

## **SCOR ILS Fund S.A., SICAV-SIF**

***A société anonyme qualifying as a société d'investissement à capital variable – fonds d'investissement spécialisé***

**Registered pursuant to the Luxembourg law of February 13, 2007 relating to specialized investment funds, as amended or supplemented from time to time.**

## **PLACEMENT MEMORANDUM**

**April 2023**

## IMPORTANT INFORMATION

SCOR ILS Fund S.A., SICAV-SIF (the “**Company**”) is a public limited company (“*société anonyme*” or “S.A.”) incorporated under the laws of the Grand Duchy of Luxembourg as a *société d’investissement à capital variable – fonds d’investissement spécialisé*. The Company is subject to the law of 13 February 2007 relating to specialized investment funds, as amended or supplemented from time to time (the “**2007 Law**”) and is subject to the supervision of the Luxembourg Supervisory Commission of the Financial Sector (“**CSSF**”).

The Company is an authorized alternative investment fund within the meaning of the directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers and amending directives 2003/41/EC and 2009/65/EC and regulations (EC) n°1060/2009 and (EU) n°1095/2010 (the “**Directive 2011/61/EU**”) and of the law of 12 July 2013 on alternative investment fund managers (the “**2013 Law**”).

The Company is offering shares (the “**Shares**”) of one or several separate sub-funds (individually a “**Sub-Fund**” and collectively the “**Sub-Funds**”) on the basis of the information contained in this placement memorandum (the “**Placement Memorandum**”), its appendices (individually an “**Appendix**” and collectively the “**Appendices**”) and in the documents referred to herein, which are deemed to be an integral part of this Placement Memorandum. The specific details of each Sub-Fund are set forth in the relevant Appendix. Any reference to an Appendix pertains to the relevant Sub-Fund.

The Company has appointed SCOR Investment Partners SE (the “**AIFM**”), qualifying as an alternative investment fund manager in compliance with the law of 12 July 2013 on alternative investment fund managers. The AIFM, subject to the overall supervision, approval and direction of the board of directors of the Company (the “**Board**”), provides certain portfolio management, risk and compliance management and valuation services and such other support as agreed from time to time between the Company and the AIFM, subject to the investment policies and objectives set out in the sales documents of the Company.

No person is authorized to give any information or to make any representations concerning the Company other than as contained in this Placement Memorandum, the Appendices and in the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Placement Memorandum shall be solely at the risk of the investor.

The Company is established for an unlimited duration. However, the Board may establish Sub-Funds for a limited duration, which shall be specified in the relevant Appendix.

The distribution of this Placement Memorandum is not authorized unless it is accompanied by the most recent annual and semi-annual reports (if any) of the Company. Such report or reports are deemed to be an integral part of this Placement Memorandum.

Shares of the Company may be issued in one or several separate Sub-Funds of the Company. For each Sub-Fund, a separate portfolio of investments and assets will be maintained and invested in accordance with the investment objective and policy applicable to the relevant Sub-Fund, as described in the relevant Appendix. As a result, the Company is an “umbrella fund”, reserved to institutional investors, professional investors and well-informed investors within the meaning of the 2007 Law, enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds.

**FOR THE INVESTORS IN THE EU AND/OR IN THE EEA THIS PRODUCT IS RESERVED FOR PROFESSIONAL INVESTORS WITHIN THE MEANING OF MIFID II. A PROFESSIONAL INVESTOR IS AN INVESTOR WHO POSSESSES THE EXPERIENCE, KNOWLEDGE AND EXPERTISE TO MAKE ITS OWN INVESTMENT DECISIONS AND PROPERLY ASSESS THE RISKS THAT IT INCURS AND MEETS THE CRITERIA LAID DOWN IN ANNEX II OF MIFID II, (E.G. CREDIT INSTITUTIONS; INVESTMENT FIRMS; OTHER AUTHORISED OR REGULATED**

**FINANCIAL INSTITUTIONS; INSURANCE COMPANIES; COLLECTIVE INVESTMENT SCHEMES AND MANAGEMENT COMPANIES OF SUCH SCHEMES; PENSION FUNDS AND MANAGEMENT COMPANIES OF SUCH FUNDS; COMMODITY AND COMMODITY DERIVATIVES DEALERS; LOCALS OR OTHER INSTITUTIONAL INVESTORS). IF YOU ARE AN INVESTOR IN THE EUROPEAN UNION AND/OR IN THE EEA AND YOU DO NOT QUALIFY AS PROFESSIONAL INVESTOR WITHIN THE MEANING OF MIFID II, AN INVESTMENT INTO THIS PRODUCT IS NOT AUTHORISED.**

**The Company is one single legal entity. However, with regard to third parties, in particular the Company's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it. The Company shall maintain for each Sub-Fund a separate portfolio of assets. As between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.**

Furthermore, in accordance with the articles of incorporation of the Company (the “**Articles**”), the Company shall in principle issue different classes of Shares (individually a “**Class**” and collectively the “**Classes**”) in each Sub-Fund, subject to the terms and conditions of the Sub-Fund as set forth in the relevant Appendix.

Shares of the different Classes, if any, within the different Sub-Funds may be issued at prices computed on the basis of the Net Asset Value (the “**Net Asset Value**” or “**NAV**”) per Share within the relevant Sub-Fund, as defined in the Articles and described in the relevant Appendix.

The Board may, at any time, create additional Classes of Shares whose features may differ from those of the Classes then existing and additional Sub-Funds whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds or Classes, this Placement Memorandum and its Appendices will be updated or supplemented accordingly.

#### **Restrictions of ownership of Shares**

The issue, holding and sale of Shares are restricted to institutional investors, professional investors and well-informed investors within the meaning of article 2 of the 2007 Law.

Qualification of being regarded as an institutional or professional investor within the meaning of the 2007 Law is to each investor who is:

- a credit institution,
- other Professionals of the Financial Sector (“**PSF**”),
- an insurance or reinsurance company,
- a social security organisation,
- a pension fund,
- an industrial and financial group,
- any investor investing through a credit institution or other PSF with which they are in a discretionary management relationship (provided that such investor is not entitled to any direct claim against the fund),
- an undertaking for collective investment (“**UCI**”),
- a local authority investing its own funds,
- a holding company or similar entity whose partners are institutional investors.

Investors who qualify neither as institutional investors nor as professional investors within the meaning of the 2007 Law are only authorized to commit to subscribe for Shares of the Company provided they comply with the requirements set forth under article 2 of the 2007 Law, i.e.:

1. adhering in writing to the status of Well-Informed Investors and

2. either
  - a. investing as a minimum the equivalent of EUR 125,000 in the Company or
  - b. benefiting from a certificate delivered by a credit institution within the meaning of Directive 2006/48/EC, or by an investment firm within the meaning of directive 2004/39/EC, or by a management company within the meaning of Directive 2001/107/EC stating that they are experienced enough to appreciate in an adequate manner an investment in a specialized investment fund.

**Distribution of this Placement Memorandum and the offering of the Shares may be restricted in certain jurisdictions. This Placement Memorandum does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Placement Memorandum and of any person wishing to subscribe or commit to subscribe for Shares to inform themselves of and to observe all applicable laws and regulations of relevant jurisdictions. In particular, the Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (nor has the Company been registered under the United States Investment Company Act of 1940, as amended) and may not be offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to citizens or residents thereof (hereinafter “U.S. Persons” as further described under Section 12 “Restriction of the Ownership of Shares”) other than in accordance with the laws of the United States.**

When marketing Shares in any territory of the European Economic Area (“EEA”) (other than Luxembourg) to Professional Investors that are domiciled or have a registered office in the EEA, the AIFM intends to utilize marketing passports made available under the provisions of the AIFMD (“**Directive 2011/61/EU**”). Shares in a Sub-Fund may only be marketed pursuant to such passports to Professional Investors in those territories of the EEA in respect of which a passport has been obtained.

The Articles give powers to the Board to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Company are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which, in the sole opinion of the Board, might result in the Company incurring any liability or taxation or suffering any other disadvantage which the Company may not otherwise have incurred or suffered. The Board, at its sole discretion and on a discretionary basis, may prohibit the acquisition of Shares by, or the transfer of Shares to, any such persons, or compulsorily redeem all Shares held by any such persons.

The Company does not allow any practices associated to market timing (as defined in the CSSF circular 04/146 as an arbitrage method through which an investor systematically subscribes, redeems or converts units or shares of the same undertaking for collective investment 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 of the undertaking for collective investment). The Company hereby expressly maintains its rights to reject orders for subscription and conversion of an investor suspected by the Company to employ such practices and may take, if needed, all the necessary measures in order to protect the other investors of the Company against such practices.

The value of the Shares may fall as well as rise, and investors may not get back the amount initially invested. Income from the Shares will fluctuate monetarily, and changes in rates of exchange will, among other things, cause the value of Shares to go up or down. The levels and bases of, and reliefs from, taxation may change.

Investors should inform themselves and should take appropriate advice as to possible legal requirements, tax consequences, foreign exchange restrictions, investment requirements or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding or disposal of the Shares of the Company.

All references in this Placement Memorandum to Euro or EUR are to the legal currency of the Grand Duchy of Luxembourg and the countries participating in the European Monetary Union. All references in this Placement Memorandum to U.S. Dollars or USD are to the legal currency of the United States of America. All references in this Placement Memorandum to CHF are to the legal currency of the Swiss Confederation. All references in this Placement Memorandum to GBP are to the legal currency of the United Kingdom. All references in this Placement Memorandum to JPY are to the legal currency of Japan.

#### **Forward-looking statements**

Any forward-looking statements contained in this Placement Memorandum, the Appendices and the documents referred to herein should not be held as corresponding to current expectations or forecasts of future events. Information in these issuing documents may include forward-looking statements, including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions and include any statement which does not directly relate to a historical fact or current fact. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitations, "will", "should", "would" and "could." Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties and other factors, which may cause actual results, on the one hand, to differ from any results expressed or implied by the issuing documents, on the other hand.

**MANAGEMENT AND ADMINISTRATION**

**Registered Office**

60, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand-Duchy of Luxembourg

**Board of Directors**

Chairman of the Board of Directors

Mr. Benoît Andrianne

Members of the Board of Directors

Mr. Louis Bourrousse  
Mr. Eric Talleux  
Mrs. Olivia Tournier-Demal

**Alternative Investment Fund Manager**

SCOR Investment Partners SE  
5, avenue Kléber  
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France

**Depository**

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L-1855 Luxembourg  
Grand-Duchy of Luxembourg

**Administration Agent**

BNP Paribas, Luxembourg Branch  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand-Duchy of Luxembourg

**Legal Advisors as to Luxembourg Law**

White & Case S.à r.l  
14, rue Eugène Ruppert  
L-2453 Luxembourg  
Grand-Duchy of Luxembourg

**Auditor**

PricewaterhouseCoopers  
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L – 2182 Luxembourg  
Grand-Duchy of Luxembourg

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## PART I - GENERAL INFORMATION IN RELATION TO THE COMPANY

### 1. DEFINITIONS

The following definitions shall apply throughout this Placement Memorandum unless the context otherwise requires:

<b>2007 Law</b>	The Luxembourg law dated 13 February 2007 governing specialized investment funds, as amended or supplemented from time to time.
<b>2010 Law</b>	The Luxembourg law dated 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.
<b>2013 Law</b>	The Luxembourg law dated 12 July 2013 relating to alternative investment fund managers, as amended or supplemented from time to time.
<b>A Shares</b>	A special Class of Shares issued by the Company reserved to the founding Shareholders and granting specific rights and powers to the holders thereof as further specified herein.
<b>Administration Agent</b>	BNP Paribas, Luxembourg Branch or such other replacement administrative agent appointed by the Company from time to time.
<b>Advisors</b>	Certain third-party advisors (including entities within the SCOR Group) appointed from time to time by the Company to provide advisory services to the Company.
<b>Affiliate(s)</b>	With respect to any person, (a) any other person that is directly or indirectly controlled by, under common control with or controlling such person; (b) any other person (i) owning beneficially or controlling twenty five percent (25%) or more of the equity interest in such person, or (ii) in which such person beneficially owns or controls twenty five percent (25%) or more of the equity interest. As used herein, the term “control” means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership or control of company interests or voting securities, by contract or otherwise.
<b>AIFM</b>	SCOR Investment Partners SE, with registered office at 5, avenue Kléber, 75016 Paris, France, that has been appointed by the Board of Directors in order to act as external alternative investment fund manager of the Company within the meaning of Directive 2011/61/EU, in compliance with the AIFM Laws.
<b>AIFM Laws</b>	The 2013 Law to the extent applicable as well as the law transposing Directive 2011/61/EU in France.
<b>Appendix</b>	An appendix of the Placement Memorandum specifying the terms and conditions of a specific Sub-Fund.
<b>Articles</b>	The articles of incorporation of the Company.
<b>Board</b>	The board of directors of the Company.
<b>Business Day</b>	A full bank business day in Luxembourg, unless otherwise stated.

<b>Calculation Day</b>	As the case may be with respect to a Sub-Fund, the day on which the Net Asset Value of that particular Sub-Fund is calculated and validated, as further described in the applicable Appendix.
<b>CHF</b>	The legal currency of the Swiss Confederation.
<b>Class</b>	Any Class of Shares issued by any Sub-Fund of the Company.
<b>Company</b>	SCOR ILS Fund S.A., SICAV-SIF, a <i>société anonyme</i> incorporated as a <i>société d'investissement à capital variable – fonds d'investissement spécialisé</i> and governed by the 2007 Law.
<b>Correspondent</b>	Any correspondent, agent or delegate appointed by the Depositary to hold the assets of the Company.
<b>CSSF</b>	The <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg Supervisory Commission of the Financial Sector.
<b>Cut-Off Time</b>	As the case may be with respect to some Sub-Funds, the cut-off time as further described in the applicable Appendix.
<b>Dealing Day</b>	The first Business Day after a Valuation Day on which Shares may be issued, converted and redeemed.
<b>Directive 2011/61/EU</b>	means the directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers and amending directives 2003/41/EC and 2009/65/EC and regulations (EC) n°1060/2009 and (EU) n°1095/2010.
<b>Depositary</b>	BNP Paribas, Luxembourg Branch or such other replacement depositary from time to time appointed by the Company.
<b>Domiciliation Agent</b>	BNP Paribas, Luxembourg Branch or such other replacement domiciliation agent appointed by the Company from time to time.
<b>Early Redemption Fee</b>	As the case may be with respect to some Sub-Funds, the early redemption fee, as determined by the Board in its sole and absolute discretion.
<b>Early Redemption Price</b>	As the case may be with respect to some Sub-Funds, the redemption price in relation to an early redemption computed as specified in the relevant Appendix.
<b>EEA</b>	The European Economic Area.
<b>Eligible Investor</b>	Any investor (i) situated in the EU or EEA qualifying as eligible investor within the meaning of article 2 of the 2007 Law and also as Professional Investor or (ii) situated outside the EU or EEA qualifying as eligible investor within the meaning of article 2 of the 2007 Law.
<b>EU</b>	The European Union.
<b>Euro or EUR</b>	The legal currency of the participating member states of the European Union EU.
<b>Financial Year</b>	A financial period of the Company commencing on 1 <sup>st</sup> January and ending on 31 <sup>st</sup> December of each year, with the exception of the first year, which commenced on the date of incorporation and ended 31 December 2011.

<b>GBP</b>	The legal currency of the United Kingdom.
<b>ILS</b>	Insurance-Linked Securities in a variety of structural forms and potentially across several lines of business (e.g., natural catastrophe, life, mortality, longevity, surety, aviation, satellite, fire, casualty, etc.), as determined pursuant to the section “General Risk Factors and Potential Conflicts of Interest; Potential Conflicts of Interest”.
<b>Initial Offering Period</b>	First period during which investors will be offered to subscribe for Shares of a particular Sub-Fund, as specified in the relevant Appendix.
<b>Institutional Investor</b>	Investor which qualifies as an institutional investor within the meaning of the 2007 Law.
<b>Investors</b>	Eligible Investors which have subscribed or committed to subscribe for Investors Shares of the Company.
<b>Investor Shares</b>	Shares issued by the Company to Investors with respect to any Sub-Fund and which may be of different Classes and entitled to specific distribution or liquidity rights, as outlined in the relevant Appendix.
<b>JPY</b>	The legal currency of Japan.
<b>Management Fee</b>	As the case may be with respect to some Sub-Funds, the management fee applicable to certain Classes of Shares as further described in the applicable Appendix.
<b>Mémorial</b>	The <i>Mémorial, Recueil des Sociétés et Associations</i> , the official journal of Luxembourg.
<b>MIFID II</b>	The Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.
<b>Net Asset Value or NAV</b>	The Net Asset Value of the Company, each Class and each Share as determined pursuant to the section “Determination of the Net Asset Value”.
<b>Placement Memorandum</b>	This placement memorandum and Appendices, as amended from time to time.
<b>Professional Investor</b>	An investor who qualifies as professional investor under Annex II of Directive 2014/65/EU on markets in financial instruments (so called MiFID II) as amended or supplemented from time to time or may, on request, be treated as such.
<b>PSF</b>	Professional of the Financial Sector.
<b>Redemption Day</b>	As the case may be with respect to some Sub-Funds, the redemption day as further described in the applicable Appendix.
<b>Redemption Price</b>	The price at which the Shares shall be redeemed as determined pursuant to the section “Restriction on ownership of Shares”.
<b>Redemption Notice</b>	The notice send by the Board to the relevant Shareholder possessing the Shares to be redeemed as determined pursuant to the section “Restriction on ownership of Shares”.

<b>Redemption Request</b>	As the case may be with respect to some Sub-Funds, the redemption request sent by an Investor for the purpose of requesting the redemption of all or part of its Shares in a Sub-Fund.
<b>Reference Currency</b>	U.S. Dollars (USD) for the Company; the currency in which each Sub-Fund or Class is denominated, as further specified in the relevant Appendix.
<b>Registrar and Transfer Agent</b>	BNP Paribas, Luxembourg Branch or any other replacement agent selected from time to time by the Company to perform all registrar and transfer agency duties required by Luxembourg law.
<b>Regulated Market</b>	A market functioning regularly, which is regulated, recognized and open to the public, as defined in Directive 2004/39/EC on markets in financial instruments as amended.
<b>SCOR</b>	SCOR SE and its affiliated entities, a multinational group focusing on the reinsurance business whose headquarter is SCOR, 5, avenue Kléber, F-75795 Paris Cedex 16, (France).
<b>SCOR Group</b>	All entities affiliates to SCOR focusing on the reinsurance business whose headquarter is SCOR, 5, avenue Kléber, F-75795 Paris Cedex 16, (France).
<b>SEK</b>	The legal currency of the Kingdom of Sweden.
<b>Share or Shares</b>	Shares issued in any Sub-Funds and/or Classes pursuant to this Placement Memorandum.
<b>Shareholder</b>	A holder of a Share of a Sub-Fund of the Company.
<b>Special Investment</b>	Certain asset(s) or securities(y) of a Sub-Fund, or potential asset(s) or securities(y) of a Sub-Fund, which either lack a readily assessable market value or should be held until the resolution of a special event or circumstance as determined by the Board.
<b>Sub-Class</b>	Any sub-class of a Class of Shares issued by any Sub-Fund of the Company.
<b>Sub-Fund or Sub-Funds</b>	Any sub-fund of the Company established by the Board in accordance with this Placement Memorandum and the Articles.
<b>Sustainability Factors</b>	Means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.
<b>Sustainability Risk</b>	Means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by a Sub-Fund.
<b>Tracking Shares</b>	One or several Class(es) of Shares issued at any time, in one or several Sub-Fund(s), at the sole discretion of the Board, and corresponding to a specific pool of investments and tracking the performance thereof.
<b>UCI</b>	Undertakings for collective investment.
<b>UCITS</b>	Undertakings for collective investment in transferable securities pursuant to Part I of the 2010 Law.
<b>U.S. Dollars or USD</b>	The legal currency of the United States of America.

<b>Valuation Day</b>	Any day which is designated by the Board as being a day by reference to which the assets of the relevant Sub-Funds shall be valued in accordance with the Articles, as further described in the relevant Appendix.
<b>VAT</b>	<p>(a) value added tax as provided for in the Value Added Tax Act 1994 or any tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to the Grand Duchy of Luxembourg, value added tax imposed under the law of 12 February 1979 relating to value added tax, as amended, implementing in Luxembourg the Council Directive 2006/112/EC on the common system of value added tax, as amended); and/or</p> <p>(b) any other tax of a similar nature; whether imposed in a Member State of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (c) above or elsewhere.</p>
<b>Well-Informed Investor</b>	An investor who (i) adheres in writing to the status of a well-informed investor and (ii) either invests a minimum of one hundred twenty-five thousand Euros (EUR 125,000.-) in the Company or benefits from a certificate delivered by a credit institution, another professional of the financial sector within the meaning of Directive 2004/39/EC on markets in financial instruments or a management company within the meaning of Directive 2009/65/EC stating that he is experienced enough to adequately appreciate an investment in a specialized investment fund.

## 2. STRUCTURE OF THE COMPANY

### 2.1. General Information

The Company was incorporated under the name of SCOR ILS Fund S.A., SICAV-SIF, on 13 July 2011, as a public limited company ("*société anonyme*" or "S.A.") qualifying as a *société d'investissement à capital variable - fonds d'investissement spécialisé*, under the 2007 Law. The Company qualifies as an externally managed alternative investment fund under the Directive 2011/61/EU and the 2013 Law.

The Articles have been published in the *Mémorial* on 8 August 2011. The Company is registered with the *Registre de Commerce et des Sociétés*, Luxembourg under number B162452.

The Company is an umbrella fund, and as such, provides investors with the choice of investment in one or more separate Sub-Funds, each of which relates to a separate portfolio of assets permitted by law with specific investment objectives, as described in the relevant Appendix.

The Company is an open-ended collective investment scheme (*i.e.*, Shares may be redeemed at the request of the Shareholders) with variable capital. Shareholders should check any limitations or restrictions that may apply to their right to redeem their Shares, as set out in the relevant Appendix.

The Company has an unlimited duration.

The capital of the Company is represented by Shares of different Classes within each Sub-Fund.

Each Share grants the right to one vote at every general meeting of Shareholders.

Within each Sub-Fund, as further described in the relevant Appendix, Shares of any Class may, as the Board shall determine, be of one or more different series differentiated by their respective issue

date. However, in order to cope with potential operational constraints (and especially the limitation of the number of series), several series may be rolled-up into one series.

The capital of the Company shall at all times be equal to the total Net Asset Value of the Company.

The Company was incorporated with a subscribed share capital of forty-five thousand U.S. Dollars (USD 45,000.-) divided into forty five (45) Shares of no nominal value with an initial par value of one thousand U.S. Dollars (USD 1,000.-) each. Upon incorporation, each Share was fully paid-up.

The minimum subscribed capital of the Company, as prescribed by law, is the U.S. Dollar equivalent of one million two hundred fifty thousand Euros (EUR 1,250,000.-). This minimum must be reached within a period of 12 months following the authorization of the Company as a SICAV-SIF under the 2007 Law.

## 2.2. Investment Choice

For the time being, the Company offers Shares in those Sub-Funds as further described individually in the relevant Appendix.

Upon the creation of new Sub-Funds, this Placement Memorandum shall be updated accordingly.

## 2.3. Share Classes

All Sub-Funds may offer more than one Class of Shares. Each Class of Shares within a Sub-Fund may have different features or rights or may be offered to different types of Eligible Investors to comply with various countries' legislation and will participate solely in the assets of that Sub-Fund.

Details in relation to the different Classes of Shares, as well as the rights and issuance in relation thereto, are set out for each Sub-Fund in the relevant Appendix.

In addition, the Board may, at any time, in relation to one or several Sub-Funds decide to issue one or several Classes of Shares corresponding to a specific pool of investments and tracking the performance thereof (the "**Tracking Shares**"). Such Tracking Shares will usually be created in relation to assets already in the portfolio of the relevant Sub-Fund. With respect to Shareholders' relationships, each pool is invested for the exclusive benefit of the relevant Class and liabilities pertaining to each pool shall be, insofar as possible, satisfied out of the relevant pool.

Tracking Shares may be issued, for example, if the Board determines that certain assets or securities of a Sub-Fund, or potential assets or securities of a Sub-Fund, either lack a readily assessable market value or should be held until the resolution of a special event or circumstance (each, a "**Special Investment**"). For the avoidance of doubt, a Special Investment may represent one or several assets or securities.

With respect to those existing assets or securities of a Sub-Fund that are determined by the Board to be Special Investments, such assets or securities will be attributed at the discretion of the Board, from the relevant existing Class of Shares to the newly created Tracking Shares. Shareholders of the relevant existing Class of Shares will be converted into the relevant new Tracking Shares *pro rata* to their exposure to the Special Investment through their holding in such existing Class of Shares. The Board shall determine the number and aggregate value of such Special Investments in accordance with the valuation rules and guidelines reflected herein, as further specified by the Board depending on the specificities of the underlying assets.

Tracking Shares relating to a Special Investment are allocated only to those Shareholders that are Shareholders at the time the Special Investment represented by such Tracking Shares is made or designated. Classes of Tracking Shares so issued may, be divided, as determined by the Board and as further described in the relevant Appendix, into series enabling to keep track from an operating



standpoint of the Class and the series of Shares from which any specific Tracking Share originates. As a result, subsequently admitted Shareholders will not participate in a previously designated Special Investment. Investment expenses relating specifically to a Special Investment will be charged only against the Tracking Shares relating to such Special Investment.

Each Special Investment will be represented by a Class of Tracking Shares until its disposal in full. Alternatively, the Board may however also determine, in its discretion, that such investments need no longer to be deemed to be a Special Investment.

Upon a disposal or deemed disposal of a Special Investment, the relevant Sub-Fund will either (i) compulsorily redeem all or part of the Tracking Shares related to such investment(s), or (ii) decide the compulsory conversion of all or part of the Tracking Shares into their respective Class of Investor Shares.

Unless otherwise decided by the Board, Tracking Shares will in principle be closed to applications for subscriptions, conversions and redemptions.

Further information regarding the characteristics of each new Class of Tracking Shares corresponding to a specific pool of investments will be provided in the audited financial report of the Company.

## **2.4. Minimum Investment and Holding**

The minimum initial and subsequent investments, as well as the minimum holding requirements, if any, are set out for each Sub-Fund in the relevant Appendix.

## **3. INVESTMENT OBJECTIVES AND STRATEGY, AND RESTRICTIONS**

### **3.1. Investment Objectives and Strategy**

The Company (through its various Sub-Funds) intends to provide Shareholders with access to a managed portfolio of (re)insurance risks that offers positive expected risk-adjusted returns with limited correlation to other asset classes. The Company will typically invest in insurance-linked securities or instruments (the “**Insurance-Linked Securities**” or “**ILS**”) in a variety of structural forms and potentially across several lines of business (e.g., natural catastrophe, life, mortality, longevity, surety, aviation, satellite, fire, casualty, etc.). See *Section 6 – General Risk Factors and Potential Conflicts of Interest; Potential Conflicts of Interest*.

#### **Adverse impacts of investment decisions on Sustainability Factors**

As of the date of this Placement Memorandum, the AIFM does not consider the adverse impacts of its investment decisions on Sustainability Factors considering the important lack of clarity on the final regulatory requirements that are still discussed at European level.

**The Company’s investment programs are speculative and entail substantial risks. There can be no assurance that the investment objectives of the Company will be achieved. The AIFM’s risk management approach seeks to isolate and mitigate, not eliminate, risks, and there may be certain risks that the AIFM determines should not be or cannot be hedged against. Accordingly, the AIFM’s activities could result in substantial losses for the Company and any Sub-Fund under certain circumstances.**

### **3.2. Borrowing Policy and leverage**

The Company, with respect to each Sub-Fund, may incur indebtedness whether secured or unsecured, as further described in the relevant Appendix.

The Company's exposure is calculated by the AIFM in accordance with two cumulative methods: the "gross method" and the "commitment method". The gross method gives the overall exposure of the Company whereas the commitment method gives insight in the hedging and netting techniques used by the AIFM.

The leverage effect is determined by the Directive 2011/61/EU as being any method by which the AIFM increases the exposure of the Company whether through borrowing of cash or securities, leverage embedded in derivative positions or by any other means. The leverage creates risks for the Company.

The leverage is controlled on a frequent basis and shall not exceed such thresholds as further described in the Sub-Funds Appendices, using both the "gross method" and the "commitment method". The gross method gives the overall exposure of the Sub-Fund whereas the commitment method gives insight in the hedging and netting techniques used by the AIFM.

### **3.3. Investment Restrictions**

In compliance with the provisions of the 2007 Law, the investment strategy of each Sub-Fund will be based on the principle of risk diversification as further described in the relevant Appendix.

### **3.4. Financial Techniques and Instruments**

The Company is authorised to make use of derivative financial instruments and the techniques referred to hereafter in accordance with the specifications set out for each Sub-Fund in the relevant Appendix.

The derivative financial instruments may include, among others, options, forward contracts on financial instruments and options on such contracts as well as swaption and swap contracts by private agreement on any type of financial instruments. In addition, the Company may participate in securities lending and borrowing transactions as well as sale with right of repurchase transactions and repurchase transactions. The derivative financial instruments must be dealt on an organised market or contracted by private agreement with first class institutions specialised in this type of transaction.

As of the date of this Placement Memorandum, the Company does not intend to use efficient portfolio management techniques (those techniques including the securities lending and borrowing as well as repurchase agreement transactions described herein) or to enter into securities financing transactions (which includes repurchase transactions, securities or commodities lending and securities or commodities borrowings, buy-sell back transactions or sell-buy back transactions, margin lending transactions and total return swaps).

#### **Securities lending and borrowing**

The Company may enter into securities lending transactions provided that they comply with the following rules:

- (i) The Company may only lend or borrow securities either directly or through a standardised system organised by a recognised clearing institution or a lending system organised by a financial institution subject to prudential supervision rules considered as equivalent to those prescribed by European law and specialised in this type of transaction.
- (ii) The Company shall ensure for each Sub-Fund concerned that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of

the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of its assets in accordance with the investment policy of the relevant Sub-Fund.

- (iii) As part of lending transactions, the Company must in principle receive a guarantee, the value of which at the conclusion of the contract must be at least equal to the total valuation of the securities lent.

This guarantee, blocked in the name of the Company until the expiry of the loan contract, must be given in the form of

- liquid assets such as cash, short term bank certificates, and money market instruments such as defined within the 2007/16/EC Directive of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions; and/or
- securities issued or guaranteed by a Member State of the OECD or by their local authorities or by supranational institutions and undertakings of a European community, regional or world-wide nature and blocked in the name of the Company until the expiry of the loan contract; and/or
- transferable securities and money market instruments that are the object of the highest rating attributed by a first class rating agency (i) quoted or negotiated on a Regulated Market or (ii) negotiated on any other market of a Member State of the European Union ("Member State"), that is regulated, functioning regularly, recognized and open to the public and that are blocked for the benefit of the relevant Sub-Fund until the expiry date of the loan contract(s); and/or
- a guarantee of a highly rated financial institution in favour of the Company until the expiry date of the loan contract; and/or
- shares or units issued by money market UCIs calculating a daily Net Asset Value and being assigned a rating of AAA or its equivalent, shares or units issued by UCITS investing mainly in bonds/shares offering daily liquidity.

Such a guarantee shall not be required if the securities lending is made through recognized clearing institutions or through any other organization assuring to the lender a reimbursement of the value of the securities lent by way of a guarantee or otherwise. The guarantee given in the form of cash must not be safekept by the counterparty, except if it is legally protected from consequences of default of the latter. The guarantee must be available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution, in such a manner that the relevant Sub-Fund is able to appropriate or realise the assets given as guarantee, without delay, if the counterparty does not comply with its obligation to return the securities.

- (iv) The agreement concluded between the relevant Sub-Fund and the counterparty must include provisions to the effect that the counterparty must provide additional guarantees at very short term in case the value of the guarantee already granted appears to be insufficient in comparison with the amount to be covered. Furthermore, the agreement must, if appropriate, provide for safety margins that take into consideration exchange risks or market risks inherent to the assets accepted as guarantee.
- (v) The securities borrowed by the Company may not be disposed of during the time they are held by the Company, unless they are covered by sufficient financial instruments which enable the Company to reinstate the borrowed securities at the close of the transaction.
- (vi) The Company may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period when the securities have been sent out for re-registration; (b) when the securities have been lent and not returned in time; (c) to avoid a failed settlement when the custodian fails to make delivery and (d) in order to comply with an obligation to deliver the securities that are the object of repurchase agreements when the

counterparty exercises his right to redeem the securities, to the extent that these securities have previously been redeemed by the Company.

(vii) Each Sub-Fund may reinvest the guarantee in the form of cash subject to the following conditions:

a) The reinvestments may only be made in:

- (i) shares or units in money market UCIs calculating a daily Net Asset Value and being assigned a rating of AAA or its equivalent,
- (ii) short-term bank deposits,
- (iii) money market instruments as defined in Directive 2007/16/EC of 19 March 2007,
- (iv) short-term bonds issued or guaranteed by a Member State of the European Union, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope,
- (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity, and
- (vi) reverse repurchase agreement transactions.

b) The financial assets other than bank deposits and units or shares of UCIs acquired by means of reinvestment of cash received as a guarantee, must be issued by an entity not affiliated to the counterparty. Furthermore, financial assets other than bank deposits must not be safekept by the counterparty, except if they are segregated in an appropriate manner from the latter's own assets. Bank deposits must in principle not be safekept by the counterparty, unless they are legally protected from consequences of default of the latter. The financial assets may not be pledged / given as a guarantee, except when the Sub-Fund has sufficient liquid assets enabling it to return the guarantee by a cash payment.

### **Repurchase agreement transactions**

The Company, with respect to any Sub-Fund, may enter into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the purchaser the securities sold at a price and term specified by the two parties in a contractual arrangement.

The Company, with respect to any Sub-Fund, can act either as purchaser or seller in repurchase agreement transactions. Its involvement in such transactions is, however, subject to the following rules:

The Company may not buy or sell securities using a repurchase agreement transaction unless the counterparty in such transactions is a financial institution subject to prudential supervision rules considered as equivalent to those prescribed by European law and specialised in this type of transaction.

For the duration of the repurchase agreement contract, the Company cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired.

Where the Company is exposed to redemptions of its own Shares, it must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.

### **Collateral and Re-Use Policies**

The Company intends to receive bonds and other forms of securitized debts as collateral and does not intend to re-use the collateral received.

#### 4. SPONSOR COMMITMENT

SCOR as sponsor has undertaken to invest significantly in the Sub-Fund(s) of the Company.

As of the date of issue of this Placement Memorandum, SCOR has initially committed to subscribe for Shares of the Sub-Fund(s) for an amount representing at least twenty percent (20%) of the total aggregate Net Asset Value of the Shares owned by all Shareholders in the Sub-Fund(s) provided, however, that SCOR's investment in the Sub-Fund(s) is not required to exceed one hundred million U.S. Dollars (USD 100,000,000.-).

#### 5. COMPANY VALUE PROPOSITION AND RESOURCES

##### 5.1. Company Value Proposition

Certain skills are required to manage a portfolio of (re)insurance risks in addition to those required of other management companies, including:

**Market access** – The successful management of a portfolio of (re)insurance risks requires access to opportunities in each of the aforementioned securities (i.e., collateralized reinsurance contracts, catastrophe bonds, sidecar debt and equity offerings, ILWs, insurance swaps). Such access enables a management company to fully diversify the portfolio, both geographically and in terms of its risk profile. Additionally, the management company's ability to sustain such broad access provides it with the necessary tools to maximize the investment returns for a particular risk. Further, due to considerable pricing disparities from one transaction to another in the private reinsurance market, the necessity for greater market access is intensified. The Company's relationship with the SCOR Group and its affiliates provides it with market access not commonly obtainable by ILS funds (e.g., catastrophe bond funds). The SCOR Group and its affiliates have strategic relationships with leading reinsurance brokers and clients. These relationships, combined with the Company's market flexibility, enhance the Company's market access.

**Risk selection** – The AIFM employs a diligent and rigorous approach to underwriting and transaction analysis, thereby seeking to provide itself with enhanced risk selection. Additionally, the AIFM's analytical approach to risk modelling should further improve its risk selection. By consistently following established principles regarding risk/reward balancing on a portfolio-wide basis, the AIFM expects to be better able to manage its investments on an aggregate basis. Moreover, despite the private, opaque nature of the reinsurance market, the AIFM believes that its enhanced market access (discussed above) and meticulous risk selection process provides the Company with the opportunity to achieve greater returns for comparable risks.

**Portfolio management** – Due to the potential for correlation and aggregation of insurance risks in respect of the Company's portfolio, careful analysis and monitoring must be performed routinely. The AIFM uses third-party catastrophe models and internal models to evaluate risk tolerance for the portfolio, identifying and capturing correlation and aggregation to maximize investment returns. Additionally, the AIFM regularly analyzes the investment portfolio on an aggregate basis (using complex statistical analysis and modeling tools, among other optimization techniques) to identify the Company's capacity for further risk-taking and related constraints.

**Monitoring and reporting** – The AIFM has established a set of internal policies and management controls designed to routinely monitor portfolio risk guidelines, reporting any modifications thereto, and a corporate governance structure designed to manage operational risks.

##### 5.2. External Resources

The following external resources are expected to be used to supplement the AIFM's resources:

**Third-party property catastrophe risk models** – Sophisticated property catastrophe risk models are essential to the risk selection, risk pricing and portfolio risk management processes. The AIFM expects to use third-party modelling systems.

**SCOR staff** – The AIFM intends to enter into service level agreements allowing it to use, for the Company's benefit, the assistance of experienced property catastrophe modeling staff of SCOR and/or its Affiliates, as well as SCOR's knowledgeable underwriting staff.

**Pricing software** – The AIFM will have access to SCOR's and third-party pricing tools and software. Such tools will be used to evaluate and price complex collateralized reinsurance and ILS transactions and derive prices for potential transactions which reflect the built-in risk.

**Portfolio risk management software** – The AIFM expects to use third-party risk management software, some or all of which are expected to be used to aggregate all of the Company's property catastrophe risks and assess the marginal impact of each transaction on the portfolio as a whole.

**Information technology (IT) systems** – Through third-party service providers, the AIFM is provided with IT and other back-office functional support.

**Legal assistance from SCOR legal team** – The SCOR legal team will be available to provide the Company and the AIFM with additional legal support.

**Industry research and knowledge from SCOR** – The AIFM will have access to SCOR's industry research and expertise.

**Brokers' research and services** – Other useful services are expected to be provided to the Company and the AIFM by some of the world's leading reinsurance and risk intermediaries, including, but not limited to, Aon Benfield and Guy Carpenter.

## 6. GENERAL RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

### 6.1. General Risk Factors

An investment in the Company involves a high degree of risk, including the risk that the entire amount invested may be lost. There can be no assurance that the investment objectives of the Company will be achieved. The Company is focusing on a relatively new and developing asset class where a significant part of the portfolio may be in relatively illiquid instruments.

The Company will invest in a wide variety of insurance-linked instruments using a number of strategies and investment techniques with significant risk characteristics, including the risks arising from the illiquidity and difficulty of valuation of such instruments, risk of catastrophe events and other events giving rise to losses under such instruments, volatility of capital markets, the risk of borrowings and short sales, the risk arising from leverage associated with trading in the currencies and over-the-counter derivatives markets, the illiquidity of derivative instruments and the risk of loss from counterparty defaults. The Company may utilize such investment techniques as option transactions, margin transactions, short sales, leverage, and derivatives, which in practice can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject.

Therefore, only prospective investors who have the requisite knowledge, are financially secure and are willing to take a long-term view should become investors in the Company.

*Prospective investors should consider various factors relevant to the chosen strategy in determining whether an investment in the Company is a suitable investment, including the following:*

### **Sub-Funds**

An investment in a Sub-Fund involves certain risks relating to the particular Sub-Fund's structure and investment objectives which investors should evaluate before making a decision to invest in such Sub-Fund.

The investments within each Sub-Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that the investment objectives of the relevant Sub-Fund will be achieved.

Investors should make their own independent evaluation of the financial, market, legal, regulatory, credit, tax and accounting risks and consequences involved in investment in a Sub-Fund and its suitability for their own purposes. In evaluating the merits and suitability of an investment in a Sub-Fund, careful consideration should be given to all of the risks attached to investing in a Sub-Fund.

**An investment in Shares in a Sub-Fund carries substantial risk and is suitable only for investors who accept the risks, can assume the risk of losing their entire investment and who understand that there is no recourse other than to the assets of the relevant Sub-Fund.**

### **Early termination**

In the event of the early termination of a Sub-Fund, the Board would have to distribute to the Shareholders their pro-rata interest in the assets of such Sub-Fund. The Company's investments would have to be sold or distributed to the Shareholders. It is possible that at the time of such sale certain investments held by the relevant Sub-Fund may be worth less than the initial cost of the investment, resulting in a loss to the Sub-Fund and to its Shareholders. Moreover, in the event a Sub-Fund terminates prior to the complete amortization of organizational expenses, any unamortized portion of such expenses will be accelerated and will be debited from (and thereby reduce) amounts otherwise available for distribution to Shareholders. The Board may also propose to the extraordinary general meeting of Shareholders to liquidate the Company thus triggering the early termination of the Sub-Funds.

### **Transfer of Shares**

Transfer of Shares is subject to the Board's approval and may be subject in certain Sub-Funds to several days of notice. The Board has power to reject any transfer request if deemed contrary to the corporate interest of the Company. A rejected transfer request shall usually be processed as a redemption request. This may significantly limit an investor's ability to transfer its shares to third parties.

### **Market risk**

This risk is of a general nature, affecting all types of investment. The trend in the prices of transferable securities is determined mainly by the trend in the financial markets and by the economic development of the issuers, who are themselves affected both by the overall situation of the global economy and by the economic and political conditions prevailing in each country.

### **Interest rate**

Investors must be aware that an investment in the Shares may be exposed to interest rate risks. These risks occur when there are fluctuations in the interest rates of the main currencies of each transferable security or of the Company.

### **Credit risk**

Shareholders must be fully aware that such an investment may involve credit risks. Bonds or debt instruments involve an issuer-related credit risk, which can be calculated using the issuer solvency rating. Bonds or debt instruments issued by entities that have a low rating are, as a general rule, considered to be instruments that are at a higher credit risk, with a probability of the issuer defaulting, than those of issuers with a higher rating. When the issuer of bonds or debt instruments finds itself in financial or economic difficulty, the value of the bonds or debt instruments (which may fall to zero) and the payments made for these bonds or debt instruments (which may fall to zero) may be affected.

### **Risk of default**

In parallel to the general trends prevailing on the financial markets, the particular changes in the circumstances of each issuer may have an effect on the price of an investment. Even a careful selection of transferable securities cannot exclude the risk of losses generated by the depreciation of the issuers' assets.

### **Foreign exchange/Currency risk**

The Company may invest in assets denominated in a wide range of currencies. The currency exposure of Company on the assets may not be hedged systematically. As a consequence thereof, the value of investments may be affected by a variation in exchange rates in the Sub-Funds where investments are possible in a currency other than the Sub-Fund Reference Currency. The Net Asset Value expressed in its respective unit currency may fluctuate in accordance with the changes in foreign exchange rate between the Reference Currency of the relevant Sub-Fund and the currencies in which the relevant Sub-Fund's investments are denominated.

Moreover changes in currency exchange rates could impact the Net Asset Value of Classes of Shares denominated in a currency that differs from the currency of the relevant Sub-Fund.

### **Risks linked to investments in other UCI**

The investment by a Sub-Fund in target UCI may result in a duplication of some costs and expenses which will be charged to the Sub-Fund, i.e. setting up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, depositary bank fees, auditing and other related costs. For Shareholders of the said Sub-Fund, the accumulation of these costs may cause higher costs and expenses than the costs and expenses that would have been charged to the said Sub-Fund if the latter had invested directly.

### **Insurance-linked instruments**

The strategy of the Company is to invest in instruments with a significant amount of insurance risk. There are many different types of insurance events, but they are generally characterized by frequency (how often the event happens) and severity (how costly the event is when it happens). The estimated severity and frequency of different insurance risks are based on a vast amount of historical data, actuarial analysis and complex stochastic models. However, there is no guarantee that the actual insurance losses incurred will turn out to be in line with expectations.

### **Illiquidity**

The markets for many of the Company's investments in insurance-linked instruments have limited liquidity and depth. Although a number of institutions may be actively trading these instruments, the resale of these instruments may be difficult or impossible, and it may require substantial time to enter into or exit a position. Liquidity may also be affected by a number of other factors, such as whether or not a catastrophic event has occurred, or whether or not a catastrophe season has passed. Investors in insurance-linked instruments must be prepared to hold these instruments and bear the corresponding financial risk associated with such instruments for an indefinite period of time.



Debt may be issued by a Sub-Fund that may contain certain triggers and covenants that, if breached, may require the Board to suspend redemptions of the Sub-Fund's shares. In such event, the Board may be required to suspend redemptions of Shares of the Company.

### **Valuation risk**

The lack of an actively-traded market in certain of the Company's investments may create valuation uncertainty. The value of insurance-linked instruments may be expected to exhibit substantial volatility before or after the occurrence of a catastrophic or other triggering event on the security. The market price may also be affected if rated instruments are downgraded by a rating agency, or if the market experiences limited liquidity at any time. Additionally, prospective investors should acknowledge that the portfolios of the Sub-Funds will be composed of assets of different natures in terms of, inter alia, sectors, geographies, financial statements formats, reference currencies, accounting principles, types and liquidity of securities, coherence and comprehensiveness of data. As a result, the valuation of the relevant portfolio and the production of the Net Asset Value calculation will be a complex process which might in certain circumstances require the AIFM to make certain assumptions in order to produce the desired output.

### **Determination of value**

The AIFM will be involved in the valuation of non-exchange listed investments. The AIFM has a conflict of interest in assisting with such valuations because the valuations directly affect Net Asset Value and thus the amount of compensation received by the AIFM in respect of its services. Prospective investors should understand that any such AIFM assistance is not subject to independent review, except as may be done in connection with the audit at year-end. There can be no assurance that the value determined for such investments will be fully realizable upon their ultimate disposition. Because of the inherent uncertainty of the estimated values of unrealized gains and losses, the Net Asset Value as determined by the AIFM as of the last day of each month (or on such other date as the Board may calculate Net Asset Value) may differ significantly from the actual Net Asset Value upon liquidation of such investments, and the differences could be material.

### **Catastrophe risk**

The Company may have substantial exposure to losses resulting from natural and man-made disasters and other catastrophic events. Catastrophes can be caused by various events, including hurricanes, earthquakes, hailstorms, explosions, severe winter weather and fires. The incidence and severity of such catastrophes are inherently unpredictable and the Company's losses from catastrophes could be substantial. The occurrence of claims from catastrophic events is likely to result in substantial volatility in the Company's financial condition or results of operations for any fiscal quarter or year and could have a material adverse effect on the Company and its ability to write new business. The Company/AIFM expects that increases in the values and concentrations of insured property will increase the severity of such occurrences in the future. Although the AIFM will attempt to manage the Company's exposure to such events, a single catastrophic event could affect multiple geographic zones and lines of business or the frequency or severity of catastrophic events could exceed the AIFM's estimates, either of which could have a material adverse effect on the Company's financial condition or results of operations.

### **Cyclical fluctuations**

The reinsurance business has historically been a cyclical industry, with significant fluctuations in operating results due to competition, catastrophic events, general economic and social conditions and other factors. This cyclicity has produced periods characterized by intense price competition due to excess underwriting capacity as well as periods when shortages of capacity permitted favorable premium levels. In addition, increases in the frequency and severity of losses suffered by reinsurers can significantly affect these cycles. It is difficult to predict the timing of such events with certainty or to estimate the amount of loss that any given event will generate. The Company can be expected to be exposed to the effects of such cyclicity. Moreover, in respect of certain derivatives,

there can be significant fluctuations in operating results due to competition, catastrophic events and other factors.

### **Due diligence**

The market for insurance-linked instruments is developing and the AIFM will from time to time need to originate investment opportunities that currently do not exist. These opportunities may be sizeable and infrequent and may require lengthy due diligence. Although the AIFM anticipates that it will be able to identify a steady, albeit relatively infrequent, stream of opportunities, there may be prolonged periods of time when the AIFM is unable to identify attractive opportunities. This may result in lower investment returns than AIFM anticipates.

### **Claims and coverage**

As industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to claims and coverage may emerge. These issues may adversely affect the Company's investments in certain insurance-linked instruments and, in some instances, these changes may not become apparent until such instruments are affected by these changes. As a result, the full extent of liability as a result of these changes may not be known for many years following the Company's investment in such instruments.

In addition, there may be a significant amount of time in the reporting of information or losses related to one or several investment following one or multiple events. As a consequence the valuation of one or several investment may fluctuate as additional reports or information are made available. These additional reports or information may spread across several days, month or years.

As a consequence subscriptions and redemptions occurring on a specific Valuation Day may not take into account partially or in full the final impact on the valuation of one or several historical events on one or several investments.

ILS often provide for an extension of maturity following the occurrence of an insured event to enable the insurer to process and audit loss claims where an insured event has, or possibly has, occurred. Alternatively, the maturity could in certain circumstances be accelerated upon the occurrence of certain legal, regulatory, credit or structural events. An extension or acceleration of maturity may increase volatility.

### **Competition**

The markets for securities in the Company's investment strategy are highly competitive. The Company will be competing for investment opportunities with a significant number of financial institutions and other private funds as well as various institutional investors. Many of these competitors are larger and have greater financial, human and other resources than the AIFM and may in certain circumstances have a competitive advantage over the Company. As a result of this competition, there may be fewer attractively priced investment opportunities than in the past, which could have an adverse impact on the ability of the Company to meet its investment goals or the length of time that is required for the Company to become fully invested. There can be no assurance that the returns on the Company's investments will be commensurate with the risk of investment in the Company.

### **Leverage**

Since certain of the securities of the Company may at times represent a highly leveraged investment in the Company's assets, the market value of the Company's securities will be significantly affected by, among other things, changes in the market value of the Company's assets. Such leverage may be in the form of term debt, revolving debt, derivatives or other types of financing. The terms of the debt incurred by the Company may restrict the Company's ability to make distributions on, or redemptions of, the Company's securities. In addition, debt may be issued by a Sub-Fund that may contain certain triggers and covenants that, if breached, may require the Board to suspend

redemptions of the Sub-Fund's shares. In such event, the Board may be required to suspend redemptions of Shares of the Company.

### **Restricted investment liquidity**

There is no secondary market for the Company's Shares, and subject to the Gate and the Early Redemption Fee, a Shareholder may not redeem Shares other than as of the relevant Redemption Day (as such term is defined in the relevant Appendix). A Shareholder's right to receive payment on a redemption is dependent upon the Company having sufficient assets to pay its liabilities on the redemption date, and the Registrar and Transfer Agent receiving the Shareholder's notice of redemption before such deadline as provided for in the relevant Appendix. In addition, the Board may suspend redemptions under certain circumstances described herein.

Since the Company trades in highly illiquid instruments, there is a chance that the Company's values could swing widely and that substantial redemption requests could be made. In the event of adverse changes to the market for insurance-linked investments, there could be substantial redemption requests and, as a result, the Company may utilize the Gate, suspend redemptions, or decide to designate certain investments that the AIFM believes cannot be appropriately valued or otherwise should be retained by the Company until the resolution of an ongoing event or circumstance as Special Investments. Furthermore, there is no limit on the amount of investments that can be designated as Special Investments. As a result of this ability to designate investments as Special Investments, the Company could permit limited or no redemptions at a particular time, and investors would receive a return of capital only as investments are liquidated at the AIFM's discretion.

Due to the highly illiquid nature of the Company's investments, the Company may have difficulty in liquidating positions to meet redemption requests. If the Company encounters this difficulty in connection with liquidations, the proceeds from such liquidations may reflect very substantial discounts and cause further mark-down to the Company's assets.

### **Redemption risk**

Substantial redemptions by investors in the Company over a short time period could necessitate the liquidation of investment positions by the Company at a time and in a manner that does not provide the most economic advantage to the Company and could therefore adversely affect the value of the assets of the Company. In addition, the resulting reduction in the Company's assets may make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base of the Company and may increase the *pro rata* share of operating costs and expenses that will be borne by the Company and each Shareholder.

### **Counterparty risk**

A number of the investment techniques to be utilized by the Company, and a number of the markets in which the Company invests, will expose it to "counterparty risk" – the risk that a counterparty will not settle a transaction in accordance with its terms. The AIFM is not restricted from dealing with any particular counterparty and has limited restrictions on its ability to concentrate its transactions with one counterparty.

### **Below investment-grade assets**

The Company may invest in "below investment grade" securities (including unrated securities) and obligations of issuers in weak financial condition, and its portfolio investments may include obligations of companies involved in bankruptcy, reorganization or liquidation proceedings, some of which securities or obligations may be "non-performing" or distressed securities. For example, the Company intends to invest in catastrophe bonds, some or all of which are expected to be below investment-grade. Such investments are subject to a multitude of legal, industry, market, environmental and governmental factors that may make analysis of these companies inherently risky. Further, the AIFM relies on company management, outside experts, market participants, and personal experience to analyze potential investment for the Company. There can be no assurance

that any of these sources will prove credible, or that the resulting analysis will produce accurate conclusions.

### **Thinly-traded securities**

It is not unusual for broker-dealers affiliated with an issuer of a security to provide “bid” and “ask” quotations for such security on a preliminary or “soft” basis. Such preliminary quotations may or may not reflect the “bid” or “ask” prices at which such broker-dealer would be willing to effect actual transactions. Broker-dealers unaffiliated with the issuer of such security, if providing quotes, may be even less likely to execute transactions (particularly sales transactions by the Company) at or near preliminary quotes.

The Company’s portfolio may include substantial positions (in terms of number of issues and percentage of the Company’s Net Asset Value) where there is only a single broker-dealer, if any, quoting prices, which may be preliminary or “soft,” and where any such broker-dealer is affiliated with the issuer of such security or with the AIFM.

In the absence of actual sale transactions, it is difficult for the AIFM to test the reliability of preliminary quotes even when multiple broker-dealers are providing “bid” and “ask” prices. Prospective investors should be aware that situations involving uncertainties as to the valuation of portfolio securities could dramatically affect the Company’s Net Asset Value, particularly where the Company seeks to sell positions, if the AIFM’s judgments regarding appropriate valuations should prove incorrect.

### **Unsecured limited recourse obligations**

Investors must rely on the proceeds of the Company’s investments and will have no other source for redemptions of, or distributions on, their Shares.

### **Performance history of management**

Because of different restrictions, structures and market conditions, among other things, the Company’s performance may differ markedly from that of other investment vehicles that may have been managed by certain of the principals, managers and employees of the AIFM. No assurance exists that the Company’s assets will perform as well as such past investments, that the Company will be able to avoid losses, or that the Company will be able to make investments similar to the past investments managed by such personnel.

### **Dependence on key personnel**

The performance of the Company’s portfolio depends heavily on the financial and managerial experience of certain investment professionals associated with the AIFM. No assurance can be given that any particular individual will be responsible for managing the Company’s portfolio for any length of time. The loss of key AIFM’s personnel could have a material adverse effect on the Company.

### **AIFM’s discretion**

The profitability of a portion of the Company’s investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the AIFM will be able to predict accurately these price movements. Substantially all decisions with respect to management of the assets of the Company are made exclusively by the AIFM. The AIFM makes all of the trading and investment decisions of the Company. No Investor will be able to object to any of these decisions.

### **Correlation with other asset classes**

The occurrences of insurance events are largely uncorrelated to the global equity and bond markets, and hence a portfolio dominated by insurance risks should experience low correlation to equity and bond investments. The Company/AIFM believes it will take a considerable amount of time before this

correlation benefit gets priced into the instruments in which the Company invests, but there can be no assurance of low correlation or beneficial pricing.

### **Diversity and concentration risks**

The Company's actual portfolio investments may differ from its expected portfolio investments. As the Company only has limited diversification requirements, the Company's investments may be highly concentrated in certain positions. Accordingly, the Company's assets may be subject to greater risk of loss than if they were more widely diversified, since the failure of one or a limited number of investments could have a material adverse effect on the Company.

### **Hedging transactions**

The AIFM may utilize certain instruments, both for investment purposes and for risk management purposes, in order to (i) protect against possible changes in the market value of the Company's investment portfolios resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Company's unrealized gains in the value of the Company's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Company's portfolio; (v) hedge the interest rate or currency exchange rate on any of the Company's liabilities or assets; (vi) protect against any increase in the price of any securities the Company anticipates purchasing at a later date or (vii) for any other reason that the AIFM deems appropriate.

The success of the AIFM's hedging strategy will depend, in part, upon the AIFM's ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the AIFM's hedging strategy will also be subject to the AIFM's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Company may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Company than if it had not engaged in such hedging transactions. For a variety of reasons, the AIFM may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Company from achieving the intended hedge or expose the Company to risk of loss. The AIFM may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, because it does not foresee the occurrence of the risk, or because it does not have sufficient liquid assets available. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Company's portfolio holdings.

### **Business and regulatory risks of hedge funds**

Legal, tax and regulatory changes could occur during the term of the Company that may adversely affect the Company. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the Company and the ability of the Company to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Company could be substantial and adverse.

### **Modeling risk**

Because no scientific consensus on models or risk parameters exists, there may be other credible, published models and/or risk parameters that are not relied on by the AIFM that may exist that, if used, could produce materially different results than those models and/or risk parameters relied on

by the AIFM. The determinations that the AIFM relies on are final, regardless of any actual, potential, or theoretical discrepancies between the methodology used by the AIFM's modellers and any other possible methodology. No separate review or appraisal of the accuracy of the defined methodologies or the data used to parameterize the models will be performed. No model is, or could be, an exact representation of reality. The models relied on by the AIFM are extremely complex and use various methodologies and assumptions, some of which are subject to uncertainty and which might not be used in models provided by other modeling firms. Furthermore, there may be differences in the way in which these assumptions are considered by other firms.

### **Lack of regulatory oversight**

The Company's offering is a private offering and is not registered under the U.S. Securities Act, the U.S. Investment Company Act, or under any state securities laws or the securities laws of any other jurisdiction. This memorandum will not be reviewed by the U.S. Securities and Exchange Commission (the "**SEC**") but has been reviewed by the CSSF. Review by the SEC might result in additional disclosures or substantially different disclosures from those actually included in this memorandum.

### **Legal and regulatory activities relating to the insurance industry**

Recently, the insurance and reinsurance regulatory framework has been subject to increased scrutiny in the United States and various States within the United States. In the past, there have been Congressional and other initiatives in the United States regarding increased supervision and regulation of the insurance industry, including proposals to supervise and regulate alien reinsurers. It is not possible to predict the future impact, if any, of changing law or regulation on the operations of the Company.

### **Structured finance obligations**

Structured finance obligations may be subject to prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk (which may be exacerbated if the interest rate payable on a structured finance obligation changes based on multiples of changes in interest rates or inversely to changes in interest rates). In addition, certain structured finance obligations (particularly subordinated collateralized bond obligations) may provide that non-payment of interest is not an event of default in certain circumstances and the holders of the securities will therefore not have available to them any associated default remedies. The price of a structured finance obligation, if required to be sold, may be subject to certain market and liquidity risks for securities of its type at the time of sale.

### **Additional capital requirements**

To the extent that the revenue generated by the Company's ongoing operations provide insufficient liquidity to fund its operating requirements, the Company may need to raise additional funds through certain financings or curtail the Company's growth and reduce its assets. Any equity or debt financing, if available at all, may be on terms that are not favorable to the Company or its Shareholders. If the Company cannot obtain adequate capital, the Company's business, operating results and financial condition could be adversely affected.

### **Possibility of different information rights**

Certain Shareholders may receive information regarding the Company's portfolio that is not generally available to other Shareholders and, as a result, may be able to act on such information that is not generally available to other Shareholders.

### **Contingent liabilities on disposition of investments**

In connection with the disposition of an investment, the Company may be required to make representations about such investment. The Company also may be required to indemnify the

purchasers of such investment in case any such representations are inaccurate. These arrangements may create contingent liabilities for which the Company may establish reserves or escrow accounts.

### **Board participation**

The size of the Company's equity holdings in a particular issuer, or contractual rights obtained by the Company in connection with an investment, may enable the Company to designate one or more directors to serve on the boards of companies in which the Company invests. While such representation may enhance the Company's ability to influence the outcome of its investments, it may also have the effect of impairing the ability of the Company to sell the related securities or giving rise to liability claims against the Company. The Company will indemnify the AIFM and its respective members, partners, officers, managers, agents and employees for claims arising from such board representation. The Company will attempt to balance the advantages and disadvantages of such representation when deciding whether and how to exercise its voting or contractual rights, but changes in circumstances could produce adverse consequences in particular situations.

### **Risk of third-party litigation**

The Company's investment activities subject them to the normal risks of becoming involved in litigation by third parties. The expense of defending against claims by third parties and paying any amount pursuant to settlement or judgments would, except in certain circumstances, be borne by the Company and would reduce net assets. The AIFM and others are indemnified in connection with such litigation, subject to certain conditions.

### **Special Investments**

From time to time, the Company may determine that certain investments within the Company may either lack a readily assessable market value or should be held until the resolution of a special event or circumstances. In those cases, the Company may designate such investments as Special Investments. The Company retains the ability to determine the number and aggregate fair value of such Special Investments in its sole and absolute discretion. The Company may not be able to readily dispose of Special Investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time.

Special Investments and other assets and liabilities for which no such market prices are available will generally be carried on the books of the Company at fair value (which may be cost) as reasonably determined by the AIFM. There is no guarantee that fair value will represent the value that will be realized by the Company on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment.

### **Different Classes of Shares and Tracking Shares**

In light of differing terms between Classes of offered Shares, certain of the Company's assets and liabilities may be effectively segregated on the books of the Company between and among Classes of offered Shares. As a general matter, contractual and other liabilities assumed by the Company are liabilities of all Classes of Shares unless such liabilities are contractually limited to the available assets of a particular Class of Shares. Accordingly, liabilities assumed by the Company for one Class of Shares could have an adverse effect on the investment returns of other Classes, including any Class of offered Shares.

The Company may issue, with respect to one or several Sub-Fund, Tracking Shares corresponding to a specific pool of investments. Such Tracking Shares will be invested for the exclusive benefits of its Shareholders and liabilities thereof will be, insofar as possible, satisfied out of the relevant pool of investments. However, the rights of third parties, in particular creditors, concerning such Tracking Shares are not limited to the assets of such Classes of Shares.

## **Tracking Shares**

With respect to the valuation of Tracking Shares, the attention of investors is drawn to the fact that the Net Asset Value of Tracking Shares may happen not to reflect the actual value of the underlying assets.

Investors should note that the historical performance of the Classes of Shares may not reflect the actual performance of the underlying portfolio of assets in which such Classes of Shares are invested, if and when assets or securities in which such Classes of Shares were invested have been allocated from the relevant existing Classes of Shares to newly created Tracking Shares.

## **Sustainability risks**

The Sub-Funds may be exposed to Sustainability Risks (including, as the case may be, Catastrophe risks as set out under 0). Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they could have a material adverse impact on the value of the investments and affect the returns of the Sub-Funds.

The Sub-Funds may be affected by Sustainability Risks that may reduce the value of an investment. Sustainability Risks are principally linked to climate-related events resulting from climate change (so-called physical risks) or to the society's response to climate change (so-called transition risks), which may result in unanticipated losses that could affect one or several investments of the Sub-Funds and therefore the returns of the relevant Sub-Fund. Social factors (such as unequal pay, discrimination, working conditions, health and safety practices in the workplace, etc) and governance factors (such as breaches of international agreements, bribery or fraud including accounting fraud, etc) may translate to Sustainability Risks.

## **6.2. U.S. Federal Tax Risks**

### **U.S. Taxation of the Company**

If an investment/contract made by the Company is characterized as a (re)insurance transaction for U.S. federal income tax purposes, amounts paid with respect to U.S. situs risks by the counterparty under the contract may be subject to the U.S. federal excise tax on insurance and reinsurance premiums paid to non-U.S. insurers or reinsurers (the "FET") at a rate of 4% (if insurance) or 1% (if reinsurance).

### **FATCA**

Congress enacted legislation in early 2010 that, if the Company or a Sub-Fund is characterized as a "foreign financial institution," would require the Company or Sub-Fund to enter into an agreement with the Internal Revenue Service ("IRS") that would require the Company or Sub-Fund to obtain information about the Shareholders and to disclose information about its U.S. Shareholders to the IRS and would appear to impose a 30% withholding tax on certain payments of U.S. source income to the Company or Sub-Fund if it does not enter into the agreement, is unable to obtain information about its U.S. Shareholders, or otherwise fails to satisfy its obligations under the agreement. Additionally, if the Company or Sub-Fund does enter into such an agreement with the IRS, the 30% withholding tax could be imposed on Shareholders that do not provide the required information.

As part of the process of implementing FATCA, Luxembourg has entered into a Model I Intergovernmental Agreement ("IGA"), implemented by the Luxembourg law dated 24 July 2015 which requires financial institutions located in Luxembourg to report, when required, information on financial accounts held by U.S. specified persons and non-U.S. financial institutions that do not comply with FATCA to the Luxembourg tax authorities which will then exchange information with the IRS.



Given that the Company seems to be characterized as a “foreign financial institution”, it is required to comply with its reporting obligations under the IGA and therefore collect personal and financial information on its account holders for reporting purposes. As a result Shareholders may be required to provide any information that the Company or Sub-Fund determines necessary to avoid the imposition of any withholding tax or any penalties thereto in order to allow the Company or Sub-Fund to satisfy such obligations. Companion provisions may require individual Shareholders to annually report with their U.S. federal income tax returns certain information with respect to the Company or Sub-Fund (a “specified foreign financial asset”).

Should the Company become subject to a withholding tax or a penalty as a result of FATCA, the value of the Shares held by Shareholders may be materially affected.

The Company and/or the Shareholders may also be indirectly affected by the fact that a non-U.S. financial entity does not comply with FATCA regulations even if the Company satisfies with its own FATCA obligations.

Despite anything else herein contained and as far as permitted by Luxembourg law, the Company shall have the right to:

- withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any Shares issued by the Company;
- require any investor or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Company in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- divulge any such personal information to any tax authority, as may be required by applicable laws or regulations or requested by such authority; and
- delay payments to a Shareholder until the Company holds sufficient information to comply with applicable laws and regulations or determine the correct amount to be withheld.

### 6.3. Common Reporting Standard

Capitalized terms used in this section should have the meaning as set forth in the CRS Law (as defined hereafter), unless provided otherwise herein.

The Company may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters and its Common Reporting Standard (“**CRS**”) as set out in the Luxembourg law dated 18 December 2015 implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation (the “**CRS Law**”).

Under the terms of the CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions, the Company will be required to annually report to the Luxembourg tax authorities personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain investors qualifying as Reportable Persons and (ii) Controlling Persons of certain non-financial entities (“**NFEs**”) which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the “**Information**”), will include personal data related to the Reportable Persons.

The Company’s ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Company with the Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Company will process the Information for the purposes as set out in the CRS Law. The

Shareholders undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Company.

The Shareholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

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

Any Shareholder that fails to comply with the Company's Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such Shareholder's failure to provide the Information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

#### **6.4. Potential Conflicts of Interest**

Potential conflicts of interest among the AIFM, the Company, certain Advisors (as described below) and the Shareholders include, but are not limited to, the following:

##### **The AIFM**

The AIFM may have conflicts of interest as a result of the overall investment activities of it, its investment professionals and its affiliates. The AIFM's entitlement to fees may create incentives for it to make decisions that are contrary to the best interests of investors. The AIFM and its clients and affiliates may buy the Company's securities from which the AIFM or such clients or affiliates may derive income in addition to the fees the AIFM earns from the Company.

The AIFM and its affiliates may have an economic interest in or other relationships with issuers in whose obligations or securities the Company may invest. The AIFM and its affiliates may, in their discretion, make investment recommendations and decisions that may be the same as or different from those made with respect to the Company's investments.

The Company may acquire insurance-linked instruments or reinsurance from related parties or become a party to insurance-linked instruments or reinsurance contracts placed by related parties, either directly or through transactions with parties that have various relationships with the Company. For example, the AIFM may cause the Company to invest in catastrophe bonds or other types of securities issued by entities within the SCOR Group and/or its affiliates. Additionally, an entity within the SCOR Group may be a counterparty to the Company in various transactions. Accordingly, the AIFM may be subject to certain potential or actual conflicts of interest in connection with such transactions, even though any such transaction would be completed at arm's-length market rates.

As an example, SCOR Group may be acting as a frontier in various OTC transactions, the AIFM may cause the Company to pay fees and get terms and conditions not in line with market-terms or make decisions that are contrary to the best interests of the investors.

The AIFM will be responsible for investment decisions made on behalf of the Company. There are no restrictions on the ability of the AIFM or its affiliates to manage accounts of other clients following the same or a different investment objective, philosophy, and strategy as those used for the Company. As a general matter, it would not be expected that funds with different portfolio managers would share information relating to potential transactions. Therefore, one fund or account may trade prior to and at a better price than another fund or account trading in the same security. The AIFM

does not expect to share information or discuss the investments of its clients with its affiliates. As a result, investment opportunities will not be allocated by the AIFM and such affiliates on an equitable basis. Circumstances may occur in which an allocation could have adverse effects on the Company or the other client with respect to the price or size of positions obtainable or saleable. In addition, the Company may trade in the opposite direction to another account managed by the AIFM or an affiliate. Furthermore, to the extent that investment advisory services are provided to a managed account, the managed account may receive better liquidity terms and increased transparency and reporting rights in respect of its investment as compared to a Shareholder of the Company.

Certain inherent conflicts of interest arise from the fact that the AIFM may carry on substantial investment activities for other clients. For example, the AIFM may serve as the investment manager of other funds having substantially the same investment program as the Company. The Company will have no interest in the foregoing activities. Investments will be allocated among the Company and other clients in a manner that the AIFM believes in good faith to be equitable. The Board will endeavor to ensure that any conflict of interest is resolved fairly.

The AIFM or any of its affiliates may engage in principal or agency cross transactions in which the AIFM or such affiliate acts as a broker for the Company or the Shareholders and for another person on the other side of the transaction. Because the AIFM or such affiliate may receive commissions from both parties to such agency cross transactions, the AIFM may have a potentially conflicting division of loyalties and responsibilities. Prior to any principal transactions, the AIFM will act pursuant to applicable law and disclose and receive consent for such transactions or appoint a conflicts representative to approve each such transaction. Each Shareholder shall submit an executed subscription agreement whereby such Shareholder represents that it understands that the AIFM or any of its affiliates may engage in agency cross transactions and consents thereto. Such consent may be revoked at any time by such Shareholder by written notice to the AIFM.

Where conflicts of interest cannot be avoided and there exists a risk of damage to investors' interests, the AIFM shall inform investors of the general nature or causes of the conflicts of interest and develop appropriate policies and procedures in order to mitigate such conflicts while ensuring equal treatment between investors and ensuring that the Company is treated in an equitable manner. Investors should be aware that the management of conflicts of interest can lead to a loss of investment opportunity or to the AIFM having to act differently than the way it would have acted in the absence of the conflict of interest. This may have a negative impact on the performance of the Company and its Sub-Funds.

### **Third-party advisors**

The Company may hire certain third-party advisors (the “**Advisors**”) (including entities within the SCOR Group) that, along with their affiliates, may have conflicts of interest as a result of the investment and commercial banking, asset management, financing and financial advisory services and products provided by such Advisors and their affiliates to the Company, the AIFM, obligors under the Company's investments and others (including those whose interests may be adverse to those of investors), as well as the investment, trading and brokerage activities of such Advisors and their affiliates. An Advisor or its affiliate (including a member of the SCOR Group) may also act as a hedge counterparty or synthetic security counterparty to the Company and, in such capacity, will have no obligation to act in the best interest of the Company or any investor in the Company's securities.

### **Reinsurers**

The Company will be permitted to acquire insurance-linked instruments from any insurance or reinsurance company, but to facilitate access to such instruments, the AIFM or an affiliate thereof may decide in the future to form a reinsurer. Such reinsurer would receive fees for its services. While the AIFM believes that any fees that would be paid to such reinsurer by the Company would be reasonable and at least as favorable to the Company as those available in an arm's-length transaction, the AIFM will be subject to certain potential or actual conflicts of interest in determining the amount of such fees and the other terms of such transactions.

### **Competition for time and services of the AIFM's personnel**

The Company will rely on the services of the AIFM and its personnel. The AIFM will have conflicts in the allocation of management and staff time, services and functions among the Company and the AIFM's other clients. Notwithstanding the foregoing, the AIFM believes that it is adequately staffed to manage the Company and the AIFM's other clients.

### **Common counsel**

Arendt & Medernach is acting as Luxembourg legal advisor to the Company and the AIFM.

**Other present and future activities of the AIFM or any Advisor and/or their affiliates may give rise to additional conflicts of interest. In the event that a conflict of interest arises, the AIFM will attempt to resolve such conflict in good faith.**

## **7. MANAGEMENT, GOVERNANCE AND ADMINISTRATION**

### **7.1. The Board**

The Board has the broadest powers to act in any circumstances on behalf of the Company, subject to the powers expressly attributed by Luxembourg law to the general meeting of Shareholders and as otherwise set out in the Articles.

The Board is responsible for the administration and the management of the Company. The Board may carry out all management and administration operations for the benefit of the Company and its Sub-Funds.

Pursuant to article 18 of the Articles, the holders of A Shares are entitled to propose to the general meeting of Shareholders a list containing the names of candidates for the position of directors of the Company, out of which at least one director must be chosen by the general meeting of shareholders, as class A director(s).

The Board is also responsible for selecting the Depositary, the Domiciliary Agent, the Registrar, Transfer and Administration Agent and other such agents as are appropriate.

The AIFM is responsible for implementing the investment policy of the Company and its Sub-Funds, subject to the risk diversification rules and investment restrictions set out in this Placement Memorandum.

The Board as at the date of this Placement Memorandum is composed as follows:

- Mr. Benoît Andrianne, Chairman of the Board,
- Mr Louis Bourrousse,
- Mrs. Olivia Tournier-Demal,
- Mr. Eric Talleux.

## 7.2. The AIFM

The Board has appointed the AIFM as its external alternative investment fund manager within the meaning of the AIFM Law.

SCOR Investment Partners SE is a French alternative investment fund manager within the meaning of the Directive 2011/61/EU incorporated on 2 February 2009 under the laws of France, registered with the Trade and Companies register of Paris under number 510 235 815 and regulated by the *Autorité des Marchés Financiers* – approved on 15 May 2009 under number GP-09000006. SCOR Investment Partners SE's headquarters are 5, avenue Kléber 75016 Paris – France. The AIFM has a share capital of two million five hundred thousand Euros (EUR 2,500,000.00.-). The AIFM disposes of additional own funds of a sufficient amount to cover the potential liability risks arising out of professional negligence in its capacity as manager of the Company.

Pursuant to the terms of the alternative investment fund manager agreement which took effect on 1<sup>st</sup> August 2014, the AIFM is responsible for the portfolio management of the Company and exercising the risk management function in respect of each Sub-Fund. In addition, the AIFM's duties include valuation and marketing.

The board of directors is entitled to decide to propose the removal of the AIFM to the general meeting of Shareholders in accordance with the rules set out in the Articles and the AIFM may only be removed, upon the occurrence of any of the following events:

- (i) the AIFM shall have engaged in gross negligence, fraud or wilful misconduct or acted with reckless disregard in managing the affairs of a Sub-Fund or the Company, as the case may be;
- (ii) the AIFM shall have committed a material breach of its obligations in respect of a Sub-Fund or the Company, where such material breach is capable of remedy, such material breach has not been remedied within a reasonable delay as agreed upon in good faith between the AIFM and the board of directors;
- (iii) the AIFM shall have committed a crime involving fraud and/or financial dishonesty;
- (iv) the AIFM has materially breached or lost its license to engage in the activities carried out by it or has become the subject of a judicial order or proceeding, whether voluntary or involuntary, under any bankruptcy or insolvency law, or has become the subject of proceedings providing for its dissolution or winding-up or has a receiver or an administrative receiver appointed of its assets or a substantial part thereof, or is otherwise barred, on a permanent basis, from engaging in the alternative fund management business.

The decision of the general meeting of Shareholders shall be taken in accordance with the quorum and majority rules set out in the last paragraph of article 27 of the Articles.

### Portfolio Management

In the framework of its portfolio management function, the AIFM elaborates, in collaboration with the Board, the objectives, policies, strategies and investment restrictions of the Company and its Sub-Funds. It takes the investment decisions and manages the Company's assets in a discretionary manner and with the goal of reaching the investment objectives of the different Sub-Funds of the Company.

More particularly, the AIFM has been entrusted with full authority to carry out discretionary portfolio management functions for the Company and thus to purchase and sell the assets of the Sub-Fund(s) and otherwise manage and look after the administration of the Company's investments on a daily basis. The AIFM shall also advise the Board on business and investment opportunities for the Company, the structuring of any new investment program to be designed and offered to potential investors and will provide the Company with regular reports on the economic environment relevant to the operations and investment activities of the Company, taking into account the assets and securities constituting the portfolios of the Sub-Fund(s).

The AIFM has adopted a voting rights strategy in respect of the Sub-Funds' assets. A summary description of the policy as well as the details of the actions taken under such policy are available upon request to the AIFM.

The AIFM has adopted a best execution policy in order to obtain the best result possible when passing orders. Investors can obtain from the AIFM the relevant information on that best execution policy.

### **Risk Management and Liquidity Management**

The AIFM is implementing a risk management process in order to detect, measure, manage and follow in an adequate manner all the risks relating to the investment strategy of each Sub-Fund and their effect on the risk profile of the relevant Sub-Fund, as determined in the relevant Appendix. As such, the AIFM shall ensure that the risk profile of each Sub-Fund is relevant in light of the size, portfolio's structure, strategies and investment objectives of the Company, as provided for, among other things, in the Placement Memorandum.

In accordance with the AIFM Laws, the AIFM has adopted appropriate liquidity management tools and procedures allowing to measure the liquidity risk of each Sub-Fund, so as to ensure that the liquidity profile of the Sub-Fund's investments are in line with their obligations and notably that they will be in a position to satisfy the Shareholders' redemption requests in accordance with the provisions of the Placement Memorandum and the Articles.

The AIFM proceeds, on a regular basis, with stress tests, simulating normal and exceptional circumstances in order to evaluate and measure the liquidity risk of each Sub-Fund.

The AIFM shall ensure, for each Sub-Fund, the coherence of the investment strategy, the liquidity profile and the redemption policy.

If deemed necessary, the AIFM may recommend to the Board to take the appropriate measure in order to ensure the liquidity of the relevant Sub-Fund, including to suspend the calculation of the Net Asset Value and/or, where applicable, the subscription, redemption and/or conversion of Shares, and more especially the AIFM may recommend to the Board after the applicable Cut-Off Time and before the applicable Valuation Day to limit the total amount of subscription that can be accepted in respect of a particular Dealing Day, for one or more Sub-Funds or the qualification of an investment as a Special Investment, as further described in the applicable Appendix.

## **8. DEPOSITARY**

BNP Paribas, Luxembourg Branch is a branch of BNP Paribas. BNP Paribas is a licensed bank incorporated in France as a *Société Anonyme* (public limited company) registered with the *Registre du commerce et des sociétés Paris* (Trade and Companies' Register of Paris) under number No. 662 042 449, authorised by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) and supervised by the *Autorité des Marchés Financiers* (AMF), with its registered address at 16 Boulevard des Italiens, 75009 Paris, France, acting through its Luxembourg Branch, whose office is at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, registered with the *Registre du commerce et des sociétés Luxembourg* (Luxembourg Trade and Companies' Register) under number B23968 and supervised by the CSSF.

BNP Paribas, Luxembourg Branch has been appointed as Depositary of the Company under the terms of a written agreement entered into between BNP Paribas, Luxembourg Branch, the AIFM and the Company with effective date as of the incorporation of the Company (the "**Depositary Agreement**")

The Depositary performs three types of functions, namely (i) the oversight duties, (ii) the monitoring

of the cash flows of the Company and (iii) the safekeeping of the Company's assets (as set out in the AIFM Laws).

The Depositary is in charge of:

- (i) ensuring that the Sub-Funds' cash flows are properly monitored, and that all payments made by or on behalf of investors upon the subscription of Shares of the Company have been received and that all cash of the portfolios has been booked in the appropriate accounts;
- (ii) safekeeping the assets of the Sub-Funds, which includes: (a) except as agreed otherwise, holding in custody all financial instruments that can be registered in a financial instrument account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary; and (b) for other assets, verifying the ownership of the Company (or the AIFM acting on behalf of the Company) of such assets and maintaining an up-to-date record accordingly;
- (iii) ensuring that the sale, issue, repurchase, redemption and cancellation of Shares of the Company are carried out in accordance with applicable national law, the Articles, the Placement Memorandum and the depositary agreement;
- (iv) ensuring that the value of the Shares of the Company is calculated in accordance with the applicable national law, the Articles and the depositary agreement;
- (v) carrying out the instructions of the AIFM, unless they conflict with the applicable national law, the Articles, the Placement Memorandum or the depositary agreement;
- (vi) monitoring the compliance by the AIFM with the investment restrictions and leverage limits applicable to the Sub-Funds and set out in the relevant Appendices;
- (vii) ensuring that in transactions involving the Sub-Funds' assets any consideration is remitted to the relevant Sub-Fund within the usual time limits; and
- (viii) ensuring that the Company's income is applied in accordance with the applicable national law, the Articles and the depositary agreement.

The overriding objective of the Depositary is to protect the interests of the Shareholders of the Company, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the AIFM or the Company maintains other business relationships with BNP Paribas, Luxembourg Branch in parallel with an appointment of BNP Paribas, Luxembourg Branch acting as Depositary.

Such other business relationships may cover services in relation to:

- (i) outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas or its affiliates act as agent of the Company or the AIFM, or
- (ii) selection of BNP Paribas or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of Shareholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest;

- Recording, managing and monitoring the conflict of interest situations either in:
  - o relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
  - o implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
  - o implementing a deontological policy;
  - o recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Company's interests; or
  - o setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

In the event that conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the Shareholders are fairly treated.

The Depositary may delegate to third parties the safekeeping of the Company's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the depositary agreement. The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationships with the Depositary in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from crystalizing, the Depositary has implemented and maintains an internal organisation whereby such separate commercial and / or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

A list of these delegates and sub-delegates for its safekeeping duties is available in the website: <https://securities.cib.bnpparibas/regulatory-publications/>

Such list may be updated from time to time.

Updated information on the Depositary's custody duties, a list of delegations and sub-delegations and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary.

BNP Paribas, Luxembourg Branch, being part of a group providing clients with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg. The entities involved in the support of internal organisation, banking services, central administration and transfer agency service are listed in the website: <https://securities.cib.bnpparibas/regulatory-publications/>. Further information on BNP Paribas, Luxembourg Branch international operating model linked to the Company may be provided upon request by the Depositary, the Company and/or the AIFM.



Pursuant to the depositary agreement, the Company may release the Depositary from its duties with ninety (90) days written notice to the Depositary. Likewise, the Depositary may resign from its duties with ninety (90) days written notice to the Company.

In that case, a new depositary must be designated to carry out the duties and assume the responsibilities of the Depositary, as defined in the agreement signed to this effect. The replacement of the Depositary shall happen within two (2) months.

The fees and charges of the Depositary are borne by the Company in accordance with common practice in Luxembourg.

## **9. DOMICILIATION, ADMINISTRATION, REGISTRAR AND TRANSFER AGENTS**

### **9.1. Administration and domiciliation Agent**

BNP Paribas, Luxembourg Branch has been appointed as administration agent and domiciliation agent of the Company (the “**Administration Agent**”), in accordance with a service agreement effective as of 1<sup>st</sup> January 2015, made for an unlimited duration.

The Administration Agent determines the Net Asset Value in accordance with the methods and procedures determined by the AIFM. The AIFM is entitled to appoint an external valuer in order to value certain assets, when the circumstances so require. The AIFM's liability towards the Company and its Shareholders shall not be affected by the appointment of such external valuer.

The Administration Agent is responsible for the maintenance of records and other general administrative functions. For the avoidance of doubt, however, the AIFM shall provide, with the assistance of specialised and reputable service providers, or cause third party specialised and reputable service providers to provide, the Administration Agent with the pricing/valuation of the portfolio investments with respect to which no market price or fair value is made available to the general public or to the whole community of professionals of the financial sector, together with appropriate supporting data or evidence regarding the accuracy of such pricing/valuation, in accordance with the rules laid down in the Articles and this Placement Memorandum. The Administration Agent is responsible for the processing of the calculation of the Net Asset Value, the maintenance of records and other general administrative functions.

The Administration Agent is also responsible for providing the annual reports of the Company.

The service agreement with the Administration Agent may be terminated by either the Company or the Registrar and Transfer Agent upon (90) ninety days' prior written notice.

The fees and charges of the Administration Agent are borne by the Company in accordance with common practice in Luxembourg.

### **9.2. Registrar and Transfer Agent**

BNP Paribas, Luxembourg Branch shall also act as the registrar and transfer agent of the Company (the “**Registrar and Transfer Agent**”).

The Registrar and Transfer Agent is responsible for the processing of the issue (registration) and redemption of the Shares and settlement arrangements thereof. The Registrar and Transfer Agent shall furthermore assist the Board to determine whether prospective investors willing to subscribe for Shares and existing Shareholders meet the eligibility requirements foreseen under article 2 of the 2007 Law, i.e. that they qualify either as Institutional Investors, Professional Investors or Well Informed Investors.

The registrar and transfer agency agreement may be terminated by either the Company or the Registrar and Transfer Agent upon (90) ninety days' prior written notice.

The fees and charges of the Registrar and Transfer Agent are borne by the Company in accordance with common practice in Luxembourg.

## 10. PREVENTION OF MONEY LAUNDERING

The Company shall at all times comply with the obligations imposed by Luxembourg applicable laws, rules and regulations with respect to anti-money laundering and, in particular, with the law dated 12 November 2004 implementing EU Directive 2001/97/EC of the European Parliament and of the Council of 4 December 2001 amending Council Directive 91/308/EEC on prevention of the use of the financial system for the purpose of money laundering, as well as CSSF Circular 13/556 and the CSSF Regulation 12-02, as they may be amended or revised from time to time.

For the avoidance of doubt, in relation to the above and pursuant to article 3 (7) of the law of 12 November 2004, the Company as well as the AIFM will apply precautionary measures regarding the assets of the Company. The Company and the AIFM should assess, using a risk based approach, the extent to which the offering of its products and services presents potential vulnerabilities to placement, layering or integration of criminal proceeds into the financial system.

## 11. GENERAL DESCRIPTION OF THE SHARES OF THE COMPANY

### 11.1. General Considerations

Shares are reserved for Eligible Investors within the meaning of the 2007 Law. However, the directors of the Company, the AIFM, its directors or other persons who are involved in the management of the Company do not need to qualify as institutional investors, professional investors or well-informed investors within the meaning of article 2 of the 2007 Law but need to be Eligible Investors.

Shares may be issued in one or more Classes in each Sub-Fund by the Board, each Class having different features or being offered to different types of investors, as more fully disclosed in the relevant Appendix to the Placement Memorandum for each Sub-Fund individually.

A Shares were issued upon incorporation of the Company. No further A Shares shall be issued thereafter without reserving to the existing holders thereof a preferential right to subscribe for the A Shares to be issued in any Sub-Fund, unless such resolution is approved by two thirds (2/3) of the votes attached to the existing holders of A Shares of the relevant Sub-Funds.

Each Sub-Fund shall maintain a separate portfolio of assets. As between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund. **With regard to third parties, in particular towards the Company's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it.**

Shares of any Class in any Sub-Fund will be issued in registered form. Unless provided otherwise in the Appendices, fractional Shares may be issued up to three decimals of a Share. Such fractional Shares of each Class have no nominal value and, within each Class, shall be entitled to an equal participation in the net results and in the proceeds of liquidation of the relevant Sub-Fund on a pro rata basis.

The inscription of the Shareholder's name in the register of Shares evidences his or her right of ownership of such registered Shares. A holder of registered Shares shall receive upon request a written confirmation of his or her shareholding.

Each Share will have one vote at the general meeting of Shareholders of the Company or at a Sub-Fund or Class meeting. Any resolution of a general meeting of Shareholders to the effect of amending the Articles must be passed with (i) a presence of a quorum of fifty percent of the Shares issued by the Company at the first call and, if not achieved, with no quorum requirement for the second call and, (ii) the approval of at least two-thirds (2/3) of the votes validly cast by the Shareholders present or represented at the meeting. Each amendment to the Articles entailing a variation of rights of a Sub-Fund/Class must be approved by a resolution of the general meeting of Shareholders of the Company and of a separate meeting(s) of the holders of Shares of the relevant Sub-Fund(s)/Class(es) concerned as further detailed in the Articles.

### **11.2. Subscription for and Issue of Shares of the Company, Minimum Investment and Holding**

Subject to the provisions of the 2007 Law and with the exception of A Shares, the Board is authorized, without limitation, to issue an unlimited number of Shares within each Sub-Fund at any time without reserving to the existing Shareholders a preferential right to subscribe for the Shares to be issued.

The Board may impose restrictions on the frequency at which Shares shall be issued in any Class and/or in any Sub-Fund; the Board may, in particular, decide that Shares of any Class and/or of any Sub-Fund shall only be offered for subscription (i) in the context of one or several closings or (ii) continuously at a specified periodicity, as indicated in the relevant Appendix.

A Sub-Fund or a Class may be closed totally or partially to new subscriptions or conversion in if, in the opinion of the Board, this is necessary to protect the interests of existing Shareholders. One such circumstance would be where a Sub-Fund has reached a size such that the capacity of the market and/or the capacity of the AIFM has been reached, and where to permit further inflows would be detrimental to the performance of the Sub-Fund. Where any Sub-Fund is materially capacity constrained in the opinion of the Board, the Sub-Fund may be closed to new subscriptions or conversion into without notice to Shareholders.

The minimum investment and holding requirement per investor is described for each Sub-Fund in the relevant Appendix.

### **11.3. Contributions in Kind**

The Board may agree to issue Shares as consideration for a contribution in kind of assets, provided that such securities comply with the investment objectives, policies and restrictions of the relevant Sub-Fund and in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from a Luxembourg independent auditor (*réviseur d'entreprises agréé*) which shall be available for inspection. Any costs incurred in connection with a contribution in kind of assets shall be borne by the relevant Shareholders.

## **12. RESTRICTION ON THE OWNERSHIP OF SHARES**

Subscription for Shares is restricted to Eligible Investors.

The Board of Directors may restrict or prevent the ownership of Shares in the Company by any person, firm or corporate body, if in the opinion of the Company such holding may be detrimental to the Company, if it may result in a breach of any law or regulation, whether Luxembourg or foreign, or if as a result thereof the Company may become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred. This may include, without limitation:

- Any person subject to the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and to other benefit plan, as defined in ERISA so as to avoid that

the aggregate holding of Shares by such persons may reach 25 per cent of the value of any Class of Shares (as determined in accordance with ERISA).

- "U.S. Person" which means any resident or person with the nationality of the United States of America or one of their territories or possessions or regions under their jurisdiction, or any other company, association or entity incorporated under or governed by the laws of the United States of America or any person falling within the definition of "US Person" under such laws.

To that end, the Board may:

- a) restrict or reject, on a discretionary basis, all or part of any application for Shares in the Company;
- b) decline to issue any Shares and decline to register any transfer of Shares when it appears that such issue or transfer may have as a result the allocation of ownership of the Shares to a person who is not authorised to hold Shares in the Company, including the transfer of A Shares made without complying with the procedure set out in the Articles with specific respect to the pre-emption rights granted to the existing holders of A Shares;
- c) proceed with the compulsory redemption of all the relevant Shares if it appears that a person who is not authorised to hold such Shares in the Company, either alone or together with other persons, is the owner of Shares in the Company, or proceed with the compulsory redemption of any or a part of the Shares, if it appears to the Company that one or several persons is or are owner or owners of a proportion of the Shares in the Company in such a manner that may be detrimental to the Company. The following procedure shall be applied:
  1. the Board shall send a notice (the "**Redemption Notice**") to the relevant Shareholder possessing the Shares to be redeemed; the Redemption Notice shall specify the Shares to be redeemed, the price to be paid, and the place where this price shall be payable. The Redemption Notice may be sent to the Shareholder by recorded delivery letter to his last known address. The Shareholder in question shall be obliged without delay to deliver to the Company the certificate or certificates, if there are any, representing the Shares to be redeemed specified in the Redemption Notice. From the closing of the offices on the day specified in the Redemption Notice, the Shareholder shall cease to be the owner of the Shares specified in the Redemption Notice and the certificates representing these Shares shall be rendered null and void in the books of the Company;
  2. the price at which the Shares specified in the Redemption Notice shall be redeemed (the "**Redemption Price**") shall in such instances be equal to the Net Asset Value per Share. Payment of the Redemption Price will be made to the owner of such Shares in the reference currency of the relevant Class, except during periods of exchange restrictions, and will be deposited by the Company with a bank in Luxembourg or elsewhere (as specified in the Redemption Notice) for payment to such owner upon surrender of the Share certificate or certificates, if issued, representing the Shares specified in such notice. Upon deposit of such Redemption Price as aforesaid, no person interested in the Shares specified in such Redemption Notice shall have any further interest in such Shares or any of them, or any claim against the Company or its assets in respect thereof, except the right of the Shareholders appearing as the owner thereof to receive the price so deposited (without interest) from such bank upon effective surrender of the Share certificate or certificates, if issued, as aforesaid. The exercise by the Company of this power shall not be questioned or invalidated in any case, on the grounds that there was insufficient evidence of ownership of Shares by any person or that the true ownership of any Shares was otherwise than appeared to the Company at the date of any Redemption Notice, provided that in such case the said powers were exercised by the Company in good faith.

### 13. REDEMPTION OF SHARES

Although the Company qualifies as an open-ended fund from a Luxembourg legal and regulatory standpoint, prospective investors should check in the relevant Appendices whether there are limitations to their rights to ask for redemption of their Shares.

The Company shall not redeem Shares in the event that the net assets of the Company would fall below the minimum capital foreseen in the 2007 Law as a result of such redemption.

The Company shall have the right to satisfy payment of the redemption price, to any Shareholder who so agrees, in specie by allocating to the Shareholder investments from the portfolio of assets of the Company equal to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders, and the valuation used shall be confirmed by a special report of a Luxembourg independent auditor. The costs of any such transfers shall be borne by the transferee.

#### **14. CONVERSION OF SHARES**

Shareholders are authorized to convert Shares from one Sub-Fund into another Sub-Fund or from one Class into another within the same Sub-Fund only to the extent it is expressly foreseen in the relevant Sub-Fund(s) Appendix.

#### **15. DETERMINATION OF THE NET ASSET VALUE**

The Net Asset Value of the Shares of each Sub-Fund is expressed in the currency in which each Sub-Fund or Class is denominated, as further specified in the relevant Appendix (the “**Reference Currency**”). The Reference Currency for the Company is the U.S. Dollar (USD).

The Administration Agent determines the Net Asset Value in accordance with the methods and procedures determined by the AIFM in consultation with the Board. The AIFM is entitled to appoint an external valuer in order to value certain assets, when the circumstances so require. The AIFM's liability towards the Company and its Shareholders shall not be affected by the appointment of such external valuer.

In consultation with the AIFM, the Board sets the Valuation Days, and the methods whereby the Net Asset Value is made public, in compliance with the legislation in force.

A. The assets of each Sub-Fund include:

- all cash in hand or on deposit, including any outstanding accrued interest;
- all bills and promissory notes and accounts receivable, including outstanding proceeds of any sale of securities;
- all securities, shares, bonds, time notes, debenture stocks, options or subscription rights, warrants, money market instruments, and all other investments and transferable securities belonging to the relevant Sub-Fund;
- all dividends and distributions payable to the Sub-Fund either in cash or in the form of stocks and shares (the Company may, however, make adjustments to account for any fluctuations in the market value of transferable securities resulting from practices such as ex-dividend or ex-claim negotiations);
- all outstanding accrued interest on any interest-bearing securities belonging to the Sub-Fund, unless this interest is included in the principal amount of such securities;

- the Company's or relevant Sub-Fund's preliminary expenses, to the extent that such expenses have not already been written-off;
- the Company's or relevant Sub-Fund's other fixed assets, including office buildings, equipment and fixtures;
- all other assets whatever their nature, including the proceeds of swap transactions and advance payments; and
- all shares and units issued by undertakings for collective investment or participations in investments funds.

B. Each Sub-Fund's liabilities shall include:

- all borrowings, bills, promissory notes and accounts payable;
- all known liabilities, whether or not already due, including all contractual obligations that have reached their term, involving payments made either in cash or in the form of assets, including the amount of any dividends declared by the Company regarding the Sub-Fund but not yet paid;
- a provision for capital tax and income tax accrued on the Valuation Day and any other provisions authorized or approved by the Company;
- all other liabilities of the Company of any kind with respect to the Sub-Fund, except liabilities represented by shares in the Company. In determining the amount of such liabilities, the Company shall take into account all expenses payable by the Company including, but not limited to:
  - formation expenses,
  - expenses in connection with and fees payable to, the AIFM, advisors(s), accountants, custodian and correspondents, registrar, transfer agents, paying agents, brokers, distributors, permanent representatives in places of registration and auditors,
  - administration, domiciliary, services, promotion, printing, reporting, publishing (including advertising or preparing and printing of prospectuses, explanatory memoranda, registration statements, annual reports) and other operating expenses,
  - the cost of buying and selling assets,
  - interest and bank charges, and
  - taxes and other governmental charges.
- the Company may calculate administrative and other expenses of a regular or recurring nature on an estimated basis for yearly or other periods in advance and may accrue the same in equal proportions over any such period.

C. The value of the Company's assets shall be determined as follows:

- the value of any cash in hand or on deposit, discount notes, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received, shall be equal to the entire amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board may consider appropriate in such case to reflect the true value thereof;
- the value of all portfolio securities and money market instruments or derivatives that are listed on an official stock exchange or traded on any other regulated market will be based on the last available price on the principal market on which such securities, money market instruments or derivatives are traded, as supplied by a recognized pricing service approved by the Board. If such prices are not representative of the fair value, such securities, money

market instruments or derivatives as well as other permitted assets may be valued at a fair value at which it is expected that they may be resold, as determined in good faith under the direction of the Board;

- the value of securities and money market instruments which are not quoted or traded on a Regulated Market will be valued at a fair value at which it is expected that they may be resold, as determined in good faith under the direction of the Board;
- investments in private equity securities will be valued at a fair value under the direction of the Board in accordance with appropriate professional standards, such as the Valuation Guidelines published by the European Private Equity and Venture Capital Association (EVCA), as further specified in the issuing documents of the Company;
- investments in real estate assets shall be valued with the assistance of one or several independent valuer(s) designated by the AIFM for the purpose of appraising, where relevant, the fair value of a property investment in accordance with its/their applicable standards, such as, for example, the Appraisal and Valuations Standards published by the Royal Institution of Chartered Surveyors (RICS);
- the amortized cost method of valuation for short-term transferable debt securities in certain Sub-Funds of the Company may be used. This method involves valuing a security at its cost and thereafter assuming a constant amortization to maturity of any discount or premium regardless of the impact of fluctuating interest rates on the market value of the security. While this method provides certainty in valuation, it may result during certain periods in values which are higher or lower than the price which the Sub-Fund would receive if it sold the securities. For certain short term transferable debt securities, the yield to a Shareholder may differ somewhat from that which could be obtained from a similar sub-fund which marks its portfolio securities to market each day;
- the value of the participations in investment funds shall be based on the last available valuation. Generally, participations in investment funds will be valued in accordance with the methods provided by the instruments governing such investment funds. These valuations shall normally be provided by the fund administrator or valuation agent of an investment fund. To ensure consistency within the valuation of each Sub-Fund, if the time at which the valuation of an investment fund was calculated does not coincide with the valuation time of any Sub-Fund, and such valuation is determined to have changed materially since it was calculated, then the Net Asset Value may be adjusted to reflect the change as determined in good faith under the direction of the Board;
- the valuation of swaps will be based on their market value, which itself depends on various factors (e.g. level and volatility of the underlying asset, market interest rates, residual term of the swap). Any adjustments required as a result of issues and redemptions are carried out by means of an increase or decrease in the nominal of the swaps, traded at their market value;
- the valuation of derivatives traded over-the-counter (OTC), such as futures, forward or option contracts not traded on exchanges or on other recognized markets, will be based on their net liquidating value determined pursuant to the policies established by the Board on the basis of recognized financial models in the market and in a consistent manner for each category of contracts. The net liquidating value of a derivative position is to be understood as being equal to the net unrealized profit/loss with respect to the relevant position; and
- the value of other assets will be determined prudently and in good faith under the direction of the Board in accordance with the relevant valuation principles and procedures.

The Board, at its discretion, may authorize the use of other methods of valuation if it considers that such methods would enable the fair value of any asset of the Company to be determined more accurately.

Where necessary, the fair value of an asset is determined by the Board, or by a committee appointed by the Board, or by a designee of the Board.

The valuation of each Sub-Fund's assets and liabilities expressed in foreign currencies shall be converted into the relevant Reference Currency, based on the latest known exchange rates.

All valuation regulations and determinations shall be interpreted and made in accordance with generally accepted accounting principles.

For each Sub-Fund, adequate provisions will be made for expenses incurred and due account will be taken of any off-balance sheet liabilities in accordance with fair and prudent criteria.

For each Sub-Fund and for each Class, the Net Asset Value per share shall be calculated in the relevant Reference Currency as each Valuation Day by dividing the net assets attributable to such Class (which shall be equal to the assets minus the liabilities attributable to such Class) by the number of shares issued and in circulation in such Class.

The Company's net assets shall be equal to the sum of the net assets of all its Sub-Funds.

In the absence of bad faith, gross negligence or manifest error, every decision to determine the Net Asset Value taken by the Board, the AIFM or by any bank, company or other organization which the Board may appoint for such purpose, shall be final and binding on the Company and present, past or future Shareholders.

In a case of error in calculation of the Net Asset Value, the provisions of the CSSF Circular 02/77 dated 27 November 2002 on “the protection of investors in case of NAV calculation error and correction of the consequences resulting from non-compliance with the investment rules applicable to undertakings for collective investment” shall apply.

#### D. Swing Pricing mechanism

A Sub-Fund may suffer a reduction in value, known as “dilution” when trading the underlying investments as a result of net inflows or net outflows of the respective Sub-Fund. This is due to transaction charges and other costs that may be incurred by liquidating and purchasing the underlying assets and the spreads between the buying and selling prices. In order to counter this effect and to protect Shareholders' interests, the Board may adopt a swing pricing mechanism as part of its valuation policy. This means that in certain circumstances the Board may make adjustments to the Net Asset Value to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

The Board has delegated the day to day operations to adjust the Net Asset Value per Share to the AIFM. The AIFM has set up a swing pricing committee (“the **Swing Pricing Committee**”) which will be in charge of the application of the swing pricing mechanism.

The Swing Pricing Committee is in charge of applying the swing pricing policy and adapting the swing parameters (swing factor, trigger point), under the responsibility of the Board. The Swing Pricing Committee is also in charge of monitoring the service providers in charge of applying the swing pricing.

The Swing Pricing Committee shall meet at least on a quarterly basis.

The Company will use a partial swing pricing mechanism. Therefore, if on any Dealing Day, the aggregate net investor(s) transactions in a Sub-Fund exceed a pre-determined threshold to be determined by the Swing Pricing Committee, the Net Asset Value per Share may be adjusted upwards or downwards to reflect the costs attributable to the net inflows and net outflows respectively. Typically, such adjustments will increase the Net Asset Value per Share when there are net subscriptions into the Sub-Fund and decrease the Net Asset Value per Share when there are net redemptions out of the Sub-Fund. The Swing Pricing Committee is responsible for setting the threshold, which will be a percentage of the net assets of the respective Sub-Fund. The threshold is based on objective criteria such as the size of a Sub-Fund and the dealing costs for a Sub-Fund, as well as on the volatility of the Sub-Fund or of the portfolio thereof and may be revised from time to time.

The extent of the adjustment (the “**Swing Factor**”) for the relevant Sub-Funds is specified in the relevant Appendix to the Placement Memorandum. The percentage by which the Net Asset Value is



adjusted will be set by the Swing Pricing Committee and subsequently reviewed on a periodic basis to reflect an approximation of taxes, current dealing and other costs.

The Swing Pricing Committee may decide to increase the adjustment limits in exceptional circumstances (e.g. higher market volatility) to protect Shareholders' interests. As any such adjustment will be dependent on the aggregate net transactions in Shares in a Sub-Fund, it is not possible to accurately predict whether it will occur at any future point in time and consequently how frequently it will need to be made. Investors will however be duly notified of such occurrence, by means of communication on the following website [www.scor-ip.com](http://www.scor-ip.com). Additionally, as the markets and jurisdictions in which the Sub-Funds invest may have different charging structures on the purchase and sale of assets, the resulting Swing Factor may differ between Sub-Funds and may be different for subscriptions than for redemptions.

The Net Asset Value per Share of each Share Class in a Sub-Fund will be calculated separately but any adjustment will be made on Sub-Fund level and in percentage terms, equally affecting the Net Asset Value per Share of each Class of Share. If swing pricing is applied to a Sub-Fund on a particular Valuation Day, the Net Asset Value adjustment will be applicable to all transactions placed on that day.

Investors are advised that the volatility of the Sub-Fund's Net Asset Value might not reflect the true portfolio performance as a consequence of the application of swing pricing.

The Board of Directors has determined that the Swing Pricing mechanism may be applied to the following Sub-Funds:

- SCOR ILS Fund – Atropos; and
- SCOR ILS Fund - Atropos CatBond Fund.

## **16. TEMPORARY SUSPENSION OF NET ASSET VALUE CALCULATION**

The Company may suspend the determination of the Net Asset Value and/or, where applicable, the subscription, redemption and/or conversion of Shares, for one or more Sub-Funds, in the following cases:

- when the stock exchange(s) or market(s) that supplies/supply prices for a significant part of the assets of one or more Sub-Funds, is/are closed, or in the event that transactions on such a market are suspended, or are subject to restrictions, or are impossible to execute in volumes allowing the determination of fair prices;
- when the information or calculation sources normally used to determine the value of a Sub-Fund's assets are unavailable, or if the value of a Sub-Fund's investment cannot be determined with the required speed and accuracy for any reason whatsoever;
- when exchange or capital transfer restrictions prevent the execution of transactions of a Sub-Fund or if purchase or sale transactions of a Sub-Fund cannot be executed at normal rates;
- when the political, economic, military or monetary environment, or an event of force majeure, prevent the Company from being able to manage normally its assets or its liabilities and prevent the determination of their value in a reasonable manner;
- when, for any other reason, the prices of any significant investments owned by a Sub-Fund cannot be promptly or accurately ascertained;
- when the Company or any of the Sub-Funds is/are in the process of establishing exchange parities in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;
- when there is a suspension of redemption or withdrawal rights by several investment funds in which the Company or the relevant Sub-Fund is invested;

- in exceptional circumstances, whenever the Company considers it necessary in order to avoid irreversible negative effects on one or more Sub Funds, in compliance with the principle of equal treatment of shareholders in their best interest.

In the event of exceptional circumstances which could adversely affect the interest of the Shareholders or market liquidity, the Board reserves its right to determine the Net Asset Value of the Shares of a Sub-Fund only after it shall have completed the necessary purchases and sales of securities, financial instruments or other assets on the Sub-Fund's behalf.

The suspension of the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares, shall be notified to the relevant persons through all means reasonably available to the Company, and by a publication in the press, unless the Board is of the opinion that a publication is not necessary considering the short period of the suspension.

## **17. DISTRIBUTION POLICY**

The features of the Shares available within each Sub-Fund are set out in of the relevant Appendix to the Placement Memorandum.

The Board may declare annual or other interim distributions, as further described in the relevant Appendix to the Placement Memorandum, from investment income and realized capital gains or from any other source of revenue and, if considered necessary to maintain a reasonable level of dividends, out of any other funds available for distribution.

The Company shall not proceed to distributions, either by way of distribution of dividends or redemption of Shares, in the event the net assets of the Company would fall below the equivalent in the Reference Currency of the Company of one million two hundred fifty thousand Euros (EUR 1,250,000.-).

## **18. COSTS, FEES AND EXPENSES**

### **18.1. Costs payable by the relevant Sub-Fund**

Except as otherwise specified in the relevant Appendix, each Sub-Fund will bear all costs relating to its establishment and operations. These costs may include, without limitation, the remuneration of the directors, the Depositary and its Correspondents, Domiciliary, Registrar, Transfer and Administration Agent, the remuneration of the AIFM, Advisor(s) (where applicable) and other providers of services, brokerage fees, transaction fees and expenses, taxes and costs connected with the movements of securities or cash, marketing expenses (such as, without limitation, preparation of marketing materials, and sponsoring conferences and seminars), as well as the fees of the auditor, legal advisor(s), the costs of preparation and distribution of the Placement Memorandum and periodic reports, Luxembourg subscription tax and any other taxes relating to the operations of the Sub-Fund, the costs related to the issue, redemption or conversion of Shares, translations and legal publications, the costs of its securities servicing, the possible costs of listing on any stock exchange or of publication of the price of its Shares, the costs of official deeds and any legal costs relating thereto. Furthermore, except as otherwise specified in the relevant Appendix, as from 1<sup>st</sup> January 2023 (included), each Sub-Fund will bear the costs relating to the risk management tools licence used by the AIFM. The cost will be charged by the AIFM on an annual basis, directly to the Sub-Fund, up to four basis points (0.04%) of the Net Asset value of each Sub-Fund.

### **18.2. Costs and fees to be borne by the Shareholders**

Where applicable, Shareholders may have to bear placement fees and/or costs and/or fees with respect to the issue, redemption or conversion of Shares, as described in the relevant Appendix.

Private banks acting as intermediary/placement agents involved in the distribution or placement of a Sub-Fund, authorised and appointed by the Board of Directors and/or the AIFM to that effect, may charge fees of up to two percent (2%) of the total subscription price, at their discretion, directly to their wealth management clients, being Investors in the relevant Sub-Fund, which will pay for it on top of the subscription price. Such fees shall be charged directly to the wealth management clients by the relevant private bank and will be payable by the Investors in accordance with the conditions determined between the relevant private bank and their wealth management clients.

## 19. LUXEMBOURG TAXATION

**The following is given on a general tax perspective and is based on the Company's understanding of, and advice received on, certain aspects of the law and practice currently in force in Luxembourg. It does not purport to be a complete analysis of all possible tax situations that may be relevant to an investment decision. This summary does not allow any conclusions to be drawn with respect to issues not specifically addressed. The following description of Luxembourg tax law is based upon the Luxembourg law and regulations as in effect and as interpreted by the Luxembourg tax authorities on the date of this Placement Memorandum and is subject to any amendments in law (or in interpretation) later introduced, whether or not on a retroactive basis.**

The residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*) generally. Corporate investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably applies to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

**Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

### 19.1. The Company

Under current law and practice, the Company is not liable to any Luxembourg income and net wealth taxes, nor are dividends (if any) paid by the Company liable to any Luxembourg withholding tax.

The Company is liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.01 per cent per annum of its net assets attributable to the Shares of each Sub-Fund. Such tax is payable quarterly and calculated on the Net Asset Value of the relevant Class at the end of the relevant quarter. The following are exempt from the subscription tax:

- a. the value of the assets represented by units held in other undertakings for collective investment, to the extent such units have already been subject to the subscription tax provided for by Article 68 of the 2007 Law or by Article 174 of the 2010 Law or by Article 46 of the law of 23 July 2016 on reserved alternative investment funds;

- b. specialized investment funds as well as individual compartments of specialized investment funds with multiple compartments:
  - 1. the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions; and
  - 2. the weighted residual portfolio maturity of which does not exceed 90 days; and
  - 3. that have obtained the highest possible rating from a recognised rating agency.
- c. specialized investment funds the securities or partnership interests of which are reserved for: (i) institutions for occupational retirement provision, or similar investment vehicles, set-up on one or several employers' initiative for the benefit of their employees; and (ii) companies of one or several employers investing the funds they own, in order to provide their employees with retirement benefits. The same exemption is applicable to individual classes of securities of a specialized investment fund or individual compartments of a specialized investment fund if the classes fulfil the above conditions.
- d. specialized investment funds as well as individual compartments of specialized investment funds with multiple compartments the main object of which is to invest in microfinance institutions or which have been granted the Luxembourg Fund Labelling Agency Microfinance label.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the Company, except a fixed registration duty of seventy-five Euros (EUR 75.-), which is payable upon the Company's incorporation and any subsequent modification of its Articles.

Dividends and interest on securities issued in other countries (including those issued by underlying funds) may be subject to withholding taxes imposed by such countries. The Company may be subject to withholding tax on dividends and interest and to tax on capital gains in the country of origin of its investments. As the Company itself is exempt from income tax, withholding tax levied at source, if any, is not refundable in Luxembourg. It is not certain whether the Company itself would be able to benefit from Luxembourg's double tax treaties network. Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. Indeed, as the Company is structured as an investment company (as opposed to a mere co-ownership of assets), certain double tax treaties signed by Luxembourg may directly apply to the Company.

In Luxembourg, regulated investment funds such as specialised investment funds have the status of taxable persons for value added tax ("**VAT**") purposes. Accordingly, the Company is considered in Luxembourg as a taxable person for VAT purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg. As a result of such VAT registration, the Company will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Company to its Shareholders, to the extent such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.

## 19.2. The Shareholders

### General

The receipt of dividends (if any) by Shareholders, the redemption or transfer of Shares and any distribution on a winding-up of the Company may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile.

Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Company. The Board, the Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of Shareholders.

### **Luxembourg tax residency of the Shareholders**

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg, by reason only of holding the Shares, or the execution, performance, delivery and/or enforcement of the Shares.

### **Income taxation of the Shareholders**

#### *Luxembourg non-residents*

Shareholders, who are non-residents of Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are generally not liable to any Luxembourg income tax.

As an exception, a non-resident Shareholder may be liable to Luxembourg income tax on capital gains realized on the Shares if he has held, either alone or together with his spouse, or partner, and/or his minor children, directly or indirectly, at any time within the five years preceding the disposal of the Shares, more than 10% of the Shares of the Company and he has either (i) held the Shares for less than six months or (ii) he has been a Luxembourg resident taxpayer for more than fifteen years and has become a non-resident less than five years before the realization of the capital gains on the Shares.

Non-resident corporate Shareholders which have a permanent establishment or a permanent representative in Luxembourg, to which the Shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg, to which the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### *Luxembourg residents*

Luxembourg resident Shareholders are not liable to any Luxembourg income tax on reimbursement of share capital previously contributed to the Company.

#### *Luxembourg resident individuals*

Any dividends received and other payments derived from the Shares received by resident individuals, who act in the course of the management of either their private wealth or their professional / business activity, are subject to income tax at the progressive ordinary rate (with a top marginal rate of 42%).

A gain realized upon the sale, disposal or redemption of Shares by Luxembourg resident individual Shareholders, acting in the course of the management of their private wealth is not subject to Luxembourg income tax, provided this sale, disposal or redemption took place more than six months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as substantial shareholding in limited cases, in particular if (i) the Shareholder has held, either alone or together with his spouse, or partner, and/or his minor children, either directly or indirectly, at any time within the five years preceding the realization of the gain, more than 10% of the share capital of the Company or (ii) the taxpayer acquired free of charge, within the five years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realized on a substantial participation more than six months after the acquisition thereof are subject to income tax according to the half-global rate method, (*i.e.*

the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

Capital gains realised on the disposal of the Shares by resident individual Shareholders, acting in the course of the management of a professional or business undertaking, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### *Luxembourg resident companies*

Luxembourg resident corporate Shareholders must include any income received, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable income for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### *Luxembourg resident companies benefiting from a special tax regime*

Luxembourg resident corporate Shareholders which are companies benefiting from a special tax regime, such as (i) undertakings for collective investment subject to the 2010 Law, (ii) specialized investment funds subject to the 2007 Law, (iii) family wealth management companies governed by the law of 11 May 2007 as amended, and (iv) reserved alternative investment funds treated as specialized investments funds for Luxembourg tax purposes and subject to the law of 23 July 2016 are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg income tax with respect to dividends received or capital gains realized.

#### **Net wealth tax**

Luxembourg resident Shareholders, and non-resident Shareholders who have a permanent establishment, or a permanent representative in Luxembourg to which the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, except if the Shareholder is: (i) a resident or non-resident individual taxpayer; (ii) an undertaking for collective investment governed by the 2010 Law; (iii) a securitization company governed by the law of 22 March 2004 on securitization, as amended; (iv) a company governed by the law of 15 June 2004 on venture capital vehicles, as amended; (v) a specialized investment fund governed by the 2007 Law; (vi) a family wealth management company governed by the law of 11 May 2007, as amended; (vii) a professional pension institution subject to the law of 13 July 2005, as amended; or (viii) a reserved alternative investment fund subject to the law of 23 July 2016.

However, (i) a securitization company subject to the law of 22 March 2004 on securitization, as amended, (ii) a professional pension institution subject to the law of 13 July 2005, as amended, (iii) a reserved alternative investment fund treated as a venture capital vehicle for Luxembourg tax purposes and subject to the law of 23 July 2016 (iv) and a company subject to the law of 15 June 2004 on venture capital vehicles, as amended, remain subject to the minimum net wealth tax.

#### **Other taxes**

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his/her taxable basis for inheritance tax purposes. On the contrary, no estate or inheritance tax is levied on the transfer of the Shares upon death of an individual Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his/her death.

Luxembourg gift tax may be levied on a gift or donation of the Shares if embodied in a Luxembourg deed or otherwise registered in Luxembourg.

### 19.3. Exchange of information

#### FATCA

Capitalized terms used in this section should have the meaning as set forth in the Luxembourg IGA, unless provided otherwise herein.

Being established in Luxembourg and subject to the supervision of the CSSF in accordance with the 2007 Law, the Company is likely to be treated as a Foreign Financial Institution.

This status includes the obligation of the Company to regularly obtain and verify information on all of its Shareholders. Upon request of the Company, each Shareholder shall agree to provide certain information, including, in case of a Non-Financial Foreign Entity (“NFFE”), the direct or indirect owners above a certain threshold of ownership of such NFFE, along with the required supporting documentation. Similarly, each Shareholder shall agree to actively provide to the Company within thirty days any information that would affect its status, as for instance a new mailing address or a new residency address.

FATCA and the IGA may result in the obligation for the Company to disclose the name, address and taxpayer identification number (if available) of the Shareholder as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities under the terms of the IGA. Such information will be onward reported by the Luxembourg tax authorities to the U.S. Internal Revenue Service.

Additionally, the Company is responsible for the processing of Personal Data and each Shareholder has notably a right to access the Personal Data communicated to the Luxembourg tax authorities and to correct such Personal Data (if necessary). Any Personal Data obtained by the Company are to be processed in accordance with the Data Protection Laws (as defined below) as well as in accordance with Section XXI. Data Protection.

Although the Company will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as result of the FATCA regime, the value of the Shares held by the Shareholders may suffer material losses. A failure for the Company to obtain such information from each Shareholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of U.S. source income and on proceeds from the sale of property or other assets that could give rise to U.S. source interest and dividends.

Any Shareholder that fails to comply with the Company’s documentation requests may be charged with any taxes and/or penalties imposed on the Company attributable to such Shareholder’s failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime.

Shareholders should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

#### Common Reporting Standard

Capitalized terms used in this section should have the meaning as set forth in the CRS Law, unless provided otherwise herein.

On 9 December 2014, the Council of the European Union adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the

field of taxation which now provides for an automatic exchange of financial account information between EU Member States (“DAC Directive”). The adoption of the aforementioned directive implements the OECD’s CRS and generalizes the automatic exchange of information within the European Union as of 1 January 2016.

In addition, Luxembourg signed the OECD’s multilateral competent authority agreement (“Multilateral Agreement”) to automatically exchange information under the CRS. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The CRS Law implements this Multilateral Agreement, jointly with the DAC Directive introducing the CRS in Luxembourg law.

Under the terms of the CRS Law, the Company may be required to annually report to the Luxembourg tax authorities the name, address, Member State(s) of residence, TIN(s), as well as the date and place of birth of i) each Reportable Person that is an Account Holder within the meaning of CRS Law, ii) and, in the case of a Passive NFE within the meaning of the CRS Law, of each Controlling Person(s) that is a Reportable Person. Such information may be disclosed by the Luxembourg tax authorities to foreign tax authorities.

Additionally, the Company is responsible for the processing of Personal Data and each Shareholder has notably a right to access the data communicated to the Luxembourg tax authorities and to correct such Personal Data (if necessary). Any Personal Data obtained by the Company are to be processed in accordance with the Data Protection Laws (as defined below) as well as in accordance with Section XXI. Data Protection.

The Company’s ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Company with the information, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder shall agree to provide the Company such information.

Although the Company will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a fine or penalty as result of the CRS Law, the value of the Shares held by the Shareholders may suffer material losses.

Any Shareholder that fails to comply with the Company’s documentation requests may be charged with any fines and penalties imposed on the Company or the AIFM attributable to such Shareholder’s failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

Shareholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

## **20. FINANCIAL YEAR, GENERAL MEETINGS OF SHAREHOLDERS, OTHER INFORMATION TO SHAREHOLDERS, DOCUMENTS AVAILABLE FOR INSPECTION AND SHAREHOLDERS’ RIGHTS**

### **20.1. Financial Year**

The Financial Year shall be the calendar year starting on 1<sup>st</sup> January and ending on 31<sup>st</sup> December. The first Financial Year ended on 31<sup>st</sup> December 2011.



Audited annual reports will be available at the registered office of the Company. The first report of the Company was the annual report as of 31<sup>st</sup> December 2011.

## **20.2. General meetings**

The annual general meeting of the Shareholders of the Company will be held at the registered office of the Company in Luxembourg on the first Thursday of June at 10:00 (Luxembourg time) (or, if such day is not a Business Day, on the next following Business Day). The first annual general meeting of the Shareholders was held in 2012.

Notices of a general meeting and other notices will be given in accordance with Luxembourg law. Notices will specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and the voting requirements and will be given at least 10 days prior to the meetings. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in the Articles of the Company and in the Luxembourg law of August 10, 1915 on commercial companies, as amended. All Shareholders may attend the annual general meetings, any general meetings and class meetings of the Sub-Funds in which they hold Shares and may vote either in person or by proxy.

## **20.3. Other Information to Shareholders**

The AIFM will inform, as soon as possible and by any information means the Shareholders of any replacement or effective departure of the person being the head of the ILS team within the AIFM.

## **20.4. Documents available for inspection and reporting**

Copies of the Articles, the Placement Memorandum and the latest financial statements of the Company are available for the Shareholders, free of charge, during business hours on each Business Day at the registered office of the Company.

The Company publishes annually a detailed report of its activity and the management of its assets, including:

- a balance sheet,
- a profit and loss account,
- the detailed make up of its assets,
- the auditor's report,
- a report of the activities of the exercise, notification of all substantial changes which occurred during the period to which the exercise refers,
- the percentage of the assets of the Company which are the object of special treatment because of their non-liquid nature (if such assets are held by the Company) as well as an overview of existing special treatments,
- any new arrangements for managing the liquidity of the Company,
- the current risk profile of the Company, and the management risk systems used and information regarding the level of remuneration paid during the exercise.

In the event leverage is used in the context of the management of the Company, the AIFM shall disclose, through individual reporting, on a regular basis:

- any changes to the maximum level of leverage which the AIFM may employ on behalf of the Company as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement; and

- the total amount of leverage employed by the Company.

## 20.5. Amendments to the Placement Memorandum

If the laws and regulations applicable to the Company or having an impact on the Company's operation change (either at Luxembourg level or European level), and such changes require compulsory amendment to the structure of the Company or its operations, then the Company shall be authorized to amend any provision of this Placement Memorandum, subject to the prior approval of the CSSF. In such case, and provided that such compulsory amendments to the structure or the operations of the Company do not require the involvement of the general meeting of Shareholders of the Company or the relevant Sub-Fund, then the Placement Memorandum will be updated and the Shareholders will be informed thereof, for their information purposes only, without any other involvement in the decision making process prior to the effectiveness of the above mentioned amendment. For the avoidance of doubt, in this case, the Shareholders will not be offered the right to request the cost-free redemption of their Shares prior to the relevant changes becoming effective.

In any case, should any amendments of the Placement Memorandum entail an amendment of the Articles or require the decision to be made by the general meeting of Shareholders of the Company, or of one or several Sub-Funds, such decision shall be passed by a resolution of an extraordinary general meeting of Shareholders in accordance with the form, quorum and majority requirements set forth in the Articles and in compliance with Luxembourg laws and regulations.

Finally, the Company is also authorised to amend any other provision of the Placement Memorandum, provided that such changes are not material to the structure and/or operations of the Company and its Sub-Funds and are beneficial or at least not detrimental to the interests of the Shareholders of the Company, any Sub-Fund or any Class, as the case may be, as determined by the Board at its sole but reasonable discretion and subject to the prior approval of the CSSF. In such case, the Placement Memorandum will be amended and the Shareholders will be informed thereof, for their information purposes only. For the avoidance of doubt, Shareholders will not be offered the right to request the cost-free redemption of their Shares prior to such changes becoming effective.

The Company is authorised to make other amendments to the provisions of the Placement Memorandum that are material to the structure and/or operations of the Company and its Sub-Funds or detrimental to the interests of the Shareholders of the Company, any Sub-Fund or any Class (such as the change of the fee structure of the Company or the relevant Sub-Fund), subject to the approval of the CSSF, provided that such changes shall only become effective and the Placement Memorandum amended accordingly, in compliance with the 2007 Law to the extent the procedures set forth below have been complied with:

- (i) in an open-ended Sub-Fund, provided that there is sufficient liquidity, (a) all Shareholders have been offered a cost-free redemption of their Shares during a one (1) month period from the sending of such notice to all relevant Shareholders and (b) such changes shall become effective only after the expiry of this one (1) month period; or
- (ii) with respect to any closed-ended Sub-Fund or in the event that the cost-free redemption is not possible because the assets of the relevant Sub-Fund are illiquid, the Shareholders shall not have a right to request cost-free redemption of their Shares and the Board of Directors shall seek a prior approval of such amendments by a decision of the general meeting of Shareholders passed with (a) at least two thirds (2/3) of the votes attached to all Shares issued by the Company (or where applicable, in the relevant Sub-Fund or Class) and validly cast by those present or represented at the meeting; and (b) a presence quorum requirement of at least fifty percent (50%) of the capital of the Company (or where applicable, of the relevant Sub-Fund or Class), at the first call and, if not achieved, with no quorum requirement for the second call.

## 20.6. Shareholders' Rights

### Recognition and Enforcement of Judgments in Luxembourg

The 1980 Rome Convention on the Law Applicable to Contractual Obligations (other than Article 7(1)), Regulation (EC) 593/2008 (Rome I) (the “**Rome I Regulation**”) and Regulation (EC) 864/2007 (Rome II) (the “**Rome II Regulation**”), all have force of law in Luxembourg (together the “**Rome Regulations**”). Accordingly, the choice of a governing law in any given agreement is subject to the provisions of the Rome Regulations. Under the Rome I Regulation, the courts of Luxembourg may apply any rule of Luxembourg law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if:

- a) the foreign law were not pleaded and proved; or
- b) if pleaded and proved, such foreign law would be contrary to (i) the public policy of the forum, (ii) the overriding mandatory provisions of the law of the forum, (iii) the provisions of the law of a country which cannot be derogated from by agreement, where matters are connected with such country only, (iv) the provisions of Community law which cannot be derogated from by agreement, where matters are connected with the EU only and (v) the overriding mandatory provisions of the law of the country where the obligations arising out of the contract have to be or have been performed, in so far as those overriding mandatory provisions render the performance of the contract unlawful.

The fact that contractual parties choose a foreign law, whether or not accompanied by the choice of a foreign tribunal, shall not, where all the other elements relevant to the situation at the time of the choice are connected with one country only, prejudice the application of rules of the law of that country, which cannot be derogated from by agreement.

The effectiveness of provisions relating to the choice of law to govern non-contractual obligations is subject, where applicable, to the Rome II Regulation. The effectiveness of such provisions in situations where the Rome II Regulation does not apply is uncertain.

Regulation (EU) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters has force of law in Luxembourg. In accordance with its provisions, a judgment obtained in the courts of another EU jurisdiction will in general be recognised and enforced in Luxembourg without review as to its substance, save in certain exceptional circumstances.

### Investors' rights against service providers

The Fund is reliant on the performance of third party service providers, including the AIFM, the Depositary, the Administration Agent, the Registrar and Transfer Agent (the “Service Providers”). Further information in relation to the roles of the Service Providers is set out above.

No Shareholder will have any direct contractual claim against any Service Provider with respect to such Service Provider's default. Any Shareholder who believes they may have a claim against any Service Provider in connection with their investment in the Company, should consult their legal advisor.

## 21. LIQUIDATION OF THE COMPANY

In the event of dissolution, the liquidation shall be carried out by one or more liquidators (which may be the Board) appointed by the general meeting of Shareholders as liquidator, pursuant to the 2007 Law and the Articles. Amounts which have not been claimed by Shareholders at the close of the liquidation will be deposited in escrow with the Caisse des Consignations in Luxembourg. Should such amounts not be claimed within the prescription period, then they may be forfeited.

## 22. TERMINATION, AMALGAMATION AND TRANSFER OF ASSETS FROM SUB-FUNDS / CLASSES OF SHARES

In the event that, for any reason whatsoever, the value of the assets in any Sub-Fund or the value of the net assets of any Class of Shares within a Sub-Fund has decreased to, or has not reached, an amount determined by the Board to be the minimum level for such Sub-Fund or such Class of Shares to be operated in an economically efficient manner or in case of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalization, the Board may decide to redeem all the Shares of the relevant Class or Classes at the Net Asset Value (taking into account actual realization prices of investments and realization expenses) calculated with reference to the relevant Dealing Day. The Board shall send a written notice to the registered holders of the relevant Class or Classes of Shares prior to the effective date for the compulsory redemption, which will indicate the reasons and the procedure for the redemption operations. Where applicable and unless it is otherwise decided in the interests of, or to keep equal treatment of, the Shareholders, the Shareholders of the Sub-Fund or of the Class of Shares concerned may continue to request redemption of their Shares free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the date effective for the compulsory redemption.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Depositary for a period of six months thereafter; after such period, the assets will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

Under the same circumstances as provided by the first paragraph of this section, the Board may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Company, or to another Luxembourg undertaking for collective investment organized under the provisions of the 2007 Law or of the 2010 Law, or to another sub-fund within such other undertaking for collective investment (the "**new sub-fund**") and to redesignate the Shares of the Class or Classes concerned as shares of the new sub-fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be communicated in the same manner as described in the first paragraph of this section one month before its effectiveness (and, in addition, the publication will contain information in relation to the new sub-fund), in order to enable Shareholders to request redemption of their Shares, free of charge, during such period. Shareholders who have not requested redemption will be transferred as of right to the new sub-fund.

## 23. CONFLICTS OF INTEREST AND FAIR TREATMENT OF INVESTORS

### 23.1. Conflicts of interests

The members of the AIFM, the Advisor(s) (where applicable), the Depositary, the Administration Agent and their respective affiliates, directors, officers and shareholders (collectively the "**Parties**") are or may be involved in other financial, investment and professional activities which may cause conflicts of interests with the management and administration of the Company. These include the management of other collective investment schemes, purchase and sale of securities, brokerage services, custody and safekeeping services and serving as directors, officers, advisors, distributors or agents of other collective investment schemes or other companies, including companies and investment funds in which the Company may invest. The AIFM, the Advisor(s) (where applicable) or certain affiliate companies of these service providers may be remunerated by portfolio managers, distributors or sponsors of investment funds, in which the Company invests, for the access by such portfolio managers, distributors or sponsors of investment funds to the infrastructure and networks established by the AIFM, the Advisor(s) (where applicable) or certain affiliate companies of these service providers. The Shareholders of the Company should be aware that the terms of the placing arrangements with such trading portfolio managers may provide, in pertinent part, for the payment of fees up to a significant portion of an investment manager's total management and performance-

based fees or of a portion of the brokerage commissions generated by the underlying investment funds, calculated by reference to the amounts invested in such underlying investment funds through the Parties or affiliate companies of these service providers. Although such arrangements, when they exist, may create potential conflicts of interest for the Parties between their duties to select portfolio managers based solely on their merits and its interest in assuring revenue in the context of the placing arrangements if this issue is not properly dealt with, the Shareholders of the Company should note that the Parties shall at all times (i) act in the best interest of the Company in the due diligence process carried out prior to the selection of any relevant underlying investment fund and (ii) ensure that all investment/disinvestment decisions in the management of the assets of the Company are never influenced or affected by any of the terms of such placing arrangements. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they might have. In the event that a conflict of interest does arise, the Board and the relevant Parties shall endeavour to ensure that it is resolved fairly within reasonable time and in the interest of the Shareholders of the Company. See also *Section 6 – General Risk Factors and Potential Conflicts of Interest; Potential Conflicts of Interest*.

Where conflicts of interest cannot be avoided and there exists a risks of damage to investors' interests, the AIFM shall inform investors of the general nature or causes of the conflicts of interest and develop appropriate policies and procedures in order to mitigate such conflicts while ensuring equal treatment between investors and ensuring that the Company is treated in an equitable manner.

Investors should be aware that the management of conflicts of interest can lead to a loss of investment opportunity or to the AIFM having to act differently than the way it would have acted in the absence of the conflict of interest. This may have a negative impact on the performance of the Company and its Sub-Funds.

### **23.2. Fair Treatment of Investors**

The Board of Directors will adopt such provisions as are necessary to ensure that preferential treatment accorded by the Company, or the AIFM with respect to the Company, to a Shareholder will not result in an overall material disadvantage to other Shareholders, as further disclosed in the Company's issuing document.

The AIFM shall ensure that its decision-making procedures and its own organizational structure ensure the fair treatment of Shareholders. In addition, the AIFM shall ensure on an on-going basis that Shareholders are treated fairly and equitably. No preferential treatment shall be granted to any Shareholder; all Shareholders shall be treated fairly and equitably.

### **23.3. Inducements**

The AIFM can and is authorised to give or receive a remuneration, a commission or provide a non-monetary benefit only if it refers to:

- a) a remuneration, a commission or a non-monetary benefit paid or provided to the Company or by it, or to a person acting on behalf of the Company or by itself;
- b) a remuneration, a commission or a non-monetary benefit paid or provided by a third party or itself or to a person acting in the name of the third party or by itself if this remuneration, commission or benefit whose objective is to improve the quality of the service provided and does not harm the obligation of the AIFM to act in the interests of the Company or of its investors. As of the date of this Placement Memorandum, no remuneration, commission or non-monetary benefit exists.
- c) the appropriate remuneration which permits the provision of the necessary services or are necessary for the provision of the service, most notably the custody rights, the exchange and procedural costs, the regulatory taxes, which by their nature are not incompatible with the

obligation which is incumbent on the AIFM to act honourably, loyally and in the interests of the Company or the investors.

Investors are invited to contact the AIFM in order to receive more detailed information on remuneration, commission or non-monetary benefits paid, provided or received with respect to point (b) above.

## 24. DATA PROTECTION

In accordance with the provisions of the EU Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the “**GDPR**”) and the Luxembourg data protection law of 1st August 2018 organizing the National Commission for data protection and the general system on data protection, as amended from time to time, (collectively hereinafter the “**Data Protection Laws**”), the Company acting as data controller (the “**Data Controller**”) collects, stores and processes, by electronic or other means, the Personal Data (as defined below) supplied by the Investors and/or the prospective Investors or, if the Investors and/or the prospective Investors is a legal person, any natural person related to the Investors and/or the prospective Investors such as its contact person(s), employee(s), trustee(s), agent(s), representative(s) and/or beneficial owner(s) (the “**Data Subjects**”), for the purpose of fulfilling the services required by the Investors and complying with its legal and regulatory obligations.

Such personal data includes (i) for individual Investors: the name, address (including postal and/or e-mail address), banking details, invested amount and holdings of each Investors; (ii) for corporate Investors: the name and address (including postal and/or e-mail address) of the natural person related to the Investors; and (iii) any personal data for which the processing is required in order to comply with regulatory requirements, including tax law and foreign laws (all the personal data mentioned above, collectively, the “**Personal Data**”). The Data Subjects may, at their discretion, refuse to communicate the Personal Data to the Data Controller. In this event however, the Data Controller or its agents may reject its request for subscription for Shares if the relevant Personal Data is necessary to the subscription of Shares.

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

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

In particular, the Personal Data supplied by Data Subjects is processed for the purpose of (i) maintaining the register of Investors; (ii) processing subscriptions, redemptions and conversions of Shares and payments of distributions or interest to Investors; (iii) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of late trading and market timing practices; (iv) account administration; (v) client relationship management and (vi) tax identification as may be required under Luxembourg or foreign laws and regulations (including laws and regulations relating to FATCA or CRS).

The “legitimate interests” of the Company referred to above are: (a) the processing purposes described in point (v) of the above paragraph of this clause; (b) the provision of the proof, in the event of a dispute, of a transaction or any commercial communication; as well as in connection with any

proposed purchase, merger or acquisition of any part of the Company's business and (c) exercising the business of the Company in accordance with reasonable market standards.

In the context of the above mentioned purposes, the Company may delegate the processing of the Personal Data, in compliance and within the limits of the applicable laws and regulations, to other data recipients which refer to, *inter alia*, AIFM, Depositary, Registrar and Transfer Agent and Administration and domiciliation Agent (the "**Recipients**").

The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the "**Sub-Recipients**"), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Data Controller and/or assisting the Recipients in fulfilling their own legal obligations.

The Recipients and Sub-Recipients may be located either inside or outside the European Economic Area (the "**EEA**").

Where the Recipients are located outside the EEA in a country which does not ensure an adequate level of protection for personal data, the Data Controller will enter into legally binding transfer agreements with the relevant Recipients in the form of the EU Commission's approved model clauses. Where the Sub-Recipients are located outside the EEA in a country which does not ensure an adequate level of protection for Personal Data, the Recipients shall also enter into legally binding transfer agreements with the relevant Sub-Recipients in the form of the EU Commission's approved model clauses. In this respect, the Data Subjects have a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Data Controller or, where the Recipients disclose the Personal Data to the Sub-Recipients and where relevant, to the Recipient.

The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data upon instructions of the Data Controller), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations). The Data Controller may also transfer Personal Data to third parties such as governmental or regulatory agencies including tax authorities, in or outside the European Union, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may, acting as data controller, disclose the same to foreign tax authorities.

In accordance with the conditions laid down by the Data Protection Laws, Data Subjects have the right to:

- request access to their Personal Data (i.e. the right to obtain from the Company confirmation as to whether or not Personal Data is being processed, to be provided with certain information about the Data Controller's processing of Personal Data, to access such data, and to obtain a copy of the Personal Data undergoing processing (subject to legal exceptions));
- request the correction of their Personal Data where it is inaccurate or incomplete (i.e. the right to require that inaccurate or incomplete Personal Data be updated or corrected accordingly);
- object to the processing of their Personal Data (i.e. the right to object, on grounds relating to their particular situation, to processing of Personal Data which is based on the performance of a task carried out in the public interest or the legitimate interests of the Company. The Company shall stop such processing unless it can either demonstrate compelling legitimate grounds for the processing that override

their interests, rights and freedoms or that it needs to process the data for the establishment, exercise or defence of legal claims);

- request erasure of their Personal Data (i.e. the right to require that Personal Data be erased in certain circumstances, including where it is no longer necessary for the Company to process this data in relation to the purposes for which it collected or processed);
- request for restriction of the use of their Personal Data (i.e. the right to obtain that the processing of Personal Data should be restricted to storage of such data unless consent of the Data Subjects has been obtained); and
- request for Personal Data portability (i.e. the right to have the data transferred to them or another controller in a structured, commonly used and machine-readable format, where this is technically feasible).

The Data Subjects may exercise their above rights by writing to the Data Controller at the following address: [ComplianceScorlp@scor.com](mailto:ComplianceScorlp@scor.com).

The Data Subjects are also informed of the existence of their right to lodge a complaint with the CNPD at the following address: 1, Avenue du Rock'n'Roll, L-4361 Esch-sur-Alzette, Grand-Duchy of Luxembourg; or with any competent data protection supervisory authority in their EU Member State of residence.

Personal Data shall not be retained for a period longer than necessary for the purpose of the data processing, subject to any limitation periods imposed by law.



## **PART II: APPENDICES - SPECIFIC INFORMATION RELATIVE TO SUB-FUNDS**

List of existing sub-funds:

**Appendix A. SCOR ILS Fund – Atropos**

**Appendix B. SCOR ILS Fund – Atropos CatBond Fund**

**Appendix C. SCOR ILS Fund – Atropos CatBond Fund II**

## APPENDIX A. SCOR ILS FUND - ATROPOS

### 1. INVESTMENT OBJECTIVES AND STRATEGY

The principal investment objective of the Sub-Fund is to seek high current income and capital appreciation on a risk-adjusted basis, while for certain Classes of Shares distributing to the Shareholders in these Classes of Shares a portion of the revenue of the Sub-Fund. The Sub-Fund will provide Shareholders with access to a managed portfolio of (re)insurance risks that offers positive expected risk-adjusted returns with limited correlation to other asset classes. The Sub-Fund will typically invest in ILS instruments in a variety of structural forms and potentially across several lines of business (e.g., natural catastrophe, life, mortality, longevity, surety, aviation, satellite, fire, casualty, etc.). For the avoidance of doubt, the Sub-Fund will not invest in any life settlement policies or derivatives thereof. See *Section 6 – General Risk Factors and Potential Conflicts of Interest; Potential Conflicts of Interest*.

The (re)insurance industry is currently being impacted by two significant forces: (i) an increased demand for (re)insurance protection against low frequency, but potentially high severity, events, and (ii) the reduction of risk-taking capacity due to limited availability of capital and disruption in the capital markets.

The (re)insurance industry's property catastrophe experience of recent years, has led the industry to re-evaluate its capacity to absorb property catastrophe risk. At the same time, catastrophe risk modelling firms have significantly increased their assessments of the expected property catastrophe losses for individual firms and the magnitude of the potential losses from extreme events. In addition, credit rating agencies have increased their capital requirements for insurers and reinsurers with catastrophe exposure. This may serve to reduce the risk-bearing capacity at many institutions, potentially leading to an imbalance in the supply/demand dynamics of the industry, resulting in an increase in the risk premia available to the Sub-Fund.

The occurrences of insurance events are largely uncorrelated to the global equity and bond markets, and hence a portfolio dominated by insurance risks should experience low correlation to equity and bond investments. The AIFM believes it will take a considerable amount of time before this correlation benefit gets priced into the instruments in which the Sub-Fund invests, but there can be no assurance of low correlation or beneficial pricing.

The increased demand for risk-transfer capacity has been a catalyst for significant innovation in the structural forms used to spread the risk broadly within the capital markets. Traditional reinsurance transactions remain the dominant form of risk transfer. However, alternative risk transfer products have become increasingly important for the insurance and reinsurance industry in recent years. Such ILS products include, but are not limited to, the following.

**Catastrophe bonds** – Catastrophe bonds are a principal-at-risk security sponsored by insurance or reinsurance companies or a corporation in order to facilitate the transfer of catastrophe risk to the capital markets. In a typical catastrophe bond structure, the sponsor of a transaction enters into a risk transfer contract with a newly formed and non-affiliated special purpose entity. Under the risk transfer contract, the sponsor cedes a layer of catastrophe risk (usually property & casualty or mortality risk) to the special purpose entity in exchange for periodic payments that are used to fund a portion of interest on the bonds and other issuer expenses. Conversely, in order to fund potential loss payments to the sponsor, the special purpose entity issues principal-at-risk notes to investors and deposits the proceeds of such issuance into a trust or collateral account. If a loss occurs under the risk transfer contract with the sponsor, the principal of the notes (and interest earned on such principal) is reduced by the amount of such loss payment. Losses under the risk transfer contract are limited to the principal amount of the notes and can be based on several trigger-types, including an indemnity-based, parametric or model-based trigger.

**Industry loss warranties ("ILWs")** – ILWs, which can be written in either reinsurance or derivative form, allow a party to purchase limited catastrophe protection based on the insurance industry's total

losses from a covered event. In a typical ILW, if a particular type of catastrophe event has caused total insurance industry losses in excess of a pre-specified level, the protection seller will owe the counterparty an amount based on the particular structure of the ILW and the size of the loss.

**Insurance swaps** – Insurance swaps are a derivative product by which a protection buyer purchases catastrophe coverage from a counterparty in exchange for certain fixed payments, which could include an initial lump-sum payment or periodic payments. Similar to ILWs, the loss trigger in an insurance swap is usually based on some third-party index of industry losses, although nothing precludes the use of indemnity-based or other triggers. Insurance swaps can cover many different forms of risk, including property & casualty risk, mortality risk and longevity risk.

**Collateralized reinsurance contracts** – Collateralized reinsurance contracts are private transactions whereby a reinsurer typically assumes the risk associated with an insurance company's ultimate net loss in exchange for pre-determined premium payments. While essentially the same as traditional reinsurance, certain structural innovations have been developed to reduce credit risk, including collateralizing the reinsurer's potential obligations in a trust account or through the use of letters of credit. Consequently, these contracts can be underwritten by reinsurers with a wider variety of credit risk profiles and capital structures not commonly permitted in traditional reinsurance, including through the use of a transformer structure. In a typical transformer structure, an insurance or reinsurance company sells a traditional reinsurance contract to a ceding company, which in turn cedes such risk to a non-traditional reinsurance vehicle, such as the Company. For example, the Company may enter into reinsurance swaps with third-party reinsurers pursuant to which the Company would assume all or a portion of the reinsurance risk under designated collateralized reinsurance transactions. In addition to investing through third-party reinsurers, the AIFM or an affiliate thereof may, in the future, form a related-party reinsurer to facilitate these types of transactions.

**Sidecar debt and equity offerings** – Similar to the catastrophe bond structure, sidecars are special purpose entities that are formed and capitalized in order to provide additional risk capacity generally for an insurance or reinsurance sponsor. An investment in a sidecar vehicle can take the form of equity or debt. In a typical sidecar structure, the sponsor underwrites and/or cedes to the sidecar a portfolio of risk pursuant to a quota share reinsurance agreement or an underwriting services agreement. In exchange for such coverage, the sidecar vehicle will receive a pro rata share of the premiums originally paid in connection with the underlying risk. Losses to investors are limited to the debt or equity investment in the structure.

The Sub-Fund may invest in any of the aforementioned ILS products, this list being not exhaustive, either taking a "long" or "short" position in the underlying risk. In managing the Sub-Fund's risk-adjusted return, the AIFM will continually monitor the Sub-Fund's risk positions and evaluate the current market price of its investments, if available. When the AIFM determines that the risk-adjusted return of an investment no longer meets the Sub-Fund's criteria, it may seek to exit such investment or mitigate its risk exposure through the use of hedging or diversification techniques, including taking a short position or buying ILW protection. See *Section 6 – General Risk Factors and Potential Conflicts of Interest; Illiquidity*.

The Sub-Fund may invest its excess funds in Treasuries or other government-issued debt, cash, money market instruments, commercial paper, certificates of deposit and bankers' acceptances, among other instruments. Any income earned from such investments will be reinvested by the Sub-Fund in accordance with its investment program.

The Sub-Fund may invest in derivatives, not solely to hedge investment positions. The derivative transactions may be concluded on either a stock exchange or another regulated market open to the public, or in an OTC trading if the counterparty is a regulated financial intermediary. The Sub-Fund may use credit default swaps ("CDS") in order to hedge the counterparty risk associated with some of the investments of the Sub-Fund, if deemed necessary.

The Sub-Fund may on an ancillary basis invest in the shares or units of UCITS or regulated UCIs or participation in investment funds.

In addition to market risks, derivatives are also subject to counterparty risk. In connection with the use of derivatives, the Sub-Fund may establish a trust account in a custodian in which collateral assets will be deposited in order to secure, in whole or in part, its payment obligations.

In order to manage the currency risk associated with the assets and the liabilities of the Sub-Fund denominated in currencies other than the Reference Currency of the Sub-Fund (being the US Dollars), all available techniques and instruments intended to provide currency rate exchange protection may be employed by the Sub-Fund.

The Sub-Fund takes into account the risks in terms of sustainability within the meaning of Article 6 of the SFDR Regulation but does not promote environmental or social characteristics and does not have sustainable investment as its objective.

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

**The Sub-Fund's investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Sub-Fund will be achieved. The AIFM's risk management approach seeks to isolate and mitigate, not eliminate, risks, and there may be certain risks that the AIFM determines should not be or cannot be hedged against. Accordingly, the AIFM's activities could result in substantial losses under certain circumstances.**

## **2. BORROWING AND LEVERAGE**

The Sub-Fund may leverage its assets through various means of borrowing, including, but not limited to, using letters of credit, margin financing or a credit line with a financial intermediary.

The Sub-Fund may borrow up to ten percent (10%) of the value of its assets. Assets of the Sub-Fund may be pledged for the purpose of obtaining borrowing. The borrowings may only have a temporary nature (less than one year).

In implementing its investment policy, the Sub-Fund's leverage will not exceed the ratio of 200% (using the gross method of calculation) and 200% (using the commitment method of calculation).

Shareholders should note that the level of leverage, as calculated under the gross method of calculation, does not necessarily provide a reasonable illustration of the overall risk profile of the Sub-Fund. For example, financial derivative instruments and borrowing of cash of securities are used to manage risk as well as to seek return. This is largely due to the fact that the gross method of calculation simply aggregates the absolute sum of all long and short financial derivative instrument positions, even if they are for hedging or offsetting purposes, and further uses just notional values rather than measures that calculate the overall contributions to risk which will often explain why the leverage levels under this method appear high.

## **3. INVESTMENT LIMITS AND RESTRICTIONS**

The assets of this Sub-Fund shall be invested in accordance with the following investment limits and restrictions:

- (i) with respect to bonds (such as, in particular, catastrophe bonds) or other equivalent instruments, the exposure to one single issuer or, as applicable, counterparty, shall not exceed 30% of the aggregate gross assets of the Sub-Fund;

- (ii) with respect to derivatives instruments, such as industry loss warranties (ILW) or swaps, the exposure of the Sub-Fund to one single counterparty (e.g., a cell of an insurance transformer) shall not exceed 30% of the aggregate gross assets of the Sub-Fund;
- (iii) with respect to any other assets, the exposure to one single issuer or, as applicable, counterparty, shall not exceed 30% of the aggregate gross assets of the Sub-Fund.

The Sub-Fund is authorised to make use of the derivative financial instruments and the techniques described in Part I. “General Information in relation to the Company”, Section 3 “Investment Objectives and Strategy, and Restrictions”, sub-section 4 “Financial techniques and instruments”.

The Sub-Fund will be restricted from investing in any insurance-linked instruments issued directly or indirectly by SCOR and/or its Affiliates.

## 4. SHARE CLASSES

At present, the following Classes of Shares are available for subscription in the Sub-Fund.

### 4.1. A Shares

Upon incorporation of the Company, forty five (45) Class A Shares with an initial par value of one thousand US Dollars (USD 1,000.-) representing the seed capital of the Company were allocated to the Sub-Fund.

Class A Shares are denominated in U.S. Dollars.

Class A Shares do not bear the Management Fee.

Class A Shares are capitalisation Shares.

Class A Shares entitled the holder thereof to certain voting rights as further described in this Placement Memorandum and to pre-emption rights with respect to any transfer of Investor Shares as further described in sub-section 9 below.

Share Class Name	ISIN	Currency	Management Fee	Distribution / Capitalisation
A	LU0670875938	USD	No	Capitalisation

### 4.2. Investor Shares

Forty-eight Classes of Investor Shares have been created.

#### Class B CHF-hedged Shares

The Reference Currency of Class B CHF-hedged Shares is the Swiss Francs (CHF).

Class B CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class B CHF-hedged Shares are capitalisation Shares.

**Class B EUR-hedged Shares**

The Reference Currency of Class B EUR-hedged Shares is the Euro (EUR).

Class B EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class B EUR-hedged Shares are capitalisation Shares.

**Class B GBP-hedged Shares**

The Reference Currency of Class B GBP-hedged Shares is the Pound Sterling (GBP).

Class B GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class B GBP-hedged Shares are capitalisation Shares.

**Class B JPY-hedged Shares**

The Reference Currency of Class B JPY-hedged Shares is the Japanese Yen (JPY).

Class B JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class B JPY-hedged Shares are capitalisation Shares.

**Class B SEK-hedged Shares**

The Reference Currency of Class B SEK-hedged Shares is the Swedish Krona (SEK).

Class B SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class B SEK-hedged Shares are capitalisation Shares.

**Class B USD Shares**

The Reference Currency of Class B USD Shares is the U.S. Dollars (USD).

Class B USD Shares bear the Management Fee payable to the AIFM.

Class B USD Shares are capitalisation Shares.

**Class D CHF-hedged Shares**

The Reference Currency of Class D CHF-hedged Shares is the Swiss Francs (CHF).

Class D CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class D CHF-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D EUR-hedged Shares**

The Reference Currency of Class D EUR-hedged Shares is the Euro (EUR).

Class D EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class D EUR-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D GBP-hedged Shares**

The Reference Currency of Class D GBP-hedged Shares is the Pound Sterling (GBP).

Class D GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class D GBP-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D JPY-hedged Shares**

The Reference Currency of Class D JPY-hedged Shares is the Japanese Yen (JPY).

Class D JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class D JPY-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D SEK-hedged Shares**

The Reference Currency of Class D SEK-hedged Shares is the Swedish Krona (SEK).

Class D SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class D SEK-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D USD Shares**

The Reference Currency of Class D USD Shares is the U.S. Dollars (USD).

Class D USD Shares bear the Management Fee payable to the AIFM.

Class D USD Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class M C CHF-hedged Shares**

The Reference Currency of Class M C CHF-hedged Shares is the Swiss Francs (CHF).

Class M C CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class M C CHF-hedged Shares are capitalisation Shares.

**Class M C EUR-hedged Shares**

The Reference Currency of Class M C EUR-hedged Shares is the Euro (EUR).

Class M C EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class M C EUR-hedged Shares are capitalisation Shares.

**Class M C GBP-hedged Shares**

The Reference Currency of Class M C GBP-hedged Shares is the Pound Sterling (GBP).

Class M C GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class M C GBP-hedged Shares are capitalisation Shares.

**Class M C JPY-hedged Shares**

The Reference Currency of Class M C JPY-hedged Shares is the Japanese Yen (JPY).

Class M C JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class M C JPY-hedged Shares are capitalisation Shares.

**Class M C SEK-hedged Shares**

The Reference Currency of Class M C SEK-hedged Shares is the Swedish krona (SEK).

Class M C SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class M C SEK-hedged Shares are capitalisation Shares.

**Class M C USD Shares**

The Reference Currency of Class M C USD Shares is the U.S. Dollars (USD).

Class M C USD Shares bear the Management Fee payable to the AIFM.

Class M C USD Shares are capitalisation Shares.

**Class M D CHF-hedged Shares**

The Reference Currency of Class M D CHF-hedged Shares is the Swiss Francs (CHF).

Class M D CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class M D CHF-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class M D EUR-hedged Shares**

The Reference Currency of Class M D EUR-hedged Shares is the Euro (EUR).

Class M D EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class M D EUR-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class M D GBP-hedged Shares**

The Reference Currency of Class M D GBP-hedged Shares is the Pound Sterling (GBP).

Class M D GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class M D GBP-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class M D JPY-hedged Shares**

The Reference Currency of Class M D JPY-hedged Shares is the Japanese Yen (JPY).



Class M D JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class M D JPY-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class M D SEK-hedged Shares**

The Reference Currency of Class M D SEK-hedged Shares is the Swedish Krona (SEK).

Class M D SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class M D SEK-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class M D USD Shares**

The Reference Currency of Class M D USD Shares is the U.S. Dollars (USD).

Class M D USD Shares bear the Management Fee payable to the AIFM.

Class M D USD Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class N C CHF-hedged Shares**

The Reference Currency of Class N C CHF-hedged Shares is the Swiss Francs (CHF).

Class N C CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class N C CHF-hedged Shares are capitalisation Shares.

**Class N C EUR-hedged Shares**

The Reference Currency of Class N C EUR-hedged Shares is the Euro (EUR).

Class N C EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class N C EUR-hedged Shares are capitalisation Shares.

**Class N C GBP-hedged Shares**

The Reference Currency of Class N C GBP-hedged Shares is the Pound Sterling (GBP).

Class N C GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class N C GBP-hedged Shares are capitalisation Shares.

**Class N C JPY-hedged Shares**

The Reference Currency of Class N C JPY-hedged Shares is the Japanese Yen (JPY).

Class N C JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class N C JPY-hedged Shares are capitalisation Shares.

**Class N C SEK-hedged Shares**

The Reference Currency of Class N C SEK-hedged Shares is the Swedish krona (SEK).

Class N C SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class N C SEK-hedged Shares are capitalisation Shares.

**Class N C USD Shares**

The Reference Currency of Class N C USD Shares is the U.S. Dollars (USD).

Class N C USD Shares bear the Management Fee payable to the AIFM.

Class N C USD Shares are capitalisation Shares.

**Class N D CHF-hedged Shares**

The Reference Currency of Class N D CHF-hedged Shares is the Swiss Francs (CHF).

Class N D CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class N D CHF-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class N D EUR-hedged Shares**

The Reference Currency of Class N D EUR-hedged Shares is the Euro (EUR).

Class N D EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class N D EUR-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class N D GBP-hedged Shares**

The Reference Currency of Class N D GBP-hedged Shares is the Pound Sterling (GBP).

Class N D GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class N D GBP-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class N D JPY-hedged Shares**

The Reference Currency of Class N D JPY-hedged Shares is the Japanese Yen (JPY).

Class N D JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class N D JPY-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class N D SEK-hedged Shares**

The Reference Currency of Class N D SEK-hedged Shares is the Swedish Krona (SEK).

Class N D SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class N D SEK-hedged Shares are distribution Shares as further described under sub-section 13. “Distributions”.

**Class N D USD Shares**

The Reference Currency of Class N D USD Shares is the U.S. Dollars (USD).

Class N D USD Shares bear the Management Fee payable to the AIFM.

Class N D USD Shares are distribution Shares as further described under sub-section 13. “Distributions”.

**Class I C CHF-hedged Shares**

The Reference Currency of Class I C CHF-hedged Shares is the Swiss Francs (CHF).

Class I C CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class I C CHF-hedged Shares are capitalisation Shares.

**Class I C EUR-hedged Shares**

The Reference Currency of Class I C EUR-hedged Shares is the Euro (EUR).

Class I C EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class I C EUR-hedged Shares are capitalisation Shares.

**Class I C GBP-hedged Shares**

The Reference Currency of Class I C GBP-hedged Shares is the Pound Sterling (GBP).

Class I C GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class I C GBP-hedged Shares are capitalisation Shares.

**Class I C JPY-hedged Shares**

The Reference Currency of Class I C JPY-hedged Shares is the Japanese Yen (JPY).

Class I C JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class I C JPY-hedged Shares are capitalisation Shares.

**Class I C SEK-hedged Shares**

The Reference Currency of Class I C SEK-hedged Shares is the Swedish Krona (SEK).

Class I C SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class I C SEK-hedged Shares are capitalisation Shares.

**Class I C USD Shares**

The Reference Currency of Class I C USD Shares is the U.S. Dollars (USD).

Class I C USD Shares bear the Management Fee payable to the AIFM.

Class I C USD Shares are capitalisation Shares.

**Class I D CHF-hedged Shares**

The Reference Currency of Class I D CHF-hedged Shares is the Swiss Francs (CHF).

Class I D CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class I D CHF-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class I D EUR-hedged Shares**

The Reference Currency of Class I D EUR-hedged Shares is the Euro (EUR).

Class I D EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class I D EUR-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class I D GBP-hedged Shares**

The Reference Currency of Class I D GBP-hedged Shares is the Pound Sterling (GBP).

Class I D GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class I D GBP-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class I D JPY-hedged Shares**

The Reference Currency of Class I D JPY-hedged Shares is the Japanese Yen (JPY).

Class I D JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class I D JPY-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class I D SEK-hedged Shares**

The Reference Currency of Class I D SEK-hedged Shares is the Swedish Krona (SEK).

Class I D SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class I D SEK-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class I D USD Shares**

The Reference Currency of Class I D USD Shares is the U.S. Dollars (USD).

Class I D USD Shares bear the Management Fee payable to the AIFM.

Class I D USD Shares are distribution Shares as further described under sub-section 13. "Distributions".

Share Class Name	ISIN	Currency	Hedged	Management Fee	Distribution / Capitalisation
B CHF-hedged	LU0953108692	CHF	Yes	Yes	Capitalisation
B EUR-hedged	LU0670876159	EUR	Yes	Yes	Capitalisation
B GBP-hedged	LU1397790459	GBP	Yes	Yes	Capitalisation
B JPY-hedged	LU2093621980	JPY	Yes	Yes	Capitalisation
B SEK-hedged	LU1646475449	SEK	Yes	Yes	Capitalisation
B USD	LU0670876076	USD	No	Yes	Capitalisation
D CHF-hedged	LU1005280372	CHF	Yes	Yes	Distribution
D EUR-hedged	LU1005280299	EUR	Yes	Yes	Distribution
D GBP-hedged	LU1397790533	GBP	Yes	Yes	Distribution
D JPY-hedged	LU2093622012	JPY	Yes	Yes	Distribution
D SEK-hedged	LU1646475522	SEK	Yes	Yes	Distribution
D USD	LU1005280026	USD	No	Yes	Distribution
M C CHF-hedged	LU1451284555	CHF	Yes	Yes	Capitalisation
M C EUR-hedged	LU1451284472	EUR	Yes	Yes	Capitalisation
M C GBP-hedged	LU1451284639	GBP	Yes	Yes	Capitalisation
M C JPY-hedged	LU2093622368	JPY	Yes	Yes	Capitalisation
M C SEK-hedged	LU1646476173	SEK	Yes	Yes	Capitalisation
M C USD	LU1451284399	USD	No	Yes	Capitalisation
M D CHF-hedged	LU1451285016	CHF	Yes	Yes	Distribution
M D EUR-hedged	LU1451284985	EUR	Yes	Yes	Distribution
M D GBP-hedged	LU1451285107	GBP	Yes	Yes	Distribution
M D JPY-hedged	LU2093622442	JPY	Yes	Yes	Distribution
M D SEK-hedged	LU1646476256	SEK	Yes	Yes	Distribution
M D USD	LU1451284803	USD	No	Yes	Distribution
N C CHF-hedged	LU2523345481	CHF	Yes	Yes	Capitalisation
N C EUR-hedged	LU2523345564	EUR	Yes	Yes	Capitalisation
N C GBP-hedged	LU2523345648	GBP	Yes	Yes	Capitalisation
N C JPY-hedged	LU2523345721	JPY	Yes	Yes	Capitalisation
N C SEK-hedged	LU2523345994	SEK	Yes	Yes	Capitalisation
N C USD	LU2523346026	USD	No	Yes	Capitalisation
N D CHF-hedged	LU2523346299	CHF	Yes	Yes	Distribution
N D EUR-hedged	LU2523346372	EUR	Yes	Yes	Distribution
N D GBP-hedged	LU2523346455	GBP	Yes	Yes	Distribution
N D JPY-hedged	LU2523346539	JPY	Yes	Yes	Distribution
N D SEK-hedged	LU2523346612	SEK	Yes	Yes	Distribution
N D USD	LU2523346703	USD	No	Yes	Distribution
I C CHF-hedged	LU1082505261	CHF	Yes	Yes	Capitalisation
I C EUR-hedged	LU1082505428	EUR	Yes	Yes	Capitalisation
I C GBP-hedged	LU1397790616	GBP	Yes	Yes	Capitalisation

I C JPY-hedged	LU2093622103	JPY	Yes	Yes	Capitalisation
I C SEK-hedged	LU1646475951	SEK	Yes	Yes	Capitalisation
I C USD	LU1082505188	USD	No	Yes	Capitalisation
I D CHF-hedged	LU1082505774	CHF	Yes	Yes	Distribution
I D EUR-hedged	LU1082505857	EUR	Yes	Yes	Distribution
I D GBP-hedged	LU1397790707	GBP	Yes	Yes	Distribution
I D JPY-hedged	LU2093622285	JPY	Yes	Yes	Distribution
I D SEK-hedged	LU1646476090	SEK	Yes	Yes	Distribution
I D USD	LU1082505691	USD	No	Yes	Distribution

### 4.3. Tracking Shares

As further explained in “Part I. General Information in relation to the Company, Section 2 “Structure of the Company”, Sub-section .3. “Share Classes”, in the event that Tracking Shares are created in relation to an existing investment or pool of existing investments, the Investor Shares related to such investment(s) will be converted into Tracking Shares, as determined by the Board.

Tracking Shares will be closed to applications for subscriptions, conversions and redemptions.

Tracking Shares are denominated in the Reference Currency of the relevant Class of Investor Shares.

Due to the significant uncertainty that may arise from the valuation of a Special Investment related to a Tracking Share, currency hedging techniques used to hedge against currency risk within a Class of Shares may not be used to hedge assets and liabilities currency risk within the corresponding Tracking Share.

Upon a disposal or deemed disposal of a pool of investments or Special Investment, as applicable, the Sub-Fund will either (i) compulsorily redeem all or part of the Tracking Shares related to such investment(s), or (ii) decide the compulsory conversion all or part of the Tracking Shares into their respective Class of Investor Shares.

Tracking Shares do not bear Management Fees.

Tracking Shares are capitalisation shares.

The issuance of Tracking Shares is subject to prior approval of the CSSF.

## 5. NAV CALCULATION

The valuation day of the Sub-Fund shall be the last calendar day of each calendar month (the “**Valuation Day**”).

The dealing day with reference to a specific Valuation Day shall be the first Business Day after a Valuation Day on which Shares may be issued, converted and redeemed (the “**Dealing Day**”).

The calculation and validation of Net Asset Value shall occur ten (10) Business Days after the relevant Valuation Day (the “**Calculation Day**”).

The Sub-Fund may be exposed to events occurring on the Valuation Day. To the extent an event occurs on a day that is a Valuation Day (i.e. the last calendar day of the relevant calendar month) in

the location where such event occurs, it will be taken into consideration for the calculation of the Net Asset Value even if such event does not occur on the Valuation Day, Luxembourg time.

The provisions regarding the swing pricing mechanism as described in the *Part I. "General Information in relation to the Company", Section 15 "DETERMINATION OF THE NET ASSET VALUE" Paragraph D "Swing Pricing mechanism"* are applicable to the Sub-Fund.

The Swing Factor for this Sub-Fund should not exceed 1% of the original Net Asset Value per Share of the Sub-Fund. In exceptional market circumstances, the Swing Pricing Committee may however decide to increase the maximum level of the Swing Factor as more fully described under Section 15 "DETERMINATION OF THE NET ASSET VALUE" Paragraph D "Swing Pricing mechanism".

## **6. SUBSCRIPTIONS**

### **6.1. Subscriptions during the Initial Offering Period**

The Initial Offering Period of the Class D USD Shares and Class D CHF-hedged Shares will occur before 31 December 2013 or such other date where the first subscription in the Class D USD Shares, Class D EUR-hedged Shares and Class D CHF-hedged Shares will occur.

The Initial Offering Period of the Class I D USD Shares and Class I D CHF-hedged Shares will occur before 30 June 2014 or such other date where the first subscription in the Class I D USD Shares and Class I D CHF-hedged Shares.

The Initial Offering Period of the Class B GBP-hedged Shares, Class D GBP-hedged Shares, Class I C GBP-hedged Shares and Class I D GBP-hedged Shares will occur before 30 April 2016 or such other date where the first subscription in the Class B GBP-hedged Shares, Class D GBP-hedged Shares, Class I C GBP-hedged Shares and Class I D GBP-hedged Shares will occur.

The Initial Offering Period of the Class M C GBP-hedged Shares, Class M D USD Shares, Class M D EUR-hedged Shares, Class M D CHF-hedged Shares and Class M D GBP-hedged Shares will occur before 22 July 2016 or such other date where the first subscription in Class M C GBP-hedged Shares, Class M D USD Shares, Class M D EUR-hedged Shares, Class M D CHF-hedged Shares and Class M D GBP-hedged Shares will occur.

The Initial Offering Period of the Class B SEK-hedged Shares, Class D SEK-hedged Shares, Class M C SEK-hedged Shares, Class M D SEK-hedged Shares, Class I C SEK-hedged Shares and Class I D SEK-hedged Shares will occur before 31 July 2017 or such other date where the first subscription in the Class B SEK-hedged Shares, Class D SEK-hedged Shares, Class M C SEK-hedged Shares, Class M D SEK-hedged Shares, Class I C SEK-hedged Shares and Class I D SEK-hedged Shares will occur.

The Initial Offering Period of the Class B JPY-hedged Shares, Class D JPY-hedged Shares, Class I C JPY-hedged Shares, Class I D JPY-hedged Shares, Class M C JPY-hedged Shares and Class M D JPY-hedged Shares will occur before 31 January 2020 or such other date where the first subscription in the Class B JPY-hedged Shares, Class D JPY-hedged Shares, Class I C JPY-hedged Shares, Class I D JPY-hedged Shares, Class M C JPY-hedged shares and Class M D JPY-hedged Shares will occur.

The Initial Offering Period of the Class N C CHF-hedged Shares, Class N C EUR-hedged Shares, Class N C GBP-hedged Shares, Class N C SEK-hedged Shares, Class N C JPY-hedged Shares, Class N C USD Shares, Class N D CHF-hedged Shares, Class N D EUR-hedged Shares, Class N D GBP-hedged Shares, Class N D SEK-hedged Shares, Class N D JPY-hedged Shares and Class N D USD Shares will occur before 30 September 2022 or such other date where the first subscription in the Class N C CHF-hedged Shares, Class N C EUR-hedged Shares, Class N C GBP-hedged Shares, Class N Class C SEK-hedged Shares, Class N C JPY-hedged Shares, Class N C USD

Shares, Class N D CHF-hedged Shares, Class N D EUR-hedged Shares, Class N D GBP-hedged Shares, Class N D SEK-hedged Shares, Class N D JPY-hedged Shares and Class N D USD Shares will occur and the details of such Initial Offering Period will be determined by the Board.

Subscription of Investor Shares in the Sub-Fund can be subject to those fees provided for in section 18.2. “Costs and fees to be borne by the Shareholders” within Part I. “General Information in relation to the Company” of this Placement Memorandum.

Subscriptions of the Class D USD Shares and Class D CHF-hedged Shares during their Initial Offering Period will be accepted at an initial subscription price of:

- one thousand U.S. Dollars (USD 1,000.-) per Share, without any subscription fee for Class D USD Shares,
- one thousand Swiss Francs (CHF 1,000.-) per Share, without any subscription fee for Class D CHF-hedged Shares.

Subscriptions of the Class I D USD Shares and Class I D CHF-hedged Shares during their Initial Offering Period will be accepted at an initial subscription price of:

- one thousand U.S. Dollars (USD 1,000.-) per Share, without any subscription fee for Class I D USD Shares,
- one thousand Swiss Francs (CHF 1,000.-) per Share, without any subscription fee for Class I D CHF-hedged Shares.

Subscriptions of the Class B GBP-hedged Shares, Class D GBP-hedged Shares, Class I C GBP-hedged Shares and Class I D GBP-hedged Shares during their Initial Offering Period will be accepted at an initial subscription price of one thousand Pounds Sterling (GBP 1,000.-) per Share, without any subscription fee for Class B GBP-hedged Shares, Class D GBP-hedged Shares, Class I C GBP-hedged Shares and Class I D GBP-hedged Shares.

Subscriptions of the Class M C GBP-hedged Shares, Class M D USD Shares, Class M D EUR-hedged Shares Class M D CHF-hedged Shares and Class M D GBP-hedged Shares during their Initial Offering Period will be accepted at an initial subscription price of:

- one thousand U.S. Dollars (USD 1,000.-) per Share, without any subscription fee for Class M D USD Shares,
- one thousand Euro (EUR 1,000.-) per Share, without any subscription fee for Class M D EUR-hedged Shares,
- one thousand Swiss Francs (CHF 1,000.-) per Share, without any subscription fee for Class M D CHF-hedged Shares,
- one thousand Pounds Sterling (GBP 1,000.-) per Share, without any subscription fee for Class M C GBP-hedged Shares and Class M D GBP-hedged Shares.

Subscriptions of the Class B SEK-hedged Shares, Class D SEK-hedged Shares, Class M C SEK-hedged Shares, Class M D SEK-hedged Shares, Class I C SEK-hedged Shares and Class I D SEK-hedged Shares during their Initial Offering Period will be accepted at an initial subscription price of ten thousand Swedish Krona (SEK 10,000.-) per Share, without any subscription fee for Class B SEK-hedged Shares, Class D SEK-hedged Shares, Class M C SEK-hedged Shares, Class M D SEK-hedged Shares, Class I C SEK-hedged Shares and Class I D SEK-hedged Shares.

Subscriptions of the Class B JPY-hedged Shares, Class D JPY-hedged Shares, Class I C JPY-hedged Shares, Class I D JPY-hedged Shares, Class M C JPY-hedged Shares and Class M D JPY-hedged Shares during their Initial Offering Period will be accepted at an initial subscription price of one hundred thousand Japanese Yens (100,000.-) per Share, without any subscription fee for Class



B JPY-hedged Shares, Class D JPY-hedged Shares, Class I C JPY-hedged Shares, Class I D JPY-hedged Shares, Class M C JPY-hedged Shares and Class M D JPY-hedged Shares.

Subscriptions of the Class N C CHF-hedged Shares, Class N C EUR-hedged Shares, Class N C GBP-hedged Shares, Class N C SEK-hedged Shares, Class N C JPY-hedged Shares, Class N C USD Shares, Class N D CHF-hedged Shares, Class N D EUR-hedged Shares, Class N D GBP-hedged Shares, Class N D SEK-hedged Shares, Class N D JPY-hedged Shares and Class N D USD Shares during their Initial Offering Period will be accepted at an initial subscription price of:

- one thousand Swiss Francs (CHF 1,000.-) per Share, without any subscription fee for Class N C CHF-hedged Shares and N D CHF-hedged Shares,
- one thousand Euro (EUR 1,000.-) per Share, without any subscription fee for Class N C EUR-hedged Shares and N D EUR-hedged Shares,
- one thousand Pounds Sterling (GBP 1,000.-) per Share, without any subscription fee for Class N C GBP-hedged Shares and N D GBP-hedged Shares,
- ten thousand Swedish Krona (SEK 10,000.-) per Share, without any subscription fee for Class N C SEK-hedged Shares and N D SEK-hedged Shares,
- one hundred thousand Japanese Yens (JPY 100,000.-) per Share, without any subscription fee for Class N C JPY-hedged Shares and N D JPY-hedged Shares,
- one thousand U.S. Dollars (USD 1,000.-) per Share, without any subscription fee for Class N C USD Shares and the Class N D USD Shares.

Subscription monies are payable in the relevant Reference Currency and must reach the Depositary no later than the last Business Day of the relevant Initial Offering Period.

Should the Board decide not to accept a subscription, the subscription monies that have been paid shall be reimbursed to the rejected subscriber in full (but without any interest of any kind being accrued, in any circumstances, to the benefit of the subscriber) within ten (10) Business Days pursuant to the last Business Day of the Initial Offering Period.

## **6.2. Subscriptions after the Initial Offering of Shares**

Following the closing of the Initial Offering Period, subscriptions for Shares shall be discretionarily accepted by the Board with respect to each Valuation Day, subject to those fees provided for in section 18.2. “Costs and fees to be borne by the Shareholders” within Part I. “General Information in relation to the Company” of this Placement Memorandum, as the case may be.

Subscriptions of Shares must be sent to the Administration Agent of the Company for the amount subscribed in the Reference Currency of the Shares. Subscriptions for a specified number of shares shall not be permitted.

Investors applying for Shares after the Initial Offering Period must: (i) send their completed subscription document and any supporting documentation required with regard to anti-money laundering matters or otherwise by mail or fax so as to be received by the Registrar and Transfer Agent no later than 5.00 pm (Luxembourg time) five Business Days prior to the relevant Valuation Day (the “**Cut-Off Time**”); and (ii) ensure that cleared funds in the appropriate currency are received by the Depositary on the Valuation Day.

Shares shall be issued as of the relevant Dealing Day.

Should the Board decide to reject (i) fully or (ii) partially a subscription after the applicable Cut-Off Time and before the applicable Valuation Day, as foreseen in section 7 “Management, Governance and Administration”, sub-section 7.2. “The AIFM”, sub-sub-section 7.2.2 “Risk Management and Liquidity Management” of Part I of this Placement Memorandum, the following procedure shall apply:

- in case of a rejection in full by the Board referred to under item (i) of the above paragraph, the subscription monies that have been paid shall be reimbursed to the rejected subscriber(s) in full (but without any interest of any kind being accrued, in any circumstances, to the benefit of the subscriber) as soon as possible following the relevant Dealing Day; or
- in case of a partial rejection by the Board referred to under item (ii) of the above paragraph, a pro rata calculation would apply in order to determine the actual amount of the subscription accepted (the “**Pro Rata Subscription Amount**”) of the relevant subscriber(s), (subject to the limits of the minimum subscription amount if and when applicable). The Transfer Agent will inform the subscriber, by any writing mean, of its relevant Pro Rata Subscription Amount within one (1) Business Day following the decision of the Board.

In case of payment of the subscription before the information of the subscriber, the subscription monies received by the Depositary will be fully reimbursed to the relevant subscriber(s) (but without any interest of any kind being accrued, in any circumstances, to the benefit of the subscriber) as soon as possible. The relevant subscriber has to reprocess a new payment corresponding to the subscription amount accepted by the Board.

In any case, the subscriber ensures that cleared funds in the appropriate currency are received by the Depositary on the Valuation Day, at the latest.

SCOR may also invest in the Sub-Fund.

## 7. REDEMPTIONS

### 7.1. Redemption Procedure

For the avoidance of doubt, unless otherwise decided by the Board, Tracking Shares will in principle be closed to applications for conversions and redemptions.

Dealing Days for redemption of Investor Shares shall only take place monthly with reference to each Valuation Day (each a “**Redemption Day**”).

The first Redemption Day of the Sub-Fund was the Valuation Day of the September 2011 month. With respect to Investor Shares, redemption requests (“**Redemption Request**”) must be received by the Administration Agent of the Company by 5:00 pm (Luxembourg time):

- sixty (60) calendar days before the applicable Valuation Day; or
- thirty (30) calendar days before the applicable Valuation Day. In such case, an early notice fee of up to five (5) per cent shall be charged, as determined by the Board in its sole and absolute discretion and will be allocated to the Sub-Fund.

Redemption Requests received after the applicable deadline will take effect on the next following Valuation Day, unless otherwise decided by the Board.

Redemption proceeds shall be paid in the Reference Currency of the Shares within five (5) Business Days after the Calculation Day.

However, in the case of significant redemption applications or in the case of a lack of liquidity of a significant portion of the assets of the Sub-Fund, the Company reserves the right to finalize the Net Asset Value of the Shares only after carrying out the sales of securities required, on behalf of the

Company. In that case, the redeeming Shareholder may receive a partial payment of its redemption proceeds, to be considered as an advance on the final redemption amount that will be determined once the relevant sales of securities will have been finalized.

## 7.2. Gate

If any Redemption Request is received in respect of any relevant Redemption Day (the “**First Redemption Day**”) which either alone or when aggregated with other applications so received, represents 15% or more of the Net Asset Value of the Sub-Fund, the Board reserves the right in its sole and absolute discretion (and in the best interests of the remaining Shareholders) to scale down pro rata (*pro rata* calculated regarding the number of Shares held by the Shareholders requesting the redemption of their Shares) each application with respect to such First Redemption Day, provided that the Board shall not scale down *pro rata* Redemption Requests below 15% of the Net Asset Value of the relevant Sub-Fund.

To the extent that any application is not given full effect on such First Redemption Day by virtue of the exercise of the power to pro-rate Redemption Requests, it shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the relevant Shareholder(s) in respect of the next Redemption Day and, if necessary, subsequent Redemption Days, until such application(s) shall have been satisfied in full.

With respect to any application received in respect of the First Redemption Day, to the extent that subsequent Redemption Requests shall be received in respect of following Redemption Days, such later applications shall be postponed in priority to the satisfaction of applications relating to the First Redemption Day, but subject thereto shall be dealt with as set out in the preceding sentence.

## 8. MINIMUM INVESTMENT AND HOLDING REQUIREMENTS

### 8.1. Minimum investment and holding requirements for Class B CHF-hedged Shares, Class B EUR-hedged Shares, Class B GBP-hedged Shares, Class B JPY-hedged Shares, Class B SEK-hedged Shares, Class B USD Shares, Class D CHF-hedged Shares, Class D EUR-hedged Shares, Class D GBP-hedged Shares, Class D JPY-hedged Shares, Class D SEK-hedged Shares and Class D USD Shares

The minimum initial investment per Shareholder in Class B CHF-hedged Shares, Class B EUR-hedged Shares, Class B GBP-hedged Shares, Class B JPY-hedged Shares, Class B SEK-hedged Shares, Class B USD Shares, Class D CHF-hedged Shares, Class D EUR-hedged Shares, Class D GBP-hedged Shares, Class D JPY-hedged Shares, Class D SEK-hedged Shares and Class D USD Shares, is fixed at one million U.S. Dollars (USD 1,000,000.-), or its equivalent in any relevant currency, subject however to the Board's right to reject any offer from investors for any reason or to accept initial subscriptions in lesser amounts.

The minimum per subsequent investment in Class B CHF-hedged Shares, Class B EUR-hedged Shares, Class B GBP-hedged Shares, Class B JPY-hedged Shares, Class B SEK-hedged Shares, Class B USD Shares, Class D CHF-hedged Shares, Class D EUR-hedged Shares, Class D GBP-hedged Shares, Class D JPY-hedged Shares, Class D SEK-hedged Shares and Class D USD Shares is fixed at one Investor Share.

### 8.2. Minimum investment and holding requirements for Class M C CHF-hedged Shares, Class M C EUR-hedged Shares, Class M C GBP-hedged Shares, Class M C JPY-hedged Shares, Class M C SEK-hedged Shares, Class M C USD Shares, Class M D CHF-hedged Shares, Class M D EUR-hedged Shares, Class M D GBP-hedged Shares, Class M D JPY-hedged Shares, Class M D SEK-hedged Shares and Class M D USD Shares

The minimum initial investment per Shareholder in Class M C CHF-hedged Shares, Class M C EUR-hedged Shares, Class M C GBP-hedged Shares, Class M C JPY-hedged Shares, Class M C SEK-hedged Shares, Class M C USD Shares, Class M D CHF-hedged Shares, Class M D EUR-hedged Shares, Class M D GBP-hedged Shares, Class M D JPY-hedged Shares, Class M D SEK-hedged Shares and Class M D USD Shares is fixed at twenty five million U.S. Dollars (USD 25,000,000.-), or its equivalent in any relevant currency, subject however to the Board's right to reject any offer from investors for any reason or to accept initial subscriptions in lesser amounts.

The minimum per subsequent investment in Class M C CHF-hedged Shares, Class M C EUR-hedged Shares, Class M C GBP-hedged Shares, Class M C JPY-hedged Shares, Class M C SEK-hedged Shares, Class M C USD Shares, Class M D CHF-hedged Shares, Class M D EUR-hedged Shares, Class M D GBP-hedged Shares, Class M D JPY-hedged Shares, Class M D SEK-hedged Shares and Class M D USD Shares is fixed at one Investor Share.

**8.3. Minimum investment and holding requirements for Class N C CHF-hedged Shares, Class N C EUR-hedged Shares, Class N C GBP-hedged Shares, Class N C JPY-hedged Shares, Class N C SEK-hedged Shares, Class N C USD Shares, Class N D CHF-hedged Shares, Class N D EUR-hedged Shares, Class N D GBP-hedged Shares, Class N D JPY-hedged Shares, Class N D SEK-hedged Shares and Class N D USD Shares**

The minimum initial investment per Shareholder in Class N C CHF-hedged Shares, Class N C EUR-hedged Shares, Class N C GBP-hedged Shares, Class N C JPY-hedged Shares, Class N C SEK-hedged Shares, Class N C USD Shares, Class N D CHF-hedged Shares, Class N D EUR-hedged Shares, Class N D GBP-hedged Shares, Class N D JPY-hedged Shares, Class N D SEK-hedged Shares and Class N D USD Shares is fixed at fifty million U.S. Dollars (USD 50,000,000.-), or its equivalent in any relevant currency, subject however to the Board's right to reject any offer from investors for any reason or to accept initial subscriptions in lesser amounts.

The minimum per subsequent investment in Class N C CHF-hedged Shares, Class N C EUR-hedged Shares, Class N C GBP-hedged Shares, Class N C JPY-hedged Shares, Class N C SEK-hedged Shares, Class N C USD Shares, Class N D CHF-hedged Shares, Class N D EUR-hedged Shares, Class N D GBP-hedged Shares, Class N D JPY-hedged Shares, Class N D SEK-hedged Shares and Class N D USD Shares is fixed at one Investor Share.

**8.4. Minimum investment and holding requirements for Class I C CHF-hedged Shares, Class I C EUR-hedged Shares, Class I C GBP-hedged Shares, Class I C JPY-hedged Shares, Class I C SEK-hedged Shares, Class I C USD Shares, Class I D CHF-hedged Shares, Class I D EUR-hedged Shares, Class I D GBP-hedged Shares, Class I D JPY-hedged Shares, Class I D SEK-hedged Shares and Class I D USD Shares**

The minimum initial investment per Shareholder in Class I C CHF-hedged Shares, Class I C EUR-hedged Shares, Class I C GBP-hedged Shares, Class I C JPY-hedged Shares, Class I C SEK-hedged Shares, Class I C USD Shares, Class I D CHF-hedged Shares, Class I D EUR-hedged Shares, Class I D GBP-hedged Shares, Class I D JPY-hedged Shares, Class I D SEK-hedged Shares and Class I D USD Shares is fixed at one hundred million U.S. Dollars (USD 100,000,000.-), or its equivalent in any relevant currency, subject however to the Board's right to reject any offer from investors for any reason or to accept initial subscriptions in lesser amounts.

The minimum per subsequent investment in Class I C CHF-hedged Shares, Class I C EUR-hedged Shares, Class I C GBP-hedged Shares, Class I C JPY-hedged Shares, Class I C SEK-hedged Shares, Class I C USD Shares, Class I D CHF-hedged Shares, Class I D EUR-hedged Shares, Class I D GBP-hedged Shares, Class I D JPY-hedged Shares, Class I D SEK-hedged Shares and Class I D USD Shares is fixed at one Investor Share.

Share Class Name	Minimum initial investment	Minimum subsequent investment
B CHF-hedged	USD 1,000,000. (*)	1 Investor Share
B EUR-hedged	USD 1,000,000. (*)	1 Investor Share
B GBP-hedged	USD 1,000,000. (*)	1 Investor Share
B JPY-hedged	USD 1,000,000. (*)	1 Investor Share
B SEK-hedged	USD 1,000,000. (*)	1 Investor Share
B USD	USD 1,000,000.	1 Investor Share
D CHF-hedged	USD 1,000,000. (*)	1 Investor Share
D EUR-hedged	USD 1,000,000. (*)	1 Investor Share
D GBP-hedged	USD 1,000,000. (*)	1 Investor Share
D JPY-hedged	USD 1,000,000. (*)	1 Investor Share
D SEK-hedged	USD 1,000,000. (*)	1 Investor Share
D USD	USD 1,000,000.	1 Investor Share
M C CHF-hedged	USD 25,000,000. (*)	1 Investor Share
M C EUR-hedged	USD 25,000,000. (*)	1 Investor Share
M C GBP-hedged	USD 25,000,000. (*)	1 Investor Share
M C JPY-hedged	USD 25,000,000. (*)	1 Investor Share
M C SEK-hedged	USD 25,000,000. (*)	1 Investor Share
M C USD	USD 25,000,000.	1 Investor Share
M D CHF-hedged	USD 25,000,000. (*)	1 Investor Share
M D EUR-hedged	USD 25,000,000. (*)	1 Investor Share
M D GBP-hedged	USD 25,000,000. (*)	1 Investor Share
M D JPY-hedged	USD 25,000,000. (*)	1 Investor Share
M D SEK-hedged	USD 25,000,000. (*)	1 Investor Share
M D USD	USD 25,000,000.	1 Investor Share
N C CHF-hedged	USD 50,000,000. (*)	1 Investor Share
N C EUR-hedged	USD 50,000,000. (*)	1 Investor Share
N C GBP-hedged	USD 50,000,000. (*)	1 Investor Share
N C JPY-hedged	USD 50,000,000. (*)	1 Investor Share
N C SEK-hedged	USD 50,000,000. (*)	1 Investor Share
N C USD	USD 50,000,000.	1 Investor Share
N D CHF-hedged	USD 50,000,000. (*)	1 Investor Share
N D EUR-hedged	USD 50,000,000. (*)	1 Investor Share
N D GBP-hedged	USD 50,000,000. (*)	1 Investor Share
N D JPY-hedged	USD 50,000,000. (*)	1 Investor Share
N D SEK-hedged	USD 50,000,000. (*)	1 Investor Share
N D USD	USD 50,000,000.	1 Investor Share
I C CHF-hedged	USD 100,000,000. (*)	1 Investor Share
I C EUR-hedged	USD 100,000,000. (*)	1 Investor Share
I C GBP-hedged	USD 100,000,000. (*)	1 Investor Share
I C JPY-hedged	USD 100,000,000. (*)	1 Investor Share

I C SEK-hedged	USD 100,000,000. (*)	1 Investor Share
I C USD	USD 100,000,000.	1 Investor Share
I D CHF-hedged	USD 100,000,000. (*)	1 Investor Share
I D EUR-hedged	USD 100,000,000. (*)	1 Investor Share
I D GBP-hedged	USD 100,000,000. (*)	1 Investor Share
I D JPY-hedged	USD 100,000,000. (*)	1 Investor Share
I D SEK-hedged	USD 100,000,000. (*)	1 Investor Share
I D USD	USD 100,000,000.	1 Investor Share

(\*) or its equivalent in any relevant currency

## 9. TRANSFER OF SHARES

Shares of the Sub-Fund may be transferred to any Eligible Investors.

Transfer request shall be submitted by the Investor wishing to transfer its Shares (the “Transferor”) to the Board at least sixty (60) calendar days before the contemplated transfer date. This request shall be prepared on the basis of the transfer request form enclosed as an appendix to the subscription agreement and indicate the number of Shares to be transferred and the financial conditions of the transfers (the “Transfer Price”).

### Pre-emption Rights

The Administration Agent shall inform the holders of Class A Shares of the transfer request and indicate the number of Shares to be transferred.

The holder of Class A Shares shall then have ten (10) calendar days to exercise its pre-emption rights. The pre-emption shall be effective (i.e. the registrar of shareholders shall be modified with effect as from this date) as from the notification by the holder of Class A Shares to the Administration Agent of its decision to exercise its pre-emption rights. The exercise of its pre-emption rights by the holder of Class A Shares shall also be communicated by the Administration Agent to the Transferor. Payment of the Transfer Price to the Transferor shall occur within ten (10) calendar days further to the immediately preceding Dealing Day. Should the Net Asset Value per Investor Shares calculated on such Dealing Day be lower than the Transfer Price per Investor Shares, the Transfer Price to be paid by holder(s) of Class A Shares shall be recalculated (i.e. lowered) so that holders of Class A Shares would in any case not pay more than a price based on the Net Asset Value per Shares calculated on such Dealing Day.

### Approval of Transfer

Transfer of Shares of the Sub-Fund shall be effective upon the modification of the register of shareholders of the Sub-Fund, which is subject to the Board’s approval. The Board shall accept or reject any transfer request and shall do so within sixty (60) calendar days after the date on which the transfer request form is received by the Administration Agent and the Board.

Decisions to reject a transfer request shall be grounded on the corporate interest of the Company as appreciated by the Board in good faith but full discretion. For the avoidance of doubt, strictly complying with the content Placement Memorandum, the Articles, the 2007 Law or more generally any Luxembourg or foreign legal constraints is deemed to be in the corporate interest of the Company. Likewise, preserving the competitive advantages of the Sub-Fund (e.g. SCOR’s know-how in the field of ILS) *vis a vis* other investment structures active in the ILS market and more generally competitors is also considered to be in the corporate interest of the Company.

When a transfer request is rejected by the Board, the transfer request shall be treated as a redemption request unless the Transferor had clearly requested otherwise in its transfer request

form, and the Shares subject to the transfer request shall be redeemed at their Net Asset Value as described in sub-sections 7.1 and 7.2 above. For the avoidance of doubt, if the Board decides to reject the transfer request, the date of receipt of the transfer request shall be considered as the date of the Redemption Request for the purpose of determining the Redemption Day with respect to which the Redemption Request will be dealt with.

When a transfer request is approved by the Board, transfer shall be effective (and the registrar of shareholders shall be modified) as from the date of receipt by the Administration Agent of an original or a duly certified copy of the share sale and purchase agreement duly executed by both the Transferor and the transferee. For the avoidance of doubt and as indicated in the subscription agreement, this share sale and purchase agreement shall (i) be submitted to Luxembourg law and (ii) be worded in English or French.

## 10. FEES

### Management Fee

In consideration for the management services, the AIFM shall receive from the Sub-Fund a management fee as determined below (the “**Management Fee**”).

The Management Fee shall be calculated on monthly basis in arrears and paid on a quarterly basis at a maximum rate of:

- 0.9% per annum in respect of Class B CHF-hedged Shares, Class B EUR-hedged Shares, Class B GBP-hedged Shares, Class B JPY-hedged Shares, Class B SEK-hedged Shares, Class B USD Shares, Class D CHF-hedged Shares, Class D EUR-hedged Shares, Class D GBP-hedged Shares, Class D JPY-hedged Shares, Class D SEK-hedged Shares and Class D USD Shares;
- 0.7% per annum in respect of Class M C CHF-hedged Shares, Class M C EUR-hedged Shares, Class M C GBP-hedged Shares, Class M C JPY-hedged Shares, Class M C SEK-hedged Shares, Class M C USD Shares, Class M D CHF-hedged Shares, Class M D EUR-hedged Shares, Class M D GBP-hedged Shares, Class M D JPY-hedged Shares, Class M D SEK-hedged Shares and Class M D USD Shares;
- 0.6% per annum in respect of Class N C CHF-hedged Shares, Class N C EUR-hedged Shares, Class N C GBP-hedged Shares, Class N C JPY-hedged Shares, Class N C SEK-hedged Shares, Class N C USD Shares, Class N D CHF-hedged Shares, Class N D EUR-hedged Shares, Class N D GBP-hedged Shares, Class N D JPY-hedged Shares, Class N D SEK-hedged Shares and Class N D USD Shares;
- 0.5% per annum in respect of Class I C CHF-hedged Shares, Class I C EUR-hedged Shares, Class I C GBP-hedged Shares, Class I C JPY-hedged Shares, Class I C SEK-hedged Shares, Class I C USD Shares, Class I D CHF-hedged Shares, Class I D EUR-hedged Shares, Class I D GBP-hedged Shares, Class I D JPY-hedged Shares, Class I D SEK-hedged Shares and Class I D USD Shares;

The annual Management Fee rate may differ between Classes of Shares. The Management Fee will be payable whether or not the Sub-Fund is profitable.

For each Class of Shares, the monthly Management Fee shall be computed by multiplying i) the relevant annual Management Fee rate multiplied by the exact number of days of the relevant month divided by the exact number of days of the relevant calendar year, with ii) the corresponding Net Asset Value of the Share Class (exclusive of VAT if due) as at the Valuation Day of the relevant month end.

For the avoidance of doubt, A Shares as well as Tracking Shares do not bear Management Fees.

Share Class Name	Max rate of Management Fees
B CHF-hedged	0.9%
B EUR-hedged	0.9%
B GBP-hedged	0.9%
B JPY-hedged	0.9%
B SEK-hedged	0.9%
B USD	0.9%
D CHF-hedged	0.9%
D EUR-hedged	0.9%
D GBP-hedged	0.9%
D JPY-hedged	0.9%
D SEK-hedged	0.9%
D USD	0.9%
M C CHF-hedged	0.7%
M C EUR-hedged	0.7%
M C GBP-hedged	0.7%
M C JPY-hedged	0.7%
M C SEK-hedged	0.7%
M C USD	0.7%
M D CHF-hedged	0.7%
M D EUR-hedged	0.7%
M D GBP-hedged	0.7%
M D JPY-hedged	0.7%
M D SEK-hedged	0.7%
M D USD	0.7%
N C CHF-hedged	0.6%
N C EUR-hedged	0.6%
N C GBP-hedged	0.6%
N C JPY-hedged	0.6%
N C SEK-hedged	0.6%
N C USD	0.6%
N D CHF-hedged	0.6%
N D EUR-hedged	0.6%
N D GBP-hedged	0.6%
N D JPY-hedged	0.6%
N D SEK-hedged	0.6%
N D USD	0.6%
I C CHF-hedged	0.5%
I C EUR-hedged	0.5%
I C GBP-hedged	0.5%



I C JPY-hedged	0.5%
I C SEK-hedged	0.5%
I C USD	0.5%
I D CHF-hedged	0.5%
I D EUR-hedged	0.5%
I D GBP-hedged	0.5%
I D JPY-hedged	0.5%
I D SEK-hedged	0.5%
I D USD	0.5%

## 11. LISTING ON THE LUXEMBOURG STOCK EXCHANGE

The Board does not intend to apply for the listing of the Shares of the Sub-Fund on the Luxembourg Stock Exchange or any other stock exchange.

## 12. AVAILABILITY OF THE NET ASSET VALUE AND OF OTHER INFORMATION

The Net Asset Value per Share will be available at the registered office of the Company.

For the purposes of calculating regulatory requirements of the Directive 2009/138/EC (Solvency 2), the Sub-Fund's portfolio composition can be communicated to professional investors under the control of a European authority.

## 13. DISTRIBUTIONS

### 13.1. Class B Shares

Class B Shares are capitalisation Shares.

### 13.2. Class D Shares

Classes D Shares will pay as dividends to Shareholders in these Classes of Shares that are in the register of shareholders of the Company as of the last Valuation Day of a particular Financial Year, an amount equal to all the coupons received by the Sub-Fund during that Financial Year from its investment in catastrophe bonds which are attributable to these Classes D Shares. For the avoidance of doubt, no other sources of revenue or income of the Sub-Fund will be distributed to the Shareholders in the Classes D Shares.

For any Financial Year, the Sub-Fund expects the dividends to be paid on or around the end of the first calendar month following the end of that particular Financial Year.

### 13.3. Classes M C Shares

Classes M C Shares are capitalisation Shares.

### 13.4. Classes M D Shares

Classes M D Shares will pay as dividends to Shareholders in these Classes of Shares that are in the register of shareholders of the Company as of the last Valuation Day of a particular Financial Year, an amount equal to all the coupons received by the Sub-Fund during that Financial Year from its investment in catastrophe bonds which are attributable to these Classes M D Shares. For the avoidance of doubt, no other sources of revenue or income of the Sub-Fund will be distributed to the Shareholders in the Classes M D Shares.

For any Financial Year, the Sub-Fund expects the dividends to be paid on or around the end of the first calendar month following the end of that particular Financial Year.

### **13.5. Classes N C Shares**

Classes N C Shares are capitalisation Shares.

### **13.6. Classes N D Shares**

Classes N D Shares will pay as dividends to Shareholders in these Classes of Shares that are in the register of shareholders of the Company as of the last Valuation Day of a particular Financial Year, an amount equal to all the coupons received by the Sub-Fund during that Financial Year from its investment in catastrophe bonds which are attributable to these Classes N D Shares. For the avoidance of doubt, no other sources of revenue or income of the Sub-Fund will be distributed to the Shareholders in the Classes N D Shares.

For any Financial Year, the Sub-Fund expects the dividends to be paid on or around the end of the first calendar month following the end of that particular Financial Year.

### **13.7. Classes I C Shares**

Classes I C Shares are capitalisation Shares.

### **13.8. Classes I D Shares**

Classes I D Shares will pay as dividends to Shareholders in these Classes of Shares that are in the register of shareholders of the Company as of the last Valuation Day of a particular Financial Year, an amount equal to all the coupons received by the Sub-Fund during that Financial Year from its investment in catastrophe bonds which are attributable to these Classes I D Shares. For the avoidance of doubt, no other sources of revenue or income of the Sub-Fund will be distributed to the Shareholders in the Classes I D Shares.

For any Financial Year, the Sub-Fund expects the dividends to be paid on or around the end of the first calendar month following the end of that particular Financial Year.

### **13.9. Tracking Shares**

No distributions will be made to Shareholders in respect of their Tracking Shares.

As further explained in “Part I. General Information in relation to the Company”, Section 2 “Structure of the Company”, Sub-section 2.3. “Share Classes”, in the event that Tracking Shares are created in relation to an existing investment or pool of existing investments, the portion of the relevant Class of Shares related to such investment(s) will be converted into Tracking Shares, as determined by the Board.

Upon a realization or deemed realization of a pool of investments or Special Investment, as applicable, the Sub-Fund will either (i) compulsorily redeem all or part of the Tracking Shares related to such investment(s), or (ii) decide the compulsory conversion of all or part of the Tracking Shares into the relevant Class of Investor Shares.

#### **14. DURATION**

The Sub-Fund is established for an unlimited duration.

#### **15. RISK FACTORS RELATING TO SCOR ILS FUND – ATROPOS**

*See Part I. General Information in relation to the Company”, Section 6 “General Risk Factors and Potential Conflicts of Interest; Potential Conflicts of Interest”.*

## APPENDIX B. SCOR ILS FUND - ATROPOS CATBOND FUND

### 1. INVESTMENT OBJECTIVES AND STRATEGY

The principal investment objective of the Sub-Fund is to seek current income and capital appreciation on a risk-adjusted basis. The Sub-Fund will provide Shareholders with access to a managed portfolio of (re)insurance risks that offers positive expected risk-adjusted returns with limited correlation to other asset classes. The Sub-Fund will invest in catastrophe bonds, mostly in the line of business of natural catastrophe property damage, but potentially across other short-tail lines of business (e.g. extreme mortality, aviation, satellite, fire, etc.). Although the aim of the Sub-Fund is to be invested to the fullest extent possible in catastrophe bonds at any time, the Sub-Fund may invest its excess funds in Treasuries or other government-issued debt. For the avoidance of doubt, the Sub-Fund will not invest in any life settlement policies or derivatives thereof. See *Section 6 – General Risk Factors and Potential Conflicts of Interest; Potential Conflicts of Interest*.

**Catastrophe bonds** – Catastrophe bonds are a principal-at-risk security sponsored by insurance or reinsurance companies or a corporation in order to facilitate the transfer of catastrophe risk to the capital markets. In a typical catastrophe bond structure, the sponsor of a transaction enters into a risk transfer contract with a newly formed and non-affiliated special purpose entity. Under the risk transfer contract, the sponsor cedes a layer of catastrophe risk (e.g. property & casualty or mortality risk) to the special purpose entity in exchange for periodic payments that are used to fund a portion of interest on the bonds and other issuer expenses. Conversely, in order to fund potential loss payments to the sponsor, the special purpose entity issues principal-at-risk notes to investors and deposits the proceeds of such issuance into a trust or collateral account. If a loss occurs under the risk transfer contract with the sponsor, the principal of the notes (and interest earned on such principal) is reduced by the amount of such loss payment. Losses under the risk transfer contract are limited to the principal amount of the notes and can be based on several trigger-types, including an indemnity-based, parametric or model-based trigger.

When investing in ILS, the Sub-Fund will only invest in catastrophe bonds, and will only take “long” positions in the underlying risks. In managing the Sub-Fund’s risk-adjusted return, the AIFM will continually monitor the Sub-Fund’s risk positions and evaluate the current market price of its investments, if available.

The Sub-Fund may hold its excess funds in cash or invest it in Treasuries or other government-issued debt.

The Sub-Fund may on an ancillary basis invest in the shares or units of UCITS or regulated UCIs or participation in investment funds.

In order to manage the currency risk associated with the assets and the liabilities of the Sub-Fund denominated in currencies other than the Reference Currency of the Sub-Fund (being the US Dollars), all available techniques and instruments intended to provide currency rate exchange protection may be employed by the Sub-Fund.

The Sub-Fund takes into account the risks in terms of sustainability within the meaning of Article 6 of the SFDR Regulation but does not promote environmental or social characteristics and does not have sustainable investment as its objective.

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

**The Sub-Fund’s investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Sub-Fund will be achieved. The AIFM’s risk management approach seeks to isolate and mitigate, not eliminate, risks, and there may be certain risks that the AIFM determines should not be or cannot be hedged against.**

Accordingly, the AIFM's activities could result in substantial losses under certain circumstances.

## **2. OVERDRAFT AND LEVERAGE**

The Sub-Fund may use an overdraft facility up to a limit of ten per cent (10%) of the value of its assets for efficient portfolio management purpose.

In implementing its investment policy the Sub-Fund's leverage will not exceed the ratio of 200% (using the gross method of calculation) and 200% (using the commitment method of calculation).

Shareholders should note that the level of leverage, as calculated under the gross method of calculation, does not necessarily provide a reasonable illustration of the overall risk profile of the Sub-Fund. For example, financial derivative instruments and borrowing of cash of securities are used to manage risk as well as to seek return. This is largely due to the fact that the gross method of calculation simply aggregates the absolute sum of all long and short financial derivative instrument positions, even if they are for hedging or offsetting purposes, and further uses just notional values rather than measures that calculate the overall contributions to risk which will often explain why the leverage levels under this method appear high.

## **3. INVESTMENT LIMITS AND RESTRICTIONS**

The assets of this Sub-Fund shall be invested in accordance with the following investment limits and restrictions:

- The exposure to one single issuer or, as applicable, counterparty, shall not exceed 30% of the aggregate gross assets of the Sub-Fund;
- The Sub-Fund will be restricted from investing in any catastrophe bonds issued directly or indirectly by SCOR and/or its Affiliates.

The Sub-Fund is authorised to make use of the derivative financial instruments and the techniques described in Part I. "General Information in relation to the Company", Section 3 "Investment Objectives and Strategy, and Restrictions", sub-section 4 "Financial techniques and instruments" for the purpose of currency hedging.

During the first (1) month following its launch, the Sub-Fund may derogate from the above investment limits and restrictions, while ensuring the observance of the principle of risk spreading in accordance with the 2007 Law as foreseen in section 3 "Investment Objectives, Strategy and Restrictions", sub-section 3. "Investment restrictions" of Part I of this Placement Memorandum.

## **4. SHARE CLASSES**

At present, the following Classes of Shares are available for subscription in the Sub-Fund.

### **4.1. Investor Shares**

Forty-eight Classes of Investor Shares have been created.

#### **Class B1 CHF-hedged Shares**

The Reference Currency of Class B1 CHF-hedged Shares is the Swiss Francs (CHF).

Class B1 CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class B1 CHF-hedged Shares are capitalisation Shares.

**Class B1 EUR-hedged Shares**

The Reference Currency of Class B1 EUR-hedged Shares is the Euro (EUR).

Class B1 EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class B1 EUR-hedged Shares are capitalisation Shares.

**Class B1 GBP-hedged Shares**

The Reference Currency of Class B1 GBP-hedged Shares is the Pound Sterling (GBP).

Class B1 GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class B1 GBP-hedged Shares are capitalisation Shares.

**Class B1 JPY-hedged Shares**

The Reference Currency of Class B1 JPY-hedged Shares is the Japanese Yen (JPY).

Class B1 JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class B1 JPY-hedged Shares are capitalisation Shares.

**Class B1 SEK-hedged Shares**

The Reference Currency of Class B1 SEK-hedged Shares is the Swedish Krona (SEK).

Class B1 SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class B1 SEK-hedged Shares are capitalisation Shares.

**Class B1 USD Shares**

The Reference Currency of Class B1 USD Shares is the U.S. Dollars (USD).

Class B1 USD Shares bear the Management Fee payable to the AIFM.

Class B1 USD Shares are capitalisation Shares.

**Class D1 CHF-hedged Shares**

The Reference Currency of Class D1 CHF-hedged Shares is the Swiss Francs (CHF).

Class D1 CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class D1 CHF-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D1 EUR-hedged Shares**

The Reference Currency of Class D1 EUR-hedged Shares is the Euro (EUR).

Class D1 EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class D1 EUR-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D1 GBP-hedged Shares**

The Reference Currency of Class D1 GBP-hedged Shares is the Pound Sterling (GBP).  
Class D1 GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class D1 GBP-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D1 JPY-hedged Shares**

The Reference Currency of Class D1 JPY-hedged Shares is the Japanese Yen (JPY).

Class D1 JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class D1 JPY-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D1 SEK-hedged Shares**

The Reference Currency of Class D1 SEK-hedged Shares is the Swedish Krona (SEK).

Class D1 SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class D1 SEK-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D1 USD Shares**

The Reference Currency of Class D1 USD Shares is the U.S. Dollars (USD).

Class D1 USD Shares bear the Management Fee payable to the AIFM.

Class D1 USD Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class B2 CHF-hedged Shares**

The Reference Currency of Class B2 CHF-hedged Shares is the Swiss Francs (CHF).

Class B2 CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class B2 CHF-hedged Shares are capitalisation Shares.

**Class B2 EUR-hedged Shares**

The Reference Currency of Class B2 EUR-hedged Shares is the Euro (EUR).

Class B2 EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class B2 EUR-hedged Shares are capitalisation Shares.

**Class B2 GBP-hedged Shares**

The Reference Currency of Class B2 GBP-hedged Shares is the Pound Sterling (GBP).

Class B2 GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class B2 GBP-hedged Shares are capitalisation Shares.

**Class B2 JPY-hedged Shares**

The Reference Currency of Class B2 JPY-hedged Shares is the Japanese Yen (JPY).

Class B2 JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class B2 JPY-hedged Shares are capitalisation Shares.

**Class B2 SEK-hedged Shares**

The Reference Currency of Class B2 SEK-hedged Shares is the Swedish Krona (SEK).

Class B2 SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class B2 SEK-hedged Shares are capitalisation Shares.

**Class B2 USD Shares**

The Reference Currency of Class B2 USD Shares is the U.S. Dollars (USD).

Class B2 USD Shares bear the Management Fee payable to the AIFM.

Class B2 USD Shares are capitalisation Shares.

**Class D2 CHF-hedged Shares**

The Reference Currency of Class D2 CHF-hedged Shares is the Swiss Francs (CHF).

Class D2 CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class D2 CHF-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D2 EUR-hedged Shares**

The Reference Currency of Class D2 EUR-hedged Shares is the Euro (EUR).

Class D2 EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class D2 EUR-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D2 GBP-hedged Shares**

The Reference Currency of Class D2 GBP-hedged Shares is the Pound Sterling (GBP).

Class D2 GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class D2 GBP-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D2 JPY-hedged Shares**

The Reference Currency of Class D2 JPY-hedged Shares is the Japanese Yen (JPY).



Class D2 JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class D2 JPY-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D2 SEK-hedged Shares**

The Reference Currency of Class D2 SEK-hedged Shares is the Swedish Krona (SEK).

Class D2 SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class D2 SEK-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D2 USD Shares**

The Reference Currency of Class D2 USD Shares is the U.S. Dollars (USD).

Class D2 USD Shares bear the Management Fee payable to the AIFM.

Class D2 USD Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class B3 CHF-hedged Shares**

The Reference Currency of Class B3 CHF-hedged Shares is the Swiss Francs (CHF).

Class B3 CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class B3 CHF-hedged Shares are capitalisation Shares.

**Class B3 EUR-hedged Shares**

The Reference Currency of Class B3 EUR-hedged Shares is the Euro (EUR).

Class B3 EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class B3 EUR-hedged Shares are capitalisation Shares.

**Class B3 GBP-hedged Shares**

The Reference Currency of Class B3 GBP-hedged Shares is the Pound Sterling (GBP).

Class B3 GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class B3 GBP-hedged Shares are capitalisation Shares.

**Class B3 JPY-hedged Shares**

The Reference Currency of Class B3 JPY-hedged Shares is the Japanese Yen (JPY).

Class B3 JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class B3 JPY-hedged Shares are capitalisation Shares.

**Class B3 SEK-hedged Shares**

The Reference Currency of Class B3 SEK-hedged Shares is the Swedish Krona (SEK).

Class B3 SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class B3 SEK-hedged Shares are capitalisation Shares.

**Class B3 USD Shares**

The Reference Currency of Class B3 USD Shares is the U.S. Dollars (USD).

Class B3 USD Shares bear the Management Fee payable to the AIFM.

Class B3 USD Shares are capitalisation Shares.

**Class D3 CHF-hedged Shares**

The Reference Currency of Class D3 CHF-hedged Shares is the Swiss Francs (CHF).

Class D3 CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class D3 CHF-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D3 EUR-hedged Shares**

The Reference Currency of Class D3 EUR-hedged Shares is the Euro (EUR).

Class D3 EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class D3 EUR-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D3 GBP-hedged Shares**

The Reference Currency of Class D3 GBP-hedged Shares is the Pound Sterling (GBP).

Class D3 GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class D3 GBP-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D3 JPY-hedged Shares**

The Reference Currency of Class D3 JPY-hedged Shares is the Japanese Yen (JPY).

Class D3 JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class D3 JPY-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D3 SEK-hedged Shares**

The Reference Currency of Class D3 SEK-hedged Shares is the Swedish Krona (SEK).

Class D3 SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class D3 SEK-hedged Shares are distribution Shares as further described under sub-section 13. “Distributions”.

**Class D3 USD Shares**

The Reference Currency of Class D3 USD Shares is the U.S. Dollars (USD).

Class D3 USD Shares bear the Management Fee payable to the AIFM.

Class D3 USD Shares are distribution Shares as further described under sub-section 13. “Distributions”.

**Class B4 CHF-hedged Shares**

The Reference Currency of Class B4 CHF-hedged Shares is the Swiss Francs (CHF).

Class B4 CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class B4 CHF-hedged Shares are capitalisation Shares.

**Class B4 EUR-hedged Shares**

The Reference Currency of Class B4 EUR-hedged Shares is the Euro (EUR).

Class B4 EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class B4 EUR-hedged Shares are capitalisation Shares.

**Class B4 GBP-hedged Shares**

The Reference Currency of Class B4 GBP-hedged Shares is the Pound Sterling (GBP).

Class B4 GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class B4 GBP-hedged Shares are capitalisation Shares.

**Class B4 JPY-hedged Shares**

The Reference Currency of Class B4 JPY-hedged Shares is the Japanese Yen (JPY).

Class B4 JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class B4 JPY-hedged Shares are capitalisation Shares.

**Class B4 SEK-hedged Shares**

The Reference Currency of Class B4 SEK-hedged Shares is the Swedish Krona (SEK).

Class B4 SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class B4 SEK-hedged Shares are capitalisation Shares.

**Class B4 USD Shares**

The Reference Currency of Class B4 USD Shares is the U.S. Dollars (USD).

Class B4 USD Shares bear the Management Fee payable to the AIFM.

Class B4 USD Shares are capitalisation Shares.

**Class D4 CHF-hedged Shares**

The Reference Currency of Class D4 CHF-hedged Shares is the Swiss Francs (CHF).

Class D4 CHF-hedged Shares bear the Management Fee payable to the AIFM.

Class D4 CHF-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D4 EUR-hedged Shares**

The Reference Currency of Class D4 EUR-hedged Shares is the Euro (EUR).

Class D4 EUR-hedged Shares bear the Management Fee payable to the AIFM.

Class D4 EUR-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D4 GBP-hedged Shares**

The Reference Currency of Class D4 GBP-hedged Shares is the Pound Sterling (GBP).

Class D4 GBP-hedged Shares bear the Management Fee payable to the AIFM.

Class D4 GBP-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D4 JPY-hedged Shares**

The Reference Currency of Class D4 JPY-hedged Shares is the Japanese Yen (JPY).

Class D4 JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class D4 JPY-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D4 SEK-hedged Shares**

The Reference Currency of Class D4 SEK-hedged Shares is the Swedish Krona (SEK).

Class D4 SEK-hedged Shares bear the Management Fee payable to the AIFM.

Class D4 SEK-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

**Class D4 USD Shares**

The Reference Currency of Class D4 USD Shares is the U.S. Dollars (USD).

Class D4 USD Shares bear the Management Fee payable to the AIFM.

Class D4 USD Shares are distribution Shares as further described under sub-section 13. "Distributions".

Placement Memorandum – SCOR ILS Fund S.A., SICAV-SIF  
Appendix B. SCOR ILS Fund – Atropos CatBond Fund

Share Class Name	ISIN	Currency	Hedged	Management Fee	Distribution / Capitalisation
B1 CHF-hedged	LU0952915469	CHF	Yes	Yes	Capitalisation
B1 EUR-hedged	LU0952915386	EUR	Yes	Yes	Capitalisation
B1 GBP-hedged	LU0952915543	GBP	Yes	Yes	Capitalisation
B1 JPY-hedged	LU0952915626	JPY	Yes	Yes	Capitalisation
B1 SEK-hedged	LU1646476330	SEK	Yes	Yes	Capitalisation
B1 USD	LU0952915204	USD	No	Yes	Capitalisation
D1 CHF-hedged	LU2093622525	CHF	Yes	Yes	Distribution
D1 EUR-hedged	LU2093622798	EUR	Yes	Yes	Distribution
D1 GBP-hedged	LU2093622871	GBP	Yes	Yes	Distribution
D1 JPY-hedged	LU2093622954	JPY	Yes	Yes	Distribution
D1 SEK-hedged	LU2093623093	SEK	Yes	Yes	Distribution
D1 USD	LU2093623176	USD	No	Yes	Distribution
B2 CHF-hedged	LU0952916194	CHF	Yes	Yes	Capitalisation
B2 EUR-hedged	LU0952915972	EUR	Yes	Yes	Capitalisation
B2 GBP-hedged	LU0952916277	GBP	Yes	Yes	Capitalisation
B2 JPY-hedged	LU0952916350	JPY	Yes	Yes	Capitalisation
B2 SEK-hedged	LU1646476413	SEK	Yes	Yes	Capitalisation
B2 USD	LU0952915899	USD	No	Yes	Capitalisation
D2 CHF-hedged	LU2093623259	CHF	Yes	Yes	Distribution
D2 EUR-hedged	LU2093623333	EUR	Yes	Yes	Distribution
D2 GBP-hedged	LU2093623416	GBP	Yes	Yes	Distribution
D2 JPY-hedged	LU2093623507	JPY	Yes	Yes	Distribution
D2 SEK-hedged	LU2093623689	SEK	Yes	Yes	Distribution
D2 USD	LU2093623762	USD	No	Yes	Distribution
B3 CHF-hedged	LU0952917242	CHF	Yes	Yes	Capitalisation
B3 EUR-hedged	LU0952917168	EUR	Yes	Yes	Capitalisation
B3 GBP-hedged	LU0952917325	GBP	Yes	Yes	Capitalisation
B3 JPY-hedged	LU0952917598	JPY	Yes	Yes	Capitalisation
B3 SEK-hedged	LU1646476504	SEK	Yes	Yes	Capitalisation
B3 USD	LU0952917085	USD	No	Yes	Capitalisation
D3 CHF-hedged	LU2093623846	CHF	Yes	Yes	Distribution
D3 EUR-hedged	LU2093623929	EUR	Yes	Yes	Distribution
D3 GBP-hedged	LU2093624067	GBP	Yes	Yes	Distribution
D3 JPY-hedged	LU2093624224	JPY	Yes	Yes	Distribution
D3 SEK-hedged	LU2093624497	SEK	Yes	Yes	Distribution
D3 USD	LU2093624570	USD	No	Yes	Distribution
B4 CHF-hedged	LU2523346968	CHF	Yes	Yes	Capitalisation
B4 EUR-hedged	LU2523347008	EUR	Yes	Yes	Capitalisation
B4 GBP-hedged	LU2523347180	GBP	Yes	Yes	Capitalisation
B4 JPY-hedged	LU2523347263	JPY	Yes	Yes	Capitalisation
B4 SEK-hedged	LU2523347347	SEK	Yes	Yes	Capitalisation

B4 USD	LU2523347420	USD	No	Yes	Capitalisation
D4 CHF-hedged	LU2523347693	CHF	Yes	Yes	Distribution
D4 EUR-hedged	LU2523347776	EUR	Yes	Yes	Distribution
D4 GBP-hedged	LU2523347859	GBP	Yes	Yes	Distribution
D4 JPY-hedged	LU2523347933	JPY	Yes	Yes	Distribution
D4 SEK-hedged	LU2523348071	SEK	Yes	Yes	Distribution
D4 USD	LU2523348154	USD	No	Yes	Distribution

#### 4.2. Tracking Shares

As further explained in “Part I. General Information in relation to the Company, Section 2 “Structure of the Company”, Sub-section 2.3. “Share Classes”, in the event that Tracking Shares are created in relation to an existing investment or pool of existing investments, the Investor Shares related to such investment(s) will be converted into Tracking Shares, as determined by the Board.

Tracking Shares will be closed to applications for subscriptions, conversions and redemptions.

Tracking Shares are denominated in the Reference Currency of the relevant Class of Investor Shares.

Due to the significant uncertainty that may arise from the valuation of a Special Investment related to a Tracking Share, currency hedging techniques used to hedge against currency risk within a Class of Shares may not be used to hedge assets and liabilities currency risk within the corresponding Tracking Share.

Upon a disposal or deemed disposal of a pool of investments or Special Investment, as applicable, the Sub-Fund will either (i) compulsorily redeem all or part of the Tracking Shares related to such investment(s), or (ii) decide the compulsory conversion of all or part of the Tracking Shares into their respective Class of Investor Shares.

Tracking Shares do not bear Management Fees.

Tracking Shares are capitalisation shares.

The issuance of Tracking Shares is subject to prior approval of the CSSF.

#### 5. NAV CALCULATION

The valuation day of the Sub-Fund shall be the last Business Day of each calendar week (the “**Valuation Day**”).

The dealing day with reference to a specific Valuation Day shall be the first Business Day after a Valuation Day on which Shares may be issued, converted and redeemed (the “**Dealing Day**”).

It is expected that the Net Asset Value calculation occurs within two (2) Business Days after the relevant Valuation Day.

When no Valuation Day occurs on the last Business Day of a calendar month, an additional indicative Net Asset Value (the “**Indicative Net Asset Value**”) will be calculated, for mere information purpose, as of the last Business Day of this calendar month. No subscription or redemption request will be executed on the basis of such Indicative Net Asset Value.

The Sub-Fund may be exposed to events occurring on the Valuation Day. To the extent an event occurs on a day that is a Valuation Day (i.e., the last Business Day of the relevant calendar week) in

the location where such event occurs, it will be taken into consideration for the calculation of the Net Asset Value even if such event does not occur on the Valuation Day, Luxembourg time.

The provisions regarding the swing pricing mechanism as described in the *Part I. “General Information in relation to the Company”, Section 15 “DETERMINATION OF THE NET ASSET VALUE” Paragraph D “Swing Pricing mechanism”* are applicable to the Sub-Fund.

The Swing Factor for this Sub-Fund should not exceed 1% of the original Net Asset Value per Share of the Sub-Fund. In exceptional market circumstances, the Swing Pricing Committee may however decide to increase the maximum level of the Swing Factor as more fully described under Section 15 “DETERMINATION OF THE NET ASSET VALUE” Paragraph D “Swing Pricing mechanism”.

## 6. SUBSCRIPTIONS

### 6.1. Subscriptions during the Initial Offering Period

The initial offering period of the Class B1 USD Shares, Class B2 USD Shares, Class B3 USD Shares, Class B1 CHF-hedged Shares, Class B1 EUR-hedged Shares, Class B2 EUR-hedged Shares, Class B3 EUR-hedged Shares, Class B1 CHF-hedged Shares, Class B2 CHF-hedged Shares, Class B3 CHF-hedged Shares, Class B1 GBP-hedged Shares, Class B2 GBP-hedged Shares, Class B3 GBP-hedged Shares, Class B1 JPY-hedged Shares, Class B2 JPY-hedged Shares and Class B3 JPY-hedged Shares (the “**Initial Offering Period**”) will occur before August 2013 or, in respect of each Class, such other date where the first subscription will occur and the details of such Initial Offering Period will be determined by the Board.

The initial offering period of the Class B1 SEK-hedged Shares, Class B2 SEK-hedged Shares, Class B3 SEK-hedged Shares (the “**Initial Offering Period**”) will occur before 28 July 2017 or, in respect of each Class, such other date where the first subscription will occur and the details of such Initial Offering Period will be determined by the Board.

The initial offering period of the Class D1 USD Shares, Class D2 USD Shares, Class D3 USD Shares, Class D1 EUR-hedged Shares, Class D2 EUR-hedged Shares, Class D3 EUR-hedged Shares, Class D1 CHF-hedged Shares, Class D2 CHF-hedged Shares, Class D3 CHF-hedged Shares, Class D1 GBP-hedged Shares, Class D2 GBP-hedged Shares, Class D3 GBP-hedged Shares, Class D1 JPY-hedged Shares, Class D2 JPY-hedged Shares, Class D3 JPY-hedged Shares, Class D1 SEK-hedged Shares, Class D2 SEK-hedged Shares, Class D3 SEK-hedged Shares (the “**Initial Offering Period**”) will occur before 31 January 2020 or, in respect of each Class, such other date where the first subscription will occur and the details of such Initial Offering Period will be determined by the Board.

The initial offering period of the Class B4 CHF-hedged Shares, Class B4 EUR-hedged Shares, Class B4 GBP-hedged Shares, Class B4 JPY-hedged Shares, Class B4 SEK-hedged Shares, Class B4 USD Shares, Class D4 CHF-hedged Shares, Class D4 EUR-hedged Shares, Class D4 GBP-hedged Shares, Class D4 JPY-hedged Shares, Class D4 SEK-hedged Shares and Class D4 USD Shares, (the “**Initial Offering Period**”) will occur before 30 September 2022 or, in respect of each Class, such other date where the first subscription will occur and the details of such Initial Offering Period will be determined by the Board.

Subscription of Investor Shares in the Sub-Fund can be subject to those fees provided for in section 18.2. “Costs and fees to be borne by the Shareholders” within Part I. “General Information in relation to the Company” of this Placement Memorandum.

Subject to the minimum investment requirement provided for in sub-section 8 below be complied with, subscriptions during the Initial Offering Period will be discretionarily accepted by the Board at an initial subscription price of:

- one thousand U.S. Dollars (USD 1,000.-) per Share, without any subscription fee for B1, B2, B3 and B4 USD Shares, and D1, D2, D3 and D4 USD Shares,
- one thousand Euros (EUR 1,000.-) per Share, without any subscription fee for B1, B2, B3 and B4 EUR-hedged Shares, and D1, D2, D3 and D4 EUR-hedged Shares,
- one thousand Swiss Francs (CHF 1,000.-) per Share, without any subscription fee for B1, B2, B3 and B4 CHF-hedged Shares, and for D1, D2, D3 and D4 CHF-hedged Shares,
- one thousand Pound Sterling (GBP 1,000.-) per Share, without any subscription fee for B1, B2, B3 and B4 GBP-hedged Shares, and for D1, D2, D3 and D4 GBP-hedged Shares,
- one hundred thousand Japanese Yen (JPY 100,000.-) per Share, without any subscription fee for B1, B2, B3 and B4 JPY-hedged Shares, and for D1, D2, D3 and D4 JPY-hedged Shares, and
- ten thousand Swedish Krona (SEK 10,000.-) per Share, without any subscription fee for B1, B2, B3 and B4 SEK-hedged Shares, and for D1, D2, D3 and D4 SEK-hedged Shares.

Subscription monies are payable in the relevant Reference Currency and must reach the Depositary no later than the last Business Day of the Initial Offering Period.

Should the Board decide not to accept a subscription, the subscription monies that have been paid shall be reimbursed to the rejected subscriber in full (but without any interest of any kind being accrued, in any circumstances, to the benefit of the subscriber) within ten (10) Business Days pursuant to the last Business Day of the Initial Offering Period.

SCOR may also invest in the Sub-Fund during the Initial Offering Period.

## 6.2. Subscriptions after the Initial Offering Period

Following the closing of the Initial Offering Period, subscriptions for Shares shall be discretionarily accepted by the Board with respect to each Valuation Day, subject to those fees provided for in section 18.2. "Costs and fees to be borne by the Shareholders" within Part I. "General Information in relation to the Company" of this Placement Memorandum, as the case may be.

Subscriptions of Shares must be sent to the Administration Agent of the Company for the amount subscribed in the Reference Currency of the Shares. Subscriptions for a specified number of shares shall not be permitted.

Investors applying for Shares after the Initial Offering Period must: (i) send their completed subscription document and any supporting documentation required with regard to anti-money laundering matters or otherwise by mail or fax so as to be received by the Registrar and Transfer Agent no later than 5.00 pm (Luxembourg time) five (5) Business Days prior to the relevant Valuation Day (the "**Cut-Off Time**"); and (ii) ensure that cleared funds in the appropriate currency are received by the Depositary on the Valuation Day.

Shares shall be issued as of the relevant Dealing Day.

Should the Board decide to reject (i) fully or (ii) partially a subscription after the applicable Cut-Off Time and before the applicable Valuation Day, as foreseen in section 7 "Management, Governance and Administration", sub-section 7.2. "The AIFM", sub-sub-section 7.2.2 "Risk Management and Liquidity Management" of Part I of this Placement Memorandum, the following procedure shall apply:

- in case of a rejection in full by the Board referred to under item (i) of the above paragraph, the subscription monies that have been paid shall be reimbursed to the rejected subscriber(s) in full (but without any interest of any kind being accrued, in any circumstances, to the benefit of the subscriber) as soon as possible following the relevant Dealing Day; or



- in case of a partial rejection by the Board referred to under item (ii) of the above paragraph, a pro rata calculation would apply in order to determine the actual amount of the subscription accepted (the “**Pro Rata Subscription Amount**”) of the relevant subscriber(s), (subject to the limits of the minimum subscription amount if and when applicable). The Transfer Agent will inform the subscriber, by any writing mean, of its relevant Pro Rata Subscription Amount within one (1) Business Day following the decision of the Board.
- in case of payment of the subscription before the information of the subscriber, the subscription monies received by the Depositary will be fully reimbursed to the relevant subscriber(s) (but without any interest of any kind being accrued, in any circumstances, to the benefit of the subscriber) as soon as possible. The relevant subscriber has to reprocess a new payment corresponding to the subscription amount accepted by the Board.
- in any case, the subscriber ensures that cleared funds in the appropriate currency are received by the Depositary on the Valuation Day, at the latest.

SCOR may also invest in the Sub-Fund after the Initial Offering Period.

## 7. REDEMPTIONS

### 7.1. Redemption Procedure

For the avoidance of doubt, unless otherwise decided by the Board, Tracking Shares will in principle be closed to applications for conversions and redemptions.

Dealing Days for redemption of Investor Shares shall only take place weekly with reference to each Valuation Day (each a “**Redemption Day**”).

The first Redemption Day of the Sub-Fund shall be the Valuation Day of the first week of July 2013.

With respect to Investor Shares, redemption requests (“**Redemption Request**”) must be received by the Administration Agent of the Company by 5:00 pm (Luxembourg time) ten (10) Business Days before the applicable Valuation Day.

Redemption Requests received after the applicable deadline will take effect on the next following Valuation Day, unless otherwise decided by the Board.

Redemption proceeds shall be paid in the Reference Currency of the Shares within five (5) Business Days after the applicable Dealing Day.

However, in the case of significant redemption applications or in the case of a lack of liquidity of a significant portion of the assets of the Sub-Fund, the Company reserves the right to finalize the Net Asset Value of the Shares only after carrying out the sales of securities required, on behalf of the Company. In that case, the redeeming Shareholder may receive a partial payment of its redemption proceeds, to be considered as an advance on the final redemption amount that will be determined once the relevant sales of securities will have been finalized.

If, following the satisfaction of any such redemption application, the number of Investor Shares held by the Shareholder in the relevant Class would fall below any minimum holding amount for that Class as provided for in sub-section 8, below, the Board may in its absolute discretion take one of the following two actions, provided that equal treatment of Shareholders is complied with:

- (i) redeem the Shares per the Shareholder’s request and elect to allow the Shareholder to continue to hold his/her/its remaining holding in the relevant Class, notwithstanding that such

holding is below the minimum holding amount for that class, in accordance with the ability of the Board to grant Shareholders a derogation from the conditions of minimum holding of Shares;

- (ii) without the consent of the Shareholder, treat such request as a request to redeem the full balance of such Shareholder's holding of Shares in the relevant class.

## 7.2. Gate

If any Redemption Request is received in respect of any relevant Redemption Day (the "**First Redemption Day**") which either alone or when aggregated with other applications so received, represents 15% or more of the Net Asset Value of the Sub-Fund the Board reserves the right in its sole and absolute discretion (and in the best interests of the remaining Shareholders) to scale down pro rata (*pro rata* calculated regarding the number of Shares held by the Shareholders of the Sub-Fund making the Redemption Request) each Redemption Request with respect to such First Redemption Day, provided that the Board shall not scale down *pro rata* Redemption Requests below 15% of the Net Asset Value of the Sub-Fund.

By way of exception, in the event that the total of the assets under management of the Sub-Fund is greater than USD 1,000,000,000 on any Redemption Day, the threshold of the relevant gate will be 10% instead of 15%; it being specified that all the above-mentioned provisions shall remain applicable using this 10% threshold *mutatis mutandis*.

To the extent that any application is not given full effect on such First Redemption Day by virtue of the exercise of the power to pro-rate Redemption Requests, it shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the relevant Shareholder(s) in respect of the next Redemption Day and, if necessary, subsequent Redemption Days, until such application(s) shall have been satisfied in full.

With respect to any application received in respect of the First Redemption Day, to the extent that subsequent Redemption Requests shall be received in respect of following Redemption Days, such later applications shall be postponed in priority to the satisfaction of applications relating to the First Redemption Day, but subject thereto shall be dealt with as set out in the preceding sentence.

## 8. MINIMUM INVESTMENT AND HOLDING REQUIREMENTS

### 8.1. Minimum investment and holding requirements for Class B1 CHF-hedged Shares, Class B1 EUR-hedged Shares, Class B1 GBP-hedged Shares, Class B1 JPY-hedged Shares, Class B1 SEK-hedged Shares, Class B1 USD Shares, Class D1 CHF-hedged Shares, Class D1 EUR-hedged Shares, Class D1 GBP-hedged Shares, Class D1 JPY-hedged Shares, Class D1 SEK-hedged Shares and Class D1 USD Shares

The minimum initial investment per Shareholder in Class B1 CHF-hedged Shares, Class B1 EUR-hedged Shares, Class B1 GBP-hedged Shares, Class B1 JPY-hedged Shares, Class B1 SEK-hedged Shares, Class B1 USD Shares, Class D1 CHF-hedged Shares, Class D1 EUR-hedged Shares, Class D1 GBP-hedged Shares, Class D1 JPY-hedged Shares, Class D1 SEK-hedged Shares and Class D1 USD Shares, is fixed at two hundred and fifty thousand U.S. Dollars (USD 250,000.-), or its equivalent in any relevant currency, subject however to the Board's right to reject any offer from investors for any reason or to accept initial subscriptions in lesser amounts.

The minimum per subsequent investment in Class B1 CHF-hedged Shares, Class B1 EUR-hedged Shares, Class B1 GBP-hedged Shares, Class B1 JPY-hedged Shares, Class B1 SEK-hedged Shares, Class B1 USD Shares, Class D1 CHF-hedged Shares, Class D1 EUR-hedged Shares, Class D1 GBP-hedged Shares, Class D1 JPY-hedged Shares, Class D1 SEK-hedged Shares and Class D1 USD Shares is fixed at one Investor Share.

**8.2. Minimum investment and holding requirements for Class B2 CHF-hedged Shares, Class B2 EUR-hedged Shares, Class B2 GBP-hedged Shares, Class B2 JPY-hedged Shares, Class B2 SEK-hedged Shares, Class B2 USD Shares, Class D2 CHF-hedged Shares, Class D2 EUR-hedged Shares, Class D2 GBP-hedged Shares, Class D2 JPY-hedged Shares, Class D2 SEK-hedged Shares and Class D2 USD Shares**

The minimum initial Investment per Shareholder in Class B2 CHF-hedged Shares, Class B2 EUR-hedged Shares, Class B2 GBP-hedged Shares, Class B2 JPY-hedged Shares, Class B2 SEK-hedged Shares, Class B2 USD Shares, Class D2 CHF-hedged Shares, Class D2 EUR-hedged Shares, Class D2 GBP-hedged Shares, Class D2 JPY-hedged Shares, Class D2 SEK-hedged Shares and Class D2 USD Shares, is fixed at ten million U.S. Dollars (USD 10,000,000,00.-), or its equivalent in any relevant currency, subject however to the Board's right to reject any offer from investors for any reason or to accept initial subscriptions in lesser amounts.

The minimum per subsequent investment in Class B2 CHF-hedged Shares, Class B2 EUR-hedged Shares, Class B2 GBP-hedged Shares, Class B2 JPY-hedged Shares, Class B2 SEK-hedged Shares, Class B2 USD Shares, Class D2 CHF-hedged Shares, Class D2 EUR-hedged Shares, Class D2 GBP-hedged Shares, Class D2 JPY-hedged Shares, Class D2 SEK-hedged Shares and Class D2 USD Shares is fixed at one Investor Share.

**8.3. Minimum investment and holding requirements for Class B3 CHF-hedged Shares, Class B3 EUR-hedged Shares, Class B3 GBP-hedged Shares, Class B3 JPY-hedged Shares, Class B3 SEK-hedged Shares, Class B3 USD Shares, Class D3 CHF-hedged Shares, Class D3 EUR-hedged Shares, Class D3 GBP-hedged Shares, Class D3 JPY-hedged Shares, Class D3 SEK-hedged Shares and Class D3 USD Shares**

The minimum initial investment per Shareholder in Class B3 CHF-hedged Shares, Class B3 EUR-hedged Shares, Class B3 GBP-hedged Shares, Class B3 JPY-hedged Shares, Class B3 SEK-hedged Shares, Class B3 USD Shares, Class D3 CHF-hedged Shares, Class D3 EUR-hedged Shares, Class D3 GBP-hedged Shares, Class D3 JPY-hedged Shares, Class D3 SEK-hedged Shares and Class D3 USD Shares, is fixed at fifty million U.S. Dollars (USD 50,000,000,00.-), or its equivalent in any relevant currency, subject however to the Board's right to reject any offer from investors for any reason or to accept initial subscriptions in lesser amounts.

The minimum per subsequent investment in Class B3 CHF-hedged Shares, Class B3 EUR-hedged Shares, Class B3 GBP-hedged Shares, Class B3 JPY-hedged Shares, Class B3 SEK-hedged Shares, Class B3 USD Shares, Class D3 CHF-hedged Shares, Class D3 EUR-hedged Shares, Class D3 GBP-hedged Shares, Class D3 JPY-hedged Shares, Class D3 SEK-hedged Shares and Class D3 USD Shares is fixed at one Investor Share.

**8.4. Minimum investment and holding requirements for Class B4 CHF-hedged Shares, Class B4 EUR-hedged Shares, Class B4 GBP-hedged Shares, Class B4 JPY-hedged Shares, Class B4 SEK-hedged Shares, Class B4 USD Shares, Class D4 CHF-hedged Shares, Class D4 EUR-hedged Shares, Class D4 GBP-hedged Shares, Class D4 JPY-hedged Shares, Class D4 SEK-hedged Shares and Class D4 USD Shares**

The minimum initial investment per Shareholder in Class B4 CHF-hedged Shares, Class B4 EUR-hedged Shares, Class B4 GBP-hedged Shares, Class B4 JPY-hedged Shares, Class B4 SEK-hedged Shares, Class B4 USD Shares, Class D4 CHF-hedged Shares, Class D4 EUR-hedged Shares, Class D4 GBP-hedged Shares, Class D4 JPY-hedged Shares, Class D4 SEK-hedged Shares and Class D4 USD Shares, is fixed at one hundred million U.S. Dollars (USD 100,000,000,00.-), or its equivalent in any relevant currency, subject however to the Board's right to reject any offer from investors for any reason or to accept initial subscriptions in lesser amounts.

The minimum per subsequent investment in Class B4 CHF-hedged Shares, Class B4 EUR-hedged Shares, Class B4 GBP-hedged Shares, Class B4 JPY-hedged Shares, Class B4 SEK-hedged Shares, Class B4 USD Shares, Class D4 CHF-hedged Shares, Class D4 EUR-hedged Shares, Class

D4 GBP-hedged Shares, Class D4 JPY-hedged Shares, Class D4 SEK-hedged Shares and Class D4 USD Shares is fixed at one Investor Share.

Share Class Name	Minimum initial investment	Minimum subsequent investment
B1 CHF-hedged	USD 250,000. (*)	1 Investor Share
B1 EUR-hedged	USD 250,000. (*)	1 Investor Share
B1 GBP-hedged	USD 250,000. (*)	1 Investor Share
B1 JPY-hedged	USD 250,000. (*)	1 Investor Share
B1 SEK-hedged	USD 250,000. (*)	1 Investor Share
B1 USD	USD 250,000.-	1 Investor Share
D1 CHF-hedged	USD 250,000. (*)	1 Investor Share
D1 EUR-hedged	USD 250,000. (*)	1 Investor Share
D1 GBP-hedged	USD 250,000. (*)	1 Investor Share
D1 JPY-hedged	USD 250,000. (*)	1 Investor Share
D1 SEK-hedged	USD 250,000. (*)	1 Investor Share
D1 USD	USD 250,000.-	1 Investor Share
B2 CHF-hedged	USD 10,000,000.(*)	1 Investor Share
B2 EUR-hedged	USD 10,000,000.(*)	1 Investor Share
B2 GBP-hedged	USD 10,000,000.(*)	1 Investor Share
B2 JPY-hedged	USD 10,000,000.(*)	1 Investor Share
B2 SEK-hedged	USD 10,000,000.(*)	1 Investor Share
B2 USD	USD 10,000,000.-	1 Investor Share
D2 CHF-hedged	USD 10,000,000.(*)	1 Investor Share
D2 EUR-hedged	USD 10,000,000.(*)	1 Investor Share
D2 GBP-hedged	USD 10,000,000.(*)	1 Investor Share
D2 JPY-hedged	USD 10,000,000.(*)	1 Investor Share
D2 SEK-hedged	USD 10,000,000.(*)	1 Investor Share
D2 USD	USD 10,000,000.-	1 Investor Share
B3 CHF-hedged	USD 50,000,000.(*)	1 Investor Share
B3 EUR-hedged	USD 50,000,000.(*)	1 Investor Share
B3 GBP-hedged	USD 50,000,000.(*)	1 Investor Share
B3 JPY-hedged	USD 50,000,000.(*)	1 Investor Share
B3 SEK-hedged	USD 50,000,000.(*)	1 Investor Share
B3 USD	USD 50,000,000.-	1 Investor Share
D3 CHF-hedged	USD 50,000,000.(*)	1 Investor Share
D3 EUR-hedged	USD 50,000,000.(*)	1 Investor Share
D3 GBP-hedged	USD 50,000,000.(*)	1 Investor Share
D3 JPY-hedged	USD 50,000,000.(*)	1 Investor Share
D3 SEK-hedged	USD 50,000,000.(*)	1 Investor Share
D3 USD	USD 50,000,000.-	1 Investor Share
B4 CHF-hedged	USD 100,000,000.(*)	1 Investor Share
B4 EUR-hedged	USD 100,000,000.(*)	1 Investor Share
B4 GBP-hedged	USD 100,000,000.(*)	1 Investor Share
B4 JPY-hedged	USD 100,000,000.(*)	1 Investor Share

B4 SEK-hedged	USD 100,000,000.(*)	1 Investor Share
B4 USD	USD 100,000,000.-	1 Investor Share
D4 CHF-hedged	USD 100,000,000.(*)	1 Investor Share
D4 EUR-hedged	USD 100,000,000.(*)	1 Investor Share
D4 GBP-hedged	USD 100,000,000.(*)	1 Investor Share
D4 JPY-hedged	USD 100,000,000.(*)	1 Investor Share
D4 SEK-hedged	USD 100,000,000.(*)	1 Investor Share
D4 USD	USD 100,000,000.-	1 Investor Share

(\*) or its equivalent in any relevant currency

## 9. TRANSFER OF SHARES

Shares of the Sub-Fund may be transferred to any Eligible Investors.

Transfer request shall be submitted by the Investor wishing to transfer its Shares (the “Transferor”) to the Board at least sixty (60) calendar days before the contemplated transfer date. This request shall be prepared on the basis of the transfer request form enclosed as an appendix to the subscription agreement and indicate the number of Shares to be transferred and the financial conditions of the transfers (the “Transfer Price”).

### Pre-emption Rights

The Administration Agent shall inform the holders of Class A Shares of the transfer request and indicate the number of Shares to be transferred.

The holder of Class A Shares shall then have ten (10) calendar days to exercise its pre-emption rights. The pre-emption shall be effective (i.e., the registrar of shareholders shall be modified with effect as from this date) as from the notification by the holder of Class A Shares to the Administration Agent of its decision to exercise its pre-emption rights. The exercise of its pre-emption rights by the holder of Class A Shares shall also be communicated by the Administration Agent to the Transferor. Payment of the Transfer Price to the Transferor shall occur within ten (10) calendar days further to the immediately preceding Dealing Day. Should the Net Asset Value per Investor Shares calculated on such Dealing Day be lower than the Transfer Price per Investor Shares, the Transfer Price to be paid by holder(s) of Class A Shares shall be recalculated (i.e., lowered) so that holders of Class A Shares would in any case not pay more than a price based on the Net Asset Value per Shares calculated on such Dealing Day.

### Approval of Transfer

Transfer of Shares of the Sub-Fund shall be effective upon the modification of the register of shareholders of the Sub-Fund, which is subject to the Board’s approval. The Board shall accept or reject any transfer request and shall do so within sixty (60) calendar days after the date on which the transfer request form is received by the Administration Agent and the Board.

Decisions to reject a transfer request shall be grounded on the corporate interest of the Company as appreciated by the Board in good faith but full discretion. For the avoidance of doubt, strictly complying with the content Placement Memorandum, the Articles, the 2007 Law or more generally any Luxembourg or foreign legal constraints is deemed to be in the corporate interest of the Company. Likewise, preserving the competitive advantages of the Sub-Fund (e.g., SCOR’s know-how in the field of ILS) *vis-à-vis* other investment structures active in the ILS market and more generally competitors is also considered to be in the corporate interest of the Company.

When a transfer request is rejected by the Board, the transfer request shall be treated as a redemption request unless the Transferor had clearly requested otherwise in its transfer request form, and the Shares subject to the transfer request shall be redeemed at their Net Asset Value as described in sub-sections 7.1 and 7.2 above. For the avoidance of doubt, if the Board decides to reject the transfer request, the date of receipt of the transfer request shall be considered as the date of the Redemption Request for the purpose of determining the Redemption Day with respect to which the Redemption Request will be dealt with.

When a transfer request is approved by the Board, transfer shall be effective (and the registrar of shareholders shall be modified) as from the date of receipt by the Administration Agent of an original or a duly certified copy of the share sale and purchase agreement duly executed by both the Transferor and the transferee. For the avoidance of doubt and as indicated in the subscription agreement, this share sale and purchase agreement shall (i) be submitted to Luxembourg law and (ii) be worded in English or French.

## 10. FEES

### Management Fee

In consideration for the management services, the AIFM shall receive from the Sub-Fund a management fee as determined below (the “**Management Fee**”).

The Management Fee shall be calculated on a weekly basis in arrears and paid on a quarterly basis at a maximum rate of:

- 1% per annum in respect of Class B1 CHF-hedged Shares; Class B1 EUR-hedged Shares; Class B1 GBP-hedged Shares; Class B1 JPY-hedged Shares; Class B1 SEK-hedged Shares; Class B1 USD Shares; Class D1 CHF-hedged Shares; Class D1 EUR-hedged Shares; Class D1 GBP-hedged Shares; Class D1 JPY-hedged Shares; Class D1 SEK-hedged Shares; Class D1 USD Shares;
- 0.75% per annum in respect of Class B2 CHF-hedged Shares; Class B2 EUR-hedged Shares; Class B2 GBP-hedged Shares; Class B2 JPY-hedged Shares; Class B2 SEK-hedged Shares; Class B2 USD Shares; Class D2 CHF-hedged Shares; Class D2 EUR-hedged Shares; Class D2 GBP-hedged Shares; Class D2 JPY-hedged Shares; Class D2 SEK-hedged Shares; Class D2 USD Shares;
- 0.5% per annum in respect of Class B3 CHF-hedged Shares; Class B3 EUR-hedged Shares; Class B3 GBP-hedged Shares; Class B3 JPY-hedged Shares; Class B3 SEK-hedged Shares; Class B3 USD Shares; Class D3 CHF-hedged Shares; Class D3 EUR-hedged Shares; Class D3 GBP-hedged Shares; Class D3 JPY-hedged Shares; Class D3 SEK-hedged Shares; Class D3 USD Shares;
- 0.4% per annum in respect of Class B4 CHF-hedged Shares; Class B4 EUR-hedged Shares; Class B4 GBP-hedged Shares; Class B4 JPY-hedged Shares; Class B4 SEK-hedged Shares; Class B4 USD Shares; Class D4 CHF-hedged Shares; Class D4 EUR-hedged Shares; Class D4 GBP-hedged Shares; Class D4 JPY-hedged Shares; Class D4 SEK-hedged Shares; Class D4 USD Shares.

The annual Management Fee rate may differ between Classes of Shares. The Management Fee will be payable whether or not the Sub-Fund is profitable.

For each Class of Shares, the weekly Management Fee shall be computed by multiplying i) the relevant annual Management Fee rate multiplied by seven divided by the exact number of days of the relevant calendar year, with ii) the corresponding Net Asset Value of the Share Class (exclusive of VAT if due) as at the Valuation Day of the relevant week.

For the avoidance of doubt, Tracking Shares do not bear Management Fees.

Share Class Name	Max rate of Management Fees
B1 CHF-hedged	1.0%
B1 EUR-hedged	1.0%
B1 GBP-hedged	1.0%
B1 JPY-hedged	1.0%
B1 SEK-hedged	1.0%
B1 USD	1.0%
D1 CHF-hedged	1.0%
D1 EUR-hedged	1.0%
D1 GBP-hedged	1.0%
D1 JPY-hedged	1.0%
D1 SEK-hedged	1.0%
D1 USD	1.0%
B2 CHF-hedged	0.75%
B2 EUR-hedged	0.75%
B2 GBP-hedged	0.75%
B2 JPY-hedged	0.75%
B2 SEK-hedged	0.75%
B2 USD	0.75%
D2 CHF-hedged	0.75%
D2 EUR-hedged	0.75%
D2 GBP-hedged	0.75%
D2 JPY-hedged	0.75%
D2 SEK-hedged	0.75%
D2 USD	0.75%
B3 CHF-hedged	0.5%
B3 EUR-hedged	0.5%
B3 GBP-hedged	0.5%
B3 JPY-hedged	0.5%
B3 SEK-hedged	0.5%
B3 USD	0.5%
D3 CHF-hedged	0.5%
D3 EUR-hedged	0.5%
D3 GBP-hedged	0.5%
D3 JPY-hedged	0.5%
D3 SEK-hedged	0.5%
D3 USD	0.5%
B4 CHF-hedged	0.4%
B4 EUR-hedged	0.4%
B4 GBP-hedged	0.4%
B4 JPY-hedged	0.4%

B4 SEK-hedged	0.4%
B4 USD	0.4%
D4 CHF-hedged	0.4%
D4 EUR-hedged	0.4%
D4 GBP-hedged	0.4%
D4 JPY-hedged	0.4%
D4 SEK-hedged	0.4%
D4 USD	0.4%

## 11. LISTING ON THE LUXEMBOURG STOCK EXCHANGE

The Board does not intend to apply for the listing of the Shares of the Sub-Fund on the Luxembourg Stock Exchange or any other stock exchange.

## 12. AVAILABILITY OF THE NET ASSET VALUE AND OF OTHER INFORMATION

The Net Asset Value per Share will be available at the registered office of the Company.

For the purposes of calculating regulatory requirements of the Directive 2009/138/EC (Solvency 2), the Sub-Fund's portfolio composition can be communicated to professional investors under the control of a European authority.

## 13. DISTRIBUTIONS

### 13.1. Class B Shares

Class B Shares are capitalisation Shares.

### 13.2. Class D Shares

Classes D Shares will pay as dividends to Shareholders in these Classes of Shares that are in the register of shareholders of the Company as of the last Valuation Day of each calendar semester of a particular Financial Year, an amount equal to all the coupons received by the Sub-Fund during that calendar semester, net of any applicable fees, taxes and expenses, which are attributable to these Classes D Shares.

For each calendar semester of any Financial Year, the Sub-Fund expects the dividends to be paid on or around the end of the first calendar month following the end of that particular calendar semester.

This payment is subject to the validation of the Board, which can decide to reduce the amount to be paid.

### 13.3. Tracking Shares

No distributions will be made to Shareholders in respect of their Tracking Shares.



As further explained in “Part I. General Information in relation to the Company”, Section 2 “Structure of the Company”, Sub-section 2.3. “Share Classes”, in the event that Tracking Shares are created in relation to an existing investment or pool of existing investments, the portion of the relevant Class of Shares related to such investment(s) will be converted into Tracking Shares, as determined by the Board.

Upon a realization or deemed realization of a pool of investments or Special Investment, as applicable, the Sub-Fund will either (i) compulsorily redeem all or part the Tracking Shares related to such investment(s), or (ii) decide the compulsory conversion of all or part of the Tracking Shares into the relevant Class of Investor Shares.

#### **14. DURATION**

The Sub-Fund is established for an unlimited duration.

#### **15. RISK FACTORS RELATING TO SCOR ILS FUND – ATROPOS CATBOND FUND**

See *Part I. General Information in relation to the Company*, Section 6 “General Risk Factors and Potential Conflicts of Interest; Potential Conflicts of Interest”.

## APPENDIX C. SCOR ILS FUND-- ATROPOS CATBOND FUND II

### 1. INVESTMENT OBJECTIVES AND STRATEGY

The principal investment objective of the Sub-Fund is to seek current income and capital appreciation on a risk-adjusted basis. The Sub-Fund will provide Shareholders with access to a managed portfolio of (re)insurance risks that offers positive expected risk-adjusted returns with limited correlation to other asset classes. The Sub-Fund will invest in catastrophe bonds, mostly in the line of business of natural catastrophe property damage, but potentially across other short-tail lines of business (e.g., extreme mortality, aviation, satellite, fire, etc.). Although the aim of the Sub-Fund is to be invested to the fullest extent possible in catastrophe bonds at any time, the Sub-Fund may invest its excess funds in Treasuries or other government-issued debt. For the avoidance of doubt, the Sub-Fund will not invest in any life settlement policies or derivatives thereof. See *Section 6 – General Risk Factors and Potential Conflicts of Interest; Potential Conflicts of Interest*.

**Catastrophe bonds** – Catastrophe bonds are a principal-at-risk security sponsored by insurance or reinsurance companies or a corporation in order to facilitate the transfer of catastrophe risk to the capital markets. In a typical catastrophe bond structure, the sponsor of a transaction enters into a risk transfer contract with a newly formed and non-affiliated special purpose entity. Under the risk transfer contract, the sponsor cedes a layer of catastrophe risk (e.g., property & casualty or mortality risk) to the special purpose entity in exchange for periodic payments that are used to fund a portion of interest on the bonds and other issuer expenses. Conversely, in order to fund potential loss payments to the sponsor, the special purpose entity issues principal-at-risk notes to investors and deposits the proceeds of such issuance into a trust or collateral account. If a loss occurs under the risk transfer contract with the sponsor, the principal of the notes (and interest earned on such principal) is reduced by the amount of such loss payment. Losses under the risk transfer contract are limited to the principal amount of the notes and can be based on several trigger-types, including an indemnity-based, parametric or model-based trigger.

When investing in ILS, the Sub-Fund will only invest in catastrophe bonds, and will only take “long” positions in the underlying risks. In managing the Sub-Fund’s risk-adjusted return, the AIFM will continually monitor the Sub-Fund’s risk positions and evaluate the current market price of its investments, if available.

The Sub-Fund may hold its excess funds in cash or invest it in Treasuries or other government-issued debt.

The Sub-Fund may on an ancillary basis invest in the shares or units of UCITS or regulated UCIs or participation in investment funds.

In order to manage the currency risk associated with the assets and the liabilities of the Sub-Fund denominated in currencies other than the Reference Currency of the Sub-Fund (being the US Dollars), all available techniques and instruments intended to provide currency rate exchange protection may be employed by the Sub-Fund.

The Sub-Fund takes into account the risks in terms of sustainability within the meaning of Article 6 of the SFDR Regulation but does not promote environmental or social characteristics and does not have sustainable investment as its objective.

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

**The Sub-Fund’s investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Sub-Fund will be achieved. The AIFM’s risk management approach seeks to isolate and mitigate, not eliminate, risks, and there may be certain risks that the AIFM determines should not be or cannot be hedged against.**

**Accordingly, the AIFM's activities could result in substantial losses under certain circumstances.**

## **2. OVERDRAFT AND LEVERAGE**

The Sub-Fund may use an overdraft facility up to a limit of ten per cent (10%) of the value of its assets for efficient portfolio management purpose.

In implementing its investment policy, the Sub-Fund's leverage will not exceed the ratio of 200% (using the gross method of calculation) and 200% (using the commitment method of calculation).

Shareholders should note that the level of leverage, as calculated under the gross method of calculation, does not necessarily provide a reasonable illustration of the overall risk profile of the Sub-Fund. For example, financial derivative instruments and borrowing of cash of securities are used to manage risk as well as to seek return. This is largely due to the fact that the gross method of calculation simply aggregates the absolute sum of all long and short financial derivative instrument positions, even if they are for hedging or offsetting purposes, and further uses just notional values rather than measures that calculate the overall contributions to risk which will often explain why the leverage levels under this method appear high.

## **3. INVESTMENT LIMITS AND RESTRICTIONS**

The assets of this Sub-Fund shall be invested in accordance with the following investment limits and restrictions:

- The exposure to one single issuer or, as applicable, counterparty, shall not exceed 30% of the aggregate gross assets of the Sub-Fund;
- The Sub-Fund will be restricted from investing in any catastrophe bonds issued directly or indirectly by SCOR and/or its Affiliates.

The Sub-Fund is authorised to make use of the derivative financial instruments and the techniques described in Part I. "General Information in relation to the Company", Section 3 "Investment Objectives and Strategy, and Restrictions", sub-section 4 "Financial techniques and instruments" for the purpose of currency hedging.

During the first (1) month following its launch, the Sub-Fund may derogate from the above investment limits and restrictions, while ensuring the observance of the principle of risk spreading in accordance with the 2007 Law as foreseen in section 3 "Investment Objectives, Strategy and Restrictions", sub-section 3. "Investment restrictions" of Part I of this Placement Memorandum.

## **4. SHARE CLASSES**

At present, the following Class of Share is available for subscription in the Sub-Fund by Japanese Institutional Investors duly approved by the Board.

One Class of Investor Shares have been created: Class D JPY-hedged Shares.

The Reference Currency of Class D JPY-hedged Shares is the Japanese Yen (JPY).

Class D JPY-hedged Shares bear the Management Fee payable to the AIFM.

Class D JPY-hedged Shares are distribution Shares as further described under sub-section 13. "Distributions".

Share Class Name	ISIN	Currency	Hedged	Management Fee	Distribution / Capitalisation
D JPY-hedged	LU2097399336	JPY	Yes	Yes	Distribution

## 5. NAV CALCULATION

The valuation day of the Sub-Fund shall be the third Friday of each month and the last Business Day of a calendar month (the “**Valuation Day**”).

The dealing day with reference to a specific Valuation Day shall be the first Business Day after a Valuation Day on which Shares may be issued, converted and redeemed (the “**Dealing Day**”).

It is expected that the Net Asset Value calculation occurs within two (2) Business Days after the relevant Valuation Day.

For the purpose of the calculation of the Net Asset Value, a Business Day is a full bank business day in Luxembourg, in the United-States and in Japan.

The Sub-Fund may be exposed to events occurring on the Valuation Day. To the extent an event occurs on a day that is a Valuation Day in the location where such event occurs, it will be taken into consideration for the calculation of the Net Asset Value even if such event does not occur on the Valuation Day, Luxembourg time.

The Company may suspend the determination of the Net Asset Value and/or, where applicable, the subscription, redemption and/or conversion of Shares.

See *Part I. “General Information in relation to the Company”, Section 16 “Temporary Suspension of the Net Asset Value Calculation”*.

## 6. SUBSCRIPTIONS

### 6.1. Subscriptions during the Initial Offering Period

The initial offering period of the Class D JPY-hedged Shares (the “**Initial Offering Period**”) will occur before 31 January 2020 or, in respect of each Class, such other date where the first subscription will occur and the details of such Initial Offering Period will be determined by the Board.

Subscription of Investor Shares in the Sub-Fund can be subject to those fees provided for in section 18.2. “Costs and fees to be borne by the Shareholders” within Part I. “General Information in relation to the Company” of this Placement Memorandum.

Subject to the minimum investment requirement provided for in sub-section 8 below be complied with, subscriptions during the Initial Offering Period will be discretionarily accepted by the Board at an initial subscription price of one hundred thousand Japanese Yen (JPY 100,000.-) per Share, without any subscription fee for D JPY-hedged Shares.

Subscription monies are payable in the relevant Reference Currency and must reach the Depositary no later than the last Business Day of the Initial Offering Period.

Subscriptions can be received in kind.

Should the Board decide not to accept a subscription, the subscription monies that have been paid shall be reimbursed to the rejected subscriber in full (but without any interest of any kind being

accrued, in any circumstances, to the benefit of the subscriber) within ten (10) Business Days pursuant to the last Business Day of the Initial Offering Period.

## 6.2. Subscriptions after the Initial Offering Period

Following the closing of the Initial Offering Period, subscriptions for Shares shall be discretionarily accepted by the Board with respect to each Valuation Day, subject to those fees provided for in section 18.2. “Costs and fees to be borne by the Shareholders” within Part I. “General Information in relation to the Company” of this Placement Memorandum, as the case may be.

Subscriptions of Shares must be sent to the Administration Agent of the Company for the amount subscribed in the Reference Currency of the Shares. Subscriptions for a specified number of shares shall not be permitted.

Investors applying for Shares after the Initial Offering Period must: (i) send their completed subscription document and any supporting documentation required with regard to anti-money laundering matters or otherwise by mail or fax so as to be received by the Registrar and Transfer Agent no later than 5.00 pm (Luxembourg time) three (3) Business Days prior to the relevant Valuation Day (the “**Cut-Off Time**”); and (ii) ensure that cleared funds in the appropriate currency are received by the Depositary one (1) Business Day prior the Valuation Day.

Shares shall be issued as of the relevant Dealing Day.

Should the Board decide to reject (i) fully or (ii) partially a subscription after the applicable Cut-Off Time and before the applicable Valuation Day, as foreseen in section 7 “Management, Governance and Administration”, sub-section 7.2. “The AIFM”, sub-sub-section 7.2.2 “Risk Management and Liquidity Management” of Part I of this Placement Memorandum, the following procedure shall apply:

- in case of a rejection in full by the Board referred to under item (i) of the above paragraph, the subscription monies that have been paid shall be reimbursed to the rejected subscriber(s) in full (but without any interest of any kind being accrued, in any circumstances, to the benefit of the subscriber) as soon as possible following the relevant Dealing Day; or
- in case of a partial rejection by the Board referred to under item (ii) of the above paragraph, a pro rata calculation would apply in order to determine the actual amount of the subscription accepted (the “**Pro Rata Subscription Amount**”) of the relevant subscriber(s), (subject to the limits of the minimum subscription amount if and when applicable). The Transfer Agent will inform the subscriber, by any writing mean, of its relevant Pro Rata Subscription Amount within one (1) Business Day following the decision of the Board.

In case of payment of the subscription before the information of the subscriber, the subscription monies received by the Depositary will be fully reimbursed to the relevant subscriber(s) (but without any interest of any kind being accrued, in any circumstances, to the benefit of the subscriber) as soon as possible. The relevant subscriber has to reprocess a new payment corresponding to the subscription amount accepted by the Board.

In any case, the subscriber ensures that cleared funds in the appropriate currency are received by the Depositary on the Valuation Day, at the latest.

## 7. REDEMPTIONS

Dealing Days for redemption of Investor Shares shall only take place with reference to each Valuation Day (each a “**Redemption Day**”).

With respect to Investor Shares, redemption requests (“**Redemption Request**”) must be received by the Administration Agent of the Company by 5:00 pm (Luxembourg time) thirty (30) Calendar Days before the applicable Valuation Day.

Redemption Requests received after the applicable deadline will take effect on the next following Valuation Day, unless otherwise decided by the Board.

Redemption proceeds shall be paid in the Reference Currency of the Shares within ten (10) Business Days after the applicable Dealing Day.

However, in the case of significant redemption applications or in the case of a lack of liquidity of a significant portion of the assets of the Sub-Fund, the Company reserves the right to finalize the Net Asset Value of the Shares only after carrying out the sales of securities required, on behalf of the Company. In that case, the redeeming Shareholder may receive a partial payment of its redemption proceeds, to be considered as an advance on the final redemption amount that will be determined once the relevant sales of securities will have been finalized.

If, following the satisfaction of any such redemption application, the number of Investor Shares held by the Shareholder in the relevant Class would fall below any minimum holding amount for that Class as provided for in sub-section 8, below, the Board may in its absolute discretion take one of the following two actions, provided that equal treatment of Shareholders is complied with:

- (i) redeem the Shares per the Shareholder’s request and elect to allow the Shareholder to continue to hold his/her/its remaining holding in the relevant Class, notwithstanding that such holding is below the minimum holding amount for that class, in accordance with the ability of the Board to grant Shareholders a derogation from the conditions of minimum holding of Shares;
- (ii) without the consent of the Shareholder, treat such request as a request to redeem the full balance of such Shareholder’s holding of Shares in the relevant class.

## 8. MINIMUM INVESTMENT AND HOLDING REQUIREMENTS

Subject to the Board’s right to reject any offer from investors for any reason or to accept initial subscriptions in lesser amounts, the minimum initial subscription for D JPY-hedged Shares of the Sub-Fund during the Initial Offering Period and following the Initial Offering Period is one hundred million Japanese Yen (JPY 100,000,000.-).

The minimum per subsequent investment in Investor Shares is fixed to fifty million Japanese Yen (JPY 50,000,000.-).

Share Class Name	Minimum initial investment	Minimum subsequent investment
D JPY-hedged	JPY 100,000,000.-	JPY 50,000,000.-

## 9. TRANSFER OF SHARES

Shares of the Sub-Fund may be transferred only to Eligible Investors indicated in Section 4 “Share Classes”.

Transfer request shall be submitted by the Investor wishing to transfer its Shares (the “Transferor”) to the Board at least sixty (60) calendar days before the contemplated transfer date. This request shall be prepared on the basis of the transfer request form enclosed as an appendix to the subscription agreement and indicate the number of Shares to be transferred and the financial conditions of the transfers (the “Transfer Price”).

### Approval of Transfer

Transfer of Shares of the Sub-Fund shall be effective upon the modification of the register of shareholders of the Sub-Fund, which is subject to the Board’s approval. The Board shall accept or reject any transfer request and shall do so within sixty (60) calendar days after the date on which the transfer request form is received by the Administration Agent and the Board.

Decisions to reject a transfer request shall be grounded on the corporate interest of the Company as appreciated by the Board in good faith but full discretion. For the avoidance of doubt, strictly complying with the content Placement Memorandum, the Articles, the 2007 Law or more generally any Luxembourg or foreign legal constraints is deemed to be in the corporate interest of the Company. Likewise, preserving the competitive advantages of the Sub-Fund (e.g., SCOR’s know-how in the field of ILS) *vis-à-vis* other investment structures active in the ILS market and more generally competitors is also considered to be in the corporate interest of the Company.

When a transfer request is rejected by the Board, the transfer request shall be treated as a redemption request unless the Transferor had clearly requested otherwise in its transfer request form, and the Shares subject to the transfer request shall be redeemed at their Net Asset Value as described in section 7 “Redemptions” above. For the avoidance of doubt, if the Board decides to reject the transfer request, the date of receipt of the transfer request shall be considered as the date of the Redemption Request for the purpose of determining the Redemption Day with respect to which the Redemption Request will be dealt with.

When a transfer request is approved by the Board, transfer shall be effective (and the registrar of shareholders shall be modified) as from the date of receipt by the Administration Agent of an original or a duly certified copy of the share sale and purchase agreement duly executed by both the Transferor and the transferee. For the avoidance of doubt and as indicated in the subscription agreement, this share sale and purchase agreement shall (i) be submitted to Luxembourg law and (ii) be worded in English or French.

## 10. FEES

### Management Fee

In consideration for the management services, the AIFM shall receive from the Sub-Fund a management fee as determined below (the “**Management Fee**”).

The Management Fee shall be calculated on each Net Asset Value in arrears and paid on a quarterly basis at a maximum rate of 1% per annum.

The annual Management Fee rate may differ between Classes of Shares. The Management Fee will be payable whether or not the Sub-Fund is profitable.

Share Class Name	Max rate of Management Fees
D JPY-hedged	1.0%

## 11. LISTING ON THE LUXEMBOURG STOCK EXCHANGE

The Board does not intend to apply for the listing of the Shares of the Sub-Fund on the Luxembourg Stock Exchange or any other stock exchange.

## 12. AVAILABILITY OF THE NET ASSET VALUE AND OF OTHER INFORMATION

The Net Asset Value per Share will be available at the registered office of the Company.

## 13. DISTRIBUTIONS

Classes D Shares will pay as dividends to Shareholders in these Classes of Shares that are in the register of shareholders of the Company as of the last Valuation Day of each calculation period (the “**Calculation Period**”) of a particular Financial Year, the partial or the total amount of the net capital gains and the coupons received by the Sub-Fund, including accrued interest, during that Calculation Period, net of any applicable fees, taxes and expenses, which are attributable to these Classes D Shares.

The Calculation Period is (i) the period from 1 January to 30 June of a given Financial Year (the “**First Calculation Period**”) and (ii) the period from 1 July to 31 December of a Financial Year (the “**Second Calculation Period**”).

For each Calculation Period of any Financial Year, the Sub-Fund expects the dividends to be paid on or around the end of the first calendar month following the end of that particular Calculation Period.

For avoidance of doubt, the payment of the dividend shall be around the 31 July of a given Financial Year for the First Calculation Period and the payment of the dividend shall be around the 31 January of the next Financial Year for the Second Calculation Period.

This payment is subject to the validation of the Board, which can decide to reduce the amount to be paid.

The AIFM will inform the investors of the dividend payment within the fifteen (15) Business Day following the end of the Calculation Period with the details of the amount per Share and the value date of payment of the dividend.

## 14. DURATION

The Sub-Fund is established for an unlimited duration.

## 15. RISK FACTORS RELATING TO SCOR ILS FUND – ATROPOS CATBOND FUND II

See Part I. “General Information in relation to the Company”, Section 6 “General Risk Factors and Potential Conflicts of Interest; Potential Conflicts of Interest”.



## Supplement for distribution in the European Economic Area

In relation to each member state of the EEA (each a “Member State”) which has implemented Alternative Investment Fund Managers Directive (Directive (2011/61/EU)) (the “AIFMD”), this Prospectus may only be distributed and Units may only be offered or placed in a Member State to the extent that: (1) the Fund is permitted to be marketed to professional investors in the relevant Member State in accordance with AIFMD (as implemented into the local law/regulation of the relevant Member State); or (2) this Prospectus may otherwise be lawfully distributed and the Units may otherwise be lawfully offered or placed in that Member State (including at the initiative of the investor). In relation to each Member State of the EEA which, at the date of this Prospectus, has not implemented AIFMD, this Prospectus may only be distributed and Units may only be offered or placed to the extent that this Prospectus may be lawfully distributed and the Units may lawfully be offered or placed in that Member State (including at the initiative of the investor).

**Member State of Distribution outside of France in the European Economic Area, where permission has been obtained in accordance with AIFMD**

### ATROPOS

- Germany
- Austria
- Belgium
- France
- Denmark
- Spain
- Finland
- Italy
- Norway
- The Netherlands
- Sweden

### ATROPOS CATBOND FUND

- Germany
- Austria
- Belgium
- France
- Denmark
- Spain
- Finland
- Italy
- Norway
- The Netherlands
- Sweden