

European Senior Secured Fund SICAV-SIF
Société d'Investissement à Capital Variable – Fonds d'Investissement Spécialisé

Registered office: 80, Route d'Esch, L-1470 Luxembourg

PROSPECTUS

MAY 2016

European Senior Secured Fund SICAV-SIF has the structure of an umbrella fund and offers various classes of shares relating to a separate portfolio ("Sub-Funds") as specified in the description of the relevant Sub-Fund in the Appendix.

VISA 2016/103287-7536-0-PC

L'apposition du visa ne peut en aucun cas servir
d'argument de publicité

Luxembourg, le 2016-05-19

Commission de Surveillance du Secteur Financier



Important Information

This offering document (the "Prospectus") comprises information relating to European Senior Secured Fund SICAV-SIF (the "Fund") which is registered with the Luxembourg Trade and Companies Register and organised in accordance with the Luxembourg law of 13 February 2007 relating to specialised investment funds, as amended.

This Prospectus in its current version may be amended and updated in the future.

For definitions of capitalised terms, prospective Investors should refer to the section entitled "GLOSSARY OF TERMS".

ANY LOSSES IN THE FUND WILL BE BORNE SOLELY BY INVESTORS IN THE FUND AND NOT BY ECM ASSET MANAGEMENT LIMITED, WELLS FARGO & COMPANY OR THEIR AFFILIATES; THEREFORE, ECM ASSET MANAGEMENT LIMITED'S, WELLS FARGO & COMPANY'S OR ANY AFFILIATE'S LOSSES IN THE FUND WILL BE LIMITED TO LOSSES ATTRIBUTABLE TO THE SHARES IN THE FUND HELD BY ECM ASSET MANAGEMENT LIMITED, WELLS FARGO & COMPANY OR ANY AFFILIATE IN ITS CAPACITY AS AN INVESTOR IN THE FUND OR AS BENEFICIARY OF A RESTRICTED PROFIT INTEREST HELD BY ECM ASSET MANAGEMENT LIMITED, WELLS FARGO & COMPANY OR ANY AFFILIATE. PROSPECTIVE INVESTORS SHOULD READ THE FUND'S PROSPECTUS BEFORE INVESTING IN THE FUND. SHARES ARE NOT INSURED BY THE US FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC), AND ARE NOT DEPOSITS, OBLIGATIONS OF, OR ENDORSED OR GUARANTEED IN ANY WAY BY, ANY BANKING ENTITY.

All decisions to subscribe for or purchase Shares (as defined hereinafter) are deemed to have been made solely on the basis of the information contained in this Prospectus accompanied by the latest available annual report of the Fund. All other information given or representations made by any person must be regarded as unauthorised. The delivery of this Prospectus (whether or not accompanied by any report) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Fund have not changed since the date hereof.

The board of directors of the Fund (the "Board") is responsible for the information contained in the Prospectus. To the best of the knowledge and belief of the Board the information contained in the Prospectus is at its date in accordance with the facts and does not omit anything likely to affect the import of such information.

If you are in any doubt about the contents of the Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

The most recent annual report of the Fund is available, once published, at the registered office of the Fund and will be sent to Investors upon request. The articles of incorporation of the Fund (the "Articles") shall be deemed to form part of the Prospectus. Prospective Investors should carefully review the Articles and note that, should any provision of the Articles as summarised in this Prospectus be inconsistent with the Articles, the Articles shall prevail.

Statements made in the Prospectus are based on the law and practice currently in force in Luxembourg and are subject to changes therein.

Shares are reserved for Eligible Investors who are aware of the risks attaching to an investment in the Fund and accept that they will have recourse only to the Fund's assets as these will exist at any time.

These Eligible Investors may include, *inter alia*, pension funds, governments and government agencies or institutions, commercial and industrial group companies, investment funds/companies, financial companies investing for their own account, discretionary investment managers investing on behalf of their clients and, in certain limited cases, high net worth families. These Eligible Investors may also include natural persons who qualify as Other Well-Informed Investors.

The distribution of this Prospectus and the offering of Shares in certain other jurisdictions may be restricted in particular pursuant to selling restrictions set out in the AIFM Directive (as defined hereafter) and applicable local rules and regulations. Persons into whose possession this Prospectus comes are required by the Fund to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Fund may be offered for sale in European Economic Area ("EEA") member states subject to passport notification in countries other than Luxembourg and subject to local marketing rules.

None of the Shares have been or will be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or registered or qualified under applicable state statutes and (except in a transaction which is exempt from registration under the 1933 Act and such applicable state statutes) none of the Shares may be offered or sold, directly or indirectly, in the United States of America or in any of its territories or possessions (the "United States"), or to any US Person (as defined herein), regardless of location. The Fund, may at its discretion, sell Shares to US Persons on a limited basis and subject to the condition that such purchasers make certain representations to the Fund which are intended to satisfy the requirements imposed by US law on the Fund, which limit the number of its Shareholders (as defined hereinafter) who are US Persons, and which ensure that the Fund is not engaged in a public offering of its Shares in the United States. In addition, the Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "1940 Act"), and Investors (as defined hereinafter) will not be entitled to the benefit of the 1940 Act. Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to foreign investment entities, if the Fund has more than 100 beneficial owners of its Shares who are US Persons, it may become subject to the 1940 Act.

The Fund will not knowingly offer or sell Shares to any Investor to whom such offer or sale would be unlawful, or might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantages which the Fund might not otherwise incur or suffer or would result in the Fund being required to register under the 1940 Act. Shares may not be held by any person in breach of the law or requirements of any country or governmental authority including, without limitation, exchange control regulations. Each Investor must represent and warrant to the Fund that, amongst other things, he is able to acquire Shares without violating applicable laws. Power is reserved in the Articles to compulsorily redeem any Shares held directly or beneficially in contravention of these prohibitions.

However, it is contemplated that the Fund may decide to accept applications for Shares in the Fund from a limited number of accredited investors (as defined in the 1933 Act) in the United States provided that the Fund receives evidence satisfactory to it that the sale of Shares to such an investor is exempt from registration under the securities laws of the United States including, but not limited to, the 1933 Act and that,

in all events there will be no adverse tax consequences to the Fund or to Shareholders as a result of such a sale.

NOTICE TO RESIDENTS OF FLORIDA

WHERE SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA (EXCLUDING CERTAIN INSTITUTIONAL PURCHASERS DESCRIBED IN SECTION 517.061(7) OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT) (THE "ACT"), ANY SUCH SALE MADE PURSUANT TO SECTION 517.061(11) OF THE ACT SHALL BE VOIDABLE BY THE PURCHASER EITHER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE FUND, OR AN AGENT OF THE FUND, OR AN ESCROW AGENT OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER.

IRS CIRCULAR 230 NOTICE

THIS PROSPECTUS WAS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING US FEDERAL, STATE, OR LOCAL TAX PENALTIES. THIS PROSPECTUS WAS WRITTEN AND PROVIDED BY THE FUND IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE FUND OF THE SHARES. EACH PROSPECTIVE INVESTOR SHOULD SEEK ADVICE BASED ON THE PROSPECTIVE INVESTOR'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

This Prospectus may be translated into other languages. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail to the extent permitted by the applicable laws or regulations, and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the laws of Luxembourg.

Investment in the Fund should be regarded as a long-term investment. There can be no guarantee that the objective of the Fund will be achieved.

Your attention is drawn to the disclosure under "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES."

In addition, the Fund's investments are subject to market fluctuations and the risks inherent in all investments and there can be no assurances that appreciation will occur. It will be the policy of the Board to maintain a diversified portfolio of investments.

Potential subscribers and purchasers of Shares in the Fund should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions 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 and disposal of Shares in the Fund.

Past performance is not indicative of future returns which may or may not be the same as or similar to past performance.

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MANAGEMENT AND ADMINISTRATION

Registered Office

80, Route d'Esch, L-1470 Luxembourg
Grand Duchy of Luxembourg

Directors

Karla Rabusch
Michael Hogan
Richard Goddard
Jürgen Meisch
Yves Wagner

Alternative Investment Fund Manager

MDO Management Company S.A.
19, rue de Bitbourg
L-1273 Luxembourg
Grand Duchy of Luxembourg

Investment Manager

ECM Asset Management Limited
34 Grosvenor Street
London W1K 4QU

Depositary

Brown Brothers Harriman (Luxembourg) S.C.A.
80, Route d'Esch
L-1470 Luxembourg
Grand Duchy of Luxembourg

Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent and Paying Agent

Brown Brothers Harriman (Luxembourg) S.C.A.
80, Route d'Esch
L-1470 Luxembourg
Grand Duchy of Luxembourg

Valuation Agent

Wells Fargo Funds Management, LLC
525 Market Street
San Francisco, California 94105
USA

Global Distributor

Wells Fargo Asset Management Luxembourg S.A.
19, rue de Bitbourg
L-1273 Luxembourg
Grand Duchy of Luxembourg

Auditors

Deloitte Audit S.à r.l.
560, rue de Neudorf
L-2220 Luxembourg
Grand Duchy of Luxembourg

Legal Advisers to the Fund

Elvinger Hoss Prussen
2, Place Winston Churchill
BP 425
L-2014 Luxembourg
Grand Duchy of Luxembourg
(as to Luxembourg law)

Paul Hastings LLP
Eighth Floor
10 Bishops Square
London E1 6EG
(as to English and US law)

GLOSSARY OF TERMS

The following definitions apply throughout this Prospectus unless the context otherwise requires:

"2007 Law"	The Luxembourg law of 13 February 2007 relating to specialised investment funds, as amended from time to time.
"2010 Law"	The Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended from time to time.
"Administrative Agent"	BBH.
"Administration Agreement"	The administration agreement effective as of 27 February 2015 between the Fund, the AIFM and BBH, as amended from time to time, appointing BBH as Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent and Paying Agent of the Fund.
"AIF"	Alternative investment fund within the meaning of the AIFM Law.
"AIFM"	MDO Management Company S.A., or such other alternative investment fund manager appointed from time to time by the Fund within the meaning of the AIFM Law.
"AIFM Directive"	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) No 1060/2009 and (EU) No 1095/2010, as implemented into Luxembourg law by the AIFM Law.
"AIFM Law"	The Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended from time to time.
"AIFM Provisions"	The AIFM Directive as implemented into Luxembourg law by the AIFM Law, supplemented by its implementing provisions including Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, the AIFM Law, as well as any applicable regulations, guidelines, circulars or positions of the European Securities and Markets Authority and/or the CSSF.
"Appendix"	The relevant appendix to the Prospectus.
"Application Form"	Document signed or to be signed by an Investor who desires to subscribe for Shares and by which this Investor irrevocably applies for Shares.
"Articles"	The articles of incorporation of the Fund, as amended from time to time.

"Auditor"	Deloitte Audit S.à r.l.
"BBH"	Brown Brothers Harriman (Luxembourg) S.C.A.
"Board"	The board of directors of the Fund.
"Business Day"	A day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London, Luxembourg and New York City or as specified as such in the relevant Appendix.
"Cash and Cash Equivalents"	Short-term debt securities, demand or time deposits, certificates of deposit and short-term senior secured obligations (an obligation, debt instrument or participation which is senior in terms of priority of repayment to other senior secured obligations (if any) of an obligor or obligor group and has first charge or other first ranking security interest over assets of the obligor or within the obligor group, which includes commercial paper), in each case provided that the unsecured, unguaranteed and unsubordinated senior secured obligations of the issuing entity or the entity with which the demand or time deposits are made is rated A-1 or better by Standard & Poor's or P-1 or better by Moody's.
"CCP(s)"	As defined under the heading "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES."
"Class"	Each class of Shares within the Fund.
"Clearing Obligation"	As defined under the heading "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES."
"Connected Person(s)"	Any subsidiary, affiliate, associate, agent or delegate of the Directors, the Investment Manager, the Depositary, the Administrative Agent, the Domiciliary Agent, the Corporate Agent, the Listing Agent, the Registrar, Transfer Agent, the Paying Agent or any Shareholder.
"Corporate Agent"	BBH.
"Counterparty"	A counterparty to the derivative transactions or contracts entered into by the Fund.
"CSSF"	The Luxembourg <i>Commission de Surveillance du Secteur Financier</i> .
"Dealing Date"	The Valuation Date on which a Shareholder may subscribe, redeem or convert shares as specified in the relevant Appendix.
"Depositary"	BBH.
"Depositary Agreement"	The depositary agreement effective as of 27 February 2015 between the Fund, the AIFM and the Depositary, as amended from time to time.

"Directors"	The members of the Board.
"Domiciliary Agent"	BBH.
"Eligible Investors"	Investors who qualify as well-informed investors within the meaning of the 2007 Law, i.e., Institutional Investors, Professional Investors and Other Well-Informed Investors.
"EMIR"	As defined under the heading "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES."
"EU"	European Union.
"Euro"	The legal currency of the European Monetary Union.
"Euro-zone"	The region comprised of the member states of the EU that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on the EU.
"First Class Institution"	With respect to a particular financial instrument, a financial institution or a specialised institution: <ul style="list-style-type: none"> • whose object, among others, is the trade of that particular financial instrument and which is recognised as an active market participant for that particular financial instrument; and • that is rated at least "A2" in Moody's Senior Unsecured Debt Rating or "A" in Standard and Poor's Long Term Foreign and Local Issuer Credit Rating.
"Fitch"	Fitch Ratings Limited.
"Fund"	European Senior Secured Fund SICAV-SIF.
"Institutional Investors"	Investors who qualify as institutional investors according to the Luxembourg laws and regulations.
"Investment(s)"	Those investments, including the use of hedging and related derivative transactions, loan and related agreements, which may be acquired and disposed of from time to time by the Investment Manager on behalf of the Fund.
"Investment Fund"	Any regulated or unregulated undertaking the sole objective of which is the collective investment in securities, financial instruments and/or other assets.
"Investment Grade"	Bearing a credit rating of BBB- and/or Baa3 or equivalent and above from any one of the following credit rating agencies: Standard & Poor's, Moody's and Fitch or, where an Investment is not rated by either Standard & Poor's,

Moody's or Fitch, where the Investment Manager consults with such other external sources that are available and uses its professional judgment, supported by at least one external opinion, that such Investment is of investment grade rating.

"Investment Manager"	ECM Asset Management Limited.
"Investor"	An investor who desires to subscribe or has subscribed for Shares.
"Listing Agent"	BBH.
"Market Risk"	Foreign exchange and interest rate risk.
"MDO"	MDO Management Company S.A., a Luxembourg public limited company (<i>société anonyme</i>), incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 19, rue de Bitbourg, L-1273 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B 96 744.
"Mémorial"	The <i>Mémorial C, Recueil des Sociétés et Associations</i> .
"MiFID II"	As defined under the heading "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES."
"Moody's"	Moody's Investors Service, Inc.
"Net Asset Value" or "NAV"	The net asset value of the Fund or of a Sub-Fund as determined pursuant to the section entitled "DETERMINATION OF NET ASSET VALUE."
"Net Asset Value per Share"	The net asset value per Share of any Class within any Sub-Fund determined in accordance with the relevant provisions described in the section entitled "DETERMINATION OF NET ASSET VALUE."
"OECD"	Organisation for Economic Co-operation and Development.
"OTC"	As defined under the heading "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES."
"Other Well-Informed Investor"	An investor who (i) adheres in writing to the status of well-informed investors and (ii) (a) invests a minimum of Euro 125,000 in the Fund or (b) has been the subject of an assessment made by a credit institution within the meaning of Directive 2006/48/EC or an investment firm within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2009/65/EC certifying his expertise, his experience and his knowledge in adequately appraising an investment in the Fund.

"Participation"	An interest in an Investment acquired indirectly by the Fund by way of a participation agreement.
"Paying Agent"	BBH.
"Professional Investors"	Investors who qualify as professional investors under annex II of Directive 2004/39/EC, as amended from time to time.
"Redemption Price"	The Net Asset Value per Share on the Dealing Date in respect of which redemption is made, less a redemption charge (if any) as specified in the relevant Appendix.
"Registrar"	BBH.
"Reporting Obligation"	As defined under the heading "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES."
"Senior Secured Obligation"	An obligation, debt instrument or Participation which is senior in terms of priority or repayment to other debt obligations (if any) of an obligor or obligor group, has a first charge or other first ranking security interest over assets of the obligor or within the obligor group and will invariably be rated below Investment Grade.
"Shareholders"	All the shareholders of the Fund.
"Shares"	Any shares in the Fund of any Class within any Sub-Fund subscribed by any Shareholder.
"SIF"	Specialised investment fund within the meaning of the 2007 Law.
"Standard & Poor's"	Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc.
"Sub-Custodian"	As defined under the heading "Depositary" in the section entitled "MANAGEMENT AND ADMINISTRATION OF THE FUND."
"Sub-Fund"	A specific portfolio of assets and liabilities within the Fund having its own Net Asset Value and represented by a separate Class or Classes of Shares.
"Subsidiary"	As defined in the section entitled "STRUCTURE OF THE FUND."
"Suspension"	As defined under the heading "Suspension of the Calculation of the Net Asset Value Calculation" in the section entitled "ISSUE AND REDEMPTION OF SHARES."
"Transfer Agent"	BBH.

"UCI"	An undertaking for collective investment, i.e., an undertaking the sole objective of which is the collective investment in securities, financial instruments and/or other assets.
"US"	United States of America.
"Valuation Agency Agreement"	The valuation agency agreement entered into on or around 1 March 2016 between the AIFM and the Valuation Agent, appointing the Valuation Agent as the AIFM's external valuation agent for the Fund, as amended from time to time.
"Valuation Agent"	Wells Fargo Funds Management, LLC, or such other valuation agent appointed from time to time by the AIFM.
"Valuation Date"	The date(s) on which the Net Asset Value of a Sub-Fund is determined, as further specified in each Appendix.

Words importing the singular shall, where the context permits, include the plural and vice versa.

1. STRUCTURE OF THE FUND

The Fund was incorporated on 7 June 2012 as an open-ended investment company organised as a "*société anonyme*" under the laws of the Grand Duchy of Luxembourg and qualifies as a *société d'investissement à capital variable – fonds d'investissement spécialisé* ("SICAV-SIF") under Part II of the 2007 Law and as an AIF within the meaning of the AIFM Law. The Fund is authorised as a UCI under the 2007 Law.

The Fund has appointed the AIFM as external alternative investment fund manager of the Fund (within the meaning of the AIFM Law), as further described in this Prospectus.

At the date of this Prospectus, the Fund qualifies as an alternative investment fund under the AIFM Law.

The Fund is an umbrella fund and as such may operate separate sub-funds (each, a "Sub-Fund"), each of which is represented by one or more Classes of Shares. The Sub-Funds are distinguished by their specific investment policy or any other specific features, as further described in the Sub-Fund Appendix. In the case of inconsistency between the general part of this Prospectus and any Appendix, the Appendix shall prevail.

The Fund constitutes a single legal entity, but the assets of each Sub-Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Sub-Fund and the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The Shares of the Fund are currently not listed on a stock exchange. The Board reserves the right to list the Shares of one or several Sub-Funds in the future. In such event, the relevant Sub-Fund Appendix will be amended accordingly.

The Board may at any time resolve to set up new Sub-Funds and/or create within each Sub-Fund one or more Classes of Shares and this Prospectus will be updated accordingly. The Board may also at any time resolve to close a Sub-Fund, or one or more Classes of Shares within a Sub-Fund, to further subscriptions.

The capital of the Fund shall be equal at all times to the net assets of the Fund. The minimum capital of the Fund, as prescribed by law, is Euro 1,250,000. The Articles were published in the *Mémorial* on 17 July 2012 and were last amended with effect on 27 February 2015 and published in the *Mémorial* on 24 April 2015.

The Fund is incorporated for an unlimited period.

The Fund is registered with the *Registre de Commerce et des Sociétés, Luxembourg* under number B169587. The Articles have been deposited with the *Registre de Commerce et des Sociétés, Luxembourg*.

Under Luxembourg law and its Articles, the Fund is authorised to issue an unlimited number of Shares.

The base currency of the Fund is the Euro and all the financial statements of the Fund will be presented in Euro.

The Fund may make investments through one or more wholly owned subsidiaries (each a "Subsidiary"), which have the same external and independent auditors as the Fund and where the majority of the votes of a Subsidiary's board are held by the Directors. The discussion in this Prospectus treats the investment activities and holdings of any such Subsidiary as if they were the direct activities and holdings of the applicable Sub-Fund.

2. PURPOSE, INVESTMENT OBJECTIVES AND POLICIES

Any change to the investment objective and/or the investment policy of a Sub-Fund shall be reflected in this Prospectus upon prior approval of the Board and the CSSF and any material change shall be notified to Shareholders in accordance with applicable Luxembourg regulatory requirements.

The Fund's main objective is to achieve capital appreciation over time while spreading investment risks.

Each Sub-Fund shall pursue a distinct investment policy and the investment restrictions may differ for each of them. The investment policy and specific investment restrictions are disclosed for each Sub-Fund in the relevant Sub-Fund Appendix.

Risk Factors

The investments of the Fund are subject to market fluctuations and other risks inherent in any investment. It cannot therefore be guaranteed that the investment objectives will be achieved.

The discussion below is of a general nature and is intended to describe various risk factors associated with an investment in the Shares. Which factors will be of relevance to the Shares will depend upon a number of interrelated matters including, but not limited to, the nature of the Shares, the techniques and instruments used and the investment policy of the particular Sub-Fund invested in.

Investors should understand the risks associated with an investment in the Shares and should only reach an investment decision after careful consideration with their legal, tax, accounting, financial and other advisers of (i) the suitability of an investment in the Shares in the light of their own particular financial, fiscal and other circumstances, (ii) the information set out in this Prospectus and (iii) the risks associated with the use by the Fund of derivative techniques.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of the Shares. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Shares.

The value of the Shares can go down as well as up, past performance is not a guide to future performance and an investor may not be able to redeem or sell the Shares for the same amount invested in them. Accordingly, investors should view an investment in the Shares as a long-term investment. Prospective Investors' attention is drawn to the taxation consequences of investing in the Fund set out in the section entitled "TAXATION."

No investment should be made in the Shares without careful consideration of the following general risk factors.

General

Business Risk

The Fund is a recently established entity and there is little/limited operating history by which to evaluate its likely future performance. There can therefore be no assurance that the Fund will achieve its investment objective in respect of any particular Sub-Fund.

Political and/or regulatory risks

The value of a Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

The Prospectus has been drafted in line with currently applicable laws and regulations. It cannot be excluded that the Sub-Funds and their investment policy and objectives may be affected by any future changes in the legal and regulatory environment. In particular, the regulatory requirements to which the Fund's operations are subject changed as a consequence of the entry into force and the end of the transitional provisions of the AIFM Law (including the implementation measures in relation to the AIFM Directive), which has resulted in increased regulatory requirements on the Fund and other service providers (including the Fund's AIFM) and increased expenses for the Fund.

By acquiring an interest in the Fund, an Investor will be deemed to have acknowledged that the Fund and the Investment Manager may need to take action to comply with the AIFM Law, and other laws and regulations that may come into effect from time to time, even though such action may adversely affect the Fund, and to have consented thereto, and to have waived any claim in respect of the existence or resolution of any such conflict of interest. In addition, the Articles authorise the Directors to take all such steps as they may deem necessary, without shareholder consent, to agree such corporate, constitutional and contractual amendments to the structure and ongoing arrangements of the Fund in order that the Fund and its various service providers (including the Fund's AIFM) may be in compliance with the AIFM Law and any such other laws and regulations that may come into effect from time to time, as and when appropriate, to the extent such steps are not contrary to Luxembourg law.

The US Congress, the SEC, the US Commodity Futures Trading Commission ("CFTC") and other regulators have also taken or represented that they may take action to increase or otherwise modify the laws, rules and regulations applicable to short sales, derivatives and other techniques and instruments (including, without limitation, credit default swaps) in which the Fund may invest. New or modified laws, rules and regulations may not allow, or may significantly limit the ability of, the Investment Manager to use certain such instruments or to engage in such transactions. This may impair the ability of the Investment Manager to carry out the Fund's investment strategy and may otherwise have an adverse impact on the Fund's returns. Compliance with such new or modified laws, rules and regulations may also increase the Fund's expenses and therefore may adversely affect the Fund's performance. For example, Section 619 of the US Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") imposed the so-called "Volcker Rule." In general, the Volcker Rule prohibits, or significantly restricts, "banking entities" and "nonbank financial companies" from engaging in certain activities, such as proprietary trading and investing in, sponsoring, or holding interests in private investment funds such as the Fund.

In addition, Title VII of the Dodd-Frank Act has and will impose a number of new regulations governing over-the-counter ("OTC") swaps and derivative transactions. Under the Dodd-Frank Act, swaps generally are required to be submitted for clearing by a regulated clearing organization. With respect to uncleared swaps, the CFTC has also proposed rules that would require that margin be posted by "financial entities," including the Fund, for uncleared swap positions. New regulations will also likely limit the ability of bank holding companies and other entities from engaging in proprietary trading of swaps and other derivatives, which will likely reduce the number of potential counterparties and liquidity for swaps and other derivatives.

These and other similar rules and regulations are likely to increase the costs and expenses to the Fund of utilising swaps and other derivatives. As a result, the Fund may engage in fewer derivatives transactions than it would have otherwise, experience higher costs in connection with using derivatives for hedging or other purposes or may utilise higher leverage than it would have otherwise to achieve the same level of returns.

Although various regulatory agencies (e.g., the SEC, the CFTC and the US federal banking agencies) are in the process of developing regulations to implement the provisions of the Dodd-Frank Act, and accordingly it is not possible at this time to predict with certainty what, if any, impact the Dodd-Frank Act and such implementing regulations will have on the Investment Manager or the Fund, it is possible that such impact could be adverse and material.

In March 2012, the European Parliament adopted the regulation ("EMIR") on over-the-counter derivatives, central counterparties ("CCPs") and trade repositories which has direct effect in the member states of the EU. EMIR requires clearing of all "eligible" OTC derivative contracts through a duly authorized CCP (the "Clearing Obligation") and to report the details of all such contracts to a trade repository (the "Reporting Obligation"). Under EMIR, a CCP will be used to meet the Clearing Obligation by interposing itself between the counterparties to the eligible derivative contracts. CCPs will connect with derivative counterparties through their clearing members. Where applicable, the Fund and its counterparties will be required to post both initial and variation margin to the clearing member (which in turn will be required to post margin to the CCP). EMIR requires CCPs to accept only highly liquid collateral with minimal credit and market risk.

Certain standards, guidelines and definitions under EMIR have not yet been finalized. In addition, derivatives regulation under the revised Markets in Financial Instruments Directive ("MiFID II") has not been finalized. Therefore, it is difficult to predict the full impact of these regulatory requirements. Investors should be aware that the regulatory changes arising from EMIR and MiFID II may significantly raise the costs of entering into derivative contracts and adversely affect the ability of the Fund to engage in transactions in derivatives.

Foreign exchange / currency risk

Although Shares in a Sub-Fund may be denominated in one or more currencies, these may be different from the reference currency of the Sub-Fund and the Sub-Fund may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of a Sub-Fund as expressed in its reference currency and the Net Asset Value of the different Classes of Shares of the Sub-Fund denominated in a currency other than the reference currency of the Sub-Fund may fluctuate in accordance with the changes in the foreign exchange rate between the relevant currencies. A Sub-Fund may also be exposed to foreign exchange rate fluctuations with respect to the currencies in which the Sub-Fund's investments are denominated. A Sub-Fund may therefore be exposed to a foreign exchange/currency risk. It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

Market risk

These risks are of a general nature and are present in all types of investments; the value of a particular market may change in a way that can be detrimental to the interests of a Sub-Fund.

The Fund may invest in underlying Investment Funds active on various markets throughout the world. Political changes, changes to the applicable legal framework, fiscal measures or currency risks on these

markets may have a negative impact on the assets or the financial results of the underlying Investment Funds and, consequently, of the Fund.

Credit risk

Performance and investor yield on the Shares may be affected by the default or perceived credit impairment of any Investment and by general, sector-specific or country-specific credit spread widening.

Illiquidity

The Sub-Funds may invest some of their assets in illiquid securities and other illiquid financial instruments, in respect of which it may not always be possible to execute a buy or sell order at the desired price or to liquidate the open position. Such situations may be due either to market conditions or due to restrictions on the transferability of such instruments. There is no assurance that there will be sufficient trading volume in such instruments to enable the concerned Sub-Funds to dispose of such instruments on a timely basis at attractive prices in order to satisfy a redemption request.

Possible Loss of Investment

Prospective Investors should be aware that investment in the Fund can involve varying degrees of risk including a possibility of capital loss. Prospective Investors should inform themselves of the risks associated with each Sub-Fund and the general risks associated with investment in various instruments, currencies and geographic areas.

Leverage

The Sub-Funds may utilise leverage by borrowing on a secured or unsecured basis as is further described in the relevant Appendix. Leverage by a Sub-Fund creates an opportunity for increased return but also for increased sudden, and potentially severe, losses and will tend to exaggerate positive or negative changes in the Net Asset Value and in the return on the Sub-Fund's portfolio.

Risks Associated with Derivative Instruments

General

There is a general risk attendant to Investments that the value of a particular Investment will change in a way detrimental to the Fund's interest. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional Investments. The following is a general discussion of the important risk factors and issues concerning the use of derivatives which Investors should understand before investing in the Shares.

Liquidity and Counterparty Credit Risk

If a derivative transaction is particularly large or if the relevant market is illiquid (as may be the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilizing standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Lack of a liquid market for any

reason may prevent the Fund from liquidating an unfavourable position and the Fund would remain obliged to meet margin requirements until the position is closed.

The Fund may enter transactions in over-the-counter markets, which will expose it to the credit risk of its counterparties and their ability to satisfy the terms of such contracts. For example, the Fund may enter into repurchase and/or securities lending agreements, forward contracts, options and credit default swaps and other swap arrangements and derivative techniques, each of which expose the Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and significant losses. There is also a possibility that ongoing derivative transactions are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the Fund's policy to net exposures against its counterparties.

The stability and liquidity of swap and related transactions depend in large part on the creditworthiness of the parties to the transactions. The creditworthiness of counterparties with which the Fund enters into swaps, other derivatives and repurchase and/or securities lending agreements is monitored by the Investment Manager on an ongoing basis. If there is a default by the other party to any such transaction, there will be contractual remedies pursuant to the agreements related to the transaction; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered into, which could, in turn, affect the economic return on the Shares. Whereas the Market Risk associated with any swap that relates to any given Class of Shares will remain with those Shares, the credit risk associated with any such swap will remain with the Fund as a whole and any losses caused by counterparty credit failure will be borne by the Investors as a whole.

Leverage Risk

Since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss regardless of the size of the initial investment.

Risk of Using Credit Default Swaps

Credit default swaps involve certain risks as they are difficult to value, are highly susceptible to liquidity and credit risk and generally only generate income for the party who has paid the premium in the event of an actual default by the obligor of the underlying obligation (as opposed to a credit downgrade or other indication of financial difficulty). Further risks for a credit protection buyer exist where the contract documentation over which the credit default swap written is "orphaned" by updated documentation or the contract payment structure — in which case the relevant contract along with periodic payments related to it will continue for its original term but in respect of an obligation that no longer exists and may not be replaced. If the Fund is acting as a credit protection seller in a credit default swap transaction, the Fund bears the risk of default by the obligor of the underlying obligation.

Whereas the credit default swap markets for bonds and related indices are well established, the Fund may also execute credit default swaps in relation to loans and loan indices. The loan credit default swap (or LCDS) market is relatively new and may expose the Fund to additional risks, which may in turn affect the yield on the Shares.

Other Risks Relating to Derivative Transactions

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular over-the-counter derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to the Shares. Derivatives do not always perfectly track or even highly correlate to the value of the securities, rates or indices they are designed to track. Consequently, the Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective.

An adverse price movement in a derivative position may require cash payments of variation margin by the Fund which might in turn require, if there is insufficient cash available in the portfolio, the sale of Investments under disadvantageous conditions. The Fund may enter into collateral arrangements with respect to hedging and related transactions, repurchase and/or securities lending agreements, reverse repurchase agreements, cross-currency swaps, interest rate swaps and credit derivatives transactions. The obligations of the Fund under hedging and related transactions, repurchase and/or securities lending agreements, reverse repurchase agreements and credit derivatives transactions may be secured and/or subject to certain financial covenants and/or termination events. If the Fund were to breach any such covenants or otherwise terminate (or be required to terminate) swap positions, it (and Investors in turn) may suffer loss, particularly if the Fund is unable to find appropriate replacement swap lines.

New financial products continue to be developed, and the Fund's assets may be invested in any such products to the extent consistent with the Fund's investment objective and applicable restrictions and applicable regulatory requirements.

Counterparty risks

With OTC derivatives there is a risk that a counterparty will not be able to fulfil its obligations and/or that a contract will be cancelled, e.g., due to bankruptcy, subsequent illegality or a change in the tax or accounting regulations since the conclusion of the OTC derivative contract.

Investor Tax Information

Investors should be aware that certain fiscal authorities may provide better tax treatment if certain information reporting is provided to Shareholders by the Fund. The Fund cannot guarantee to provide tax reporting to Shareholders and accepts no liability in respect of such a failure. No assurance can be given that even if tax reporting is provided it will be accurate in all respects or that it will be provided by the date a Shareholder is due to report to its fiscal authorities or that it will be provided by the statutory due date.

Other risks

The use of derivative and other special investment techniques and financial instruments also entails the risk that the valuations of financial products will differ as a result of different approved valuation methods (model risks) and the fact that there is no absolute correlation between derivative products and the underlying investments, interest rates, exchange rates and indices. Numerous derivatives, particularly OTC derivatives, are complex and are frequently open to subjective valuation. Inaccurate valuations can result in higher cash payment obligations to the counterparty or a loss in value for a Sub-Fund. Derivatives do not

always fully reproduce the performance of the investments, interest rates, exchange rates or indices which they are designed to reflect. The use of derivative and other special investment techniques and financial instruments by a Sub-Fund may therefore in certain circumstances not always be an effective means of achieving the Sub-Fund's investment objective and may even prove counterproductive.

General Tax Considerations

The Fund and the Investment Manager will use commercially reasonable efforts to ensure that the Fund is not treated as engaged in a trade or business in the United States and therefore does not expect to be generally subject to US federal income tax on a net income basis. Moreover, the Fund will use commercially reasonable efforts to ensure that the Fund is not centrally controlled and managed or effectively managed from any country other than Luxembourg and does not carry on a trade through a UK permanent establishment and therefore does not expect to be generally subject to UK corporation tax on any of its profits. However, there is no certainty that the Fund will not be subject to such taxes.

The tax aspects of an investment in the Fund are complicated and each prospective Investor should have them reviewed by professional advisers familiar with such Investor's personal tax situation and with the tax laws and regulations applicable to the Investor and private investment vehicles. Such tax aspects may include, without limitation, withholding taxes imposed under the US Internal Revenue Code of 1986, as amended (the "Code"), including withholding taxes imposed under Code Sections 1471 through 1474 (commonly referred to as "FATCA"). Certain tax considerations are more fully discussed in the section entitled "TAXATION."

Risks Relating to the Euro

There are increasing concerns regarding the ability of multiple sovereign entities to continue to meet their debt obligations. In particular, rating agencies have recently downgraded the credit ratings of various countries. Many economies are facing acute fiscal pressures as they struggle to balance budgetary austerity with stagnant growth. Many observers predict that a depressed economic environment will cause budget deficits in these economies to expand in the short term and further increase the perceived risk of a default, thereby rendering access to capital markets even more expensive and compounding the debt problem.

In particular, the Euro-zone is currently undergoing a collective debt crisis. Greece, Ireland and Portugal have already received one or more "bailouts" from other EU member states, and it is unclear how much additional funding they will require. Investor confidence in other EU member states, as well as European banks exposed to risky sovereign debt, has been severely impacted, threatening capital markets throughout the Euro-zone. Although the resources of various financial stability mechanisms in the Euro-zone continue to be bolstered, many market participants have expressed doubt that the level of funds being committed to such facilities will be sufficient to resolve the crisis. There also appears to be a lack of political consensus in the Euro-zone concerning whether and how to restructure sovereign debt, particularly Greek sovereign bonds. The consequences of any sovereign default would likely be severe and wide-reaching, and could include the removal of an EU member state from the Euro-zone, or even the abolition of the Euro. Any such consequences could result in losses to the Fund.

AIFM Provisions

The AIFM Provisions seek to regulate the AIFM's activities and prohibits the AIFM from managing any alternative investment fund, including the Fund (in this paragraph, "AIF"), or marketing shares in such AIFs to EU shareholders unless authorisation is granted to the AIFM by the supervisory authorities. Under the

AIFM Provisions, in order to maintain such authorisation, and be able to manage AIFs, the AIFM needs to comply with various obligations in relation to the AIFs which may create significant additional compliance costs that may be passed to shareholders in the AIFs. Furthermore, the marketing of shares or units in an AIF to EU shareholders is not permitted if the AIFM is not authorised.

Any regulatory changes arising from implementation and entry into force of the AIFM Provisions (or otherwise) that impair the AIFM to manage the Fund's assets, or limit the AIFM's ability (on behalf of the Fund) to market future issuances of Shares, may materially adversely affect the AIFM's ability to carry out and achieve the Fund's investment objective.

Specific Risk Factors of the Sub-Funds

Please refer to the relevant Sub-Fund Appendix for specific risk factors applying to each of the Sub-Funds.

3. INVESTMENT RESTRICTIONS AND RISK MANAGEMENT

The Fund is subject to and will conduct its investment operations in compliance with the following general investment restrictions. The investment policy of a Sub-Fund may be subject to different, more detailed or additional investment restrictions than those provided below, in which case such different, more detailed or additional restrictions are disclosed in the relevant Sub-Fund Appendix.

Risk diversification rules

The following rules, together with any additional diversification rules as may be specified in the relevant Sub-Fund Appendix, shall not apply during the first eighteen months from launch of the relevant Sub-Fund, or during its liquidation period:

1. A Sub-Fund shall not invest more than 30 per cent. of its assets in securities of the same type issued by the same issuer.

This rule shall however not apply:

- to investments in securities issued or guaranteed by a member state of the OECD or by its local authorities or by public international bodies with a European Union, regional or global scope; or
 - to investments in any Subsidiary or in underlying Investment Funds offering comparable safeguards in terms of risk spreading to those applicable to specialised investment funds. For the purpose of the application of this restriction, each sub-fund of an underlying Investment Fund with multiple sub-funds shall be considered as a separate issuer, provided that the principle of segregation toward third parties at the level of the various sub-funds is ensured.
2. A Sub-Fund shall not hold short positions equivalent to more than 30 per cent. of its assets on securities of the same type issued by the same issuer.
 3. When using financial derivative instruments, a comparable level of risk spreading must be observed by a Sub-Fund through an appropriate diversification of the underlying assets. To the same extent, the counterparty risk in an over-the-counter operation must, if necessary, be limited by taking into consideration the quality and the qualification of such counterparty. The Fund's direct or indirect risk exposure to any counterparty shall be limited to 30 per cent. of the assets of the relevant Sub-Fund in aggregate for all risks, except if the counterparty is a First Class Institution in which case the Fund's direct or indirect risk exposure may reach up to one hundred per cent. of the Fund's assets in aggregate for all risks.
 4. The Fund may not deposit cash representing more than 30 per cent. of the Fund's assets with the same entity. By way of exception, the Fund may deposit cash representing one hundred per cent. of the Fund's total assets with the Depositary

For the purpose of the above calculations, the assets shall mean the gross assets of the Sub-Fund at the last Valuation Date.

The above diversification rules, as well as any additional diversification rules provided in the relevant Sub-Fund Appendix shall apply with respect to any new investment, at the time any such new investment is

acquired. If at any point after such acquisition, the relevant investment exceeds any of the above limits as a result of market movements, changes in the portfolio composition, or otherwise, the Fund will be required to remedy the situation, taking into account the interests of its Shareholders.

Leverage

Leverage in this Prospectus means any method by which a Sub-Fund increases its exposure whether through borrowing cash or securities, or leverage embedded in derivative positions or by any other means. The sources of leverage which can be used include the below.

Leverage may be achieved through borrowings from banks and other lenders, margin lending, total return swaps, sale and repurchase agreements and taking short positions. The leverage employed by each Sub-Fund, if any, as well as any limits, are specified in the Appendix for that Sub-Fund.

A Sub-Fund may borrow permanently or temporarily for investment purposes or otherwise. The borrowing limit in respect of each Sub-Fund is provided for in the applicable Appendix.

Risk Management, Liquidity Management and Risk Profile

The Fund has adopted a risk management system and a conflicts of interest policy as required by the 2007 Law.

Risk Management

The AIFM is responsible for the performance of the risk management function (within the meaning of the AIFM Provisions), under the ultimate supervision of the Fund. The AIFM will employ robust risk management practices in managing the Fund's investment activities, which from time to time may include single name limits and stress tests. The AIFM will implement and monitor these constraints using internally developed and third-party risk management analytics and tools.

Liquidity Risk Management

The AIFM maintains a liquidity management process to monitor the liquidity risk of the Fund. The liquidity management systems and procedures allow the AIFM to apply various tools and arrangements necessary to ensure that the portfolio of the Fund is sufficiently liquid to respond appropriately to redemption requests.

In normal circumstances, redemption requests will be processed as set out in the section entitled "ISSUE AND REDEMPTION OF SHARES." Procedures have also been adopted to address redemption rights in exceptional circumstances, which procedures are described in the Articles and this Prospectus. Additional information in this respect is also made available at the registered office of the AIFM.

Other arrangements may also be used in response to redemption requests, including the temporary suspension or deferral of such redemption requests in certain circumstances or use of similar arrangements which, if activated, will restrict the redemption rights Investors benefit from in normal circumstances as set out under the heading "Suspension of the Calculation of the Net Asset Value Calculation" in the section entitled "ISSUE AND REDEMPTION OF SHARES."

Risk Profile

Determined in respect of each Sub-Fund, as disclosed in the relevant Appendix.

4. CO-MANAGEMENT AND POOLING

For the purposes of effective management and in order to reduce the operational and administrative costs, the Board, or, as the case may be, the Investment Manager, with the approval of the AIFM may decide that all or part of the assets of one or more Sub-Funds of the Fund be co-managed with the assets belonging to other Sub-Funds of the Fund or of another UCI (for the purpose hereof, each a "Participating Sub-Fund"). In the following paragraphs, the term "Co-Managed Assets" will refer to all the assets belonging to the Participating Sub-Funds which are subject to this co-management scheme. In such event, assets of the various Participating Sub-Funds will be under the custody of the same depositary bank.

Within this framework, the Board, or, as the case may be, the Investment Manager, with the approval of the AIFM may, for the account of the Participating Sub-Funds, take decisions on investment, divestment or on other readjustments which will have an effect on the composition of the Participating Sub-Funds' portfolios. Each Participating Sub-Fund will hold such proportion of the Co-Managed Assets which corresponds to a proportion of its Net Asset Value over the total value of the Co-Managed Assets. This ratio will be applied to each of the levels of the portfolio held or acquired in co-management. In the event of investment or divestment decisions, these ratios will not be affected and additional investments will be allocated, in accordance with the same ratios, to the Participating Sub-Funds and any assets realised will be withdrawn proportionally to the Co-Managed Assets held by each Participating Sub-Fund.

In the event of new subscriptions occurring in respect of one of the Participating Sub-Funds, the proceeds of the subscription will be allocated to the Participating Sub-Funds according to the modified ratio resulting from the increase of the net assets of the Participating Sub-Fund which benefited from the subscriptions, and all levels of the portfolio held in co-management will be modified by way of transfer of the relevant assets in order to be adjusted to the modified ratios. In like manner, in the event of redemptions occurring in respect of one of the Participating Sub-Funds, it will be necessary to withdraw such liquid assets held by the Participating Sub-Funds as will be determined on the basis of the modified ratios, which means that the levels of the portfolios will have to be adjusted accordingly. Shareholders must be aware that even without an intervention of the Board, or, as the case may be, of the Investment Manager, with the approval of the AIFM the co-management technique may affect the composition of the Sub-Fund's assets as a result of particular events occurring in respect of other Participating Sub-Funds such as subscriptions and/or redemptions. Thus, on the one hand, subscriptions effected with respect to one of the Participating Sub-Funds will lead to an increase of the liquid assets of such Participating Sub-Fund, while on the other hand, redemptions will lead to a decrease of the liquid assets of the relevant Participating Sub-Fund. The subscription and redemption proceeds may however be kept on a specific account held in respect of each Participating Sub-Fund which will not be subject to the co-management technique and through which the subscriptions and redemptions proceeds may transit. The crediting and debiting to and from this specific account of an important volume of subscriptions and redemptions and the Board's, or, as the case may be, the Investment Manager's with the approval of the AIFM, competent bodies' discretionary power to decide at any moment to discontinue the co-management technique can be regarded as a form of trade-off for the readjustments in the Sub-Funds' portfolios should the latter be construed as being contrary to the interests of the Shareholders of the relevant Participating Sub-Funds.

Where a change with respect to the composition of a specific Participating Sub-Fund's portfolio occurs because of the redemption of Shares of such Participating Sub-Fund or the payments of any fees or expenses which have been incurred by another Participating Sub-Fund and would lead to the violation of the investment restrictions of such Participating Sub-Fund, the relevant assets will be excluded from the co-management scheme before enacting the relevant modification.

Co-Managed Assets will only be co-managed with assets belonging to Participating Sub-Funds with which the investment policy is compatible. Given that the Participating Sub-Funds can have investment policies which are not identical, it cannot be excluded that the common policy applied will be more restrictive than that of the particular Participating Sub-Funds.

The Board, or, as the case may be, the Investment Manager, with the approval of the AIFM may at any time and without any notice whatsoever decide that the co-management will be discontinued.

The Shareholders may, at any moment, obtain information at the registered office of the Fund, on the percentage of the Co-Managed Assets and on the Participating Sub-Funds that are subject to the co-management scheme. Periodic reports made available to the Shareholders from time to time will provide information on the percentage of the Co-Managed Assets and on the Participating Sub-Funds that are subject to the co-management scheme.

5. SHARES

General

Shares will be issued in registered form only and are reserved for Eligible Investors. The Shares are evidenced by entries in the Fund's register of Shareholders. Shareholders shall receive a confirmation of their shareholding. The Fund shall consider the person in whose name the Shares are registered as the full owner of the Shares.

Title to Shares in registered form is transferred upon delivery of any instrument of transfer satisfactory to the Fund and by entry of the name of the transferee in the Fund's register of Shareholders.

No share certificates will be delivered.

The registered Shares may be issued with fractions of up to three decimals or such other fractions as specified in the relevant Appendix. Such fractions of Shares shall not be entitled to vote but shall be entitled to participate in the net assets and any distributions attributable to the relevant Class of Shares on a pro rata basis.

Each Share of the Fund, irrespective of its Sub-Fund, is entitled to one vote at any general meeting of Shareholders, in compliance with Luxembourg law and the Articles.

Classes of Shares

A number of Classes of Shares have been created in respect of each Sub-Fund to enable investors with different investment needs to access the same underlying investment portfolio. The Classes of Shares are divided into institutional and non-institutional Classes, and may be made available in various currencies as the Board of Directors may decide from time to time. These Classes of Shares may be offered either as accumulation ("acc.") or distribution ("distr.") Shares. Not all Sub-Funds may offer all Classes of Shares. The complete list of each Class of Shares and their specific features is available at the registered office of the Fund and of the AIFM and will be made available to Investors upon request.

The following Classes of Shares may be offered for each Sub-Fund (currently only Class I and Class A (Non-Institutional) are being offered in respect of the European Loans Fund):

Institutional

Share classes that are reserved for Institutional Investors include Class A, B, C, D, E, F, G, H, I, J, K, L and Total Return. The key differences between the Classes of Shares are the currency and distribution policy as described above.

The minimum Initial Subscription Amount and Holding Amount in each Class of Shares is €250,000 (or currency equivalent). The Minimum Subsequent Subscription Amount is €125,000 (or currency equivalent).

Non-Institutional

Share classes available for non-institutional Investors include Class A (Non-Institutional), AA, BB, CC, DD, EE, FF, GG, HH, II, JJ, KK, and LL. The key differences between share classes are the currency and distribution policy as described above.

The minimum Initial Subscription Amount and Holding Amount in each Class of Shares is €125,000 (or currency equivalent). The Minimum Subsequent Subscription Amount is €125,000 (or currency equivalent).

6. ISSUE AND REDEMPTION OF SHARES

Offering Details

Shares are reserved for Eligible Investors.

The Fund reserves the right to accept or reject subscriptions in any amount, to accept or reject subscriptions in whole or in part, and to suspend at any time and without prior notice the issue of Shares. Shares are issued only in registered form. The inscription of a Shareholder's name in the register of Shares evidences a right of ownership of such Shares. The Shares are of no par value and carry no preferential or pre-emptive rights.

Subscriptions may also be made, subject to the Fund's consent, by way of a subscription in kind in accordance with the applicable Luxembourg law provisions and with the Articles. Contributed assets must be consistent with the investment policy of the relevant Sub-Fund. Any such subscription in kind will be valued in a report prepared by the Fund's auditor, to the extent required by Luxembourg law.

All the Shares are issued at an unknown Net Asset Value per Share.

The Board may fix a minimum subscription amount for each Sub-Fund which, if applicable, is described in the relevant Appendix.

The Board reserves the right from time to time to waive any requirements relating to the minimum subscription amount as and when it determines in its reasonable discretion and by taking into consideration the fair treatment of Shareholders.

The mechanism for the calculation of the Issue Price per Share, plus the imposition of a subscription charge (if any), is set out in each case in the relevant Appendix. The subscription charge(s) goes to the relevant Sub-Fund and/or to the distributor (as determined for the relevant Sub-Fund) and it can be waived, provided that all investors having duly filed a subscription request for the same Dealing Date in the same subscription amounts are treated equally. Subject as set out in the relevant Appendix, the Issue Price shall be rounded to two decimals and any related subscription amounts will be rounded to the next currency unit. Issue of Shares shall be effected by the Fund only after receipt by the Registrar and Transfer Agent of good funds in payment therefor. Payment of Shares must in principle be made in the currency of each Sub-Fund, as described in the relevant Appendix. The Board may, for each Sub-Fund, determine other currencies in which the Issue Price may be paid.

Written applications to subscribe for Shares by email, fax or letter should be addressed to the Registrar and Transfer Agent, the global distributor or any sub-distributor (as may be detailed in the relevant Appendix) or the Fund so as to arrive within the time limit applicable to the relevant Sub-Fund (or Class) as specified in the relevant Appendix, or such other time limit as the Board may agree upon in its discretion subject to applicable laws and regulations.

As a result of Luxembourg anti-money laundering laws the Registrar and Transfer Agent shall require that an application to subscribe for Shares be accompanied by appropriate documents, as defined in the appendix to the Application Form, enabling the Registrar and Transfer Agent to check the identity of the investors. The Registrar and Transfer Agent reserves the right to delay the processing of an application until receipt of satisfactory documentary evidence or information for the purpose of compliance with applicable laws.

The Fund may at its entire discretion refuse subscription requests and any acceptance of a subscription request is conditional upon receipt of cleared subscription funds.

Redemption

All the Shares are to be redeemed at a Net Asset Value that is unknown to the redeeming Shareholder at the time the redemption request is placed.

Any Shareholder may request the redemption of Shares on any Dealing Date provided that such request must be received in writing by fax or letter by the Fund, a distributor (as detailed in the relevant Appendix) or the Registrar and Transfer Agent accompanied by the relevant Share certificates, if any, and the documents evidencing any transfer of Shares within the time limit applicable to the relevant Sub-Fund (and Class) as specified in the relevant Appendix. If the request is received outside this time limit, and unless the Board has agreed to another time limit in its discretion subject to applicable laws and regulations, the Registrar and Transfer Agent shall defer the redemption until the following Dealing Date. The Fund must accept such request and redeem the Shares so tendered, provided that the Fund shall not be bound to redeem more than the "gated amount," if any, prescribed in the relevant Appendix. Requests for the redemption of Shares received by the Fund or by the Registrar and Transfer Agent are irrevocable. Any Shares redeemed by the Fund will be cancelled.

A redemption charge as described in the relevant Appendix (if any) can be levied. The redemption charge may be allocated to the relevant Sub-Fund, the global distributor and/or any sub-distributor, as shall be set forth in the relevant Appendix. It may be waived provided that all Shareholders who have duly filed a redemption request for the same Valuation Date and for the same redemption amounts are treated equally.

Save as set out in the relevant Appendix, redemption requests should state the number, form, Class and name of the Sub-Fund of the Shares to be redeemed as well as the necessary references enabling the payment of the redemption proceeds. Order confirmation notices will be sent to Shareholders at the latest on the first Business Day following the execution of the redemption request.

If on any given Dealing Date the Fund receives redemption (and conversion) requests in excess of a "gated amount" the redemption (and conversion) requests may be deferred as provided for in the relevant Appendix.

The Redemption Price to be paid by the Fund for the redemption of its Shares shall be equal to the Net Asset Value per Share (see the section entitled "DETERMINATION OF NET ASSET VALUE") on the Dealing Date in respect of which redemption is made, less a redemption charge (if any) as specified in the relevant Appendix. Subject as set out in the relevant Appendix, the Redemption Price will be rounded to two decimals and redemption proceeds will be rounded to the next currency unit. The Redemption Price shall be payable in the currency of the relevant Sub-Fund as specified in the relevant Appendix.

The Redemption Price may be higher or lower than the subscription price paid by the Shareholder at the time of subscription/purchase depending on whether the Net Asset Value per Share has appreciated or depreciated.

The Redemption Price shall be paid within such period after the relevant Dealing Date or after the date by which the Share certificates (if issued) have been received by the Fund, as shall be set forth in the relevant Appendix.

The Fund shall use its best efforts to maintain an appropriate level of liquidity in its assets so that the redemption of the Shares can, under normal circumstances, be made without delay upon request by the Shareholders.

If, however, in exceptional circumstances which are outside the control of the Board or of the Fund the liquidity of the portfolio of each Sub-Fund's assets is not sufficient to enable the payment to be made within the normal period, such payment shall be made as soon as reasonably practicable thereafter. Shareholders should note that if an application for redemption relates to a partial redemption of an existing holding and the remaining balance within the existing holding is below the minimum holding requirement, the Fund may redeem all the existing holding. The minimum holding requirement for any Class is indicated in the relevant Appendix.

As a result of the Luxembourg anti-money laundering laws, the Registrar and Transfer Agent shall require that a request for the redemption of Shares by the Fund be accompanied by appropriate documents enabling the Registrar and Transfer Agent to check the identity of Shareholders and to complete the Investors' AML and KYC documentation as detailed in the Application Form. The Registrar and Transfer Agent reserves the right to delay the processing of a request until receipt of satisfactory documentary evidence or information for the purpose of compliance with applicable laws.

The Redemption Price may, upon demand by a Shareholder, and if the Fund agrees, also be satisfied by allocation of securities and/or other assets equal in value to the Redemption Price. The securities vested by the Fund in a Shareholder in lieu of the Redemption Price shall be determined as concerns their nature and type on an equitable basis and without prejudicing the interests of the other Shareholders. Any securities and/or other assets vested by the Fund or contributed to the Fund shall be valued in a valuation report by the independent auditor of the Fund.

Unless the redeeming Shareholder is registered in the Fund's register, proper evidence of transfer or assignment must be sent with the redemption request, to the Fund or the Registrar and Transfer Agent or the relevant distributor (as detailed in the relevant Appendix).

Conversion

No conversion between Shares of different Sub-Funds shall be possible unless as otherwise specifically permitted by the Fund. Conversions into other Classes are possible if so specified in the relevant Appendix, it being noted that any conversion into another Sub-Fund or Class may only take place provided all conditions for the holding of the new Sub-Fund or Class are fulfilled by the relevant Shareholder. Prior to converting any Shares, Shareholders should consult with their tax and financial advisers in relation to the legal, tax, financial or other consequences of converting such Shares.

Application for Conversions

Conversion applications shall be made in writing by fax or letter to the Registrar and Transfer Agent, a distributor (as detailed in the relevant Appendix) or the Fund stating which Shares are to be converted. The Fund may also decide that applications for conversion may be made by electronic file transfer.

The application for conversion must include (i) the monetary amount the Shareholder wishes to convert or (ii) the number of Shares the Shareholder wishes to convert, together with the Shareholder's personal details and Shareholder's account number. Failure to provide any of the above information may result in delay of

the application for conversion while verification is being sought from the Shareholder. The period of notice is the same as for applications for redemption save as otherwise set out in the relevant Appendix.

Conversions may result in the application of a conversion charge as shall be detailed in the Appendix, which will be based on the Net Asset Value per Share of the Shares the Shareholder wishes to convert from and, unless otherwise provided in the Appendix relating to the relevant Sub-Fund, goes to the Sub-Fund and/or Class from which they are converted. No redemption charge will be due upon the conversion of Shares. The Fund may waive the conversion charge, provided that all Investors having duly filed a conversion request for the same Dealing Date and for the same conversion amount are treated equally.

Shareholders should note that if an application for conversion relates to a partial conversion of an existing holding and the remaining balance within the existing holding is below the minimum holding requirement, the Fund will convert all the existing holding.

Applications for conversion on any Dealing Date received by the Registrar and Transfer Agent by the deadline specified in the relevant Appendix prior to a day that is a Dealing Date for both Sub-Funds concerned will be processed on that Dealing Date based on the Net Asset Value per Share calculated on the Valuation Date relevant for such Dealing Date. Any applications received after the deadline will be processed on the next day that is a Dealing Date for both Sub-Funds concerned on the basis of the Net Asset Value per Share calculated on such Dealing Date.

Conversion Formula

The rate at which all or part of the Shares in relation to a given original Sub-Fund are converted into Shares relating to a new Sub-Fund, or all or part of the original Shares of a particular Class are converted into a new Class in relation to the same Sub-Fund, is determined in accordance with the following formula:

$$A = \frac{B \times C \times E}{D}$$

where:

- A is the number of Shares to be allocated or issued by the Fund in relation to the new Sub-Fund or new Class;
- B is the number of Shares relating to the original Sub-Fund or to the original Fund which is to be converted;
- C is the Net Asset Value per Share (minus the relevant conversion charge, where applicable) of the original Sub-Fund or the relevant Class within the original Sub-Fund at the relevant Dealing Date;
- D is the Net Asset Value per Share of the new Sub-Fund or the relevant Class within the new Sub-Fund at the relevant Dealing Date; and
- E is the exchange rate between the currency of the original Sub-Fund or Class and currency of the new Sub-Fund or Class.

If "A" is not an integral number, fractions of Shares will be allotted in the new Sub-Fund or Class.

After conversion of the Shares, the Registrar and Transfer Agent will inform the Shareholder of the number of Shares in relation to the new Sub-Fund or new Class obtained by conversion and the price thereof. If the minimum holding requirement for any Class, as described in the relevant Appendix, is not maintained due to a conversion of Shares, the Fund will compulsorily convert the remaining Shares at their current Net Asset Value per Share.

Transfer of Shares

Transfer of Shares may only be carried out if the transferee qualifies as an Eligible Investor and is otherwise subject to the conditions applicable to the issuance of Shares.

Transfers should be in the form prescribed by the Fund and should be completed and delivered to the Registrar and Transfer Agent. The Board reserves the right to require any transferee to execute an Application Form as if such transferee were an original subscriber for the Shares.

Prohibition of Late Trading and Market Timing

The Fund has adopted protections against late trading and market timing practices as required by CSSF Circular 04/146.

Late trading is defined as the acceptance of a subscription, conversion or redemption order after the relevant cut-off time and the execution of such order at the Net Asset Value applicable to orders received before such cut-off time. Late trading is strictly forbidden and the Fund has implemented reasonable measures to ensure that late trading does not take place. The effectiveness of these measures is closely monitored.

Market timing is defined as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same UCI 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 values of the UCI.

Market timing practices are not acceptable as they may affect the performance of the Fund through an increase in costs and/or dilution in Net Asset Value. The Fund is not designed for investors with short-term investment horizons and, as such, activities which may adversely affect the interests of the Shareholders (for example that disrupt investment strategies or impact expenses), such as market timing or the use of the Fund as an excessive or short-term trading vehicle, are not permitted.

Accordingly, if the Fund determines or suspects that a Shareholder has engaged in such activities, the Fund may suspend, cancel, reject or otherwise deal with that Shareholder's subscription or conversion application and take any action or measures as appropriate or necessary to protect the Fund and its Shareholders. Please note that the Fund is limited in its ability to monitor trading activity in omnibus accounts of financial intermediaries.

Data Protection Policy

Pursuant to data protection law applicable in Luxembourg (including, but not limited to, the Luxembourg law of 2 August 2002 on the Protection of Persons with regard to the Processing of Personal Data, as amended from time to time) any personal data that is provided by Investors in connection with an investment in the Fund may be held on computers and processed by the Fund, acting as data controller, as well as its various service providers, mainly the AIFM, the Investment Manager, the Depositary, the

Transfer Agent, the Registrar, the Domiciliary Agent, the Paying Agent and the Administrative Agent, the Corporate Agent and the Listing Agent and their affiliates and agents (together hereafter the "Entities") acting as data processors.

Personal data may be processed by the Entities as well as the Fund for the purposes of processing subscription and redemption orders, maintaining registers of shareholders and carrying out their services as well as complying with applicable legal or regulatory obligations including but not limited to such obligations in Luxembourg as well as in other jurisdictions under applicable company law, anti-money laundering law and regulations and tax laws such as but not limited to the US Foreign Account Tax Compliance Act, or FATCA, common reporting standard or similar laws and regulations (e.g., at the OECD and EU level).

Personal data may also be used in connection with investments in other investment fund(s) managed by the AIFM or the Investment Manager(s) and their affiliates. Personal data shall be disclosed to third parties where necessary for legitimate business interests only. This may include disclosure to third parties such as governmental or regulatory bodies including tax authorities, auditors and accountants in Luxembourg as well as in other jurisdictions. Agents of the Fund and the Entities may include investment managers, investment advisers, paying agents and subscription and redemption agents, and distributors and sub-distributors, as well as permanent representatives in places of registration and any other agents of the Entities who may process the personal data for carrying out their services and complying with legal and regulatory obligations as described above.

Investors are also informed that, as a matter of general practice, telephone conversations and instructions may be recorded as proof of a transaction or related communication. Such recordings will benefit from the same protection under Luxembourg law as the information provided to the Fund and the Entities and shall not be released to third parties, except in cases where the Fund, the AIFM and/or the Administrative Agent are compelled or entitled by law or regulation to do so.

By subscribing and/or holding Shares of the Fund, Investors are deemed to be providing their consent to the aforementioned processing of their personal data and in particular, the disclosure of such data to, and the processing of such data by, the parties referred to above, including parties situated in countries outside the European Union which may not offer a similar level of protection as the one deriving from Luxembourg data protection law. Investors acknowledge that the transfer of their personal data to these parties may occur via, and/or their personal data may be processed by, parties in countries (such as, but not limited to, the United States) which may not have data protection requirements deemed equivalent to those prevailing in the European Union.

Investors acknowledge and accept that failure to provide relevant personal data requested by the Fund, the AIFM and/or the Administrative Agent in the course of their relationship with the Fund may prevent them from maintaining their holdings in the Fund and may be reported by the Fund, the AIFM and/or the Administrative Agent to the relevant Luxembourg authorities.

Investors acknowledge and accept that the Fund, the AIFM or the Administrative Agent will report any relevant information in relation to their investments in the Fund to the Luxembourg tax authorities which will exchange this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in the FATCA Law, the common reporting standard at OECD and EU levels or equivalent Luxembourg legislation.

Investors may request access to, rectification of or deletion of any personal data provided to any of the parties above or stored by any of the parties above in accordance with applicable data protection law.

While the Fund and the Entities have taken reasonable measures to ensure confidentiality of the personal data, due to the fact that such data is transferred electronically and available outside Luxembourg, the same level of confidentiality and the same level of protection in relation to data protection law as currently in force in Luxembourg may not be guaranteed while the personal data is kept abroad.

The Fund will accept no liability with respect to any unauthorised third party receiving knowledge and/or having access to the Investor's personal data, except in the event of wilful negligence or gross misconduct of the Fund.

Personal data shall not be held for longer than necessary with regard to the purpose of the data processing, subject always to applicable legal minimum retention periods.

7. DETERMINATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Net Asset Value, Net Asset Value per Share, Net Asset Value per Class, Redemption Price of Shares and Issue Price of Shares shall be determined by the Administrative Agent on behalf of the Fund as of each Valuation Date. The Valuation Dates for each Sub-Fund are indicated in the relevant Appendix.

The Net Asset Value of each Sub-Fund and the Net Asset Value of the relevant Class shall be expressed in the currency of each Sub-Fund as described in the relevant Appendix. Whilst the reporting currency of the Fund is the Euro, the Net Asset Value is made available in the currency of each Sub-Fund as described in the relevant Appendix. The Net Asset Value shall be determined as of each Valuation Date separately for each Share of each Sub-Fund and for each Class by dividing the total Net Asset Value of the relevant Sub-Fund and of the relevant Class by the number of outstanding Shares of such Sub-Fund and of the relevant Class.

The Net Asset Value shall be determined by subtracting the total liabilities of the Sub-Fund or Class from the total assets of such Sub-Fund or Class in accordance with the principles laid down in the Articles and in such further valuation regulations as may be adopted from time to time by the Board.

Valuation of Investments

Investments shall be valued by the Valuation Agent based on the following rules:

- (1) Securities listed on London Stock Exchange Limited (the "Stock Exchange") shall be valued at the closing middle market price based on the daily official lists of the Stock Exchange.
- (2) Securities listed or dealt in on any other exchange or market shall be valued with reference to the closing middle market price or the average closing price, as appropriate, published in accordance with the recognised method of publication of such exchange or market.
- (3) Other Investments within Articles 76-80 inclusive of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 shall be valued at the price likely to be agreed between a willing buyer and a willing seller acting at arm's length and both in possession of all relevant freely available information concerning the relevant Investment.
- (4) Traded options and futures contracts to which the Fund is a party which are traded on a stock, financial futures or other exchange shall be valued by reference to the profit or loss which would arise on closing out the relevant contract at or immediately before the close of the relevant market.
- (5) Cash in hand or on deposit, prepaid expenses, dividends or interest declared or accrued but not yet received shall be valued at the full nominal amount thereof unless provision is considered appropriate on the basis that it is unlikely to be paid or received in full.
- (6) Money market instruments shall be valued according to the normal dealing practice therein having regard to cost, accrued income, maturity and income payment dates.
- (7) Any other assets shall be valued by reference to the last audited accounts of the Fund or, if acquired after the date of such accounts or before any such accounts have been prepared, at the book value thereof subject to any adjustment in accordance with the normal accounting policies of the Fund.

- (8) Where any Investment is listed or dealt in on more than one exchange or market, the valuation shall be by reference to the principal exchange or market. Where dealings are suspended, paragraph 3 above shall apply to investments within FSMA.
- (9) Notwithstanding the foregoing, where at the time of any valuation any asset has been realised or contracted to be realised it shall be valued at the net amount receivable (or estimated to be receivable) by the Fund.
- (10) Any assets denominated in a currency other than Euro shall be converted into Euro at the spot rate ruling at the close of business (London time), as quoted by a bank of repute operating in the foreign exchange markets.
- (11) Valuations falling to be made on a day which is not a business day for a relevant exchange or market shall be undertaken on the immediately preceding Business Day.
- (12) The value of each investment will be based on identified independent pricing vendors defined on an established pricing hierarchy as set out in the valuation policy of the Fund. The Administrative Agent is responsible for applying the values from the pricing sources in accordance with the pricing hierarchy. The Administrative Agent may utilise alternate independent pricing vendors or valuation sources to those listed in the designated hierarchies in exceptional circumstances and subject to the approval of the Valuation Agent, with notification to the Board and AIFM. Typically, this will only be done when:
 - The named vendors in the designated hierarchies do not supply a price for an asset;
 - The price supplied by the named vendors in the designated hierarchies is not consistent with the market;
 - The late delivery of vendor pricing files inhibits the Fund's NAV delivery deadlines.

All assets will be valued with accrued interest. The Fund may request the Investment Manager (acting in its function as Valuation Agent) to assist the Administrative Agent in the discharge of this duty subject to the methodologies set out in any further documents which have been agreed by the Fund.

Amounts determined in accordance with such valuation principles shall be translated into the currency of the Sub-Fund's accounts at the respective exchange rates, using the relevant rates quoted by a bank or another first class financial institution.

The Fund, the AIFM and the Valuation Agent may from time to time adopt and update (a) valuation policy(ies) based on the principles set out above but which shall enable the Valuation Agent to proceed to a fairer valuation of (a) certain category(ies) of assets (such as hard-to-value assets, in accordance with Article 19 of the AIFM Directive).

If pursuant to special circumstances, valuation according to the above-described principles is impracticable or unfair, the Fund is authorised to use other generally accepted valuation principles as may be verified by its independent auditors, in order to obtain a fair determination of the value of the assets of each Sub-Fund or Class.

Valuation of Liabilities

Liabilities shall be valued by the Valuation Agent on a basis which fairly reflects actual, accrued and contingent liabilities (including proper provision for contingent liabilities and disputed claims) in accordance with the normal accounting policies of the Fund as applied in the preparation of its last audited accounts or (before preparation of the first audited accounts) as recommended by the auditors of the Fund. Liabilities for this purpose shall include dividends declared but unpaid, taxation (including deferred taxation) and contractual obligations for the purchase of Investments.

Amounts determined in accordance with such valuation principles shall be translated into the currency of the Sub-Fund's accounts at the respective exchange rates, using the relevant rates quoted by a bank or another first class financial institution.

Suspension of the Calculation of the Net Asset Value

The Fund may temporarily suspend the calculation of the Net Asset Value of one or more Sub-Funds (a "Suspension") and in consequence the issue, redemption and conversion of Shares in any of the following events:

- a) during any period when any of the principal stock exchanges or any other regulated market on which any substantial portion of the Fund's investments of the relevant Sub-Fund for the time being are quoted, is closed (otherwise than for ordinary holidays), or during which dealings are restricted or suspended; or
- b) any period when the net asset value of one or more Investment Funds, in which the Fund will have invested and the units or the shares of which constitute a significant part of the assets of the Fund, cannot be determined accurately so as to reflect their fair market value as at the Valuation Date; or
- c) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the relevant Sub-Fund by the Fund is impracticable; or
- d) during any breakdown in the means of communication normally employed in determining the price or value of any of the Fund's investments or the current prices or values on any market or stock exchange; or
- e) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Board be effected at normal rates of exchange; or
- f) if the Fund or the relevant Sub-Fund is being or may be wound-up on or following the date on which notice is given of the meeting of Shareholders at which a resolution to wind up the Fund or the Sub-Fund is proposed; or
- g) if the Board has determined that there has been a material change in the valuations of a substantial proportion of the investments of the Fund attributable to a particular Sub-Fund in the preparation or use of a valuation or the carrying out of a later or subsequent valuation; as well as
- h) during any other circumstance or circumstances where a failure to do so might result in the Fund or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or any other detriment which the Fund or its Shareholders might so otherwise have suffered.

Notice of the beginning and of the end of any period of Suspension shall be given by the Fund to all the Shareholders affected, i.e., having made an application for subscription, redemption or conversion of Shares for which the calculation of the Net Asset Value has been suspended. Payments that would have been due but for such Suspension will be made as of the next relevant Dealing Date or as soon as practicable after the end of the Suspension.

8. MANAGEMENT AND ADMINISTRATION OF THE FUND

Directors' Functions

The Directors are responsible for the overall Fund's management and control including the determination of the investment policy of each Sub-Fund.

Directors

Karla M. Rabusch Chairperson 525 Market St, 12th Floor, San Francisco, CA 94105-2724	Executive Vice President of Wells Fargo Bank, N.A.; President of Wells Fargo Funds Management, LLC
Richard Goddard 21st Century Building 19, rue de Bitbourg L-1273 Luxembourg-Hamm Luxembourg	The Directors' Office S.A.
Michael Hogan 2001 N Main St 6th Floor, Suite 600 Walnut Creek, CA 94596-3732	Senior Vice President of International Strategy and Business Development, Wells Fargo Funds Management, LLC
Jürgen Meisch Marienburger Str. 24 D-50968 Köln	Achalm Capital GmbH.
Yves Wagner 21st Century Building 19, rue de Bitbourg L-1273 Luxembourg-Hamm Luxembourg	The Directors' Office S.A.

Alternative Investment Fund Manager

The Fund has appointed MDO as external AIFM of the Fund by entering into an AIFM Agreement with MDO. MDO is inscribed on the official lists of management companies authorised under article 101 (2) of Chapter 15 of the 2010 Law and of authorised AIFMs, both published by the CSSF.

The AIFM is responsible for:

a) The investment management function (within the meaning of the AIFM Provisions) with respect to the Fund which includes portfolio management and risk management; and

b) Activities over the Fund's assets.

With the consent of the Fund, the AIFM has delegated part of its portfolio management functions regarding the Fund to the Investment Manager, as described below.

The AIFM will monitor on a continued basis the activities of the third parties to which it has delegated functions, under the supervision of the Fund. The agreements entered into between the AIFM and the relevant third parties provide that the AIFM can give at any time further instructions to such third parties,

and that it can withdraw their mandate under certain circumstances. The AIFM's liability towards the Fund is not affected by the fact that it has delegated certain functions to third parties.

The AIFM and the Investment Manager may, under their responsibility and at their own cost, appoint investment advisers or delegate their portfolio management functions to other investment managers from time to time (subject to the consent of the Fund and the prior approval of the CSSF), in which case this Prospectus shall be updated.

In the absence of the AIFM's negligence or wilful misconduct, the AIFM shall not be liable towards the Shareholders, the Fund, the members of the Fund's governing body or any other person with respect to any act or omission in connection with the duties and obligations performed by the AIFM pursuant to the AIFM Agreement.

Pursuant to the AIFM Agreement, the Fund will indemnify and hold harmless the AIFM, its governing body members, officers and employees of and from all costs, expenses, losses, damages, liabilities, demands, charges and claims of any kind or nature whatsoever, including, without limitation, any reasonable legal expenses and costs and expenses relating to investigating or defending any demands, charges and claims, that may be incurred directly or indirectly by it or made against it either (i) as a direct consequence of any breach by the Fund of the AIFM Agreement, or (ii) arising out of any action properly taken or omitted by the AIFM in accordance with the AIFM Agreement and/or in accordance with Proper Instructions (as defined in the AIFM Agreement) where required, or (iii) as a result of the non-payment by the Fund of any amount falling due under the AIFM Agreement, or (iv) as a direct consequence of any negligent act or omission or wilful misconduct of the Fund under the AIFM Agreement, or (v) as a direct consequence of any negligent act or omission or wilful misconduct of any third-party central administration agent of the Fund or any other third party retained by the Fund to assist with passport notifications contemplated in Article 30 of the AIFM Law.

Pursuant to Article 8 (7) of the AIFM Law, the AIFM shall cover potential professional liabilities risks resulting from activities it may carry out by holding a professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered.

Investment Manager

The AIFM has, pursuant to the Alternative Investment Fund Portfolio Management Agreement (the "AIF Portfolio Management Agreement"), delegated the portfolio management of the Fund to the Investment Manager, ECM Asset Management Limited.

Under the control and instruction of the AIFM, when executing transactions or placing orders with other persons on behalf of the Fund, the Investment Manager shall take all reasonable steps to obtain best execution and shall act in good faith and with due diligence in its choice and use of any counterparties.

The Investment Manager was incorporated as a private limited company in England on 10 February 1999 as European Credit Management Limited with registered number 3710963 and its registered office is at 34 Grosvenor Street, London W1K 4QU. The Investment Manager changed its name to ECM Asset Management Limited in May 2012. The Investment Manager is regulated and authorised to conduct investment business by the Financial Services Authority and is a registered investment adviser under the US Investment Advisers Act of 1940, as amended.

The Investment Manager is a wholly owned subsidiary of Wells Fargo & Co. and specialises in managing fixed income credit risk in the European markets.

The AIF Portfolio Management Agreement is terminable at any time by any party giving not less than sixty (60) calendar days' notice in writing to the other party or with immediate effect at any time by a party giving notice in writing to the other party in any of the particular events set forth in the AIF Portfolio Management Agreement.

The Investment Manager shall be remunerated as detailed in the section entitled "FEES AND EXPENSES."

The following individual is the key executive director of the Investment Manager:

Ross Pamphilon is Chief Investment Officer of the Investment Manager and has been with the firm since its inception in 1999. Mr Pamphilon is a founding member of the investment team and has been responsible for a number of business areas including emerging markets, investment grade corporate debt, high yield, absolute return and quantitative analytics before assuming overall responsibility for portfolio management and credit research in 2010. Mr Pamphilon was previously an emerging markets specialist at Merrill Lynch where he had responsibility for local currency fixed income debt, derivative and foreign exchange products. Mr Pamphilon qualified as a chartered accountant (ACA) with Price Waterhouse and holds a BSc (Hons) in Chemistry from City University, London

The following individuals are also directors of the Investment Manager:

Deirdre Flood is Executive Vice President and global head of institutional client and consultant relations at Wells Fargo Asset Management. In this role, she is responsible for developing the firm's global consultant relations strategy and leading a team of dedicated consultant relations professionals. In addition, she oversees all client relations activities for Wells Capital Management. Since 2014 Ms Flood has served as a member of the board of directors for Wells Fargo Securities International Limited. Ms Flood joined Wells Fargo Asset Management from Evergreen Investments, where she served as a consultant relations director for the European market and the Western United States, since 2005. Ms Flood began her investment industry career in 1999 with Bank of Ireland Asset Management (US) Limited where she served as a vice president of sales and client management. She earned a bachelor's degree in economics and French from University College Dublin. Ms Flood has earned the right to use the CFA designation and is a member of the London Society of Financial Analysts.

Karla Rabusch is President of *Wells Fargo Funds*, Executive Vice President of Wells Fargo Bank, N.A. and President of Wells Fargo Funds Management, LLC, a registered investment adviser subsidiary of Wells Fargo & Company that serves as investment adviser and administrator to the *Wells Fargo Funds*. In addition to the funds, Wells Fargo Funds Management, LLC, offers individual retirement accounts and Wells Fargo Managed Account Services, which is a program of professionally managed portfolios consisting of individual securities. She began her career at Wells Fargo in 1997 as the Chief Financial Officer for the mutual fund complex and later served as the Chief Administrative Officer. Prior to joining Wells Fargo, she spent 16 years in various insurance, corporate, and mutual fund positions at American Express Financial Advisors (now Ameriprise Financial), a financial planning firm that offers asset management services, insurance, and annuities. Ms Rabusch currently serves on the Investment Company Institute's Board of Governors. In 2014, she was honoured by Money Management Executive as one of the leading women in the asset management industry. In 2010, she was recognised by MutualFundWire.com as one of the 100 most influential people in mutual funds. She was also named one of the 100 most influential businesswomen in the Bay Area by the *San Francisco Business Times* in 2010 and 2004. Ms Rabusch received her Bachelor

of Arts in Accounting from the College of St. Catherine in St. Paul, Minnesota, United States, and a Master's of Business Administration in Finance from the University of Minnesota.

Andy Hunt serves as the head of liability-driven investing and global credit at Wells Capital Management. In this capacity, he focuses on building out the firm's LDI solutions, creating a cohesive global credit platform, and overseeing the portfolio management teams that have strong credit-based strategies. Mr Hunt joined WellsCap in 2014 from BlackRock where he served as the head of North American solutions for corporate pensions plans, including US liability-driven investment capabilities, since 2005. Earlier, he was a partner at Watson Wyatt (now Towers Watson) in the United Kingdom since 1992 in various roles as an actuary, senior investment consultant, and head of investment consulting for defined contribution. Mr Hunt earned his degree in mathematics from Cambridge University. He has earned the right to use the CFA as well as FIA designations.

Frank Pizzo is a Managing Director and Regional President of Europe, the Middle East and Africa for Wells Fargo Bank. Mr Pizzo began his commercial banking career at Bank of America and subsequently J.P. Morgan and has been with Wells Fargo since 1998. Prior to his current role, Mr Pizzo served as head of Loan Syndications and High Yield Debt Capital Markets and was also responsible for the leveraged finance business. In 2013, Mr Pizzo became a board member of the Loan Sales and Trading Association and also served as a board member of the non-profit organisation Family House, which provides temporary housing for families of seriously ill children being treated at UCSF Benioff Children's Hospital. Mr Pizzo received a bachelor of science degree from Georgetown University.

Depository

By means of a depository agreement entered into by the Fund, the AIFM and BBH and effective as of 27 February 2015, as may be amended from time to time (the "Depository Agreement"), the Fund has appointed BBH as its depository bank.

The Depository shall exercise its functions and responsibilities in accordance with Part II of the 2007 Law and the AIFM Law. Its principal duties are as follows:

- a) Safe-keeping of the assets of the Fund that can be held in custody (including book entry securities) and record-keeping of assets that cannot be held in custody in which case the Depository must verify their ownership;
- b) Ensuring that the Fund's cash flows are properly monitored, and in particular ensuring that all payments made by or on behalf of investors upon the subscription of Shares of the Fund have been received and that all cash of the Fund has been booked in cash accounts that the Depository can monitor and reconcile;
- c) Ensuring that the issue, redemption and cancellation of Shares of the Fund are carried out in accordance with Luxembourg law and the Articles;
- d) Ensuring that the value of the Shares of the Fund is calculated in accordance with Luxembourg law, the Articles and the valuation procedures;
- e) Carrying out the instructions of the AIFM, unless they conflict with Luxembourg law or the Articles;

- f) Ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- g) Ensuring that the Fund's income is applied in accordance with Luxembourg law and the Articles.

In relation to the duties of the Depositary regarding custody as referred to in paragraph (a) above, and in respect only of Financial Instruments (as defined in article 1(51) of the AIFM Law) which may be held in custody, the Depositary shall, in accordance with the AIFM Law, be liable to the Shareholders for any loss of such Financial Instruments held by the Depositary or any delegate of the Depositary to whom safekeeping of assets services has been delegated (a "Sub-Custodian"), save to the extent that any such liability has been contractually delegated to a Sub-Custodian pursuant to article 11 and article 19(13) of the AIFM Law (which is not the case at the date of this Prospectus).

The Depositary shall delegate to a Sub-Custodian only such functions as are permitted to be delegated by the Depositary under the AIFM Law (i.e., safekeeping functions) and, regarding any such delegation, the Depositary shall adhere to the due diligence and supervisory requirements of the AIFM Law in the selection and ongoing monitoring of each Sub-Custodian.

In the event that no Sub-Custodian, in a particular jurisdiction, has, due to legal constraints in the law of that jurisdiction, been identified by the Depositary as being capable of fulfilling the delegation requirements of the AIFM Law, the AIFM shall ensure that the Shareholders are duly so informed prior to their investment and shall set out for the Shareholders the circumstances that, in the reasonable opinion of the Fund, justify such delegation.

In the event that the delegation requirements of the AIFM Law are not capable of being fulfilled by a Sub-Custodian after the Shareholder has invested in the Fund, the Fund shall also ensure that the Shareholders are informed of the legal constraints in the relevant law and of the circumstances that, in the reasonable opinion of the AIFM, justify such delegation.

Such information in respect of a Sub-Custodian shall be notified to Shareholders prior to the investments which require the appointment of such a Sub-Custodian). A list of the appointed Sub-Custodians shall be kept up-to-date and made available to the Shareholders at the registered office of the Fund. The Fund will provide the Shareholders with a description of the delegated safekeeping function(s) as well as the identification of the Sub-Custodian and any conflict of interest that may arise from such delegation(s).

The Depositary has not entered into arrangements to contractually discharge itself of liability in accordance with article 19(13) of the AIFM Law. If it is contemplated that the Depositary will discharge itself of liability in accordance with paragraph (13) of article 19 of the AIFM Law, the AIFM will inform the Shareholders of any changes with respect to the Depositary's liability without delay.

The Depositary and the Fund may terminate the Depositary Agreement at any time upon ninety (90) days' prior written notice. However, the breach of any material provision contained in the Depositary Agreement by either party shall entitle the other party to terminate the Depositary Agreement upon thirty (30) days' prior written notice, unless such breach is cured within such period. Upon any such termination, the Depositary shall take all necessary steps to preserve the interests of the Shareholders until a replacement depositary is appointed, such replacement to be appointed within two (2) months in accordance with the 2007 Law.

In the event of termination, the Fund or the AIFM is required to use its best endeavours to find a successor depositary. The Depositary may not be removed by the Fund until the Fund has appointed a replacement depositary.

Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent and Paying Agent

The Fund has appointed BBH as its Administrative Agent, its Domiciliary Agent, its Corporate Agent, its Listing Agent, its Registrar and Transfer Agent and its Paying Agent by means of an administration agreement effective as of 27 February 2015, as may be amended from time to time (the "Administration Agreement").

BBH, the AIFM and the Fund may terminate the Administration Agreement at any time upon ninety (90) days' prior written notice. However, the breach of any material provision contained in the Administration Agreement by either party shall entitle the other parties to terminate the Administration Agreement upon thirty (30) days' prior written notice, unless such breach is remedied within such period.

Administrative Agent

In its capacity as Administrative Agent, BBH is responsible for the administration of the Fund and in particular for the determination of the Net Asset Value of the Shares, for the maintenance of the accounts of the Fund, the safekeeping of the corporate documents of the Fund and providing the administrative support for the Fund.

The Administrative Agent is also responsible for arranging the provision of the annual report of the Fund. In compliance with usual banking practices in Luxembourg, the Administrative Agent may, pursuant to its responsibility and in good faith, delegate part or all of the services to be performed as administrative agent to other institutions or service providers of good standing. Such delegation requires the consent of the CSSF.

Domiciliary Agent

As Domiciliary Agent, BBH has permitted the Fund to establish its registered office at 80, Route d'Esch, L-1470 Luxembourg and shall provide various corporate services.

Corporate Agent

As Corporate Agent, BBH is responsible for preparing the annual general Shareholders' meeting of the Fund and maintaining the Fund's register of Shareholders.

Listing Agent

As Listing Agent, BBH shall be responsible for maintaining the Shares on the official trading list of the Luxembourg Stock Exchange, if and when applicable.

Registrar and Transfer Agent

In its capacity as Registrar and Transfer Agent, BBH is responsible for all registrar and transfer agent duties required by Luxembourg law, including processing the issue, redemption, cancellation and transfer of the Shares of the Fund and for the maintenance of records. The Registrar and Transfer Agent is in charge of

providing and supervising services with regard to the dispatch of statements, reports, notices, announcements, proxies and other documents to the Shareholders of the Fund.

The Registrar and Transfer Agent must ensure that appropriate shareholder identification procedures and controls are in place and applied as stipulated by Luxembourg money laundering and terrorism financing prevention legislation.

Paying Agent

As Paying Agent, BBH shall act, for the account of the Fund, in connection with the payment to the Shareholders of any amounts in relation to the holding of Shares in the Fund in respect of a Sub-Fund, including the payment of dividends and other distributions.

Valuation Agent

Wells Fargo Funds Management, LLC has been appointed by the AIFM as the external valuation agent of the Fund.

In its capacity as Valuation Agent, Wells Fargo Funds Management, LLC is responsible for the valuation of the assets of the Fund.

The Valuation Agent and the Fund may terminate the Valuation Agency Agreement at any time but not less than three (3) months prior to the date upon which such termination becomes effective. However, the breach of any material provision contained in the Valuation Agency Agreement by either party shall entitle the other party to terminate the Valuation Agency Agreement upon thirty (30) days' prior written notice, unless such breach is remedied within such period.

Auditors

Deloitte Audit S.à r.l. has been appointed as approved statutory auditor of the Fund and will audit the Fund's annual financial statements.

The Auditor must carry out the duties provided by the 2007 Law and the AIFM Law. In this context, the main obligation of the Auditor is to audit the accounting information contained in the Fund's annual report.

The Auditor is also subject to certain reporting duties vis-à-vis the regulators as more fully described in the AIFM Provisions and the 2007 Law.

Distribution

It is anticipated that the Shares will be distributed to Eligible Investors by way of private placement in certain key jurisdictions outside the EU/EEA. Distribution in certain EU/EEA jurisdictions will be carried out under the appropriate passport and notification procedure and subject to local marketing rules.

Wells Fargo Asset Management Luxembourg S.A. ("WFAML"), the Investment Manager, Wells Fargo Funds Distributor, LLC ("WFFD"), Wells Fargo Securities International Limited ("WFSIL") and Wells Fargo Bank, N.A. Hong Kong ("WFBHK") are affiliates of Wells Fargo & Co. The Fund, the Investment Manager and WFAML have entered into a Global Placement Agreement pursuant to which WFAML acts as global distributor for the Fund, may receive compensation from the Investment Manager for its activities as

such and may engage sub-distributors. WFAML has engaged WFFD, WFSIL and WFBHK as sub-distributors and WFFD, WFSIL and WFBHK may receive compensation from WFAML for their activities as such.

Shareholders' Rights against Service Providers

Shareholders are not parties to the contracts entered into on behalf of the Fund with any service provider mentioned in this Prospectus. Therefore, they hold no rights against service providers and can only direct complaints and lawsuits, arising out of or in connection with the obligations of the service providers, against the Fund itself.

9. FEES AND EXPENSES

AIFM fee

The AIFM is entitled to receive an annual fee of up to 0.05 per cent. of the Fund's Net Asset Value, subject to a minimum fee of Euro 30,000 per annum. This fee is calculated as the average of the month-end Net Asset Value of the previous quarter and is invoiced quarterly in arrears. The AIFM is also entitled to a minimum annual fee of Euro 18,000 per Sub-Fund for risk management and monitoring services relating to AIFM services. Potential additional licence fees will be borne by the Fund or the Investment Manager and information on the license fees payable by the Fund will be available at the registered office of the Fund. In addition to the foregoing, for AIFMD reporting services, the Fund paid a one-off set-up fee and pays fees for each report prepared and submitted by the AIFM.

Management fee

The management fee to be levied and paid to the Investment Manager for each Sub-Fund or Class is specified in the relevant Appendix.

Performance fee

In order to provide an incentive to the Investment Manager, the Fund may pay an additional performance fee as indicated in the Appendix of the relevant Sub-Fund.

The performance fee (if applicable) shall be calculated and accrue and shall be payable as specified in the relevant Appendix.

The Investment Manager has agreed that management and performance fees due to it in relation to any Sub-Fund may be reduced as further detailed in the relevant Appendix.

Subscription Charge

The subscription charge to be levied for each Sub-Fund or Class (if applicable) is specified in the relevant Appendix.

Depository

The depository fees to cover the services of the Depository for each Sub-Fund are specified in the relevant Appendix.

Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent and Paying Agent

The administrative, domiciliary, corporate, listing, registrar and transfer agency and paying agency fees to cover the services of the Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent and Paying Agent for each Sub-Fund are specified in the relevant Appendix.

Valuation Agent

The Valuation Agent shall be paid a fee of maximum Euro 25,000 per annum.

Launch costs

The Fund will pay its formation expenses, including the costs and expenses of producing the initial Prospectus, and the legal and other costs and expenses incurred in determining the structure of the Fund. These expenses will be apportioned pro rata to the initial Sub-Fund and amortised for accounting purposes over a period of five years. Amortised expenses may be shared with new Sub-Funds at the discretion of the Board. Costs in relation to the launch of any additional Sub-Fund will be charged to such additional Sub-Fund and will be amortised over a period of five years from the launch of the relevant Sub-Fund.

Other expenses

The Fund will further pay all administrative expenses of the Fund due or accrued, including all fees payable to any Directors, representatives and agents of the Fund, the cost of its registration with regulatory authorities, as well as legal, audit, management, corporate fees and expenses, the cost of legal publications, prospectuses, financial reports and other documents made available to Shareholders, marketing and advertisement expenses and generally any other expenses arising from the administration of the Fund.

10. DISTRIBUTION POLICY

The dividend policy of each Sub-Fund and Class is described in the relevant Appendix.

No distribution may be made if, as a result, the Net Asset Value of the Fund would fall below Euro 1,250,000.

Interim dividends may be distributed as the Board may determine in compliance with applicable law.

11. PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended), as well as regulations and circulars of the supervisory authority, obligations have been imposed on all professionals of the financial sector to prevent the use of UCIs for money laundering and financing of terrorism purposes. As a result of such provisions, the Administrative Agent must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Administrative Agent may require subscribers to provide any document they deem necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted. Neither the Fund nor the AIFM nor the Administrative Agent can be held liable for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

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

12. TAXATION

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold or dispose of Shares and is not intended as tax advice to any particular Investor, including prospective Investors. Prospective Investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than Luxembourg.

Taxation of the Fund

In Luxembourg, the Fund is not subject to taxation on its income, profits or gains. The Fund is not subject to net wealth tax.

A Euro 75 registration tax was paid upon incorporation and is payable each time the Articles are amended. No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of Shares.

The Fund is subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.01 per cent. per annum based on the net asset value of the Fund at the end of the relevant quarter, calculated and paid quarterly.

Subscription tax exemption applies to (i) the Fund's investments in other UCIs, which have already borne the Luxembourg subscription tax, (ii) SIFs as well as individual compartments with multiple compartments whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions, and the weighted residual portfolio maturity of which does not exceed 90 days, and which have obtained the highest possible rating from a recognised rating agency, (iii) SIFs whose securities are reserved for institutions for occupational retirement provision, and (iv) SIFs as well as individual compartments whose main object is the investment in microfinance institutions.

Withholding tax

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the source countries. The Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Fund may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of the withholding tax rate.

Distributions made by the Fund are not subject to withholding tax in Luxembourg.

Taxation of Shareholders

Luxembourg resident individual Investors

Capital gains realised on the sale of the Shares by Luxembourg resident individuals Investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold before or within 6 months from their subscription or purchase; or
- (ii) the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller, alone or with his/her spouse and underage children, has participated either directly or indirectly at any time during the five years preceding the date of the disposal in the ownership of more than 10% of the capital or assets of the company.

Distributions made by the Fund will be subject to income tax.

Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective maximum marginal tax rate of 43.6%. An additional temporary income tax of 0.5% (*impôt d'équilibrage budgétaire temporaire*) will be due by Luxembourg individuals subject to the Luxembourg State social security scheme in relation to their professional and capital income.

Luxembourg resident corporate Investors

Luxembourg resident corporate Investors will be subject to corporate taxation at the rate of 29.22% (in 2016 for entities having the registered office in Luxembourg-City) on the distribution received from the Fund and the gains received upon disposal of the Shares.

Luxembourg resident corporate Investors who benefit from a special tax regime, such as, for example, (i) undertakings for collective investment subject to the 2010 Law, (ii) specialized investment funds subject to the 2007 Law, or (iii) family wealth management companies subject to the law of 11 May 2007 related to family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realized thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Investors except if the holder of the Shares is (i) an undertaking for collective investment subject to the 2010 Law, (ii) a vehicle governed by the law of 22 March 2004 on securitization, (iii) a company governed by the law of 15 June 2004 on venture capital vehicles, (iv) a specialized investment fund subject to the 2007 Law or (v) a family wealth management company subject to the law of 11 May 2007 related to family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced rate of 0.05% is due for the portion of the net wealth tax exceeding Euro 500 million.

Non Luxembourg resident Investors

Non-resident individuals or collective entities that do not have a permanent establishment in Luxembourg to which the Shares are attributable are not subject to Luxembourg taxation on capital gains realized upon disposal of the Shares nor on distributions received from the Fund, and the Shares will not be subject to net wealth tax. The additional temporary income tax of 0.5% (*impôt d'équilibrage budgétaire temporaire*) will be also due by individuals subject to the Luxembourg State social security scheme in relation to their professional and capital income.

EU Tax Considerations

On 10 November 2015, the European Council adopted Council Directive (EU) 2015/2060 repealing Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments of 3 June 2003 (the

"Savings Directive") from 1 January 2017 for Austria and from 1 January 2016 for all other EU member states (i.e. the Savings Directive will no longer apply once all the reporting obligations concerning the calendar year 2015 will have been complied with.

Under the Savings Directive, EU member states are required to provide the tax authorities of another EU member state with information on payments of interest or other similar income (within the meaning of the Savings Directive) paid by a paying agent (within the meaning of the Savings Directive) to an individual beneficial owner who is a resident, or to certain residual entities (within the meaning of the Savings Directive) established, in that other EU member state.

Under the Luxembourg laws dated 21 June 2005, implementing the Savings Directive, as amended by the Law of 25 November 2014, and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU ("Territories"), a Luxembourg-based paying agent is required as from 1 January 2015 to report to the Luxembourg tax authorities the payment of interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain residual entities resident or established in another EU member state or in the Territories, and certain personal details on the beneficial owner. Such details will be provided by the Luxembourg tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner (within the meaning of the Savings Directive).

Automatic Exchange of Information

The OECD has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI") on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States. For Austria, the Euro-CRS Directive applies the first time by 30 September 2018 for the calendar year 2017, i.e. the Savings Directive will apply one year longer.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law"). The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Fund may require its Investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a Shareholder and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the CRS Law.

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to

implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

The Fund reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

Investors in the Fund may therefore be reported to the Luxembourg and other relevant tax authorities in accordance with applicable rules and regulations.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

US Tax Considerations

The following discussion of US federal income tax is not intended as a substitute for careful tax planning. It does not address all of the relevant tax principles that will apply to the Fund and its Investors. In particular, it does not discuss the tax principles of countries other than the United States or Investors other than US tax-exempt Investors. Prospective Investors in the Fund are urged to consult their professional advisers regarding the possible tax consequences of an investment in the Fund in light of their own situations. In particular, rates and bases of taxation may be subject to change.

More specifically, the disclosure of US federal income tax issues contained in this Prospectus is limited to the US federal tax issues addressed herein. Additional issues may exist that are not addressed in this disclosure and that could affect the US federal tax treatment of the matters that are the subject of this disclosure. The following summary was not intended or written to be used, and cannot be used, for the purpose of avoiding US federal, state, or local tax penalties. The following summary was written in connection with the promotion or marketing by the Fund of the Shares. ACCORDINGLY, PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR TAX ADVISERS WITH RESPECT TO THE US FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF INVESTING IN THE SHARES, AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION TO WHICH THEY MAY BE SUBJECT.

Taxation of the Fund and its Subsidiaries

The Fund (which intends to be treated as an association taxable as a corporation for US federal income tax purposes) and any Subsidiary (which intends to be treated as a partnership for US federal income tax purposes, and thus does not expect to be subject to US federal income tax) intend to structure their activities and investments in a manner such that they generally should not be deemed to be engaged in a trade or business in the United States for US federal income tax purposes and intend to take the position that they are not generally subject to US federal income tax on a net income basis. However, due to the possibility that a Subsidiary may invest in Senior Secured Obligations and other debt instruments in the US, there is a risk that such Subsidiary will be considered to be engaged in a US trade or business. Section 864(b)(2) of the Internal Revenue Code, as amended (the "Code"), and US Treasury Regulations Section 1.864-2(c)(2)(i) and (ii) provide that the term "trade or business within the United States" does not include trading in securities for a taxpayer's own account. This exception does not apply, however, if the taxpayer is a dealer in stock or securities. Such Subsidiary should not be considered a dealer in stock or securities (as defined in US Treasury Regulations Section 1.864-2(c)(2)(iv)) because it will trade only for its own account and will not purchase and sell securities to customers. However, investments by such Subsidiary directly in US bank loans or other US debt instruments and in partnerships (or entities or arrangements treated as partnerships for US tax purposes) engaged in a US lending trade or business (or other US trade or business), including

with respect to origination of US bank loans and purchases of US bank debt, may cause such Subsidiary to be considered to be engaged in a US trade or business. Further, should such Subsidiary be deemed to be engaged in a US trade or business, the Fund will also be deemed to be so engaged. If the Fund and its respective Subsidiary is determined to be engaged in a trade or business in the United States for federal income tax purposes either by reason of its activities or investments, and the Fund or such Subsidiary has taxable income that is treated as effectively connected with its US trade or business ("ECI"), the Fund would be subject under the Code to the regular US federal corporate income tax (and possibly state and local taxes) on ECI allocated to it by such Subsidiary (and possibly a 30 per cent. branch profits tax on after-tax income as well) and the Fund and such Subsidiary would be required to file US tax returns (and possibly state and local tax returns as well). The imposition of such taxes would materially affect the Fund's financial ability to make distributions with respect to the Shares and would adversely affect the value of the Shares. Moreover, if the Fund's Subsidiary is treated as an association taxable as a corporation and as engaged in a trade or business in the United States for federal income tax purposes, such Subsidiary could be subject to US federal income tax on a net income basis (and possibly a 30 per cent. branch profits tax), such Subsidiary could be obligated to file a US federal income tax return, and the amounts available for such Subsidiary to distribute to the Fund may be reduced. The balance of this summary assumes that the Fund and any of its Subsidiaries are not treated as engaged in a US trade or business and, therefore, neither the Fund nor any of its Subsidiaries is subject to US federal income tax on its net income.

Withholding Taxes

A withholding tax generally will be imposed on the Fund's allocable share of any taxable income of any of its Subsidiaries treated as partnerships for US income tax purposes that is ECI, if any, whether or not such income is distributed by the Subsidiary. Such withholding tax may be claimed as a credit against the Fund's US federal income tax liability.

For income that is not ECI, the Fund is generally subject to withholding at the rate of 30 per cent. (subject to reduction under an applicable tax treaty) on all US source fixed, determinable, annual or periodic income (such as dividend income and interest income), other than interest on bank deposits or interest that qualifies for the "portfolio interest exemption" pursuant to Section 871 or 881 of the Code which is not subject to withholding.

Payments received by the Fund directly or through its allocable share of income of any of its Subsidiaries from debt securities issued by an issuer will not qualify for the portfolio interest exemption if the Fund (i) owns, actually or constructively, shares of such issuer's stock that represents at least 10 per cent. of the total combined voting power of all classes of the issuer's stock entitled to vote, (ii) is a "controlled foreign corporation" that is related, directly or indirectly, to such issuer through sufficient stock ownership, or (iii) the amount of the payment on a debt security is determined by reference to any receipts, sales or other cash flow, income or profits, change in value of any property of, or dividend or similar payment made by, the issuer of such debt security or a person related to such issuer.

Interest, dividend and other income realized by the Fund or any of its Subsidiaries from non-US sources, and capital gains realized on the sale of securities of non-US issuers, may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced. It is impossible to predict the rate of foreign tax the Fund or any of its Subsidiaries will pay since the amount of the assets to be invested in various countries and the ability of the Fund or any of its Subsidiaries to reduce such taxes, are not known. However, the Investment Manager will reasonably try to minimize the withholding taxes suffered in respect of such investments.

US Real Property Investments

The Foreign Investment in Real Property Tax Act of 1980, as amended, imposes a tax on gain realized on disposition by a non-US person (such as the Fund) of a "United States real property interest" ("USRPI") by treating such gain as ECI, and thus subject to US income tax at graduated rates applicable to US persons. The Fund (through its investment in any Subsidiary) will be subject to tax on its allocable portion of gain from the sale of a USRPI by any Subsidiary as if such income were ECI. Subject to limited exceptions, withholding at the maximum ordinary tax rate is required with respect to the Fund's direct or indirect disposition of a USRPI. However, because the Fund does not expect to invest in any USRPIs either directly or through its investment in any Subsidiary, the USRPI rules described herein are not expected to apply (although no assurance can be provided in this regard).

Taxation of Non-US Investors

Subject to the discussion below regarding the Foreign Account Tax Compliance Act, or FATCA, non-US Persons (within the meaning of the Code) generally will not be subject to US federal income taxation on their receipt of distributions from the Fund or upon a sale of Shares.

Special rules may apply in the case of non-US investors that: (i) have an office or fixed place of business in the US to which a distribution or gain in respect of Shares is attributable, (ii) are former citizens or residents of the US, (iii) are controlled non-US corporations of US investors, non-US insurance companies that hold Shares in connection with their US businesses or corporations which accumulate earnings to avoid US federal income tax, or (iv) are non-resident individuals present in the US one hundred eighty-three (183) days or more during a calendar year. Such persons in particular are urged to consult their own US tax advisers before investing in the Fund.

Taxation of US Tax-Exempt Investors

It is anticipated that some Shares may be acquired by US persons (as defined under the Code) that are exempt from US federal income tax pursuant to Section 501 of the Code. These Investors may be required to report as taxable income any unrelated business taxable income ("UBTI") that arises as a result of an investment in the Fund. UBTI is defined as the gross income from any trade or business unrelated to the tax-exempt business of the entity. If and to the extent that the UBTI, from all sources, of an Investor that is such an Investor, less its allocable share of deductions directly connected with carrying on any such trade or business, exceeds US\$1,000 in any year, such an Investor would incur tax liability with respect to the excess as UBTI at tax rates that would be applicable if such organization were not otherwise exempt from taxation.

UBTI generally does not include interest and dividend income, or gain on the sale, exchange or other disposition of assets held for investment. Income from "debt-financed property" (such as gain from the sale of securities purchased on margin), however, will constitute UBTI to US tax-exempt Investors in the percentage that such property is subject to "acquisition indebtedness" (the percentage that the average acquisition indebtedness respecting such property during the year bears to the taxpayer's average adjusted basis for such property for such year). Accordingly, since the Fund intends to be treated as an association taxable as a corporation for US federal income tax purposes, thereby preventing leverage by the Fund or any of its Subsidiaries from being attributed to Investors, an investment in Shares should not give rise to UBTI for such a tax-exempt Investor unless that Investor finances its purchase of Shares. Prospective Investors that are tax-exempt US persons therefore are cautioned against financing purchases of Shares, because the acquisition financing of Shares may result in the realization of UBTI.

Information Reporting and Backup Withholding

A US person (as defined under the Code) that owns 10 per cent. or more (taking into account certain attribution rules) of either the combined voting power or the total value of the shares of a non-US corporation such as the Fund (a "10 per cent. US Owner") will be required to file an information return with the US Internal Revenue Service ("IRS") for the year in which such person becomes a 10 per cent. US Owner and for years in which certain changes in stock ownership occur with respect to such person. The information return includes certain disclosure regarding the filing Investor, other Investors and the Fund. The Fund has not committed to provide the information about the Fund or its Investors needed to complete the return.

In addition, US Treasury Regulations require certain information to be reported by any US person who transfers cash to a non-US corporation where either (i) immediately after the transfer such person is a 10 per cent. US Owner, or (ii) the amount of cash transferred by such person and certain related persons during the 12-month period ending on the date of the transfer exceeds US\$100,000. The information required to be reported includes disclosure regarding the transferor and a general description of the transfer and the consideration received. A US person who fails to report such information to the IRS could be required to pay a penalty equal to 10 per cent. of the gross amount paid for the Shares (subject to a maximum penalty of US\$100,000, except in cases of intentional disregard to such reporting obligation).

Under Code Section 6038D, individuals that are US persons must file certain information with their annual US federal income tax returns regarding interests they hold in non-US entities or accounts worth more than \$50,000 at any time during the year. The Code Section 6038D reporting obligation also applies to certain US entities with interests in such non-US entities or accounts; however, such US entities are not currently required to comply with the reporting obligation. It is expected that certain US entities will be required to comply in the future. Prospective investors are urged to consult their own tax advisors regarding the application of these reporting requirements and potential application of penalties under such rules.

Under certain circumstances, information reporting to the IRS may be required with respect to distributions and sales proceeds derived from the Shares by US persons other than corporations or other exempt recipients. In addition, a "backup" withholding tax may be imposed on such distributions and sale proceeds if non-exempt US persons fail to provide certain identifying information (such as the Investor's taxpayer identification number) to the Fund or its paying agent. Non-US persons may be required to comply with applicable certification procedures in order to establish their exemption from such information reporting requirements and backup withholding tax.

Foreign Account Tax Compliance Act

US legislation enacted in 2010 (referred to as the Foreign Account Tax Compliance Act, or "FATCA") generally imposes a withholding tax of 30 per cent. on "withholdable payments" made to a "foreign financial institution" unless the foreign financial institution enters into an agreement with the IRS to collect and provide to the IRS on an annual basis substantial information regarding its US account holders (which includes certain equity and debt holders as well as certain account holders that are non-US entities with US owners), the foreign financial institution complies with an applicable intergovernmental agreement between the United States and the country of residence of the foreign financial institution (an "IGA") or an exception applies. In addition, the agreement with the IRS and some IGAs may require the foreign financial institution to seek a waiver from its account holders of any law that would prevent disclosure of the relevant information to the IRS or, if such waiver is not obtained, close the relevant account. If a foreign financial institution enters into such an agreement or complies with such an IGA but is unable to obtain the relevant

information from its direct and indirect account holders or owners on an annual basis, the foreign financial institution will be required to withhold 30 per cent. of any withholdable payment allocable to such account holders, and there is a risk that the IRS may determine that a foreign financial institution is not in compliance with its agreement or such IGA, resulting in the foreign financial institution becoming subject to the 30 per cent. withholding tax on all of the withholdable payments made to it. The term "withholdable payment" includes any payment of (i) interest or dividends, rents, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, and other fixed or determinable annual or periodical gains, profits and income (a "FDAP Payment") and (ii) the gross proceeds of a disposition of stock (including a liquidating distribution from a corporation) or debt instruments (a "Proceeds Payment"), in each case with respect to any US investment. It is not yet clear whether and to what extent the gross proceeds from the disposition of an interest in a partnership or limited liability company will be treated as a withholdable payment. A "foreign financial institution" is generally any non-US entity that (a) accepts deposits in the ordinary course of business, (b) holds financial assets for the account of others as a substantial portion of its business, or (c) is engaged primarily in the business of investing or trading in securities or partnership interests. The legislation will also generally impose a withholding tax of 30 per cent. on withholdable payments made to a non-US entity that is not a foreign financial institution unless such entity provides the withholding agent with certification identifying the substantial US owners of the entity, which generally includes any US person who directly or indirectly owns more than 10 per cent. of the entity, or an exception applies. Withholding with respect to US source FDAP Payments began on 1 July 2014 and withholding with respect to US source Proceeds Payments will begin on 1 January 2019.

On 28 March 2014, the United States and Luxembourg governments concluded an IGA ("Luxembourg IGA") in order to facilitate compliance of Luxembourg financial institutions, such as the Fund, with FATCA and avoid the above-described US withholding tax. The Fund would hence have to comply with such Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA.

Additional IGAs have been entered into or are under discussion between other jurisdictions and the United States. Different rules than those described above may apply depending on whether a payee is resident in a jurisdiction that has entered into an IGA to implement FATCA.

In order to avoid incurring withholding tax on withholdable payments, the Fund will be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("reportable accounts"). Any such information on reportable accounts provided to the Fund will be reported to the Luxembourg tax authorities, which in turn will report that information to the IRS, in order to comply with the FATCA Law and the Luxembourg IGA.

The Fund intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30 per cent. withholding tax with respect to its share of any such payments attributable to actual and deemed US investments of the Fund.

To ensure the Fund's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Fund may:

- a. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Shareholder's FATCA status;
- b. report information concerning a Shareholder and his account holding in the Fund to the Luxembourg

tax authorities if such account is deemed a US reportable account under the FATCA Law and the Luxembourg IGA;

- c. report information to the Luxembourg tax authorities concerning payments to account holders with the FATCA status of non-participating foreign financial institution; and
- d. deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the Luxembourg IGA (if applicable, from 2017 or later).

Shareholders will therefore be required to provide, and permit the disclosure of, any tax and other information, certification and documentation that the Fund determines is necessary or advisable for compliance with the FATCA Law, the Luxembourg IGA and Luxembourg implementing legislation. The Fund expects to provide annual information to the Luxembourg tax authorities in respect of US reportable accounts and of non-participating foreign financial institutions.

Additionally, if an investment in the United States is made through an alternative investment vehicle organised outside the United States, such as a Subsidiary, persons that make a withholdable payment to the alternative investment vehicle generally would be required to impose a withholding tax of 30 per cent. on such payment unless the alternative investment vehicle complies with the applicable requirements discussed above (including obtaining required information from the investors that invest through the alternative investment vehicle).

An Investor (or, in the case of the investor that is not the beneficial owner of an interest in the Fund, its ultimate beneficial owner(s)), other than a foreign financial institution that is the beneficial owner of an interest in the Fund, generally will be able to credit the amount of any withholding tax against its actual US tax liability (if any) and claim a refund of any amount of such withholding tax in excess of its actual US tax liability. However, a beneficial owner of an interest in the Fund that is itself a foreign financial institution will not be able to obtain a refund or credit with respect to amounts properly withheld under these new rules except to the extent that the refund or credit relates to the reduced rate of tax pursuant to an applicable treaty. In either case, to claim a refund or credit, an investor (or, in the case of an investor that is not a beneficial owner of the interest in the Fund, its ultimate beneficial owner(s)) will be required to (i) file a US tax return establishing that it is entitled to the claimed refund or credit, (ii) obtain a US taxpayer identification number if it does not already have one, and (iii) provide information to the IRS regarding whether it has owners that are US persons.

The scope and application of this legislation, as well as the FATCA Law and the Luxembourg IGA (and any other IGA), is complicated and subject to continuing interpretation and review, and only preliminary guidance has been issued by the IRS (including final and temporary US Treasury Regulations under Code Section 1471 through 1474) and by the Luxembourg tax authorities (through administrative circulars) on these issues. The IRS may promulgate rules and additional guidance (which may include additional US Treasury Regulations or new guidance on IGAs, including the Luxembourg IGA) regarding the withholding provisions prior to their effective date. Further, the Luxembourg government (or any other government that enters into an IGA) may issue guidance regarding the Luxembourg IGA (or such other IGA). Such rules and guidance may change or supplement the requirements set out above.

PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE IMPLICATIONS OF THE LEGISLATION ON THEIR INVESTMENT IN THE FUND.

Taxation of Non-US Tax-Exempt Investors

A discussion of the US federal income tax considerations for other Investors that are US persons for US federal income tax purposes is outside the scope of this Prospectus. No tax reporting information will be required to be furnished to such other US Investors.

13. ERISA CONSIDERATIONS

This summary does not include all of the fiduciary investment considerations relevant to investors subject to ERISA and/or Section 4975 of the Code and should not be construed as legal advice or a legal opinion. Prospective Investors should consult with their own counsel on these matters.

General

Most retirement and welfare benefit plans maintained by employers for employees are subject to ERISA. ERISA-covered plans include, among others, individual corporate employer-sponsored pension, profit-sharing and retirement savings (e.g., "401(k)") plans, "simplified employee pension" (or "SEP") plans (which are individual retirement accounts to which employers contribute for the benefit of employees), jointly trustee labor-management Taft-Hartley plans and plans established or maintained by tax-exempt entities.

ERISA does not cover plans established or maintained by government entities, certain church plans, non-US plans covering non-resident aliens or certain other plans excluded by statute. Plans not sponsored and maintained by employers for "employees" also are not subject to ERISA. These include individual retirement accounts ("IRAs") not sponsored or contributed to by an employer, so-called "Keogh" or "H.R.-10" plans covering only self-employed individuals (i.e., sole proprietors or partners) and corporate-sponsored plans covering only the corporation's sole shareholder and his or her spouse. These plans, however, (as well as plans subject to ERISA) are subject to the prohibited transaction excise tax provisions of Section 4975 of the Code.

Investment Considerations

The appropriate fiduciary of an employee benefit plan or investment vehicle holding "plan assets" proposing to invest in the Fund should consider whether such investment would be consistent with the terms of the plan's governing instrument and, if applicable, ERISA's fiduciary responsibility requirements. A fiduciary of a plan subject to ERISA should give appropriate consideration to, among other things, the role that an investment in the Fund would play in the plan's portfolio, taking into consideration whether the investment is designed reasonably to further the plan's purposes, the risk and return factors associated with the investment, the composition of the plan's total investment portfolio with regard to diversification, the liquidity and current return of the plan's portfolio relative to its anticipated cash flow needs, the projected return of the plan's portfolio relative to its objectives and limitations on the right of Investors to redeem all or a portion of their Shares or to transfer their Shares.

In addition, ERISA prohibits a fiduciary from causing the plan to engage in a transaction if the fiduciary knows or should know that such transaction constitutes, among other things, a direct or indirect sale or exchange of property between the plan and a party in interest or a transfer of plan assets to, or use of plan assets by or for the benefit of, a party in interest. Section 4975 of the Code imposes an excise tax on disqualified persons of plans subject to that Section (as described above) who participate in prohibited transactions substantially similar to those prohibited by ERISA. The Investment Manager believes that the Fund itself should not be considered a party in interest (or disqualified person) with respect to investing plans. The Investment Manager (and certain of its affiliates), however, may be deemed a party in interest (or disqualified person) of a plan with respect to which it provides investment management, investment advisory, or other services. Since the application of ERISA and Section 4975 of the Code depends upon the particular facts and circumstances of each plan, the appropriate fiduciary should consult its own advisers to determine whether investment in the Fund would be prohibited by ERISA or Section 4975 of the Code. An

authorized fiduciary of each plan subject to the prohibited transaction restrictions of ERISA or Section 4975 of the Code will be required to represent, and by making an investment in the Fund thereby does represent, that such investment will not violate such prohibited transaction restrictions.

The assets of the Fund will be invested in accordance with the investment policies and objectives described in this Prospectus. The appropriate fiduciary of each plan is responsible for ensuring that an investment in the Fund by such plan meets all applicable requirements of ERISA and Section 4975 of the Code in the specific context of the particular plan. An authorized fiduciary of each employee benefit plan proposing to invest in the Fund will be required to represent, and by making an investment in the Fund thereby does represent, that it has been informed of and understands the Fund's investment objectives, policies and strategies and that the decision to invest plan assets in the Fund is consistent with the provisions of applicable law, including ERISA and Section 4975 of the Code. Plans should consult their own advisers regarding these matters before investing in the Fund.

"Plan Assets"

The US Department of Labor has published a regulation (the "DOL Regulation") describing when the underlying assets of an entity, such as the Fund, in which "Benefit Plan Investors" invest constitute "plan assets" within the meaning of ERISA (including, without limitation, pursuant to the regulations promulgated thereunder) and Section 4975 of the Code. "Benefit Plan Investors" include employee benefit plans subject to Title I of ERISA, any plan to which Section 4975 of the Code applies (e.g., IRAs) and any entity whose underlying assets include plan assets by reason of a plan's investment in such entity. Governmental plans (including public pension plans) and non-US plans do not constitute Benefit Plan Investors.

The DOL Regulation provides that, as a general rule, when a plan invests assets in another entity, the plan's assets include its investment, but do not, solely by reason of such investment, include any of the underlying assets of the entity. However, when a plan acquires an "equity interest" in an entity that is neither (i) a "publicly offered security," nor (ii) a security issued by an investment company registered under the Investment Company Act, then the plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that the entity is an "operating company" or the equity participation in the entity by Benefit Plan Investors is not "significant." Equity participation in an entity by Benefit Plan Investors is considered "significant" if twenty-five per cent. (25 per cent.) or more of the value of any class of equity interests in the entity is held by such Benefit Plan Investors.

Shares will not be publicly offered securities, the Fund will not register as an investment company under the Investment Company Act and the Fund will not qualify as an "operating company" within the meaning of the DOL Regulation. However, the Investment Manager may operate the Fund so as to limit investment in any class of equity interests in the Fund by Benefit Plan Investors to less than twenty-five per cent. (25 per cent.) of the aggregate value of such class of equity interests in the Fund (excluding investments by the Investment Manager and its affiliates) in order that the assets of the Fund are not deemed to be "plan assets" of its ERISA-Covered Investors. Investors should be aware that the Board may, in its sole discretion, cause the complete or partial redemption of any such Benefit Plan Investor to the extent necessary to prevent the assets of the Fund from being deemed "plan assets" subject to ERISA or the related excise tax provisions of the Code.

To the extent that twenty-five per cent. (25 per cent.) or more of any class of equity interests in the Fund is held by Benefit Plan Investors, the Fund will be deemed to hold the "plan assets" of its ERISA-Covered Investors. If the assets of the Fund are regarded as "plan assets," the Investment Manager could be deemed a "fiduciary" (as defined in ERISA) with respect to any Investor that is an employee benefit plan subject to

ERISA and would be subject to the obligations and liabilities imposed on fiduciaries by ERISA. Moreover, the Fund would be subject to various other requirements of ERISA and Section 4975 of the Code. In particular, the Fund would be subject to prohibitions on transactions with parties in interest and disqualified persons, and the Investment Manager could be subject to certain restrictions on self-dealing and conflicts of interest. In such case, the Fund and the Investment Manager may be precluded from engaging in certain transactions otherwise permitted to be engaged in by the Fund, including any transaction with a "party in interest" with respect to one or more investing plans that are subject to ERISA, unless an exemption applies.

Considerations for Non-Plan Investors

This summary does not include a discussion of any laws, regulations, or statutes that may apply to prospective Investors that are not employee benefit plans, such as state statutes that impose fiduciary responsibility requirements in connection with the investment of assets of governmental plans and other plans not subject to ERISA. Such Investors should consult their own professional advisers about these matters.

14. GENERAL INFORMATION

Reports

The financial year of the Fund ends on 31 March in each year.

Audited financial statements of the Fund made up to 31 March in each year will be prepared in Euro and will be available to Shareholders within six months from the end of the period to which they relate.

Copies of the latest annual report will be sent free of charge on request.

Meetings of Shareholders

The annual general meeting of Shareholders of the Fund will be held in accordance with Luxembourg law at the registered office of the Fund in Luxembourg or at any other place as specified in the notice of meeting on the twentieth (20) of August in each year at 5 p.m. (Luxembourg time) or, if not a Business Day, on the immediately preceding Business Day at the same time.

Notices of all general meetings, setting forth the agenda and specifying the time and place of the meeting and the conditions of admission thereto and referring to quorum and majority requirements, will be sent by post to Shareholders, at least 8 days prior to the meeting, to their addresses in the register of Shareholders.

Meetings of Shareholders of any given Sub-Fund or Class shall decide upon matters relating to that Sub-Fund or Class only.

Additional Information for Investors

The Net Asset Value, the historical performance, the subscription price and the Redemption Price for the Shares will be available for Investors at any time during business hours at the Fund's and the AIFM's registered office. The Fund's complete portfolio holdings will be made available to prospective Investors on a monthly, one-month delayed basis. The Fund's complete portfolio holdings may be provided with a shorter time delay to existing Shareholders who request such information, with such time delay being set by the Directors from time to time in the interest of the Fund and the Shareholders. Additionally, each Sub-Fund's complete portfolio holdings as of the Fund's fiscal year end shall be set forth in the Fund's annual reports. The Investment Manager may produce management commentaries that include analytical, statistical, performance or other information relating to a Sub-Fund, which may be provided to members of the press, Shareholders, potential Shareholders or their representatives. These commentaries may contain information related to portfolio holdings, but only in accordance with the policies set forth above.

As required by the AIFM Law, and to the extent only that such requirements are applicable, the Shareholders will be informed, by means of disclosure in the annual report of the Fund or, if the materiality so justifies, by means of a notification, of (i) the percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature, (ii) any new arrangements for managing the liquidity of the Fund, (iii) the total amount of leverage which the Fund has employed and (iv) any right of the reuse of collateral or any guarantee granted under any leveraging arrangement.

The Fund will also make available upon request at its registered office all information to be provided to investors under the AIFM Law, including: (i) all relevant information regarding conflicts of interest (such as the description of any conflict of interest that may arise from any delegation of the functions listed in

Appendix I of the AIFM Law or of any conflicts that must be communicated to investors under Articles 13.1 and 13.2 of the AIFM Law), (ii) the list of the Sub-Custodians used by the Depositary and (iii) the maximum amount of the fees that may be paid annually by the Fund.

Liquidation of the Fund – Liquidation or Amalgamation of Sub-Funds

Liquidation of the Fund

The Fund has been established for an unlimited period. However, the Fund may, at any time, be liquidated by a resolution of the general meeting of Shareholders taken in the same conditions that are required by law to amend the Articles. The Board may propose at any time to the Shareholders to liquidate the Fund.

Any decision to liquidate the Fund will be published in the *Mémorial*.

As soon as the decision to liquidate the Fund is taken, the issue, redemption or conversion of Shares in all Sub-Funds is prohibited and shall be deemed void.

The liquidation of the Fund will be conducted by one or more liquidators, who may be individuals or legal entities and who will be appointed by a meeting of Shareholders. This meeting will determine their powers and compensation.

Any liquidation of the Fund shall be carried out in accordance with applicable Luxembourg law. Luxembourg law specifies the steps to be taken to enable Shareholders to participate in the distribution of the liquidation proceeds and provides upon finalisation of the liquidation that the assets be deposited in escrow with the *Caisse de Consignation* to be held for the benefit of the relevant Shareholders. Amounts not claimed from escrow within the relevant prescription period of normally thirty (30) years will be liable to be forfeited in accordance with the provisions of Luxembourg law.

Liquidation or Amalgamation of Sub-Funds

The Sub-Funds may be established for a limited or unlimited period, as specified in the relevant Sub-Fund Appendix.

If the net assets of any Sub-Fund or Class fall below or do not reach an amount determined by the Board to be the minimum level for such Sub-Fund or such Class to be operated in an economically efficient manner or if a change in the economic or political situation relating to the Sub-Fund or Class concerned justifies it, the Board has the discretionary power to liquidate such Sub-Fund or Class by compulsory redemption of Shares of such Sub-Fund or Class at the Net Asset Value per Share determined as at the Valuation Date at which such a decision shall become effective. Unless the Board decides otherwise in the interest of, or in order to ensure equal treatment of, the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares free of redemption or conversion charges (but taking into account actual realisation prices of investments and realisation expenses).

Notwithstanding the powers conferred to the Board by the preceding paragraph, a general meeting of Shareholders of any Sub-Fund or Class may, upon proposal from the Board and with its approval, redeem all the Shares of such Sub-Fund or Class and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) determined as at the Valuation Date at which such decision shall take effect. There shall be no quorum requirements for such a

general meeting of Shareholders at which resolutions shall be adopted by simple majority of those present or represented.

Upon the circumstances provided above, the Board may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Fund or to another UCI, or to another sub-fund within such other UCI (the "new Sub-Fund") and to re-designate the Shares of the Sub-Fund 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 notified to the Shareholders concerned (and, in addition, the notification will contain information in relation to the new Sub-Fund), one month before the date on which the amalgamation becomes effective in order to enable Shareholders to request redemption or conversion of their Shares, free of charge, during such period. After such period, the decision commits the entirety of Shareholders who have not used this possibility, provided however that, if the amalgamation is to be implemented with a Luxembourg UCI of the contractual type ("*fonds commun de placement*") or a foreign-based UCI, such decision shall be binding only on the Shareholders who are in favour of such amalgamation.

Notwithstanding the powers conferred to the Board by the preceding paragraph, a contribution of the assets and liabilities attributable to any Sub-Fund to another Sub-Fund of the Fund or to another UCI (or to a sub-fund within such other UCI) may be decided upon by a general meeting of the Shareholders, upon proposal from the Board and with its approval, of the contributing Sub-Fund for which there shall be no quorum requirements and which shall decide upon such an amalgamation by resolution adopted by simple majority of those present or represented, except when such amalgamation is to be implemented with a Luxembourg UCI of the contractual type ("*fonds commun de placement*") or a foreign-based UCI, in which case resolutions shall be binding only on the Shareholders of the contributing Sub-Fund who have voted in favour of such amalgamation.

Potential Conflicts of Interest

The AIFM, the Investment Manager(s), the Depositary, the Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Paying Agent and Registrar and Transfer Agent, the Valuation Agent and their respective delegates, affiliates, directors, officers, and shareholders are, or may be involved in other financial, investment, and professional activities which may cause a conflict of interest with the management and administration of the Fund.

Each of the above-mentioned entities will respectively ensure that the performance of its respective duties towards the Fund and its Sub-Funds will not be impaired by any such involvement that each of the above-mentioned entities might have. If a conflict of interest does arise, the AIFM, and the relevant person(s) shall endeavour to ensure that the conflict is resolved fairly, within a reasonable time and in the interest of the Shareholders of the Fund and ensure that Shareholders' interests are safeguarded.

No contract or other transaction between the Fund and any other company or firm shall be affected or invalidated by the fact any one or more of the directors or officers of the Fund is interested in, or is a director, associate, officer, or employee of such other company or firm. Any director or officer of the Fund who serves as a director, officer or employee of any company or firm with which the Fund shall contract or otherwise engage in business shall not by reason of such affiliation with such other company or firm be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

If any director or officer of the Fund has an interest different to the interests of the Fund in any transaction of the Fund, such director or officer shall make known to the Fund such conflict of interest and shall not consider or vote on any such transaction, and such transaction and such director's or officer's interest therein shall be reported by the Fund to the next Shareholders meeting.

An affiliate of the Investment Manager has been appointed as the Valuation Agent by the AIFMD. This may give rise to a potential conflict of interest as the Investment Manager's remuneration is linked to the Net Asset Value of the Fund. The Valuation Agent has a valuation policy and procedures in place to mitigate any potential conflicts of interests. These include always using third party investment valuation sources and where such external data is not available, an internal valuations committee has been established that is independent of the portfolio managers involved in managing the portfolio.

Fair Treatment of Shareholders

Shareholders' rights are those described in this Prospectus, the Articles and the Application Form. The AIFM has established procedures, arrangements and policies to ensure compliance with the principles of fair treatment of Shareholders. The principles of treating shareholders fairly include, but are not limited to:

- a) Acting in the best interests of the Fund and of the Shareholders;
- b) Executing the investment decisions taken for the account of the relevant Sub-Fund in accordance with the objectives, the investment policy and the risk profile of the relevant Sub-Fund;
- c) Taking all reasonable measures to ensure that orders are executed to obtain the best possible result;
- d) Ensuring that the interests of any group of Shareholders are not placed above the interests of any other group of Shareholders;
- e) Ensuring that fair, correct and transparent pricing models and valuation systems are used for the Fund;
- f) Preventing undue costs being charged to the Fund and Shareholders;
- g) Taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of Shareholders; and
- h) Recognising and dealing with complaints fairly.

Notwithstanding the foregoing paragraph, it cannot be excluded that a Shareholder be given a preferential treatment in the meaning of, and to the widest extent allowed by, the AIFM Law. Whenever a Shareholder obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of Shareholders who obtained such preferential treatment and, where relevant, their legal or economic links with the Fund or the AIFM will be made available at the registered office of the AIFM within the limits required by the AIFM Law.

The AIFM maintains and operates organisational, procedural and administrative arrangements and implements policies and procedures designed to manage actual and potential conflicts of interest.

Documentation

A copy of the Articles, the Prospectus and the last published annual financial report may be obtained without cost on request by any Investor.

Copies of the material agreements mentioned in this Prospectus may be inspected during usual business hours on any Business Day at the registered office of the Fund.

Applicable Law and Jurisdiction

The Fund is governed by the laws of the Grand Duchy of Luxembourg.

By entering into an Application Form, the relevant Shareholder will enter into a contractual relationship governed by the Application Form, the Articles, the Prospectus and applicable laws and regulations.

The Application Form will be subject to the exclusive jurisdiction of the courts of Luxembourg to settle any dispute or claim arising out of or in connection with a Shareholder's investment in the Fund or any related manner.

According to Regulation (EU) 1215/2012 of 12 December 2012 of the European Parliament and of the Council on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, a judgment given in an EU member state shall, if enforceable in that EU member state, in principle (a few exceptions are provided for in Regulation (EU) 1215/2012) be recognised in the other EU member state without any special procedure being required and shall be enforceable in the other EU member states without any declaration of enforceability being required.

APPENDIX I – European Senior Secured Fund SICAV-SIF – Senior Secured Sub-Fund

to the Prospectus of
European Senior Secured Fund SICAV-SIF
relating to its
Senior Secured Sub-Fund
(the "*Senior Secured Sub-Fund*" or the "*Sub-Fund*")
dated May 2016

Information contained in this Sub-Fund Appendix should be read in conjunction with the full text of the Prospectus. The discussion in this Appendix treats the investment activities of the Asset Holding Vehicle as if they were the direct activities of the Sub-Fund.

In this Appendix the following definitions will have the following meanings:

- "Asset Holding Vehicle"** means European Senior Secured S.à r.l., a Soparfi and a 100 per cent. owned subsidiary of the Sub-Fund and incorporated under the laws of Luxembourg. The Asset Holding Vehicle was formed to serve as a centralized investment vehicle for the Sub-Fund and potentially for other "feeder funds" (together the "Funds"). The Asset Holding Vehicle qualifies as an AIF within the meaning of the AIFM Law. The Funds will invest in medium term notes (the "MTNs") issued by the Asset Holding Vehicle and the MTNs will provide the Funds with the net economic returns generated by the underlying asset pool of the Asset Holding Vehicle. For the avoidance of doubt the assets held by the Asset Holding Vehicle on behalf of the Funds are pooled and there is no segregation between the assets of the Sub-Fund and any other "feeder fund" which also uses the Asset Holding Vehicle as a centralised investment vehicle.
- "Dealing Date"** means each Valuation Date on which a Shareholder may subscribe, redeem or convert shares as further detailed herein.
- "Dividend Valuation Date"** means the Original Valuation Date (as defined below) falling in: (i) November of each year in relation to Total Return Classes of Shares; and (ii) January and July of each year in relation to all other Classes of Shares.
- "Valuation Date"** means the last Business Day in each calendar month (the "Original Valuation Date") and the third Monday of each calendar month and/or such other day(s) as the Directors may determine in their absolute discretion.

1. Investment Objective, Policies and Strategies

The investment objective of the Sub-Fund is to provide investors with periodic current income returns and capital appreciation from a portfolio of European and non-European issuers, corporations, partnerships and other business entities which operate in various industries and geographical regions. The Sub-Fund will seek to achieve these returns from Investments in primarily Senior Secured Obligations. Typically, Investments are selected where the Investment Manager considers that such obligations or other instruments offer superior yields and relative credit stability. There is no assurance that the Fund will achieve its investment objective or that Investors will not lose money.

The Sub-Fund manages the Investments so as to monitor individual obligor, country risk, maturity and asset type categorisation in order to avoid excessive concentrations of risk to protect against any significant effects from underperformance by any single Investment. In addition, the Sub-Fund may seek to mitigate a proportion of Market Risk from such Investments and to hedge generally against tail risk and systemic market shocks, in each case primarily through the swap market.

The Sub-Fund intends to acquire primarily Senior Secured Obligations not less than half of which are expected to be of European origin and credit risk. The Sub-Fund may also purchase other investments, subject to the restrictions below. Substantially all of these investments are expected to be in the form of loans bearing a floating rate of interest, and fixed or floating rate high yield bonds, and many of these can be expected to have been raised in connection with European and non-European leveraged buy-outs.

The Sub-Fund may hold Cash and Cash Equivalents, for example, pending suitable investment opportunities of the type described above.

Characteristics of Investments

There are, in summary and subject as provided under section 2 (*Investment Restrictions*) of this Appendix, two types of credit obligation in which the Sub-Fund will invest: (i) Senior Secured Obligations and (ii) obligations which are not Senior Secured Obligations.

Senior Secured Obligations will be either loans or high yield bonds. Loans will usually bear a floating rate and high yield bonds a floating or fixed rate of interest and in both cases will always be "cash pay" and may be denominated in any currency. Often the loans and high yield bonds that constitute the Senior Secured Obligations of an obligor group will exist alongside each other and share the senior security granted by the obligor group, meaning that the holders of such Senior Secured Obligations will have a first claim on the assets of the borrower group (save only that a borrower group with such Senior Secured Obligations will sometimes have also established a small revolving credit facility with a "super senior" claim which is not expected to exceed 10 per cent. of the total debt of such borrower group). The security granted will usually take the form of specific collateral, including, but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred shares of the obligor and its subsidiaries. In addition, Senior Secured Obligations, in particular if they are loans, will ordinarily benefit from a package of financial and other covenants provided by the obligors in favour of the lender investors. Substantially all of the Sub-Fund's Investments are expected to be in financial instruments that are rated below Investment Grade by Fitch, Moody's and Standard & Poor's.

Obligations that are titled as senior secured obligations but that are issued by a holding company and are structurally subordinated, such that there are other senior secured obligations with a prior claim over the main assets of the borrower group, will not be classified as Senior Secured Obligations.

Obligations which are not Senior Secured Obligations may also be bought from time to time in accordance with the Sub-Fund's investment restrictions set out below. These may also take the form of loans or high yield bonds. Examples of the former would be unsecured loans, second lien loans, mezzanine loans and PIK loans. Examples of the latter would be senior unsecured bonds, subordinated bonds, structurally subordinated senior secured bonds (as described above) and PIK notes. These instruments will either be unsecured or rank behind Senior Secured Obligations or both.

The use of credit default swap instruments is permitted to hedge or reduce tail risk and to protect the portfolio from systemic market shocks.

In addition, the Sub-Fund is able to enter into (i) interest rate swaps (e.g., fixed to floating rate obligations) and (ii) currency swaps (e.g., non-Euro obligations such as sterling and dollar currencies).

Risk Profile

In light of the Sub-Fund's investment strategy, the Sub-Fund may be appropriate for Investors who:

- Seek to receive periodic income and / or capital appreciation;
- Wish to invest in a portfolio of mainly sub-investment grade assets of diverse geographical and industrial origination.

There is the risk that a strategy used by the Investment Manager may fail to produce its intended result. The Sub-Fund is designed for long-term Investors. As the Sub-Fund invests mainly in sub-investment grade assets, Investors may experience increased share price volatility.

Certain Investment Risks

Credit Risks Associated with Debt Obligations

All debt obligations are subject to the risk of default. Default in the payment of interest or principal on a debt obligation results in a reduction of income, a reduction in the value of the debt obligation and a potential decrease in the value of the Investments.

Debt obligations may become non-performing for a variety of reasons and may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of the principal of the loan, the deferral of payments and/or further borrowings by the underlying obligor. In addition, additional expenses may be incurred to the extent it is necessary to seek recovery upon a default on a debt obligation or participate in the restructuring of such obligation. Debt obligations are often syndicated facilities and there is no assurance that the Sub-Fund will hold an interest in such a debt obligation that is sufficient to control creditor decisions.

In addition, the Investment Manager, which is responsible for managing the Sub-Fund's Investments, may be required from time to time to resolve conflicts of interest that occur as a result of the Sub-Fund (or another investment vehicle for which the Investment Manager acts) holding debt obligations at different levels of priority in an obligor or an obligor group's financial structure. This conflict of interest is likely to be magnified in a workout situation and, while the Sub-Fund will seek to ensure that such conflicts of interest are fairly resolved, there can be no assurance that such a conflict of interest will not exist and/or cause material prejudice to the Sub-Fund's ability to make appropriate returns on the Shares.

The risk of loss due to default of an obligor is also greater for the holders of subordinated debt obligations. Unsecured debt obligations may ordinarily be subject to the same risks as those described above enhanced by their lack of security over the assets of the obligor and/or obligor group.

Should increases in default rates occur with respect to the types of debt obligation in which the Sub-Fund invests, the actual default rates of the debt obligations in the portfolio may exceed the hypothetical default rates assumed by investors in determining whether to purchase any of the Shares.

Participations in respect of Debt Obligations

The Sub-Fund may acquire interests in debt obligations indirectly by way of Participation. In purchasing Participations, the Sub-Fund generally will have no right to enforce compliance by the obligor with the terms of the applicable debt agreement and the Sub-Fund may not directly benefit from the collateral supporting the debt obligation in respect of which it has purchased a Participation. As a result, the Sub-Fund could assume the credit risk of both the obligor and the institution selling the Participation.

Distressed and Defaulted Obligations

It may be difficult to obtain information as to the true condition of obligors in respect of distressed and defaulted obligations. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, recharacterise debt as equity or disenfranchise particular claims. Such companies' obligations may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. There is no assurance that the value of the assets collateralising the Sub-Fund's investments will be sufficient or that prospects for a successful reorganisation or similar action will become available. In any reorganisation or liquidation proceeding relating to a company in which the Sub-Fund invests, the Sub-Fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Sub-Fund's investments may not compensate the Shareholders adequately for the risks assumed. In addition, under certain circumstances, payments and distributions may be disgorged if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

Leverage Risk

A limited amount of borrowing for efficient portfolio management reasons is permitted under the Sub-Fund's investment restrictions. Leverage may be used in the short term against sales (in particular loan sales) which have been transacted but where settlement proceeds have not been received, and if trading counterparties fail to settle, any leverage incurred as described above may not be repaid immediately. The Sub-Fund will deal with multiple trading counterparties and is not subject to a limit on exposure to any single counterparty. Under normal market conditions, however, the Sub-Fund does not expect to use "cash leverage" (borrowing cash to make additional investments above total net assets) for investment purposes. Finally the Sub-Fund also expects to use derivative instruments, including, but not limited to, futures, swaps, forwards and options for hedging purposes, which may be considered to be "implied leverage" (and is not subject to the formal leverage restriction in the Sub-Fund's investment restrictions). (See also "*Risks*

Associated with Derivative Instruments" under the "Risk Factors" heading in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES" of the Prospectus.)

While leverage presents opportunities for improving the Sub-Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Sub-Fund would be magnified to the extent the Sub-Fund is leveraged. The cumulative effect of the use of leverage by the Sub-Fund in a market that moves adversely to the Sub-Fund's investments could result in a substantial loss to the Sub-Fund that would be greater than if the Sub-Fund were not leveraged.

Asset Holding Vehicle Arrangement

Smaller investment vehicles investing in the Asset Holding Vehicle may be materially adversely affected by the actions of larger investment vehicles investing in the Asset Holding Vehicle. For example, if a large investment vehicle redeems from the Asset Holding Vehicle, the remaining feeder funds may experience higher operating expenses, thereby producing lower returns, and significant redemptions could significantly affect the ability of the Asset Holding Vehicle to continue to operate. Similarly, the Asset Holding Vehicle's portfolio may become less diverse due to the redemption by a larger investment vehicle, resulting in increased portfolio risk. Furthermore, the Sub-Fund may not in fact realise any efficiencies or other cost savings as a result of its participation in such an arrangement, and such participation may actually result in additional expense.

General Risk Factors

Please refer to "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES" of the Prospectus for general risk factors which also apply to this Sub-Fund.

2. Investment Restrictions

The discussion in this Appendix treats the investment activities of the Asset Holding Vehicle as if they were the direct activities of the Sub-Fund.

Subject to the general investment restrictions laid down in the section of the Prospectus entitled "INVESTMENT RESTRICTIONS AND RISK MANAGEMENT," the Investment Manager is also subject to the following restrictions in relation to the investment of the proceeds of the issue of the Shares by the Sub-Fund.

The Sub-Fund is required to limit its Investments as follows, at the time of purchase:

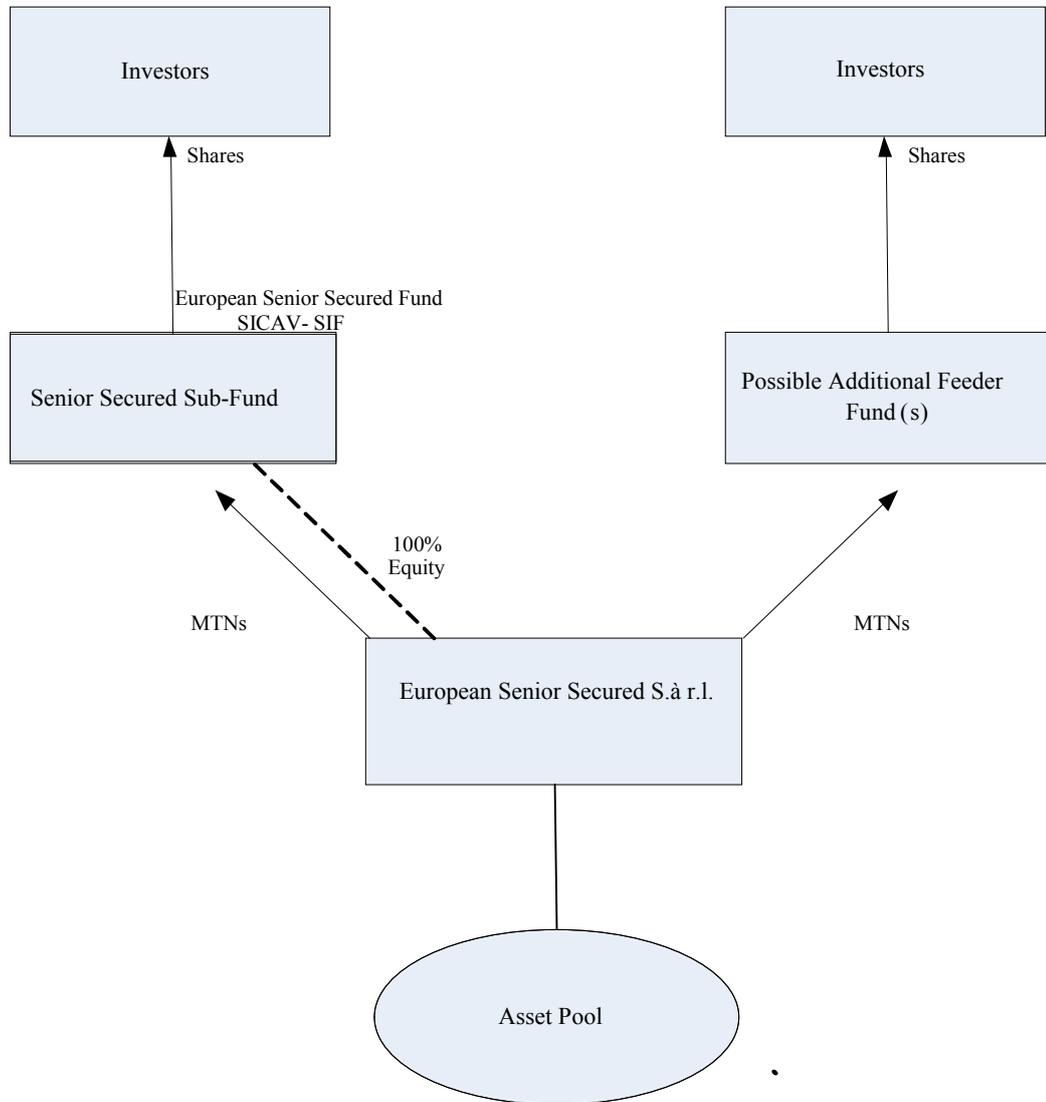
- (a) Not less than 85 per cent. of the NAV of the Sub-Fund will be invested in Senior Secured Obligations or Cash and Cash Equivalents.
- (b) All of the Investments are required to be rated at least B-/B3. Any Investment that ceases to be rated B-/B3 shall be sold by the Investment Manager within six months of its ceasing to be so rated. "Rated at least B-/B3" means that a relevant Investment will be rated at B-/B3 or better by not less than one of Standard & Poor's, Moody's and Fitch and that, where there is more than one rating and the ratings differ, (i) if there are two ratings then the applicable rating will be the lower of the two and (ii) if there are three ratings, the second highest rating.

- (c) Save as set out in paragraph (d) below, the Sub-Fund may not invest more than 5 per cent. of its NAV in any one obligor.
- (d) The Sub-Fund will not be restricted in respect of its acquisition of Cash and Cash Equivalents.
- (e) The Sub-Fund may incur a limited overdraft facility for efficient portfolio management reasons. Such overdraft facility may be used to borrow in the short term against sales (in particular loan sales) which have been transacted but where settlement proceeds have not been received and is not expected to exceed 10 per cent. (but may be utilized to a maximum of 30 per cent.) of the Sub-Fund's NAV.
- (f) The Sub-Fund may not incur leverage for performance enhancing purposes.
- (g) The Sub-Fund may use credit default swap, interest rate and foreign exchange instruments for hedging purposes.
- (h) The Sub-Fund will not invest more than 10 per cent. of its NAV into other collective investment schemes (UCITS, Alternative Investment Funds or otherwise).

The Sub-Fund may impose further limitations within the parameters of the investment restrictions set out above on the Investment Manager including, without limitation, with respect to risk concentration including exposures to industries and countries.

3. Sub-Fund Holding Structure

Substantially all of the assets of the Sub-Fund are held and invested by the Asset Holding Vehicle. The discussion in this Appendix treats the investment activities of the Asset Holding Vehicle as if they were the direct activities of the Sub-Fund. The structural relationship between the Asset Holding Vehicle and the Sub-Fund is as set out below.



The Asset Holding Vehicle will not be restricted from issuing MTNs to other regulated or unregulated fund vehicles.

4. Classes of Shares

A number of Classes of Shares have been created in the Sub-Fund to enable investors with different investment needs to access the same underlying investment portfolio details of which are set out in the Prospectus.

A complete list of available Classes and may be obtained at the registered office of the Fund and of the AIFM and will be sent to Investors upon request.

Shares are denominated and, if applicable, pay a dividend in the currency of denomination of the relevant Class, all as further explained under section 8 (*Dividend Policy*) of this Appendix.

All non-Euro Classes of Shares will be hedged Share Classes. The hedging strategies applied to these Shares aim to mitigate currency risk between the reference currency of the Sub-Fund and the currency of denomination of the hedged Share Class. There can be no assurance that full hedging can be achieved in all circumstances.

To enable investors with different investment needs to access the same underlying investment portfolio, further Classes may be created.

5. Reference currency

The reference currency of the Sub-Fund is the Euro.

The relevant currency of denomination of each Class of Shares is set out in the list of available Classes described in section 4 (*Classes of Shares*) of this Appendix.

6. Initial Offering Period

Classes of Shares are initially issued following an initial offering period, if any, at their initial issue price.

Subsequent subscription for Shares can be made on any Dealing Date and the subscription price for such Shares will be based on the current Net Asset Value per Share as at the relevant Valuation Date (all as further explained under section 9 (*Subscription and Clearing Time Limit*) of this Appendix).

7. Minimum Investment and Minimum Holding Requirement

The minimum amount of any initial investment and subsequent holding in this Sub-Fund is set out in the list of available Classes that may be obtained from your Wells Fargo representative, as noted in section 4 (*Classes of Shares*) of this Appendix; however, such minimum requirement amounts shall not apply to employees or affiliates of the Investment Manager or to the Directors (the "Exempt Investors") provided that an Exempt Investor has been certified to be an Other Well-Informed Investor.

Shares belonging to different Classes are added together for the purposes of the calculation of the minimum holding requirement.

If the minimum holding requirement is not maintained within the Sub-Fund due to a transfer, redemption or conversion of Shares, the Fund may compulsorily redeem the remaining Shares at their current Net Asset Value per Share and make payment of the proceeds thereof to the Shareholder.

8. Dividend Policy

Non-Distributing Classes

It is the Sub-Fund's policy not to pay any dividends to Shareholders of Non-Distributing Classes. Any returns associated with such Classes are reinvested in the relevant Class.

Distributing Classes

Other than in respect of Distributing Total Return Classes, it is the Sub-Fund's policy to pay Shareholders of Distributing Classes their proportionate entitlement to the net income of the Sub-Fund. Notwithstanding the above the Board are empowered to pay additional distributions where the Board believe this would be in the interests of the Shareholders as a whole, provided that as a consequence of such distribution the Fund does not fall below the legal minimum capital requirements.

Total Return Classes

It is the Sub-Fund's policy to pay to Shareholders of Total Return Distributing Classes a "total return" dividend calculated on a formulaic basis as being the higher return of the following:

- (A) the proportionate entitlement of Shareholders to the net income of the Sub-Fund (i.e., the standard dividend formulation for Distributing Classes);
- (B) 4.5 per cent. per annum, or such other return reasonably determined by the Directors, of the initial issue price of each Share; and
- (C) the increase in the Net Asset Value per Share as between the immediately preceding Dividend Valuation Date (or the Issue Date, if later) and the Dividend Valuation Date in respect of which the Dividend is due.

Shareholders shall be entitled to dividend payments (if any) based on their inscription in the Shareholders' register on the Dividend Valuation Date. Notwithstanding the differentiation between Distributing Classes and the Total Return Distributing Classes and Non-Distributing Classes, there is no differentiation in the allocation of absolute economic return of the Sub-Fund as between the separate Classes, which is made on the basis of a pro rata allocation based on each Class's respective Net Asset Value as at each Valuation Date.

Dividends in respect of Distributing Classes will be definitively calculated and will be paid in arrear nine Business Days following the relevant Dividend Valuation Date.

9. Subscription and Clearing Time Limit

After the end of any initial offering period, Shares will be issued at a price based on the Net Asset Value per Share determined as of the relevant Valuation Date.

All applications for subscriptions will be processed in accordance with the following principles.

Shares will be allotted and issued on any Dealing Date and such other days as the Board may determine at the Net Asset Value per Share as at the relevant Valuation Date, provided that the Registrar and Transfer Agent has received a duly completed and signed irrevocable Application Form for such Shares by no later than 5 p.m. (Luxembourg time), one Business Day prior to such Dealing Date. Subject to the Board's discretion and as provided in the section of this Prospectus entitled "ISSUE AND REDEMPTION OF SHARES," any Application Form received after this cut-off time will be processed on the next Dealing Date subject to the receipt of cleared subscription monies in accordance with the following paragraph.

Cleared monies in relation to applications for Shares must be received by the Depositary, or by a correspondent bank to its order, no later than 5 p.m. (Luxembourg time) on the third Business Day following the relevant Dealing Date. In case payment has not been received by this cut-off time, subject to the Board's discretion, subscriptions will be rejected and payment will be returned at the risk of the subscriber.

Order confirmation notices will be sent to Shareholders on the first Business Day following execution of the subscription order.

10. Redemption and Settlement Period

Shares may be redeemed on any Dealing Date at a price based on the Net Asset Value per Share determined as of the relevant Valuation Date.

Application for redemption must be received by the Registrar and Transfer Agent not later than 5 p.m. (Luxembourg time) at least twenty-eight calendar days prior to the applicable Dealing Date on which the relevant Shares are to be redeemed. Shareholders must maintain a minimum holding amount as described in section 4 (*Classes of Shares*) of this Appendix.

If the Sub-Fund receives requests for one Dealing Date for net redemptions (and conversions) which, taken together with any redemption (and conversion) requests received in respect of any monthly Dealing Date by any other of the Asset Holding Vehicle's "feeder funds" with regards to their shares, of more than 10% in aggregate of the Net Asset Value of the Asset Holding Vehicle, the Asset Holding Vehicle, in its sole discretion, may elect to reduce each redemption (and conversion) request pro rata such that the aggregate amount redeemed in that Dealing Date will not exceed 10% of the Net Asset Value of the Asset Holding Vehicle which in turn may be applied similarly at the level of the Sub-Fund and the other "feeder funds" of the Asset Holding Vehicle. Any amount which, by virtue of this limitation, is not redeemed shall be carried forward for redemption (or conversion) on the next Dealing Date. Requests carried forward shall be subject to this same limitation as applied to net redemption (and conversion) requests received on the subsequent Dealing Date, with no priority given based on time of receipt of the request. Investors will be notified if their redemption request is deferred.

Subject to the Board's discretion and as provided in the section of this Prospectus entitled "ISSUE AND REDEMPTION OF SHARES," any applications received after the applicable deadline will be processed in respect of the next Dealing Date.

Payment of redemption proceeds will be generally effected within nine Business Days following the relevant Dealing Date.

11. Conversion and Conversion Time Limit

Save as otherwise provided, Shares relating to other Sub-Funds of the Fund or in other Classes of this Sub-Fund may be converted into any Class of this Sub-Fund on any day which is a Dealing Date for both Sub-Funds concerned, subject to fulfilling the relevant eligibility criteria. Completed requests for conversions into any Share Class of this Sub-Fund must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time), three Business Days prior to the relevant Dealing Date for both Sub-Funds concerned, and will be dealt with at the calculated price on the relevant Valuation Date. Requests received after this time shall be deferred to the following Dealing Date for both Sub-Funds concerned.

Investors seeking to convert Shares of this Sub-Fund into Shares of another Sub-Fund should review, and their conversion request shall comply with, the relevant conversion time limits for that Sub-Fund.

12. Fees and Expenses

Management Fee

For so long as the Sub-Fund invests substantially all of its assets in the Asset Holding Vehicle, the Investment Manager of the Sub-Fund (which also acts as investment manager to the Asset Holding Vehicle) will not receive a management fee (the "Management Fee") directly from the Sub-Fund because such Management Fee is paid to the Investment Manager at the Asset Holding Vehicle level. Consequently, each Shareholder will bear indirectly its proportionate share of the Management Fee through its investment in the Sub-Fund, which in turn invests in the Asset Holding Vehicle, as follows:

- (i) in respect of the Institutional Classes of Shares, at an annual rate of 0.60 per cent. of the Asset Holding Vehicle's net asset value attributable to the outstanding Institutional Classes of Shares; and
- (ii) in respect of the Non-institutional Classes of Shares, at an annual rate of 1.20 per cent. of the Asset Holding Vehicle's net asset value attributable to the outstanding Non-institutional Classes of Shares.

The Investment Manager may to the extent permitted by law, and without prejudice to the provision contained under the heading "Fair Treatment of Shareholders" in the section of this Prospectus entitled "GENERAL INFORMATION," waive, rebate, or make retrocession payments to third parties, in relation to all or any portion of the Management Fee applicable to Shares owned by any Investor without notice to the other Investors.

Performance Fee

No performance fee will be charged.

Subscription Charge

No subscription charge will be levied.

Administrative Agency, Registrar and Transfer Agency, Domiciliary Agency, Corporate Agency, Listing Agency and Paying Agency – Depositary Fees

The Sub-Fund and the Asset Holding Vehicle pay a combined fee monthly in arrears at a maximum of 0.2 per cent. of their Net Assets to BBH, for its rendering of services as Administrative Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent, Domiciliary Agent, Paying Agent and Depositary.

The actual amounts of these fees are disclosed in the financial reports.

13. Duration of the Sub-Fund

Unlimited

APPENDIX II – European Senior Secured Fund SICAV-SIF – European Loans Fund

to the Prospectus of
European Senior Secured Fund SICAV-SIF
relating to its
European Loans Fund
(the "*European Loans Fund*" or the "*Sub-Fund*")
dated May 2016

Information contained in this Sub-Fund Appendix should be read in conjunction with the full text of the Prospectus. The discussion in this Appendix treats the investment activities of the Asset Holding Vehicle as if they were the direct activities of the Sub-Fund.

Capitalised terms used in this Appendix will have the meanings given them in the Prospectus. In addition, the following definitions will have the following meanings:

"Asset Holding Vehicle" means European Loans S.à.r.l., a *société à responsabilité limitée* (private limited liability company) subject to the Luxembourg Law of 22 March 2004 on securitisation, as amended, and a 100 per cent owned subsidiary of the Sub-Fund, incorporated under the laws of Luxembourg, having its registered office at 80 route d'Esch, L-1470 Luxembourg and having a share capital in an amount of €12,500. The Asset Holding Vehicle was formed by the Sub-Fund to serve as an investment vehicle for the Sub-Fund. The Asset Holding Vehicle does not qualify as an AIF within the meaning of the AIFM Law. The Sub-Fund will invest in notes (the "Notes") issued by the Asset Holding Vehicle and the Notes will provide the Sub-Fund with the net economic returns generated by the underlying asset pool of the Asset Holding Vehicle.

"Cash and Cash Equivalents" means short-term debt securities, demand or time deposits, certificates of deposit and short-term senior secured obligations (an obligation, debt instrument or participation which is senior in terms of priority of repayment to other senior secured obligations (if any) of an obligor or obligor group and has first charge or other first ranking security interest over assets of the obligor or within the obligor group, which includes commercial paper), in each case provided that the unsecured, unguaranteed and unsubordinated senior secured obligations of the issuing entity or the entity with which the demand or time deposits are made is rated A-1 or better by Standard & Poor's or P-1 or better by Moody's Investors Service at the time of purchase.

"Dealing Date" means each Valuation Date on which a Shareholder may subscribe, redeem or convert shares as further detailed herein.

"Debt Obligations"	Senior Secured Obligations and/or Subordinated Secured Obligations and/or Senior Unsecured Obligations.
"Dividend Valuation Date"	means the Original Valuation Date (as defined below) falling in January and July of each year in relation all Classes of Shares.
"Senior Unsecured Obligations"	an unsecured obligation, debt instrument or participation which is senior in terms of repayment to subordinated unsecured debt obligations (if any) of an obligor or obligor group; which, for the avoidance of doubt, will not include either Senior Unsecured Obligations that are also Cash and Cash Equivalents or deposits with any credit institution that has a class of securities rated at least AA- by Fitch or Standard & Poor's or Aa3 by Moody's at the time of purchase.
"Senior Secured Obligations"	an obligation, debt instrument or participation which is senior in terms of priority or repayment to other debt obligations (if any) of an obligor or obligor group and has a first charge or other first ranking security interest over assets of the obligor or within the obligor group.
"Subordinated Secured Obligations"	an obligation, debt instrument or participation which is subordinated in terms of priority of repayment behind other debt obligations of an obligor or obligor group and has a charge or other security interest (ordinarily second-ranking) over assets of the obligor or within the obligor group.
"TER"	the total expense ratio which is the ratio of the gross amount of the expenses of the Sub-Fund to its average net assets (excluding transaction costs). The TER includes all the expenses levied on the assets of the Sub-Fund which include, but are not limited to, Management fee, AIFM fee, administrative, domiciliary, corporate, listing, registrar and transfer agency and paying agency fees, depositary fee, fees for the Valuation Agent and Other Expenses, as detailed in the Prospectus.
"Valuation Date"	means the last Business Day in each calendar month (the "Original Valuation Date") and the third Monday of each calendar month and/or such other day(s) as the Directors may determine in their absolute discretion.

1. Investment Objective, Policies and Strategies

The investment objective of the Sub-Fund is to provide investors with periodic returns from an actively managed portfolio of securitised risks consisting predominately of European Debt Obligations and primarily Senior Secured Obligations. The Sub-Fund will make the Investments further detailed herein based on their characteristics that demonstrate their capacity to provide the liquidity required in order to be able to make any payments due by the Sub-Fund. Typically, Investments are selected where the Investment Manager considers that such obligations or other instruments offer superior yields and relative credit stability. There is no assurance that the Sub-Fund will achieve its investment objective or that Investors will not lose money.

The Sub-Fund manages the Investments so as to monitor individual obligor, country risk, maturity and asset type categorisation within the category of Debt Obligations generally in order to avoid excessive concentrations of risk to protect against any significant effects from underperformance by any single Investment. In addition, the Sub-Fund seeks to ensure that a substantial proportion of Market Risk from such Investments is hedged, primarily through the swap market.

The Sub-Fund intends to acquire Debt Obligations and primarily Senior Secured Obligations of predominately European origin and credit risk.).

The Sub-Fund may also purchase Subordinated Secured Obligations and Senior Unsecured Obligations, subject to the restrictions in section 2 below. Substantially all of these Debt Obligations are expected to be in the form of loans bearing a floating rate of interest, and many of the Debt Obligations can be expected to have been raised in connection with European leveraged buy-outs that will typically have been initiated by one or more private equity houses. The Sub-Fund typically intends to acquire interests in such Debt Obligations directly (by way of purchase, or novation, or assignment) but the Sub-Fund may also acquire or hold those interests indirectly (by way of a participation or sub-participation). None of the Debt Obligations shall be originated by the Asset Holding Vehicle.

The Sub-Fund may hold Cash and Cash Equivalents, for example, pending suitable investment opportunities to buy Debt Obligations of the type described above.

Characteristics of Investments

There are, in summary and subject as provided under section 2 (*Investment Restrictions*) of this Appendix, three types of Debt Obligations in which the Sub-Fund will invest: (i) Senior Secured Obligations; (ii) Senior Unsecured Obligations and (iii) Subordinated Secured Obligations.

Senior Secured Obligations are either loans or high yield bonds. Loans will usually bear a floating rate and high yield bonds a floating or fixed rate of interest and may be denominated in any currency. The holders of such Senior Secured Obligations will have first claim on the assets of the borrower group. Substantially all investments in the Sub-Fund are expected to be in financial instruments that are rated below Investment Grade by Fitch, Moody's and S&P.

Subordinated Secured Obligations, including "second lien" and mezzanine obligations, are often incurred together with Senior Secured Obligations in order to maximise leverage of the obligor. Subordinated Secured Obligations are generally subordinated in terms of repayment priority and security behind Senior Secured Obligations, and therefore have a higher risk profile than Senior Secured Obligations. Subordinated Secured Obligations generally take the form of medium term obligations repayable shortly after Senior Secured Obligations of the same obligor group. Therefore, they will carry a higher rate of interest to reflect the greater risk of not being repaid. Subordinated Secured Obligations are typically in loan format and also bear interest on a floating rate basis, some of which may be rolled up or "payment in kind" (PIK) interest.

Senior Unsecured Obligations are not secured and, although ordinarily there is no substantial secured debt in the capital structure and therefore the Sub-Fund is likely to have a first claim on many of the assets of such an obligor, these claims rank alongside all other unsecured creditors. There is no standard maturity profile for this type of obligation and Senior Unsecured Obligations are usually incurred by obligors that are Investment Grade at the time the obligation is taken on. Senior Unsecured Obligations are often loans which bear interest on a floating rate basis.

In order to induce investors to invest in Debt Obligations in the form of loans at a favourable interest rate, obligors often provide investors with extensive information about their businesses, which is not generally available to the public. In addition, since many Debt Obligations are loans they may typically be repaid at any time on short notice at par.

The Sub-Fund is subject to the "Investment Restrictions" set out in section 2 (*Investment Restrictions*) of this Appendix, but is not otherwise constrained, in its investment in Debt Obligations, by the legal nature of the assets (including the governing law), the expiry or maturity date(s) of the obligations, the amount of the assets, "loan-to-value" or other collateralisation levels, the method of origination or any level of representations or collateral given by the obligors in which the Sub-Fund may invest.

Risk Profile

In light of the Sub-Fund's investment strategy, the Sub-Fund may be appropriate for Investors who:

- Seek to receive periodic income and / or capital appreciation;
- Wish to invest in a portfolio of mainly sub-investment grade assets of diverse geographical and industrial origination.

There is the risk that a strategy used by the Investment Manager may fail to produce its intended result. The Sub-Fund is designed for long-term Investors.

Certain Investment Risks

Credit Risks Associated with Debt Obligations

All Debt Obligations are subject to the risk of default. Default in the payment of interest or principal on a Debt Obligation results in a reduction of income, a reduction in the value of the Debt Obligation and a potential decrease in the value of the Investments.

Debt Obligations which are loans generally provide for restrictive covenants designed to limit the activities of the obligors thereunder in an effort to protect the rights of lenders to receive timely payments of interest on and repayment of the principal of such Debt Obligations. Such covenants may include restrictions on dividend payments, specific mandatory minimum financial ratios, limits on total debt and other financial tests. A breach of covenant (after giving effect to any cure period) under such a Debt Obligation which is not waived by the lending syndicate is normally an event of default which allows the syndicate to demand immediate repayment in full of the outstanding Debt Obligation.

Debt Obligations may be subject to various laws enacted for the protection of creditors in the jurisdictions of incorporation of the obligors thereunder and, if different, the jurisdictions from which the obligors conduct their business and in which they hold their assets, which may adversely affect such obligor's abilities to make payment on a full or timely basis. These insolvency considerations will differ depending on the country in which each obligor or its assets are located and may differ depending on the legal status of the obligor. In particular, it should be noted that a number of continental European jurisdictions operate "debtor-friendly" insolvency regimes which would result in delays in payments under Debt Obligations where obligors thereunder are subject to such regimes, in the event of their insolvency.

An investment in a second lien obligation or a Subordinated Secured Obligation will ordinarily be subject to the risks above enhanced by their relative junior position in the capital structure. Where second lien obligations and Subordinated Secured Obligations are in the same capital structure as Senior Secured Obligations, the risk of loss due to default of an obligor is accordingly greater for the holders of second lien obligations and Subordinated Secured Obligations.

Senior Unsecured Obligations will ordinarily be subject to the same risks as those described above enhanced by their lack of security over the assets of the obligor and/or obligor group. The unsecured nature of the claim will, in circumstances of the insolvency and liquidation of the relevant obligor, mean that the entitlement of the Sub-Fund to have its claim satisfied out of assets and revenues of the obligor will be subordinated to the claims of any secured creditor to the extent of the security over the assets and revenues of the obligor, and rank alongside all other unsecured creditors. In addition, the Sub-Fund may incur additional expenses to the extent that it is required to seek recovery upon a default on a Senior Unsecured Obligation or participate in the restructuring of such obligation.

Debt Obligations may become non-performing for a variety of reasons and may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of the principal of the loan, the deferral of payments and/or further borrowings by the underlying obligor. In addition, additional expenses may be incurred to the extent it is necessary to seek recovery upon a default on a Debt Obligation or participate in the restructuring of such obligation. Debt Obligations are often syndicated facilities and there is no assurance that the Sub-Fund will hold an interest in such a Debt Obligation that is sufficient to control creditor decisions.

In addition, the Investment Manager, which is responsible for managing the Sub-Fund's Investments, may be required from time to time to resolve conflicts of interest that occur as a result of the Sub-Fund (or another investment vehicle for which the Investment Manager acts) holding Debt Obligations at different levels of priority in an obligor or an obligor group's financial structure. This conflict of interest is likely to be magnified in a workout situation and, while the Sub-Fund will seek to ensure that such conflicts of interest are fairly resolved, there can be no assurance that such a conflict of interest will not exist and/or cause material prejudice to the Sub-Fund's ability to make appropriate returns on the Shares.

The risk of loss due to default of an obligor is also greater for the holders of subordinated Debt Obligations. Unsecured Debt Obligations may ordinarily be subject to the same risks as those described above enhanced by their lack of security over the assets of the obligor and/or obligor group.

Should increases in default rates occur with respect to the types of Debt Obligation in which the Sub-Fund invests, the actual default rates of the Debt Obligations in the portfolio may exceed the hypothetical default rates assumed by investors in determining whether to purchase any of the Shares.

Participations in respect of Debt Obligations

The Sub-Fund may acquire interests in debt obligations indirectly by way of Participation. In purchasing Participations, the Sub-Fund generally will have no right to enforce compliance by the obligor with the terms of the applicable debt agreement and the Sub-Fund may not directly benefit from the collateral supporting the debt obligation in respect of which it has purchased a Participation. As a result, the Sub-Fund could assume the credit risk of both the obligor and the institution selling the Participation.

Distressed and Defaulted Obligations

It may be difficult to obtain information as to the true condition of obligors in respect of distressed and defaulted obligations. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, recharacterise debt as equity or disenfranchise particular claims. Such companies' obligations may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. There is no assurance that the value of the assets collateralising the Sub-Fund's investments will be sufficient or that prospects for a successful reorganisation or similar action will become available. In any reorganisation or liquidation proceeding relating to a company in which the Sub-Fund invests, the Sub-Fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Sub-Fund's investments may not compensate the Shareholders adequately for the risks assumed. In addition, under certain circumstances, payments and distributions may be disorganised if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

Liquidity Risk

Credit markets may from time to time become less liquid, leading to valuation losses on Investments as market makers defensively price assets to avoid balance sheet or risk exposures. Liquidation of portions of the Investments under these circumstances could produce realised losses.

Investments which are below Investment Grade are likely to be significantly less liquid than Investment Grade securities and in some circumstances the Investments may be difficult to value and to sell in the relevant market. In addition, Investments which are in the form of loans are not as easily purchased or sold as publicly traded securities due to the confidential information involved, the unique and more customised nature of the debt agreement and the private syndication process. The unique and sometimes confidential nature of certain aspects of the documentation also creates a degree of complexity in negotiating a secondary market purchase or sale which does not exist in, for example, the public debt securities market.

The prices of Investments such as those contemplated have at times experienced significant and rapid decline when a substantial number of holders decided to sell. In addition, the Sub-Fund may have difficulty disposing of certain Investments because there may be a thin trading market for such obligations. Reduced secondary market liquidity may have an adverse impact on market price and the Sub-Fund's ability to dispose of particular Investments when necessary to meet the Sub-Fund's liquidity needs or in response to a specific economic event such as a deterioration in the creditworthiness of the obligor under such obligations. Reduced secondary market liquidity for certain loan obligations also may make it more difficult for the Sub-Fund to obtain accurate market quotations for purposes of valuing the Sub-Fund's portfolio. Market quotations are generally available on many loans only from a limited number of dealers and may not necessarily represent firm bids of such dealers of prices for actual sales.

Leverage Risk

A limited amount of borrowing for efficient portfolio management reasons is permitted under the Sub-Fund's investment restrictions. Leverage may be used in the short term against sales (in particular loan sales) which have been transacted but where settlement proceeds have not been received, and if trading

counterparties fail to settle, any leverage incurred as described above may not be repaid immediately. The Sub-Fund will deal with multiple trading counterparties and is not subject to a limit on exposure to any single counterparty. Under normal market conditions, however, the Sub-Fund does not expect to use "return enhancing leverage" (borrowing cash to make additional investments above total net assets) for investment purposes. Finally the Sub-Fund also expects to use derivative instruments, including, but not limited to, futures, swaps, forwards and options for hedging purposes, which may be considered to be "implied leverage" (and is not subject to the formal leverage restriction in the Sub-Fund's investment restrictions). (See also "*Risks Associated with Derivative Instruments*" under the "Risk Factors" heading in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES" of the Prospectus.)

Market Risk

The Market Risk from certain Investments may be hedged, primarily through the swap market. In addition, where Market Risk is hedged some residual risk may remain as a result of imperfections and inconsistencies in the market caused by, for example, timing differences between the purchase/sale of a Debt Obligation and the implementation/unwinding of any relevant market hedge. In particular, Investments which are in the form of loans may typically be repaid at any time on short notice at par, and accordingly the hedging of Market Risk in such circumstances may be less precise than is the case with investments in the public securities market.

Furthermore, default by any hedging counterparty in the performance of its obligations could subject the Investments to unwanted credit risks and Market Risk. Failure to properly hedge the Market Risk in the Investments and/or default of a counterparty in the performance of its obligations may result in negative effects on the value of the Shares.

Operational Risk

Operational risks exist in the management of the Investments. It is the Sub-Fund's intention that operational risk in connection with payments be minimised and to that end the Investment Manager is not authorised to hold any money for or make any payment on behalf of the Sub-Fund. Payments made by (or to) the Sub-Fund will be made on its behalf by (or to) the Depositary or pursuant to its instructions. Payments in respect of swaps and other derivatives will be made only to counterparties that meet certain rating or other criteria (See also "*Risks Associated with Derivative Instruments*" under the "Risk Factors" heading in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES" of the Prospectus). All other payments (such as fees described in the section entitled "FEES AND EXPENSES" of the Prospectus) will only be executed by or on the instructions of the Fund.

Sub-Investment Grade Risk

The Sub-Fund's investment strategy will principally consist of investing in sub-Investment Grade Debt Obligations. Third party rating agencies, such as Moody's and Standard & Poor's, aim to rank the credit worthiness of companies using a standardised ratings scale to provide investors with an independent view on how likely a company is to default on its debt repayments. Investment Grade obligors are rated Aaa to Baa3 by Moody's and AAA to BBB- by Standard & Poor's. A sub-Investment Grade rating reflects, in the opinion of the ratings agencies, the riskier credit profile of a company compared to an Investment Grade obligor. Debt Obligations in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated Debt Obligations and are generally considered to be predominately speculative with respect to the obligor's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than Debt Obligations with higher ratings in the case of deterioration of general

economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated Debt Obligations, the yields and prices of such securities may tend to fluctuate more than those of higher-rated Debt Obligations. The market for lower-rated Debt Obligations is thinner and less active than that for higher-rated Debt Obligations, which can adversely affect the prices at which these Debt Obligations can be sold. In addition, adverse publicity and investor perceptions about lower-rated Debt Obligations, whether or not based on fundamental analysis, may contribute to a decrease in the value and liquidity of such lower-rated Debt Obligations.

Concentration Risk

As set out in section 2 (*Investment Restrictions*) of this Appendix below there is a limit of 4 per cent. of the NAV which the Sub-Fund may invest in one obligor. There are also industry and country concentration limits managed by the Investment Manager and no significant concentration with respect to any particular industry or country is expected to exist; however, the concentration of the Investments in any one industry or region could subject Investments to a greater degree of risk with respect to economic downturns relating to such industry or region.

The Sub-Fund also anticipates that the portfolio of securitised risks will be directly or indirectly well diversified; however in the event of a material demand for redemptions, it could be forced to sell liquid positions resulting in an overweighting in a small number of illiquid investments. In such circumstances, the aggregate return on Investments may be substantially and adversely affected by the unfavourable performance of a single Investment.

Litigation Risk

The Sub-Fund may participate in restructuring activities relating to its holdings of the Investments and accordingly become involved in litigation. The decision whether to become involved in litigation or not will be at the discretion of the Investment Manager on behalf of and subject to the oversight of the Sub Fund. Any government, legal or arbitration proceedings arising from such litigation may have a significant adverse impact on the Sub-Fund's financial position if, for example, the Sub-Fund has to bear the cost of any litigation. Investors should also note that the likely complexity and duration of any legal proceeding would necessitate the substantial involvement of the Investment Manager and may therefore impair its ability to manage the Investments.

Availability of Suitable Investment Opportunities

Investors should note that the Sub-Fund's ability to continue to source suitable Investments is dependent on the continued issuance of such Investments (which may in turn be dependent on prevailing tax, regulatory, legal and market conditions for financial institutions) and the Sub-Fund will compete with other potential investors to acquire interests in appropriate Debt Obligations. As a result, there can be no assurance that the Sub-Fund will be able to locate and acquire such Debt Obligations which satisfy its rate of return objectives or realise upon their values or that it will be able to invest fully its committed capital.

General Risk Factors

Please refer to "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES" of the Prospectus for general risk factors which also apply to this Sub-Fund.

2. Investment Restrictions

The discussion in this Appendix treats the investment activities of the Asset Holding Vehicle as if they were the direct activities of the Sub-Fund.

Subject to the general investment restrictions laid down in the section of the Prospectus entitled "INVESTMENT RESTRICTIONS AND RISK MANAGEMENT", the Investment Manager is also subject to the following restrictions in relation to the investment of the proceeds of the issue of the Shares by the Sub-Fund.

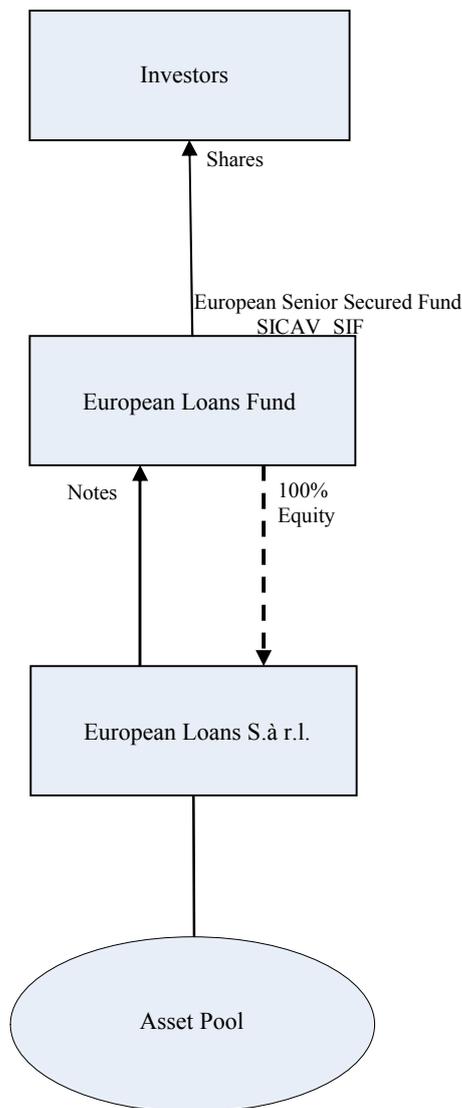
The Sub-Fund is required to limit its Investments as follows, at the time of purchase:

- (a) Not more than 15 per cent. of the NAV of the Sub-Fund may be invested in aggregate in (i) Subordinated Secured Obligations and (ii) Senior Unsecured Obligations.
- (b) Save as set out in paragraph (c) below, the Sub-Fund may not invest more than 4 per cent. of its NAV in any one obligor.
- (c) The Sub-Fund will not be restricted in respect of its acquisition of Cash and Cash Equivalents provided that no more than 10 per cent. of the Sub-Fund's NAV may be invested in Cash and Cash Equivalents of any one obligor.
- (d) The Sub-Fund may incur a limited overdraft facility for efficient portfolio management reasons. Such overdraft facility may be used to borrow in the short term against sales (in particular loan sales) which have been transacted but where settlement proceeds have not been received and is not expected to exceed 10 per cent. (but may be utilized to a maximum of 30 per cent.) of the Sub-Fund's NAV.
- (e) The Sub-Fund may not incur leverage for performance enhancing purposes.
- (f) The Sub-Fund may use credit default swap, interest rate and foreign exchange instruments for hedging purposes.

The Sub-Fund may impose further limitations within the parameters of the investment restrictions set out above on the Investment Manager including, without limitation, with respect to risk concentration including exposures to industries and countries.

3. Sub-Fund Holding Structure

The Sub-Fund set-up the Asset Holding Vehicle and subscribed for all Notes issued by this vehicle. Substantially all of the assets of the Sub-Fund are held and invested by the Asset Holding Vehicle. The discussion in this Appendix treats the investment activities of the Asset Holding Vehicle as if they were the direct activities of the Sub-Fund. The structural relationship between the Asset Holding Vehicle and the Sub-Fund is as set out in the diagram below.



The Asset Holding Vehicle, other than to the Sub-Fund, currently does not intend to issue Notes to other regulated or unregulated fund vehicles. Should the Asset Holding Vehicle resolve to issue Notes to other regulated or unregulated fund vehicles, other than the Sub-Fund, this Prospectus will be updated accordingly.

4. Classes of Shares

A number of Classes of Shares have been created in the Sub-Fund to enable investors with different investment needs to access the same underlying investment portfolio the details of which are set out

in the Prospectus. A complete list of available Classes may be obtained at the registered office of the Fund and of the AIFM and will be sent to Investors upon request.

Shares are denominated and, if applicable, pay a dividend in the currency of denomination of the relevant Class, all as further explained under section 8 (*Dividend Policy*) of this Appendix.

All non-Euro Classes of Shares will be hedged Share Classes. The hedging strategies applied to these Shares aim to mitigate currency risk between the reference currency of the Sub-Fund and the currency of denomination of the hedged Share Class. There can be no assurance that full hedging can be achieved in all circumstances.

To enable investors with different investment needs to access the same underlying investment portfolio, further Classes may be created.

5. Reference currency

The reference currency of the Sub-Fund is the Euro.

The relevant currency of denomination of each Class of Shares is set out in the list of available Classes described in section 4 (*Classes of Shares*) of this Appendix.

6. Initial Offering Period

Classes of Shares are initially issued following an initial offering period, if any, at their initial issue price.

Subsequent subscription for Shares can be made on any Dealing Date and the subscription price for such Shares will be based on the current Net Asset Value per Share as at the relevant Valuation Date (all as further explained under section 9 (*Subscription and Clearing Time Limit*) of this Appendix).

7. Minimum Investment and Minimum Holding Requirement

The minimum amount of any initial investment and subsequent holding in this Sub-Fund is set out in the list of available Classes that may be obtained from your Wells Fargo representative, as noted in section 4 (*Classes of Shares*) of this Appendix; however, such minimum requirement amounts shall not apply to employees or affiliates of the Investment Manager or to the Directors (the "Exempt Investors") provided that an Exempt Investor has been certified to be an Other Well-Informed Investor.

Shares belonging to different Classes are added together for the purposes of the calculation of the minimum holding requirement.

If the minimum holding requirement is not maintained within the Sub-Fund due to a transfer, redemption or conversion of Shares, the Fund may compulsorily redeem the remaining Shares at their current Net Asset Value per Share and make payment of the proceeds thereof to the Shareholder.

8. Dividend Policy

Non-Distributing Classes

It is the Sub-Fund's policy not to pay any dividends to Shareholders of Non-Distributing Classes. Any returns associated with such Classes are reinvested in the relevant Class.

Distributing Classes

It is the Sub-Fund's policy to pay Shareholders of Distributing Classes their proportionate entitlement to the net income of the Sub-Fund. Notwithstanding the above the Board are empowered to pay additional distributions where the Board believe this would be in the interests of the Shareholders as a whole, provided that as a consequence of such distribution the Fund does not fall below the legal minimum capital requirements.

Shareholders shall be entitled to dividend payments (if any) based on their inscription in the Shareholders' register on the Dividend Valuation Date. Notwithstanding the differentiation between Distributing Classes and Non-Distributing Classes, there is no differentiation in the allocation of absolute economic return of the Sub-Fund as between the separate Classes, which is made on the basis of a pro rata allocation based on each Class's respective Net Asset Value as at each Valuation Date.

Dividends in respect of Distributing Classes will be definitively calculated and will be paid in arrears nine Business Days following the relevant Dividend Valuation Date.

9. Subscription and Clearing Time Limit

After the end of any initial offering period, Shares will be issued at a price based on the Net Asset Value per Share determined as of the relevant Valuation Date.

All applications for subscriptions will be processed in accordance with the following principles.

Shares will be allotted and issued on any Dealing Date and such other days as the Board may determine at the Net Asset Value per Share as at the relevant Valuation Date, provided that the Registrar and Transfer Agent has received a duly completed and signed irrevocable Application Form for such Shares by no later than 5 p.m. (Luxembourg time), one Business Day prior to such Dealing Date. Subject to the Board's discretion and as provided in the section of this Prospectus entitled "ISSUE AND REDEMPTION OF SHARES", any Application Form received after this cut-off time will be processed on the next Dealing Date subject to the receipt of cleared subscription monies in accordance with the following paragraph.

Cleared monies in relation to applications for Shares must be received by the Depositary, or by a correspondent bank to its order, no later than 5 p.m. (Luxembourg time) on the third Business Day following the relevant Dealing Date. In case payment has not been received by this cut-off time, subject to the Board's discretion, subscriptions will be rejected and payment will be returned at the risk of the subscriber.

Order confirmation notices will be sent to Shareholders on the first Business Day following execution of the subscription order.

10. Redemption and Settlement Period

Shares may be redeemed on any Dealing Date at a price based on the Net Asset Value per Share determined as of the relevant Valuation Date.

Application for redemption must be received by the Registrar and Transfer Agent not later than 5 p.m. (Luxembourg time) at least twenty-eight calendar days prior to the applicable Dealing Date on which the relevant Shares are to be redeemed. Shareholders must maintain a minimum holding amount as described in the list of available Classes described in section 4 (*Classes of Shares*) of this Appendix.

If the Sub-Fund receives requests for one Dealing Date for net redemptions (and conversions) of more than 10% in aggregate of the Net Asset Value of the Asset Holding Vehicle, the Asset Holding Vehicle, in its sole discretion, may elect to reduce each redemption (and conversion) request pro rata such that the aggregate amount redeemed in that Dealing Date will not exceed 10% of the Net Asset Value of the Asset Holding Vehicle, which in turn may be applied similarly at the level of the Sub-Fund. Any amount which, by virtue of this limitation, is not redeemed shall be carried forward for redemption (or conversion) on the next Dealing Date. Requests carried forward shall be subject to this same limitation as applied to net redemption (and conversion) requests received on the subsequent Dealing Date, with no priority given based on time of receipt of the request. Investors will be notified if their redemption request is deferred.

Subject to the Board's discretion and as provided in the section of this Prospectus entitled "ISSUE AND REDEMPTION OF SHARES", any applications received after the applicable deadline will be processed in respect of the next Dealing Date.

Payment of redemption proceeds will be generally effected within nine Business Days following the relevant Dealing Date.

11. Conversion and Conversion Time Limit

Save as otherwise provided, Shares relating to other Sub-Funds of the Fund or in other Classes of this Sub-Fund may be converted into any Class of this Sub-Fund on any day which is a Dealing Date for both Sub-Funds concerned, subject to fulfilling the relevant eligibility criteria. Completed requests for conversions into any Share Class of this Sub-Fund must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time), three Business Days prior to the relevant Dealing Date for both Sub-Funds concerned, and will be dealt with at the calculated price on the relevant Valuation Date. Requests received after this time shall be deferred to the following Dealing Date for both Sub-Funds concerned.

Investors seeking to convert Shares of this Sub-Fund into Shares of another Sub-Fund should review, and their conversion request shall comply with, the relevant conversion time limits for that Sub-Fund.

12. Fees and Expenses

Management Fee

In respect of its acting as investment manager of the Sub-Fund, the Investment Manager will receive a management fee (the "Management Fee") directly from the Sub-Fund as follows:

- (i) in respect of the Institutional Classes of Shares, at an annual rate of 0.60 per cent. of the Sub-Fund's net asset value attributable to the outstanding Institutional Classes of Shares; and
- (ii) in respect of the Non-institutional Classes of Shares, at an annual rate of 1.20 per cent. of the Sub Fund's net asset value attributable to the outstanding Non-institutional Classes of Shares.

The Investment Manager may to the extent permitted by law, and without prejudice to the provision contained under the heading "Fair Treatment of Shareholders" in the section of this Prospectus entitled "GENERAL INFORMATION", waive, rebate, or make retrocession payments to third parties, in relation to all or any portion of the Management Fee applicable to Shares owned by any Investor without notice to the other Investors.

Performance Fee

No performance fee will be charged.

Subscription Charge

There will be no subscription charge levied in respect of subscriptions for Shares in the Sub-Fund.

Redemption Charge

There will be no redemption charge levied in respect of redemptions of Shares in the Sub-Fund.

Conversion Charge

There will be no conversion charge levied in respect of conversions of Shares.

TER

Summary:

	Class I	Class A (Non-Institutional)
Management Fee	0.60%	1.20%
Sub-Fund Expenses (Capped)	0.25%	0.25%
TER	0.85%	1.45%

The actual amounts of these fees are disclosed in the financial reports.

13. Duration of the Sub-Fund

Unlimited