee successful investment results; however, it does provide access to an asset class not available to the average individual due to the time and cost involved. Careful initial selection is particularly important in this area as many new enterprises have promise but lack certain of the fundamental factors necessary to prosper. Investing in small capitalisation and emerging growth companies requires specialised research and analysis. In addition, many investors cannot invest sufficient assets in such companies to provide wide diversification.

Small companies are generally little known to most individual investors although some may be dominant in their respective industries. The Manager believes that relatively small companies will continue to have the opportunity to develop into significant business enterprises. The private companies, that the Investment Compartment may invest, may have limited financial resources, shorter operating histories, more asset concentration risk, narrower product lines and smaller market shares than larger businesses, which tend to render such private companies more vulnerable to competitors' actions and market conditions, as well as general economic downturns. These companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. These companies may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity. In addition, the Investment Compartment will value the private company investments in accordance with valuation guidelines adopted by the Manager, in good faith, which are designed to accurately reflect the fair value of securities valued in accordance with such guidelines. The Investment Compartment is not required to but may utilise the services of one or more independent valuation firms to aid in determining the fair value of these investments. Valuation of private company investments may involve application of one or more of the following factors: (i) analysis of valuations of publicly traded companies in a similar line of business, (ii) analysis of valuations for comparable merger or acquisition transactions, (iii) yield analysis and (iv) discounted cash flow analysis. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of the Investment Compartment’s private investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the amounts the Investment Compartment may realise on any dispositions of such investments. In addition, the impact of changes in the market environment and other events on the fair values of the Investment Compartment’s investments that have no readily available market values may differ from the impact of such changes on the readily available market values for the Investment Compartment other investments. The Investment Compartment’s NAV could be adversely affected if the Investment Compartment’s determinations regarding the fair value of the Investment Compartment’s investments were materially higher than the values that the Investment Compartment ultimately realises upon the disposal of such investments.

Restricted and Illiquid Securities Risk

The Investment Compartment may invest without limitation in illiquid or less liquid securities or securities in which no secondary market is readily available or which are otherwise illiquid, including private placement securities. The Investment Compartment may not be able to readily dispose of such securities at prices that approximate those at which the Investment Compartment could sell such securities if they were more widely-traded and, as a result of such illiquidity, the Investment Compartment may have to sell other investments or engage in borrowing transactions if necessary to raise cash to meet its obligations. Limited liquidity can also affect the market price of securities, thereby adversely affecting the Investment Compartment's NAV and ability to make dividend distributions. The financial markets in general, and certain segments of the mortgage related securities markets in particular, have in recent years experienced periods of extreme secondary market supply and demand imbalance, resulting in a loss of liquidity during which market prices were suddenly and substantially below traditional measures of intrinsic value. During such periods, some securities could be sold only at arbitrary prices and with substantial losses. Periods of such market dislocation may occur again at any time. Privately issued debt securities are often of below investment grade quality, frequently are unrated and present many of the same risks as investing in below investment grade public debt securities.

Restricted securities are securities that may not be sold to the public without an effective registration statement, or that may be sold only in a privately negotiated transaction or pursuant to an exemption from registration. When registration is required to sell a security, the Investment Compartment may be obligated to pay all or part of the registration expenses and considerable time may pass before the Investment Compartment is permitted to sell a security under an effective registration statement. If adverse market conditions develop during this period, the Investment Compartment might obtain a less favorable price than the price that prevailed when the Investment Compartment decided to sell. The Investment Compartment may be unable to sell restricted and other illiquid securities at opportune times or prices.

Market Volatility

Market volatility reflects the degree of instability and expected instability of the performance of the Investment Compartment's assets. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices of instruments which offer protection against such market volatility. The prices of these instruments are generally determined by the forces of supply and demand in the options and derivatives markets. These forces are themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

Liquidity and Market Characteristics

In some circumstances, investments may become relatively illiquid making it difficult to dispose of them at the prices quoted on the various exchanges. Accordingly, the Investment Compartment's ability to respond to market movements may be impaired and the Investment Compartment may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

Competition risk

The Investment Compartment, investing into operational companies, competes with other investors, including, without limitation, with other investment companies or private capital investment funds. Thus, there is a risk that competition with other investors will demand that the

Investment Compartment would conduct transactions at less favourable conditions than it would be possible in other cases.

Sector Concentration

In case the Investment Compartment may invest in a single or small number of sectors may have greater exposures to the market, liquidity, tax, legal, regulatory, and economic risks of those sectors than in case it may diversify its investments across a number of sectors, thereby making such fund more susceptible to any adverse events affecting those sectors. This may result in lower liquidity of such assets and/or a higher volatility of the NAV than an Investment Compartment that diversifies across more sectors.

c. Healthcare Sector Risk: The market value of securities of issuers in the healthcare sector will be adversely affected by factors such as rising costs of medical products and services, pricing pressure, extensive government regulation, restrictions on government reimbursement for medical expenses, costs associated with obtaining and protecting patents, product liability and other claims, changes in technologies and other market developments.

d. Real Estate Securities Risk: Certain Investment Compartment's investments in real estate securities are subject to substantially the same risks as direct investments in real estate. Real estate values fluctuate depending on factors such as local, regional and national economic environment, rental market demand, interest rates changes, as well as the management, organization, skill and capital funding of the managers and operators of the underlying properties. When economy slows or if interest rates rise, mortgage and financing costs will increase and can affect the profitability and liquidity of properties in the real estate market. This will potentially lead to declines in property values and hence adversely affect the value of investor's investments.

Investments in Medium and Small Companies

The prices of securities of medium and small companies generally are more volatile than those of larger companies; the securities are often less liquid and these companies may be subject to more abrupt fluctuations in market price than larger, more established companies. Investments in securities of companies with medium and small market capitalisations are generally considered to offer greater opportunity for appreciation but may involve greater risks than those customarily associated with more established companies as they are generally more likely to be adversely affected by poor economic or market conditions. These companies may have limited product lines, markets or financial resources, or they may be dependent upon a limited management group. In addition to exhibiting greater volatility, medium and small companies' stocks may, to a degree, fluctuate independently of larger company stocks (i.e., small company stocks may decline in price as the prices of large company stock rise or vice versa). For funds investing in such companies, transactions, particularly those large in size, are likely to have a greater impact on the relevant funds' costs than similar transactions in large sized firms because of the relatively illiquid nature of markets in medium and small companies' shares.

Reference Currency	Euro;
Target Capital Raising	Euro 500,000;
Minimum Capital Raising Amount	Euro 500,000;
Investors Profile	Retail;
Investor Country of Domicile	Worldwide not US;
Restricted Persons	US;

Initial Offering Period	Upon licensing of the Investment Compartment;
Initial Subscription Date	Upon licensing of the Investment Compartment;
Initial Subscription Price	Euro 1,000;
Minimum Subscription Amount	Euro 10,000;
Minimum Additional Subscription Amount	Euro 1,000;
Subscription in Kind	Yes, as per the provisions of the Offering Memorandum;
Valuation Day	Last Business Day of each March, June, September and December;
Dealing Days	First day after each Valuation Day For Subscriptions: First Business Day of each January, April, July and October; For Redemptions: First Business Day of each January, April, July and October, subject to Limited Liquidity Arrangements;
Cut-Off Date for Subscription	10 Business Days prior to Valuation Day;
Subscription Day	The day following the Valuation Day, being the Dealing Day and/or such other Business Day as the Manager may from time to time determine;
Frequency of Investor Subscriptions	a. Quarterly; or b. On any other date the Manager may determine at its own discretion, performing also calculation of NAV; or c. Any time provided that the Investor Units shall be issued the day following the next calculation of NAV;
Minimum Holding Period	2 years (starting from the date of Subscription);
Frequency of NAV Calculation	Quarterly;

Dividend Policy	At the discretion of the Board of Directors after the proposal by the Manager;
Redemption Day	The day following the Valuation Day, being the Dealing Day, and/or such other Business Day as the Manager may from time to time determine after the expiration of the Minimum Holding Period;
Cut-Off Date for Redemption	The last Business Day prior to the Valuation Day;
Redemption Execution	After the lapse of the Minimum Holding Period, the Investor may proceed with a Redemption Request. The Redemption Price shall be based on the NAV that will be calculated six (6) months following the Cut-Off Date for Redemption that follows the Redemption Request; The Redemption Request shall be executed not later than one month after the calculation of the NAV that the Redemption is based on;
Frequency of Investor Redemption	Quarterly**,** and on any other date the Manager may determine at its own discretion after the expiration of the Minimum Holding Period;
Annual Redemption	The Manager at its own discretion may, on an annual basis, decide to redeem the 5% of the Investment Compartment's NAV.
Redemption in Kind	Yes, as per the provisions of the Offering Memorandum
Management Fee	Annual fee of 2% of the NAV of the Investment Compartment with a minimum Management Fee of Euro 25,000;
Performance Fee	Calculated annually and shall be equal to 50% of any increase of the NAV subject to an annual return higher than 5% and 75% of any increase of the NAV subject to annual return higher than 10%;

Depositary Fee	Annual fee of 0.08% of the NAV of the Investment Compartment, with a minimum monthly Depositary Fee of Euro 5,000;
Audit Fee	Annual fee of Euro 2,000;
Administrator Fee	Annual Fee of 0.06% of the Investment Compartment NAV with minimum Administration Fee Euro 8,000;
Subscription Fee	0%-3% on the Subscription Amount, at the discretion of the Manager;
Redemption Fee	0%-5% on the redemption amount at the discretion of the Manager;
Regulatory Fee	As per the Directives and Regulations of the CySEC and the Registrar of Companies.

SUPPLEMENT 3

relating to the offer of Units in the

MILEVACO PE1

(hereinafter referred to as the “Investment Compartment”)

an Investment Compartment of **Milevaco Fund AIF V.C.I.C. Plc**

(hereinafter referred to as the “Fund”)

Important Notice: This Supplement should be read in the context of and in conjunction with the latest version of the Offering Memorandum of the Fund. To the extent of any inconsistency between the terms of this Supplement and the Offering Memorandum, this Supplement shall prevail with respect to the Investment Compartment. The Fund has also published a Key Information Document (the “KID”) in respect of the Investment Compartment. If you are in any doubt as to the contents of this Supplement you should consult your advisors. Distribution of this Supplement, which forms part of the Offering Memorandum, is not authorised unless accompanied by a copy of the Offering Memorandum.

PREPARED BY

LLPO LAW FIRM

Name	Milevaco PE1
Administrator	Veracity Trust Co. Ltd Kanari 19, 1080 Nicosia, Cyprus
Investment Objective	The objective of the Investment Compartment is to provide long term capital growth primarily by investing predominantly in carefully selected private equity issued by companies. There is no guarantee that the investment objective of the Investment Compartment will be achieved and investment results may vary substantially over time. There is no guarantee that the investment objective of the Investment Compartment will be achieved and investment results may vary substantially over time.
Investment Policy	The Investment Compartment will seek to achieve its Investment Objective by investing in private equities, venture capital. The Investment Compartment will invest in shares with the intention of acquiring the control of private institutional organizations. The Investment Compartment may invest in equity of companies with any market capitalization and nature of business activities but will generally focus on large cap equity. The Investment Compartment may also invest in convertible equity and non-convertible preferred stock. Equity includes common stock, preferred stock, equity convertible into common stock, or equity or other instruments whose price is linked to the value of common stock. The investment objective is to improve the financial results and prospects of the acquired companies. The Investment's Compartment investments are made across different levels of the capital structure of investee entities. There are no restrictions on the type or form of investments or securities which the Investment Compartment may hold. The Investment Compartment may make its investments in primary or secondary markets and either directly or indirectly through intermediary holding vehicles or collective investment vehicles (including private funds, fund of funds, co-investment funds, income-oriented funds and other funds). In addition to the

investments referred to above, the Investment Compartment may also hold cash and may temporarily invest such cash in cash equivalents, money market instruments, government securities, and other securities, if, in the opinion of the Manager, the prevailing market and economic conditions justifies their undertaking.

In addition to the investments referred to above, the Investment Compartment may also hold cash and may temporarily invest such cash, in cash equivalents, money market instruments, government securities, and other securities, if, in the opinion of the Manager, the prevailing market and economic conditions justifies their undertaking.

The Manager may change the Investment Policy of the Investment Compartment subject to a decision by the Board of Directors. Any changes in the Investment Policy of any Investment Compartment require the prior approval of Cusecs.
In the case of such an event, the Investors will be notified once the change in the Investment Policy becomes effective.

SFDR Categorisation The Investment Compartment does not promote environmental or social characteristics and does not have a sustainable investment objective, therefore is considered as falling within the scope of Article 6 of the SFDR.

Investment Process As provided in the Offering Memorandum;

Investment Restrictions As provided in the Offering Memorandum;

Target Market Worldwide;

Leverage The Investment Compartment is not expected to employ any leverage;

Risk Profile The risks associated with the investment in the Investment Compartment are high and no capital preservation strategies will be implemented;

Special Risk Investors should be aware that risks, including sustainability, may be relevant to the Compartment. Please refer to the section "Risk

	Factors and Investment Considerations" (Chapter 18) for a full description of these risks.
Sustainability Risks Consideration	The Manager has reviewed the relevance of sustainability risks within the investment strategy of this Investment Compartment and determined that sustainability risks are not deemed material or will drive a material negative financial impact on the value of a Fund, for the following reasons: **Investment Focus:** The Investment Compartment targets sectors and industries with inherently lower exposure to sustainability risks, where environmental and social impacts are relatively minimal compared to heavy industries. **Risk Mitigation Practices:** The Manager has implemented risk mitigation practices and due diligence processes to address potential sustainability risks associated with these investments. This includes assessing company policies, regulatory compliance, and resilience to environmental and social disruptions.
Reference Currency	Euro
Target Capital Raising	Euro 10,000,000
Minimum Capital Raising Amount	Euro 500,000
Investors Profile	a. Professional b. Well Informed
Investor Country of Domicile	Worldwide;
Restricted Persons	US;
Initial Offering Period	Upon registration of the compartment;
Initial Subscription Date	Upon registration of the Investment Compartment;

Initial Subscription Price	Euro 1,000;
Minimum Subscription Amount	Euro 125,000;
Minimum Additional Subscription Amount	Euro 1,000;
Cut-Off Date for Subscription	10 Business Days prior to Valuation Day;
Subscription Day	The day following the Valuation Day and/or such other Business Day as the Manager may from time to time determine;
Frequency of Investor Subscriptions	Annually and on any other date the Manager may determine at its own discretion, performing also calculation of NAV;
Minimum Holding Period	5 years; The Minimum Holding Period may be extended by the Manager at its discretion for up to two additional anniversaries with an option to extend for one year and then a year further for a maximum of a total of seven years;
Frequency of NAV Calculation	Annually;
Dividend Policy	At the discretion of the Board of Directors after the proposal by the Manager;
Redemption Day	The day following the Valuation Day and/or such other Business Day as the Manager may from time to time determine;
Cut-Off Date for Redemption	10 Business Days prior to Valuation Day;
Frequency of Investor Redemption	Annually and on any other date the Manager may determine at its own discretion, performing also calculation of NAV;
Management Fee	Annual fee of 1.5% of the NAV with a minimum fee of EUR 25,000;

Performance Fee	20% above 5% Hurdle Rate;
Depositary Fee	0.09% for NAV up to Euro 10M, 0.07% for NAV from Euro 10M to Euro 20M, 0.06% for NAV from Euro 20M to Euro 30M, 0.05% for NAV from Euro 30M to Euro 50M, with a minimum monthly Depositary Fee of EUR600;
Administrator Fee	Annual administration fee of 0.06% of the NAV with a minimum fee of EUR10.000;
Subscription Fee	0-5%
Redemption Fee	0-5%

APPENDIX A - SFDR PRE-CONTRACTUAL DISCLOSURES

This Appendix comprises the pre-contractual disclosures “PCDs” for those Funds classified as Article 8 or Article 9 products pursuant to the SFDR. These PCDs are intended to ensure that all sustainability claims of relevant Funds are supported with information and that this is done in a way that enables investors to compare funds. The form of disclosure is mandated by the European Commission and the Manager is not permitted to amend or deviate from the template.

The following Funds are covered in this Appendix:

Article 9 Fund

- Global Green Energy Fund

The PCDs introduce some new terms to the Offering Memorandum (some are described below) which should be read alongside the sections of the Supplement of each Fund titled “Investment Objectives” and “Investment Policy”.

Pre-Contractual Disclosure for the Financial Products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product Name: Global Green Energy Fund (the “Fund” or “Investment Compartment”)

Legal Entity Identifier: 213800FB1CGLSFR4WW11

Sustainable Investment Objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☒ Yes	☐ No
☒ It will make a minimum of sustainable investments with an environmental objective: 80% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will ake a minimum of sustainable investments with a social objective: ___%	☐ It promotes E/S characteristics, but will not make any sustainable investments

What is the sustainable investment objective of this financial product?

The Fund’s sustainable investment objective is to achieve a positive environmental impact by investing in companies engaged in the green/renewable energy sector and circular economy activities in the European Union and USA, which help to mitigate climate change or to promote circular economy, and that qualify as sustainable investments.

In addition, the Fund aims to invest in companies which contribute to addressing the world’s environmental or social challenges. Apart from the environmental objectives, the Fund targets to providing crucial solutions and services to thousands of households, as well as creating opportunities in the countries of operation of the investee companies.

To achieve the objective, the Fund targets investment in companies identified as contributing to one or more of the environmental themes, which are aligned to the United Nations Sustainable Development Goals (UN SDGs). This is achieved by investing in economic activities that substantially contribute to environmental objectives such as climate change mitigation, sustainable use and protection of water resources, transition to a circular economy, pollution prevention and control, and - protection and restoration of biodiversity and ecosystems, as outlined by the EU Taxonomy. Indirectly, the Fund may also have a meaningful impact to other social themes outlined aligned with the UN SDGs.

An illustration of the Fund's indicative contribution to the UN SDGs areas is illustrated below:

7 AFFORDABLE AND CLEAN ENERGY	Investment in Green/Renewable Energy companies.	8 DECENT WORK AND ECONOMIC GROWTH	Employment and support of local communities in the operations of the investee companies.
11 SUSTAINABLE CITIES AND COMMUNITIES	Contribution to Clean energy provision to over 15,000 households.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Investment in Circular Economy activities/companies.
13 CLIMATE ACTION	Contribution to the reduction of Carbon emissions through investment in Green/Renewable Energy and Circular Economy.	14 LIFE BELOW WATER	Protection of aquatic fauna and its surroundings throughout the operations of investee companies.
15 LIFE ON LAND	1. Investment in companies with Environmental Licenses. 2. Zero projects inside Natura 2000 sites. 3. Implementation of environmental restoration work where it is needed. 4. No damage to the natural environment during the operations of the investee companies.		

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Fund seeks to achieve its investment objective by investing principally in private companies engaged in the green/renewable energy sector and circular economy, whose significant proportion of their activities (as measured by turnover, enterprise value, earning before income and tax, or similar metrics) are related to, but not limited to, renewable energy production and distribution, and to development of technologies or provision of services that promote responsible consumption and circular economy.

The types of companies that may qualify as a Sustainable Investments for inclusion in the portfolio of the Fund in relation to the key themes may include the following:

1. Renewables, Green Energy & Electrification: refers to companies developing clean energy such as wind, solar, or hydro across the full production chain, and enabling electrification across the economy.
2. Circular Economy: refers to companies active in developing technologies to reduce waste and to maximise recycling and reuse of materials, promoting responsible manufacturing and production, optimizing resource use, designing eco-friendly alternatives etc.
3. Impact enablers: Providing crucial solutions and services to impactful companies and people, directly involved in the various themes.

In addition, the analysis of companies for inclusion in the portfolio is based on a large number of proven fundamental factors relevant to the individual target company (such as company growth potential, cash generation, and financial discipline) as well as on impact and sustainability characteristics.

The sustainability indicators used to measure the attainment of sustainable investment objectives are based on the Manager's sustainable investment framework. The framework applies a quantitative assessment of the investee(s) operations and records, based on a set of criteria that analyses the operational and financial performance and other control criteria such as reporting and compliance. The framework then applies a classification process which evaluates each investee.

Sustainability Indicators the Fund uses to measure the attainment of the sustainable objectives include:

a. exposure to companies that derive a significant proportion of revenue, EBIT, enterprise value or similar metrics from economic activities that contribute to environmental or social objectives;
b. exposure to revenues from economic activities that contribute to environmental and/ or social objectives;
c. overall ESG performance;
d. Principle Adverse Impact (PAI) indicators.

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

The Fund considers an investment sustainable if it does no significant harm to any environmental or social objective. For inclusion in the portfolio, the Manager conducts both a quantitative and qualitative sustainability assessment for each investment, which includes identifying where companies may cause significant harm through the products and services they offer, but also through their entire value chain. The Manager investigates the processes, policies, alignment with international conventions and transparency of the investment on relevant ESG risks and known issues in the sector.

The assessment includes:

a. considering all mandatory Principal Adverse Impact (PAI) indicators and other relevant ESG indicators to identify if a company has any sustainability risks or may cause signficant harm [See question "*How have the indicators for adverse impacts on sustainability factors been taken into account?*"];
b. screening for contraventions of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights;
c. identifying, through the use of third party data, any severe controversies and if, at the time of the investment, the investee is taking remedial action to prevent the event occurring in the future.

The ESG risk analysis takes also into account the "do no significant harm criteria" of the EU Taxonomy to prioritise its investigation of the potentially harmful effects of a potential investment.

The Manager may carry out a more detailed assessment of any investee and periodic reviews and risk controls are in place for monitoring.

In cases where the Manager determines that an investee is causing significant harm according to the PAI, it will be removed from the portfolio.

● ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The Fund accounts for adverse impacts on sustainability factors through the application of the Manager's existing policies and principles which, consider the financially material negative impacts of investee companies on the environment, society, and human rights (among other ESG issues) through their activities or behaviour.

The Manager screens all investments against the PAI indicators which are mandatory under the EU Sustainable Finance Disclosure Regulation (“SFDR”), and which are relevant to the investment. The Manager does this using a combination of quantitative and qualitative tests, from data obtained from the investee companies for each PAI indicator. PAI indicators considered for the investee companies are:

1. GHG emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Investments in companies without carbon emission reduction initiatives
8. Activities negatively affecting biodiversity-sensitive areas
9. Emissions to water
10. Water usage and recycling
11. Hazardous waste and radioactive waste ratio
12. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
13. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
14. Unadjusted gender pay gap
15. Board gender diversity
16. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
17. Rate of accidents

The Manager endeavours to acquire data that best corresponds to each specific PAI. In instances where data is absent, the Manager may utilise appropriate proxy indicators obtained from third-party sources to compensate for the current data deficiency for certain PAI indicators. The Manager continuously assesses the utilisation of proxy indicators and will substitute them with PAI data from third-party providers once it deems that adequately reliable data is accessible.

The Manager employs the following methodologies to evaluate whether investments are resulting in substantial adverse effects:

a. When evaluating PAI indicators for which ample and reliable quantitative data is accessible across the investment landscape, the Manager gauges the significance of adverse impacts linked with the investee's activities by comparing the investee's standing relative to the overall investment landscape or its peer group.
b. In cases where quantitative analysis is not feasible due to limited data availability or quality, the Manager conducts a qualitative assessment of significant harm using a blend of internal research and other accessible data. If initial PAI data suggests potential significant harm, the Manager conducts further desktop research to delve deeper into and evaluate negative impacts indicated by third-party or proprietary data. Should the Manager determine that the investee is not causing significant harm based on its analysis, it may proceed with the investment, documenting the rationale behind this decision.

The Manager might determine that an investee is not causing significant harm if:

- The investee has visibly taken concrete measures and initiatives to mitigate potential significant harm, including dedicated remediation efforts, and there are evident signs of meaningful improvement and positive change.

- The Manager has taken steps to engage directly with the investee regarding potential areas of harm, ensuring appropriate remedial actions are pursued. Such investments remain under review. Should the Manager determine that an investee is indeed causing significant harm as per the PAIs, it will be divested from the portfolio.
- The investee has been associated with controversy by news sources and data providers, but the matter remains unresolved, and the investee's role in causing harm is ambiguous. In such instances, the Manager continually monitors the situation to refine its assessment as additional information becomes available.
- There are grounds to suspect that third-party data is inaccurate (e.g., based on estimates or flawed assumptions), and the Manager's research demonstrates that the investee is not causing significant harm.

In cases where the Manager determines that an investee is causing significant harm according to the PAI, it will be removed from the portfolio.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

In adherence to the Manager's policies and principles, the Fund integrates considerations aligned with the themes and values delineated in the OECD Guidelines for Multi-National Enterprises and the UN Guiding Principles. The Manager continuously monitors the practices of investee companies, employing screening techniques to evaluate potential controversies that are deemed significant based on insights gathered from relevant ESG data providers. Specifically, the Manager assesses whether Investees:

- exhibit poor management of environmental risks or contribute substantially to local or global environmental issues;
- display a pattern of utilising forced, compulsory, or child labor;
- engage in a pattern of human rights violations either directly or through their supply chain, or are complicit in such violations.

The portfolio is expected to have no exposure to such investees unless the Manager determines that the investee is implementing strong and appropriate remedial actions. In instances where the screening process identifies potential non-compliance, the Manager conducts further desktop research to confirm the investee's status. If the Manager decides to include an investee in the Fund despite non-compliance findings (for instance, due to past instances of non-compliance that have since been rectified in the Manager's perspective), the rationale for inclusion will be documented.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Regulation requires that this document include these statements. However, for the avoidance of doubt, this Fund does not: (i) take into account the EU criteria for environmentally sustainable economic activities in the EU Taxonomy; or (ii) calculate its portfolio alignment with the EU Taxonomy. As such, the Fund is 0% aligned with the EU Taxonomy. The "do no significant harm" principle applies only to the portion of the Fund's investments that are sustainable investments.

Does this financial product consider principal adverse impacts on sustainability factors?

x Yes

The Fund takes the principal adverse impacts indicators (PAIs) into account for all its sustainable investments using a combination of qualitative and quantitative criteria, as explained in answer to question above. Where possible, the Fund mitigates adverse impacts of its investments on society and the environment that are deemed material to the investment strategy through a combination of portfolio management decisions, active ownership activities, and exclusion of investees associated with controversial conduct or activities.

No

What investment strategy does this financial product follow?

The Fund's strategy can be delineated regarding its overall investment methodology and ESG framework as follows:

- Adopts a research-intensive investment methodology centered on evaluating fundamental, quantitative, and technical factors across nations, industries, and entities.
- Aims for sustainable investment outcomes, supported by a resilient risk management and governance structure.
- Recognises sustainable issuances that foster a sustainable, inclusive economy.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to achieve the sustainable investment objective, the Fund targets investment in companies identified as contributing to one or more of the investment themes, which are aligned to one or more United Nations Sustainable Development Goals (UN SDGs). Investment themes include:

1. Renewables, Green Energy & Electrification: refers to companies developing clean energy such as wind, solar, or hydro across the full production chain, and enabling electrification across the economy.
2. Circular Economy: refers to companies active in developing technologies to reduce waste and to maximise recycling and reuse of materials, promoting responsible manufacturing and production, optimizing resource use, designing eco-friendly alternatives etc.
3. Impact enablers: Providing crucial solutions and services to impactful companies and people, directly involved in the various themes.

The Manager's Investment selection process comprises of three primary considerations:

a. The Fundamentals of the business model: The Manager seeks to understand historic financial metrics and competitive dynamics and, in conjunction with the thematic framework, identify those who are capable of sustaining strong growth over the long-term. Alongside this, the Manager seeks to identify companies which are bringing value to society, rather than drawing from it.

b. ESG Metrics: The Manager considers how well companies manage environmental, social and governance factors (including how companies limit their emissions, how they ensure product safety, how they manage diversity in the workforce and how their board is structured). When looking at the ESG profile of a company, consideration will be given to key quantitative metrics such as corporate transparency, approach to materiality (being those ESG topics that could have meaningful financial consequences), and the effect of products and services on broader society.

c. Product or Services Impact: involves a thematic analysis whereby the Manager will seek to understand the broader benefit or cost of each company. As well as looking at companies which "do no significant harm", the Manager also looks beyond this and, where appropriate, the portfolio will actively target those companies seeking to improve their effect on people and the planet through their products or services.

This approach can be summarised as (i) companies that avoid harm, (ii) companies that provide benefits to all stakeholders, and (iii) companies that contribute to solutions for achieving Sustainable Development. The belief is that following this thematic approach to idea generation and focussing on companies which meet the 'sustainable leader' criteria facilitates the Fund's goal to achieve superior long-term returns.

Where material ESG risks are identified, the Manager works either directly or with the in-house stewardship team, to engage with companies to mitigate those risks and promote good practices. The objective of engagement is to establish tangible goals for effecting positive change within specified timeframes. During engagement with a company, specific targets and timelines are established, tailored to the particulars of each company's engagement.

Where an investee company is not receptive to engagement on material ESG risks, or makes insufficient progress in addressing them over time, it may result in divestment from that company.

In addition to the investments referred above, the Fund may also hold cash and may temporarily invest such cash in cash equivalents, money market instruments, government securities, and other securities, if, in the opinion of the Manager, the prevailing market and economic conditions justifies their undertaking.

Exclusions: The Manager will not invest in companies involved in the following activities: fossil fuels, electricity utilities not aligned with a 2ºC scenario, controversial weapons, conventional weapons, nuclear power, tobacco, gambling, adult entertainment, alcohol, GMO crop production and companies in contravention of the principles of the UN Global Compact.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The Manager will select investments to seek to achieve the following binding criteria:

- The percentage of companies analysed for sustainability characteristics in the Fund will always be between 80%-100%.
- All invested companies will contribute to one or more of the Fund's investable themes (i.e. renewable and clean energy, circular economy).

The Manager will not invest in companies which meet the following criteria (based on information available to the Manager on these companies):

a. Companies that generate over 5% of their revenues from the extraction or exploration of fossil fuels or from the use of fossil Fuels for electricity generation;
b. Electricity utility companies with a carbon intensity that are not aligned with a below 2ºC scenario;
c. Companies that generate revenue from the production of Controversial Weapons and companies that generate over 5% of their revenues from production of conventional weapons;
d. Companies that generate over 5% of their revenues from nuclear power;
e. Companies that generate revenues from the production of tobacco products and companies that receive over 10% of their revenues from tobacco distribution;
f. Companies that generate over 2% of their revenues from gambling products;
g. Companies that generate over 2% of their revenues from adult entertainment products;
h. Companies that generate over 2% of their revenues from the production of alcohol and companies that receive over 5% of their revenues from alcohol distribution; and
i. Companies that generate over 5% of their revenue from GMO crop production.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

As part of the investment strategy, the Manager evaluates underlying investments in companies according to the good governance criteria outlined in the SFDR where relevant data is available and as appropriate given the underlying investment type, using quantitative and qualitative analysis, including insights from its own research. In considering good governance, the Manager screens, among other things, a company's management structures, employee relations, staff remuneration and compliance with applicable laws, regulations and tax rules.

Assessed areas may include:

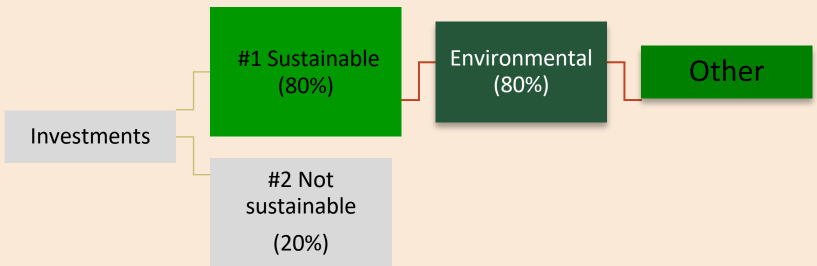
- board composition, including experience, diversity and distribution of roles;
- executive remuneration;
- compliance with laws and regulations;
- anti-corruption measures;
- shareholder rights.

A company is presumed not to be following good governance practices if there have been abuses of power or severe controversies involving the relevant company, which have not been mitigated through subsequent demonstrative actions. All investments are screened to exclude known violators of good governance practices.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation and the minimum share of sustainable investments?

The fund allocates at least 80% of its assets to sustainable investments (#1 Sustainable) and up to 20% to not sustainable investments (#2 Not sustainable). A minimum of 80% of the portfolio will be invested in companies that contribute to the environmental objectives by operating in one or more of environmental investment themes supported by the Fund. Those investments will also evidence good governance practice in accordance with the Manager's policy on good governance and do no significant harm to any other environmental or social objectives within the meaning of the SFDR. A maximum of 20% would not qualify as sustainable investments sustainable, and include the remaining investments in the Fund, and may be held for efficient portfolio management and cash management purposes.



#1 Sustainable covers sustainable investments with environmental.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

Not applicable – the Fund does not use any derivatives to attain its sustainable investment objective.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund invests 80% of assets in sustainable investments and activities eligible for the EU Taxonomy, however, 0% of assets are committed to sustainable investments with an environmental objective aligned with the EU Taxonomy.

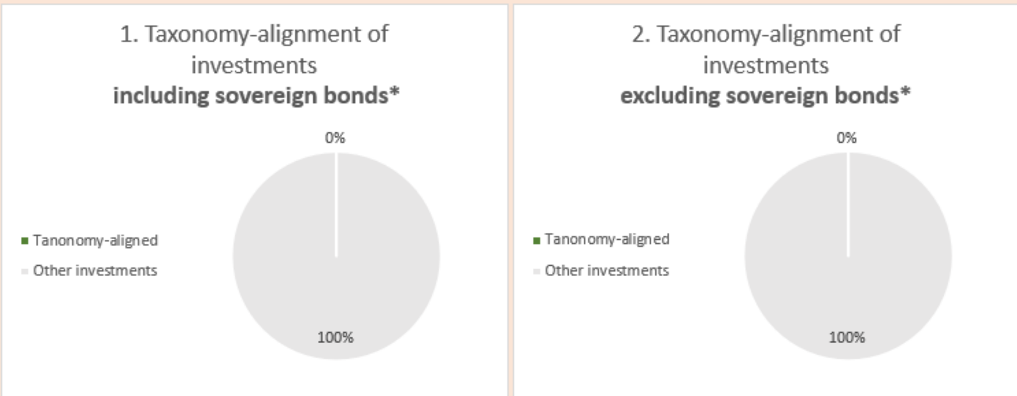
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investmnets of the financial product other than sovereign bonds.



*** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures**

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

Not applicable – Although the Fund commits to invest in sustainable investments within the meaning of the SFDR, there is no commitment to a minimum share of investments in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

As stated above, 80% of the Fund's assets are expected to comprise sustainable investments with an environmental objective that do not consider the criteria for alignment with the EU Taxonomy. Although some of these sustainable investments may be Taxonomy eligible, due to lack of available data regarding the Taxonomy alignment of the underlying assets, the Manager has not been able to confirm whether these investments are in fact Taxonomy aligned and accordingly will not consider them as such in calculations until this data is reported on or otherwise becomes more reliable.

Despite thesealignment challenges, the Fund and its Manager remain firmly committed to sustainability and continuous improvement. They actively explore opportunities to address the identified gaps and enhance alignment with the taxonomy's objectives. These efforts include:

- Collaborating with stakeholders, including regulators, investors, and local communities, to solicit feedback, share best practices, and co-create sustainable solutions;

- Enhancing transparency and disclosure practices to communicate progress, challenges, and mitigation measures related to sustainability performance.
- Integrating sustainability considerations into the decision-making processes, governance structures, and corporate strategy to embed sustainability into the core of the business operations.

What is the minimum share of sustainable investments with a social objective?

As stated above, the Fund will only make sustainable investments which contribute to an environmental objective.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The "#2 Not sustainable" investments held in the Fund include the remaining investments, which do not qualify as sustainable investments and may be held for efficient portfolio management and cash management purposes.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No reference index has been designated for the purpose of attaining the sustainable investment.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

Not applicable

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable

How does the designated index differ from a relevant broad market index?

Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.gmmfunds.com/funds/global-green-energy-fund/