

**CAPITAL FOUR INVEST**

*a société anonyme*

qualifying as

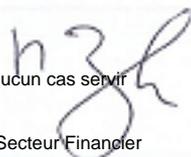
*a société d'investissement à capital variable - fonds d'investissement spécialisé*

Registered pursuant to the Luxembourg law of 13 February 2007 on specialised investment funds

**OFFERING DOCUMENT**

March 2021

The Board of Directors of the Fund (as defined hereafter) is responsible for the information contained in this Offering Document and takes all reasonable care to ensure accuracy of the information contained in this Offering Document. To the best of its knowledge, the information contained in this Offering Document is accurate at the date of its publication and does not omit anything likely to affect the importance of such information. To reflect material changes, this Offering Document will be updated from time to time and potential subscribers should enquire with the Fund as to the issue of any later or updated Offering Document.



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## 1. IMPORTANT INFORMATION

1. **Capital Four Invest** (the "**Fund**") is a public limited liability company ("*société anonyme*"; "S.A.") incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital ("*société d'investissement à capital variable*", "SICAV"), established as a specialised investment fund ("*Fonds d'Investissement Spécialisé*", "SIF"). The Fund is registered pursuant to the Luxembourg law dated 13 February 2007 on specialised investment funds, as amended from time to time (the "**Law of 2007**") and qualifies as an externally managed alternative investment fund under the Directive 2011/61/EU of June 2011. The Fund may be offered for sale to Eligible Investors in European Economic Area ("EEA") Member States subject to passport notification in countries other than Luxembourg.
2. The Fund is offering Ordinary Shares of one or several separate Sub-Funds on the basis of the information contained in this Offering Document and its Appendices which are deemed to be an integral part of it. No person is authorised to issue any advertisement or to give any information or to make any representations concerning the Fund other than as contained in this Offering Document and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations expressly contained in this Offering Document shall be solely at the risk of the purchaser or investor.
3. **Important: In case of listing, the Ordinary Shares in any Sub-Fund which are listed on the Luxembourg Stock Exchange or on any other Stock Exchange are required to be negotiable and transferable on the Luxembourg Stock Exchange or on any other Stock Exchange upon their admission to trading thereon (and trades registered thereon are not able to be cancelled by the Board of Directors); the requirements as to transfers to Eligible Investors will nevertheless apply to any party to which Ordinary Shares are transferred on the Luxembourg Stock Exchange or on any other Stock Exchange. Considering the qualification of a subscriber or a transferee as Well-informed Investor, the Board of Director will have due regard to the applicable laws and regulations (if any) of the CSSF. Well-informed Investors subscribing in their own name, but on behalf of a third party, must certify that such subscriptions are made on behalf of a Well-informed Investor as aforesaid and the Board of Directors acting for and on behalf of the Fund may require at its sole discretion, evidence that the beneficial owner of the Shares is a Well-informed Investor. The holding at any time of any Ordinary Shares by a party which does not satisfy the requirements for Eligible Investors may result in the compulsory redemption of such Ordinary Shares by the Board of Directors.**
4. This Offering Document has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Fund, and should not be reproduced or used for any other purpose.
5. **The Ordinary Shares are restricted and are suitable only to certain Eligible Investors and all restrictions on distributions in specific jurisdictions set forth below are to be construed accordingly.** The Fund will refuse (i) to issue Ordinary Shares to natural persons and to companies that cannot be qualified as Eligible Investors within the meaning of the Law of 2007 and (ii) to make any transfer of Ordinary Shares to the extent that such transfer would result in a non-Eligible Investor becoming a Shareholder. The Fund, at its sole discretion, may refuse the issue or the transfer of Ordinary Shares if no sufficient evidence exists that the company or entity to which the Ordinary Shares should be issued or transferred is an Eligible Investor. In order to determine whether a purchaser or transferee of Ordinary Shares may be qualified as an Eligible Investor, the Fund will refer to legal and regulatory requirements as well as to the recommendations made by the relevant supervisory authorities. Generally, the Fund

may, at its sole discretion and without any liability, reject any application for subscription of Ordinary Shares and proceed, at any time, to the compulsory redemption of all the Ordinary Shares held by a non-Eligible Investor.

6. Subject to any applicable law and what is stated in this document, Eligible Investors may invest in any Sub-Fund offered by the Fund. Shareholders should choose the Sub-Fund that best suits their specific risk and return expectations as well as their diversification needs. A separate pool of assets will be maintained for each Sub-Fund and will be invested in accordance with the investment policy applicable to the relevant Sub-Fund in meeting its investment objectives.
7. **Luxembourg** – the Fund is registered on the list of approved specialised investment funds maintained by the *Commission de Surveillance du Secteur Financier* in Luxembourg in accordance with article 43 (1) of the Law of 2007. The Fund is aimed at Eligible Investors only and offering in Luxembourg may be carried out in respect of the Fund in accordance with and subject to the conditions set forth in applicable laws and regulations. Eligible Investors are well-informed Investors within the meaning of article 2 of the Law of 2007: Institutional Investors, Professional Investors, and any other Investor who meets the following conditions: (i) she/he adheres in writing to the status of well-informed investors and (ii) either she/he invests a minimum of one hundred twenty-five thousand euros (EUR 125,000.00) in the Fund or benefits from a statement drawn up by a credit institution within the meaning of Directive 2006/48/EC, another investment company within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2009/65/EC certifying that she/he is experienced enough to adequately appreciate an investment in a specialised investment fund.
8. **Each applicant for Ordinary Shares shall certify that it is an Eligible Investor.** A mention thereof is provided in the Application Form.
9. Potential investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, 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, redemption or disposal of the Ordinary Shares of the Fund. **It is the responsibility of potential investors to inform themselves as to the tax and other consequences to them of subscribing, buying, selling or transferring or redeeming Ordinary Shares under the laws of the jurisdiction(s) in which they are or may be taxable.**
10. **Investment in the Fund carries substantial risks. There can be no assurance that the Fund's investment objectives will be achieved and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment program for any Investor. Potential investors should carefully consider (i) whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources and (ii) the section "Risk Considerations" of this document.**
11. **Forward-Looking Statements**
  - (i) This Offering Document and the documents referenced or incorporated by reference herein and any additional written materials furnished to the investor by or on behalf of the Fund may contain forward-looking statements with respect to the Fund and its financial condition, results of operations, business and prospects. Statements that are not historical facts may include forward-looking statements.

- (ii) The words "believe," "expect," "anticipate," "hope," "intend," "may," "will," "should," "could," "potential," "continue," "estimate," "predict," "project," "forecast," "assume" and "plan" and similar expressions, or the negative of such expressions, may identify forward-looking statements. Additionally, any statements concerning future financial performance (including, but not limited to, future revenues, earnings or growth rates), ongoing or anticipated business objectives, strategies or prospects and possible future actions or plans by the Fund also are forward-looking statements.
  - (iii) Forward-looking statements are based on the Fund's current expectations or beliefs regarding future events or circumstances, and investors are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements are subject to numerous estimates and assumptions, known and unknown risks and uncertainties. A number of factors, many of which are out of the Funds' control and are difficult to forecast, could cause actual future results to differ materially from those projected or implied in such forward-looking statements. While it is impossible to identify all such factors, those factors described under the "Risk Considerations" section of this Offering Document include some of the factors which could cause actual results to differ materially from those expressed or implied in any forward-looking statements. All of the forward-looking statements contained in this Offering Document and the documents referenced or incorporated by reference herein, and in any additional written materials furnished to the Investor by or on behalf of the Fund, should be considered in light of these and other risk factors.
  - (iv) The forward-looking statements contained in this Offering Document are as of the date appearing on its cover page, and the forward-looking statements contained in the documents referenced or incorporated by reference herein and in any additional written materials furnished to potential investors by or on behalf of the Fund are as of the respective dates stated in those documents. The Fund disclaims any obligation to update, review or revise any forward-looking statements to reflect any change in expectations or assumptions with regard thereto or to reflect anticipated or unanticipated events or circumstances occurring (i) with respect to this Offering Document, after the date appearing on its cover page, and (ii) with respect to the documents referenced or incorporated by reference herein and any additional written materials furnished to potential investors by or on behalf of the Fund, after the respective dates of such documents.
  - (v) All forward-looking statements attributable to the Fund or any person acting on its behalf are expressly qualified in their entirety by this cautionary statement.
12. **The distribution of this Offering Document and the offering of the Ordinary Shares may be restricted in jurisdictions other than Luxembourg, pursuant to selling restrictions set out in AIFMD and applicable local rules and regulations. This Offering Document does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Offering Document and of any person wishing to subscribe for Ordinary Shares to inform themselves of and to observe all applicable laws and regulations of relevant jurisdictions.**
13. The Shares of the Fund are not and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or the securities laws of any of the States of the United States and therefore cannot be offered, sold, resold, reoffered or otherwise transferred or delivered, directly or indirectly, in the United States or to, or for the account of, or benefit of, any US Person, unless an exemption from registration is available. The Fund is not registered as an investment company under the United States Investment Company Act of 1940, as amended (the

"1940 Act"). Consequently, the Fund will not be required to adhere to certain restrictions and requirements under the 1940 Act and investors will not be afforded the protections of the 1940 Act. The Manager is not expected to be registered under the United States Investment Advisers Act of 1940, as amended, and investors will not be afforded the protection of such Act.

14. The Board of Directors may, at its discretion, accept subscriptions from certain US Persons (as defined in Appendix II of the Offering Document) subject to the mandatory conditions set forth in point 3. of the section "4.1.7 Restrictions on ownership".
15. The Shares have not been approved or disapproved by the US Securities and Exchange Commission or any other governmental agency, regulatory authority or national securities exchange of the United States or any state thereof, nor has any such agency, regulatory authority or exchange passed upon the accuracy or adequacy of this Offering Document or the merits of this offering. Any representation to the contrary is a criminal offense.
16. **While the Fund may trade commodity futures and/or commodity options contracts, the Manager is not currently registered with the Commodity Futures Trading Commission (the "CFTC") and National Futures Association ("NFA") as a commodity pool operator ("CPO") and the Manager is not currently registered with the CFTC and NFA as a commodity trading advisor ("CTA"). Therefore, unlike a registered CPO or CTA, the Manager is not required to provide prospective investors with a CFTC compliant disclosure document, nor is it required to provide investors with certified annual reports that satisfy the requirements of CFTC Regulations applicable to registered CPOs. The Fund does, however, intend to provide investors with annual audited financial statements.**
17. **The Manager relies on the exemption from registration as a CPO provided under CFTC Regulation 4.13(a)(3). This exemption requires, among other things, that each prospective investor that is a US Person be an accredited investor, a knowledgeable employee or a qualified eligible person, and that interest in the Fund be exempt from registration under the 1933 Act, and be offered and sold without marketing to the public in the United States. The rules further require that interests in the Fund may not be marketed as or in a vehicle for trading in the commodity futures or commodity options markets and that the Fund's trading in futures and commodities be limited. This Offering Document has not been reviewed or approved by the CFTC.**
18. In compliance with the Law of 2007, the Depositary (as defined hereafter) is responsible for the custody of the Fund's assets. The Fund may appoint a prime broker in accordance with the rules of Luxembourg law, in particular CSSF circular 08/372, not necessarily being incorporated in Luxembourg. The appointment of a prime broker will be made in a way that the Depositary is at all times capable to carry out its functions as depositary of the Fund under Luxembourg law. The prime broker will be a financial entity (i) recognised and experienced in the contemplated financial transactions and (ii) supervised by an official financial supervisory authority in its country of establishment in which the supervisory regime is recognised as being equivalent to the regime provided by Luxembourg law. The prime broker or the delegate of such prime broker may hold assets of the Fund and will be able at any time to inform the Depositary on the assets as required under Luxembourg law. Also the Depositary will have the right (i) to intervene in relation to the Fund's assets which have been entrusted to the prime broker if the Depositary deems to be no longer able to fulfil its supervisory tasks; and (ii) to request from the Fund to dismiss the prime broker in case the Depositary deems such dismissal to be in the best interest of the investors in the Fund. The Fund will dismiss a prime broker if it does not comply with the requirements aimed at prime brokers for specialised investment funds under Luxembourg law.

19. The Articles give powers to the Board of Directors to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Fund are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Board of Directors might result in the Fund incurring any liability or taxation or suffering any other disadvantage which the Fund may not otherwise have incurred or suffered (such persons being referred to as the "**Prohibited Persons**"). The Board of Directors of the Fund may compulsorily redeem all Ordinary Shares held by any such persons with any costs to be borne by them.
20. In the event that any provision of the Articles is inconsistent with or contrary to the description in or terms of this Offering Document, the Articles shall prevail.
21. Capitalised terms, if not otherwise defined in this Offering Document, will have the meanings given to them in the Articles.
22. This Offering Document is written in the English language only, which language shall be controlling in all respects. In case of translation, the English version will prevail.

## 2. MANAGEMENT AND ADMINISTRATION OF THE FUND

<b>REGISTERED OFFICE</b>	<b>CAPITAL FOUR INVEST</b> Vertigo Building – Polaris, 2-4, rue Eugène Ruppert, L- 2453 Luxembourg
<b>APPROVED STATUTORY AUDITOR</b>	<b>KPMG LUXEMBOURG S.À R.L.</b> 9, Allée Scheffer, L-2520 Luxembourg
<b>BOARD OF DIRECTORS</b>	<b><u>CHAIRMAN</u></b> - <b>Mr. Emmanuel Bégat</b> , 16, rue Jean-Pierre Brasseur, L-1258 Luxembourg  <b><u>MEMBERS</u></b> - <b>Mr. Eric Chinchon</b> , 16, rue Jean-Pierre Brasseur, L-1258 Luxembourg - <b>Mr. Michael Bernth Nielsen</b> , Per Henrik Lings Allé 2, 8. Floor, DK-2100 Copenhagen Ø, Denmark
<b>MANAGER</b>	<b>Capital Four AIFM A/S</b> Per Henrik Lings Allé 2, 8. floor DK-2100 Copenhagen Ø Denmark
<b>DEPOSITARY</b>	<b>The Bank of New York Mellon SA/NV, Luxembourg Branch</b> Vertigo Building – Polaris, 2-4, rue Eugène Ruppert, L- 2453 Luxembourg
<b>ADMINISTRATIVE AGENT, DOMICILIARY AGENT, PAYING AGENT, REGISTRAR AND TRANSFER AGENT</b>	<b>The Bank of New York Mellon SA/NV, Luxembourg Branch</b> Vertigo Building – Polaris, 2-4, rue Eugène Ruppert, L- 2453 Luxembourg
<b>LEGAL ADVISOR</b>	<b>Elvinger Hoss Prussen, société anonyme</b> 2, place Winston Churchill L-2014 Luxembourg

### 3. DEFINITIONS

The following definitions shall apply throughout this Offering Document unless the context otherwise requires:

<i>"Administrative Agent"</i>	The administrative agent appointed by the Fund.
<i>"AIFM"</i>	The Fund's alternative investment fund manager as appointed in accordance with AIFMD.
<i>"AIFM Agreement"</i>	The alternative investment fund management agreement entered into between the Fund and the AIFM.
<i>"AIFMD"</i>	Alternative Investment Fund Managers Directive (Directive 2011/61/EU), the Commission Delegated Regulation (EU) No. 231/2013 and any implementing measures as implemented in Luxembourg by the Law of 12 July 2013 on Alternative Investment Fund Managers as amended from time to time.
<i>"Appendix"</i>	The appendix of this Offering Document specifying the terms and conditions of a specific Sub-Fund.
<i>"Application Form"</i>	The form to be used for subscribing into Ordinary Shares.
<i>"Articles"</i>	The articles of incorporation of the Fund.
<i>"Board of Directors"</i>	The board of directors of the Fund.
<i>"Benchmark"</i>	The Benchmark can be the reference index of a Sub-Fund for either performance or risk related measures.
<i>"British Pounds" or "GBP"</i>	The lawful currency of the country of Great Britain.
<i>"Business Day"</i>	Any day that is opened for banking business in the Grand Duchy of Luxembourg and on which the respective stock exchanges are open.
<i>"Class" or "Classes"</i>	A class of Ordinary Shares issued by a Sub-Fund and any further classes of Ordinary Shares issued by a Sub-Fund.
<i>"CSSF"</i>	The " <i>Commission de Surveillance du Secteur Financier</i> ", the Luxembourg supervisory authority.

"Cut-Off Time"	The deadline, as specified for each Sub-Fund in the relevant Appendix, before which applications for subscription, redemption or conversion of Ordinary Shares of any Class in any Sub-Fund must be received by the Registrar and Transfer Agent in order to be dealt with on the following Subscription Day / Redemption Day.
"Danish Kroner" or "DKK"	The lawful currency of the Kingdom of Denmark.
"Depositary"	The depositary appointed by the Fund.
"Depositary Agreement"	The depositary agreement entered into between the Fund and the Depositary.
"Directors"	Any director of the Fund.
"Domiciliary Agent"	Any domiciliary agent appointed by the Fund.
"Eligible Investors"	Well-informed Investors within the meaning of article 2 of the Law of 2007.
"Euro" or "EUR"	The lawful currency of the European Union.
"Euro MTF"	The Multilateral Trading Facility launched in July 2015 and operated by the Luxembourg Stock Exchange as an alternative to the existing exchange.
"Fund"	<b>Capital Four Invest</b> , a public limited liability company ( <i>société anonyme</i> (S.A.)) incorporated under the laws of the Grand Duchy of Luxembourg as a " <i>société d'investissement à capital variable</i> " – " <i>fonds d'investissement spécialisé</i> ".
"Initial Offering Period"	The period during which Ordinary Shares in a Sub-Fund are first offered for subscription. This is a period commencing on the date specified and ending on the date specified in the relevant Appendix. This period may be terminated earlier or extended by decision of the Board of Directors.
"Initial Offering Price"	In relation to each Sub-Fund, the first offering price of Ordinary Shares in a Sub-Fund made pursuant to the terms and conditions of this Offering Document and its relevant Appendix.

<i>"Institutional Investors"</i>	Investors who qualify as institutional investors according to guidelines or recommendations issued by the regulatory authority from time to time.
<i>"Investors"</i>	Holders of Ordinary Shares issued by the Fund.
<i>"Lock-up Period"</i>	The period indicated in the relevant Appendix during which an Investor cannot redeem Shares. This period starts from the subscription date of the Shares. It is expressed in months.
<i>"Luxembourg"</i>	The Grand Duchy of Luxembourg.
<i>"Management Fee"</i>	An annual management fee to be paid to the Manager as described in the section "Expenses" of this Offering Document and specified for each Sub-Fund in the relevant Appendix to this Offering Document.
<i>"Manager"</i>	Capital Four AIFM A/S or any other appointed AIFM.
<i>"Mémorial"</i>	The <i>Mémorial, Recueil des Sociétés et Associations</i> , the official gazette of Luxembourg.
<i>"Net Asset Value" or "NAV"</i>	The net asset value of the Fund, of each Class, each Ordinary Share pursuant to the provisions set out in the section "Determination of the Net Asset Value" of this Offering Document.
<i>"Norwegian Kroner" or "NOK"</i>	The lawful currency of the country of Norway.
<i>"Offering Document"</i>	The Offering Document of the Fund as may be amended from time to time.
<i>"Ordinary Shares"</i>	Shares issued in different Sub-Funds and/or Classes pursuant to this Offering Document, which have been subscribed by Eligible Investors.
<i>"Performance Fee"</i>	Performance fee to which the Manager is entitled, as described in the section "Expenses" of this Offering Document and specified for each Sub-Fund in the relevant Appendix to this Offering Document.

<i>"Placement Fee"</i>	Placement fee to which the Manager is entitled, as described in the section "Expenses" of this Offering Document and specified for each Sub-Fund in the relevant Appendix to this Offering Document.
<i>"Prime Broker"</i>	Each of the prime brokers appointed by the Fund.
<i>"Professional Investors"</i>	Investors qualifying as professional investors under Annex II of Directive 2004/39/EC on markets in financial instruments.
<i>"Redemption Day"</i>	The Business Day indicated in the relevant Appendix to this Offering Document on which Ordinary Shares in a Sub-Fund can be redeemed.
<i>"Redemption Fee"</i>	A fee to be paid by the Shareholder asking for redemption of Shares in accordance with the terms and conditions of each Sub-Fund.
<i>"Redemption Price"</i>	The "Redemption Price" is denominated in the applicable Reference Currency and is equal to the Net Asset Value per Ordinary Share of the relevant Class as at the relevant Redemption Day, after adjustment for: <ul style="list-style-type: none"> <li>(i) Any accrual of Management Fees and Performance Fees due; and</li> <li>(ii) Any Redemption Fee applicable to the Class of Ordinary Shares being redeemed.</li> </ul>
<i>"Reference Currency"</i>	The currency in which each Sub-Fund or Class is denominated.
<i>"Register"</i>	The register of Shareholders of the Fund.
<i>"Registrar and Transfer Agent and Paying Agent"</i>	The agent selected by the Fund to perform all registrar and transfer agency duties as well as paying agency duties required by Luxembourg law.
<i>"Registrar and Transfer Agency, Paying, Administration and Domiciliary Agency Agreement"</i>	The registrar and transfer agency, paying, administration and domiciliary agency agreement entered into between the Fund and the Domiciliary Agent, the Registrar and Transfer Agent, the Paying Agent and the Administrative Agent.

<i>"Regulated Market"</i>	A market which operates regularly, is recognised and open to the public, as defined in article 2 of the Luxembourg law of 10 July 2005 relating to prospectuses for securities. Such market is registered on the list of Regulated Markets maintained by the European Commission.
<i>"Regulatory Authority"</i>	The Luxembourg supervisory authority (" <i>Commission de Surveillance du Secteur Financier</i> " or "CSSF") or its successor in charge of the supervision of undertakings for collective investment in the Grand Duchy of Luxembourg.
<i>"SFDR"</i>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial sector, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.
<i>"Share" or "Shares"</i>	An Ordinary Share of any Class.
<i>"Shareholder"</i>	A holder of a Share or Shares of the Fund.
<i>"Sub-Fund" or "Sub-Funds"</i>	A sub-fund of the Fund established by the Fund in accordance with this Offering Document and the Articles.
<i>"Subscription"</i>	Purchase by an Eligible Investor of Ordinary Shares of the Fund or a Sub-Fund.
<i>"Subscription Day"</i>	The Business Day indicated in the relevant Appendix to this Offering Document on which Ordinary Shares in a Sub-Fund may be subscribed.
<i>"Subscription Price"</i>	The Net Asset Value per Share calculated on the relevant Subscription Day in accordance with the Articles, the Offering Document, plus the Subsequent Subscription Fee, if applicable, and any Placement Fee.
<i>"Swiss Franc" or "CHF"</i>	The lawful currency of the country of Switzerland.
<i>"USD"</i>	The United States Dollar, the lawful currency of the United States of America.
<i>"US Person"</i>	A person described in Appendix II.
<i>"United States"</i>	The United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction.

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*"Valuation Day"*

Each Business Day on which the Net Asset Value is determined for each Class in each Sub-Fund as stipulated in the corresponding Appendix to this Offering Document.

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*"Well-informed Investors"*

Institutional Investors, Professional Investors and any other Investor who meets the following conditions: (i) she/he adheres in writing to the status of well-informed investor and (ii) either she/he invests a minimum of one hundred and twenty-five thousand euros (EUR 125,000.00) in the Fund or benefits from a statement drawn up by a credit institution within the meaning of Directive 2006/48/EC, another investment company within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2009/65/EC certifying that she/he is experienced enough to adequately appreciate an investment in a specialised investment fund.

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## 4. GENERAL INFORMATION IN RELATION TO THE FUND

### 4.1 STRUCTURE OF THE FUND

#### 4.1.1 *General Information*

1. The Fund was incorporated on 20 November 2009 under the name of **Capital Four Invest**, as a Luxembourg company in the form of a public limited liability company ("*société anonyme*", "S.A.") qualifying as an investment company with variable share capital ("*société d'investissement à capital variable*", "SICAV"). It is established as a specialised investment fund ("*Fonds d'Investissement Spécialisé*", "SIF"). The Fund is authorised as an undertaking for collective investment ("**UCI**") under the provisions of the Law of 2007.

2. The capital of the Fund shall be equal at all times to the net assets of the Fund. The minimum subscribed capital of the Fund, as prescribed by law, is one million two hundred and fifty thousand euros (EUR 1,250,000.00). This minimum must be reached within twelve (12) months following the authorisation of the Fund as a SICAV-SIF under the Law of 2007. The Articles have been published in the Mémorial number 130 on 21 January 2010. The Fund is registered with the Luxembourg Trade and Company Register ("*Registre de Commerce et des Sociétés*", Luxembourg) under number B.150.144.

3. Fractions of Ordinary Shares may be issued up to one thousandth (1/1000<sup>th</sup>) of an Ordinary Share.

4. The Fund was incorporated with an initial capital of thirty-one thousand euros (EUR 31,000.00; the "**Initial Share Capital**") divided into thirty one (31) shares (the "**Founding Ordinary Shares**") of no nominal value. The Founding Ordinary Shares subscribed at the incorporation of the Fund representing the Initial Share Capital may be redeemed without any Redemption Fee. The Founding Ordinary Shares were fully paid up upon incorporation.

5. Only Eligible Investors may subscribe for or purchase Ordinary Shares.

6. The Fund has an umbrella structure consisting of several Sub-Funds, segregated from each other. This means that although the Fund is one single entity, the rights of Shareholders and creditors relating to a Sub-Fund or arising from the setup, operations and liquidation of a Sub-Fund are limited to the assets of said Sub-Fund. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with its investment objectives and policy as described in the relevant Appendix to this Offering Document.

#### 4.1.2 *Investment objectives, policy, restriction and strategy*

1. The investment objectives and policies of the Sub-Funds are determined by the Board of Directors at the time of creation of each Sub-Fund. The investment objectives and other specific details are described individually for each Sub-Fund in the relevant Appendix to this Offering Document. Specific restrictions could apply to each Sub-Fund as more fully detailed, as the case may be, in the relevant Appendix to this Offering Document.

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

**THERE CAN BE NO ASSURANCE THAT THE SUB-FUND'S INVESTMENT OBJECTIVES WILL BE ACHIEVED. INVESTMENT RESULTS MAY SUBSTANTIALLY VARY OVER TIME.**

2. The Fund may, if specified in the relevant appendices, utilise leverage in accordance with current market practice applicable to the type of investments, and the use of leverage will be disclosed in the relevant Appendix which will indicate the maximum leverage limit that applies to the relevant Sub-Fund as of the Offering Document date.

The leverage limit will be provided using two methods:

- the commitment method, which allows to take into account netting arrangements, sums the value of all physical positions, the notionals of all derivative instruments, takes into account any leverage generated through securities lending or borrowing and reverse repurchase agreements, but excludes derivatives that are used within hedging arrangements and derivatives that don't generate any incremental leverage;
- the gross method, which doesn't take into account netting and hedging arrangements, sums the value of all physical positions, the notionals of all derivative instruments, takes into account any leverage generated through securities lending or borrowing and reverse repurchase agreements, but excludes cash and cash equivalents held in the Reference Currency of the Sub-Fund.

In addition, the total amount of leverage employed by a Sub-Fund will be disclosed in the Fund's annual report.

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

4. A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds of the Fund (each, a "Target Sub-Fund"), without the Fund being subject to the requirements of the Luxembourg law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition, however, that:

- the Target Sub-Fund(s) does(do) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund(s); and
- voting rights, if any, attaching to the Shares of the Target Sub-Fund(s) shall be suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 2007.

5. In accordance with the investment policy applicable to the relevant Sub-Fund, a Sub-Fund could make use of total return swaps. In such case, as required by the AIFMD and EU Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending EU Regulation 648/2012 (the SFTR), the Fund will make available to any investors upon request at its registered office or such other means as is determined by the Fund any information regarding the use of total return swaps in accordance with the provisions of SFTR, including amongst others general description of instruments used and the rationale for their use, type of assets that can be subject to them, maximum and expected proportion of assets under management subject

to them, criteria to select counterparties, acceptable collateral, valuation methodology, information on safekeeping of assets and collateral.

#### **4.1.3 Issue of Shares**

1. The Board of Directors is authorised to issue, at any time, an unlimited number of fully paid-up different Classes of Ordinary Shares without reserving to the existing Shareholders a preferential right to subscribe for the Ordinary Shares to be issued.

2. The net proceeds from Subscriptions are invested as specified for each Sub-Fund in the relevant Appendix to this Offering Document.

3. The Board of Directors shall maintain for each Sub-Fund a separate portfolio of assets. As between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

4. Ordinary Shares are exclusively reserved for Eligible Investors.

5. Ordinary Shares may be issued in one or more Classes in each Sub-Fund by the Board of Directors. Each Class has different features or is offered to different types of Investors, as more fully disclosed in the relevant Appendix to this Offering Document for each Sub-Fund individually.

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

7. Fractional Ordinary Shares may be issued up to three (3) decimals of an Ordinary Share. Such fractional Ordinary Shares shall be entitled to participation in the net results and in the proceeds of liquidation on a pro rata basis. Such fractions shall be subject to and carry the corresponding fraction of liability (whether with respect to nominal or par value, premium, contribution, calls or otherwise howsoever), limitations, preferences, privileges, qualifications, restrictions, rights and other attributes of a whole Ordinary Share of that Class. Any subscription monies received representing fractions less than one thousandth (1/1000<sup>th</sup>) of a whole Ordinary Share will be retained for the benefit of the relevant Class.

8. The Fund is an umbrella structure and the Board of Directors is entitled to establish a pool of assets constituting a Sub-Fund within the meaning of article 71 of the Law of 2007 for each class of Ordinary Shares or for two (2) or more Classes of Ordinary Shares in the manner described below. The Fund constitutes one single legal entity. However, each pool of assets shall be invested for the exclusive benefit of the relevant Shareholders of that Sub-Fund and each Sub-Fund shall only be responsible for the liabilities which are attributable to such Sub-Fund. All the rights of investors and creditors in relation to each Sub-Fund are therefore limited to the assets of the Sub-Fund. Each Sub-Fund will be deemed to be a separate entity for the investors and creditors of the relevant Sub-fund.

9. The Board of Directors may create each Sub-Fund for an unlimited or limited period of time. In the latter case, the Board of Directors may, at the expiry of the initial period of time, prorogue the duration of the relevant Sub-Fund once or several times. Details on the different Classes of Ordinary Shares as well as the rights in relation thereto are set out for each Sub-Fund in the relevant Appendix to the Offering Document.

10. Within a Sub-Fund, Classes of Ordinary Shares may be defined and issued from time to time by the Board of Directors of the Fund and may, *inter alia*, correspond to (without being limited to):

- (i) A specific distribution policy, such as entitling to distributions or not entitling to distributions and/or,
- (ii) A specific sales and redemption charge structure and/or,
- (iii) A specific management, performance or advisory fee structure and/or,
- (iv) A specific distribution fee structure and/or,
- (v) A specific currency and/or,
- (vi) A specific hedging structure and/or;
- (vii) Any other specific features applicable to one class.

11. Ordinary Shares will participate equally with all outstanding shares of the same class in the Sub-Fund's assets and earnings and will have the redemption rights described below and further described in the relevant Appendix.

12. Ordinary Shares to be issued by the Fund in relation to a specific Sub-Fund may be subscribed for by investors directly or through an intermediary during one or several offering periods, as decided by the Board of Directors, specified and disclosed for each Sub-Fund in the Offering Document and its Appendix. Investors wishing to subscribe for Ordinary Shares must execute an Application Form in relation to the relevant Sub-Fund.

13. Each Sub-Fund is described in more details in the relevant Appendix.

#### **14. Minimum commitment**

The minimum commitment per Investor is set out for each Sub-Fund in the relevant Appendix to the Offering Document. The Board of Directors may waive the minimum commitment at its sole discretion.

#### **15. Subscription and payment of Ordinary Shares**

1. For each Sub-Fund, Ordinary Shares of each available Class will be offered during the Initial Offering Period for such Class at the Initial Offering Price specified in the relevant Appendix together with any Placement Fee or other initial fee as may be set out in the relevant Appendix. The Board of Directors may change, extend or shorten the Initial Offering Period for any Class of Shares at its absolute discretion.

2. The Board of Directors shall be authorised, without limitation and at any time, to issue additional Ordinary Shares for all Sub-Funds without granting existing Shareholders a preferential right to subscribe for the Ordinary Shares. The initial and subsequent Subscription amounts in a single Sub-Fund/Class/Sub-class are set out in the relevant Appendix. Initial Subscription for Ordinary Shares must be made by Investors by forwarding to the Registrar and Transfer Agent a duly completed Application Form.

3. Subject to any specific terms as specified in an Appendix, following the end of the Initial Offering Period, Ordinary Shares of each Class may be available for subscription at the discretion of the Board of Directors on each Subscription Day at the Subscription Price calculated as at the immediately preceding Valuation Day. In such circumstances, if subscription applications are received following the close of the Initial Offering Period but prior to the first Valuation Day in respect of a Class, then at the discretion of the Board of Directors, Ordinary Shares may be issued at the Initial Offering

Price for the Class, together with any Placement Fee or other initial fees as set out in the relevant Appendix. The Subscription Price will be determined in the Reference Currency as set forth in the next paragraph. In all cases any terms for subsequent subscriptions, if any, will be specified in the relevant Appendix.

4. Subject to the above, the Subscription Price in the relevant Reference Currency will be equal to the Net Asset Value per Ordinary Share for such Class of Ordinary Shares, on the Valuation Day immediately preceding the Subscription Day on which Ordinary Shares are issued pursuant to a subscription application, including Placement Fee, as the case may be, mandated by the Board of Directors.

5. The applicable minimum subscription and minimum additional subscription requirements for the subscription of Ordinary Shares of each Class will be specified in the relevant Appendix.

6. Applications for Ordinary Shares of any available Class during the Initial Offering Period for such Class must be made using the Application Form relevant to that Appendix which must be received by the Registrar and Transfer Agent by facsimile on such date and by such time as determined by the Board of Directors and set out in the relevant Appendix (the "**Cut-Off Time**") and for the first subscription with the original copy thereof sent by post to the Registrar and Transfer Agent.

7. The Registrar and Transfer Agent accepts no responsibility for any loss caused as a result of non-receipt of any application sent by facsimile transmission. Any delay in receipt of a duly completed Application Form will result in the relevant application being processed on the next Subscription Day. The Board of Directors reserves the right to reject applications for Ordinary Shares of any available Class in its absolute discretion, without assigning any reason therefore. For Application Forms received by the Registrar and Transfer Agent after the Cut-Off Time, the Shares will be allotted at a price corresponding to the Subscription Price on the next Subscription Day. The Cut-Off Time for the submission of the Application Forms may be waived at the discretion of the Board of Directors. The Board of Directors in exercising its discretion will take due consideration of treating shareholders fairly and equally.

8. Subscription monies may be paid by applicants for Ordinary Shares in any Class in the relevant currency. Subscription monies shall be remitted within 3 (three) Business Days from the relevant Subscription Day by telegraphic transfer to the relevant subscription account specified for the relevant currency of payment in the Application Form. All bank collection or other charges imposed for such telegraphic transfer payments by an applicant shall be borne by and charged to that applicant. In case subscription is made through clearing, subscription will be executed against payment with the clearing account after the Administrative Agent has checked eligibility of the Prospective Investor(s).

The Shares will be issued as of the Subscription Day. The Shares will be issued in registered form.

9. **IMPORTANT**: the Board of Directors may, at any moment, in its sole discretion and for a limited or unlimited duration, decide to cease issuing new Ordinary Shares and to cease accepting any further subscriptions or conversions for any Ordinary Shares of any Class or of any relevant Sub-Fund in order inter alia to protect existing Shareholders or the Sub-Fund itself ("**Hard Closing**"). Alternatively, the Board of Directors may, at any moment, in its sole discretion and for a limited or unlimited duration, decide to cease accepting any further subscriptions or conversions for any Ordinary Shares of any Class or of any Sub-Fund from new Investors only i.e. from Investors who have not invested in the relevant Sub-Fund yet in order inter alia to protect existing Shareholders or the Sub-Fund itself ("**Soft Closing**"). These measures of Hard Closing or Soft Closing may be implemented with immediate effect by the Board of Directors in its sole discretion. The Shareholders of the Sub-

**Fund or of the Classes of Ordinary Shares subject to a Hard Closing or a Soft Closing will be informed in writing, at the latest, immediately after such Hard Closing or Soft Closing take place. The Board of Directors will not have to justify the reasons for implementing such Hard Closing or Soft Closing. A partially or totally closed Sub-Fund or Classes of Ordinary Shares can be re-opened for subscription or conversion when the circumstances which justified the Hard Closing or Soft Closing no longer prevail.**

#### ***16. Rejection privilege***

The Fund reserves the right to reject any application for subscription at its own discretion, without giving any reason. If an application is rejected, the subscription amount will be returned, without interest, as soon as practicable following the date of rejection by electronic transfer, at the applicant's expense and risk.

#### **4.1.4 Conversion of Shares**

1. Unless otherwise determined in the Appendix, Shareholders are entitled to request the conversion of whole or part of their Ordinary Shares of one Class into Ordinary Shares of another Class, within the same Sub-Fund or from one Sub-Fund to another Sub-Fund subject to such restrictions as to the terms and conditions as determined by the Board of Directors from time to time in the relevant Appendix of this Offering Document, where the Redemption Day and Subscription Day is the same for the Classes in question. The price for the conversion of Ordinary Shares from one Class into another Class shall be computed by reference to the respective Net Asset Value of the two Classes of Ordinary Shares, calculated on the same Valuation Day not taking into account the conversion fee, if any.

2. If as a result of a request for conversion the number or the aggregate Net Asset Value of the Ordinary Shares held by a shareholder in any Class of Ordinary Shares would fall below the minimum investment level set out in the relevant Appendix, the Board of Directors may refuse at its discretion to convert the Ordinary Shares from one Class to another Class.

3. The Ordinary Shares which have been converted into Ordinary Shares of another Class or/and of another Sub-Fund shall be cancelled on the relevant Subscription Day.

4. A conversion fee, if any, will result from the conversion of Ordinary Shares from a Class to another and/or from a Sub-Fund to another, as further described in the relevant Appendix of this Offering Document.

#### **4.1.5 Redemption of Shares**

1. Ordinary Shares of each Sub-Fund shall either be redeemable or not redeemable pursuant to the terms and conditions set forth in this Offering Document and the applicable Appendix. **IMPORTANT: in some Sub-Funds, a Lock-up Period may be foreseen. If so, a Shareholder may not redeem Shares until the number of months indicated in the relevant Appendix (since subscription) has elapsed.**

2. After the Lock-up Period has elapsed (if any, as further detailed in the relevant Appendix for the relevant Sub-Fund), every Shareholder shall have the right on each Redemption Day to require the Fund to redeem the Ordinary Shares at the relevant Net Asset Value of such Ordinary Shares as of the relevant Redemption Day, less any Redemption Fee, if applicable.

**3. A redemption request will only be executed after the identity of the Shareholder(s) and/or of the beneficial owner(s) has been established to the complete satisfaction of the Fund. Payment will only be made to the concerned Shareholder(s).** For the avoidance of doubt, the identification of the Shareholder(s) and/or the beneficial owner(s), if necessary, is done before the first subscription is accepted. However, if the received documents are no longer valid (i.e. past expiration date, etc.) or if the legislation is requesting more documents at the time of the redemption, the redemption will be executed in order for the Shareholder to benefit from the relevant Net Asset Value of such Ordinary Shares as of the relevant Redemption Day but the payment of the Redemption Price will be blocked until receipt of the required documents.

4. The Board of Directors reserves the right to reduce proportionally all requests for redemptions in a Sub-Fund to be executed on one Redemption Day whenever the total proceeds to be paid for the Shares so tendered for redemption exceed ten per cent (10%) of the total net assets of that specific Sub-Fund. The portion of the non-processed redemptions will then be processed by priority on subsequent Redemption Days (but always subject to the foregoing ten per cent (10%) limit).

5. Written notice must be received by the Fund not less than the number of Business Days indicated in the relevant Appendix prior to the Redemption Day as disclosed in the relevant Appendix. Request for redemption must be for either a number of Ordinary Shares or an amount denominated in the relevant currency of the Class of the Sub-Fund.

6. All redemption requests will be processed strictly in the order in which they are received, and each Redemption shall be processed at the Net Asset Value of the said Ordinary Shares, reduced by any applicable Redemption Fee.

7. Neither the Fund nor the Depositary nor the Board of Directors are responsible for any delays or charges incurred at any receiving bank or settlement system.

8. The Fund shall have the right to satisfy payment of the Redemption Price in kind by allocating to the Shareholder investments from the portfolio of assets of the Fund equal to the value of the Shares to be redeemed.

9. If as a result of any request for redemption, the number or the aggregate Net Asset Value of the Ordinary Shares held by any Shareholder in any Class of Ordinary Shares of the relevant Sub-Fund would fall below the minimum investment set out in the relevant Appendix, then the Board of Directors may decide that this request be treated as a request for redemption for the full balance of such Shareholder's holding of Ordinary Shares in the Sub-Fund or in the Fund.

10. Further, if, with respect to any given Redemption Day, redemption requests pursuant to this clause and conversion requests pursuant to clause "Conversion of Shares" hereof exceed a certain level determined by the Board of Directors in relation to the number of shares in issue in a specific class, the Board of Directors may decide that part or all of such requests for redemption or conversion will be deferred for a period and in a manner that the Board of Directors considers to be in the best interest of the Fund. Following that period, with respect to the next relevant Redemption Day, these redemption and conversion requests will be met in priority to later requests.

11. The Fund may, in accordance with the provisions set forth in the Articles, redeem Shares whenever the Board of Directors considers a redemption to be in the best interest of the Fund or a Sub-Fund.

12. The redemption of Ordinary Shares of any Class and/or Sub-class of any Sub-Fund shall be suspended when the calculation of the Net Asset Value thereof is suspended.

13. The value of the Ordinary Shares at the time of redemption may be more or less than the amount initially invested by the Shareholder, depending on the market value of the assets held by the Fund at that time.

#### 4.1.6 *Transfer of Shares*

1. A Shareholder may request the transfer of part or all of her/his Ordinary Shares to another person, firm or corporate body. Subject to the provisions contained in the paragraph below, the transfer may only be processed provided the Fund is satisfied that the transferor and the transferee (who must be an Eligible Investor and not a Prohibited Person) fulfil all the requirements applicable to redemption and subscription of Shares. No charges will generally be levied by the Fund.

2. The Shares in any Sub-Fund which are listed on the Luxembourg Stock Exchange are required to be negotiable and transferable on the Luxembourg Stock Exchange upon their admission to trading thereon (and trades registered thereon are not able to be cancelled by the Board of Directors); the requirements as to transfers to Eligible Investors will nevertheless apply to any party to which Shares are transferred on the Luxembourg Stock Exchange. Considering the qualification of a subscriber or a transferee as Well-informed Investor, the Board of Directors will have due regard to the applicable laws and regulations (if any) of the CSSF. Well-informed Investors subscribing in their own name, but on behalf of a third party, must certify that such subscriptions are made on behalf of a Well-informed Investor as aforesaid and the Board of Directors acting for and on behalf of the Fund may require at its sole discretion, evidence that the beneficial owner of the Shares is a Well-informed Investor. The holding at any time of any Shares by a party which does not satisfy the requirements for Eligible Investors may result in the compulsory redemption of such Shares by the Board of Directors.

#### 4.1.7 *Restrictions on ownership*

1. The Fund may restrict or prevent the ownership of Ordinary Shares in the Fund by any person, firm or corporate body:

- (i) Who is not an Eligible Investor; or
- (ii) If in the opinion of the Board of Directors such holding may be detrimental to the Fund; or
- (iii) If it may result in a breach of any law or regulation, whether Luxembourg or foreign; or
- (iv) If as a result thereof the Fund may become exposed to regulatory, tax or fiscal disadvantages or other financial disadvantages that it would not have otherwise incurred; or
- (v) Who is a US Person (unless the US Person fulfils the mandatory conditions set forth in point 3. below).

Such person, firm or corporate body to be determined by the Board of Directors being herein referred to as "**Prohibited Person**".

2. For such purposes, the Board of Directors is entitled to:

- (i) Decline to issue any Ordinary Shares and decline to register any transfer of an Ordinary Share, where it appears that such registry or transfer would or might result in legal or beneficial ownership of such Ordinary Shares by a Prohibited Person; and/or
- (ii) At any time, require any person whose name is entered in, or any person seeking to register the transfer of Ordinary Shares on the Register of Shareholders to provide with any information, supported by affidavit, which the Board of Directors may consider necessary for the purpose of determining whether or not beneficial ownership of such shareholder's shares rests in a Prohibited Person, or whether such registration will result in beneficial ownership of such Ordinary Shares by a Prohibited Person; and/or
- (iii) Decline to accept the vote of any Prohibited Person at any meeting of Shareholders of the Fund; and/or

- (iv) Where it appears to the Board of Directors that any Prohibited Person either alone or in conjunction with any other person is a beneficial owner of Ordinary Shares, direct such Shareholder to sell his/her/its Ordinary Shares and to provide to the Fund evidence of the sale within thirty (30) days of the notice. If such shareholder fails to comply with the direction of the Board of Directors, the Board of Directors may compulsorily redeem or cause to be redeemed from any such Shareholder all Ordinary Shares held by such Shareholder at the last or next Redemption Day (whichever is the lowest); and/or
  - (v) To compulsory redeem the Ordinary Shares held by a Prohibited Person.
3. The Board of Directors may, at its discretion, accept subscriptions from certain US Persons subject to the following mandatory conditions:
- (i) each such purchaser is qualified as a "qualified purchaser", as defined in the 1940 Act and an "accredited investor", as defined in Regulation D under the 1933 Act;
  - (ii) such US Person is not an "employee benefit plan" as defined in section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that is subject to Title I of ERISA or Section 4975 of the US Internal Revenue Code of 1986, as amended (the "**Code**"), or an entity whose underlying assets include "plan assets" under ERISA;
  - (iii) such purchasers make certain representations to the Fund relating to these qualifications.

In addition, the Fund will not sell Shares to US Persons unless the Board of Directors determines in its sole discretion that there will be no material adverse tax cost (including as a result of administrative requirements) or consequences to the Fund as a result of such a sale.

#### **4.1.8 Listing**

Ordinary Shares may be listed for negotiation and trading on the regulated market of the Luxembourg Stock Exchange and/or on the Copenhagen Stock Exchange and/or on the Euro MTF and/or on any other market or stock exchange upon a decision of the Board of Directors of the Fund, pursuant to the terms and conditions set forth in the applicable Appendix. The Net Asset Value per Ordinary Share shall in such case be published on the Luxembourg Stock Exchange website and/or the Copenhagen Stock Exchange website and/or the website of the Fund and/or in data services such as Reuters, Bloomberg, Lipper, Morningstar and/or Telekurs.

#### **4.2 RISK CONSIDERATIONS**

**THE FUND'S INVESTMENT OBJECTIVES AND POLICY ENTAILS SUBSTANTIAL RISKS. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVES OF THE FUND WILL BE ACHIEVED.** Attention should be drawn to the fact that an investor may not get back the amount he/she/it has invested. Changes in exchange rates may also cause the Net Asset Value in the investor's reference currency to go up or down. No guarantee as to future performance of, or future return from, the Fund, can be given. In addition to the above mentioned general risks which are inherent to all investments, the investment in the Fund entails above-average risks and is only appropriate for Investors who can take the risk to lose their entire investment. Some specific risks related to the investment in the Fund are described below.

#### 4.2.1 General Considerations

1. An investment in a Sub-Fund involves certain risks relating to the particular Sub-Fund's structure and investment objectives which Investors should evaluate before making a decision to invest in such Sub-Fund. The investments in each Sub-Fund are subject to market fluctuations and to the risks inherent to all investments; accordingly, no assurance can be given that the investment objective will be achieved.

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

3. The following is a brief description of certain factors which should be considered along with other matters discussed elsewhere in this Offering Document. The following however, does not purport to be a comprehensive summary of all the risks associated with investments in any Sub-Fund.

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

5. **General:** The transactions in which the Fund will generally engage involve trading risks. Growing competition in the financial markets as well as the development of sophisticated technology that is able to discover investment opportunities more rapidly may limit the Board of Directors' ability to take advantage of opportunities in rapidly changing markets. No assurance can be given that the investment styles selected by the Board of Directors' and/or the investment and trading strategies employed by the Board of Directors and/or the Manager will be successful or that shareholders will realise net profits out of their respective investments. Because of the nature of the Fund's investment activities, the results of the Fund's operations may fluctuate from month to month. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results in future periods.

6. **Markets:** It may not always be possible to execute a buy or a sell transaction at the desired price or to liquidate an open position, either due to market conditions on financial markets or due to the operation of daily price fluctuation limits or "circuit breakers". It is also possible that an exchange or governmental authority may suspend or restrict trading on an exchange, in particular securities or other financial instruments traded on such exchange. Options trading may be restricted in the event that trading in the underlying security becomes restricted, and options trading may itself be illiquid at times, irrespective of the condition of the market of the underlying security, making it difficult to offset option positions in order to realise gain thereon, limit losses or change positions in the market.

7. **Economic conditions:** The success of any investment activity may be affected by general economic conditions, which may affect the level and volatility of share prices, interest rates and/or foreign exchange rates and the extent and timing of Investors' participation in the markets for instruments sensitive to share prices, interest rates and/or foreign exchange rates. Market periods characterised by illiquidity or flattened volatility could impair the ability to trade successfully.

8. **Limited Ability to Liquidate an Investment in the Fund:** Ordinary Shares may be redeemed only on a Redemption Day as defined in the relevant Appendix. Accordingly, the value of Ordinary Shares on the Redemption Day may vary significantly from that at the time a redemption request is required to be submitted.

9. **Trading Risks:** Substantial risks are involved in the trading of securities. Market movements can be volatile and are difficult to predict. Government policies, particularly those of the US Federal Reserve Board and the European Central Bank, can have a dramatic effect on share prices, interest rates and/or foreign exchange rates which, in turn, substantially affect securities prices as well as the liquidity of such markets. Politics, recession, inflation, employment levels, trade policies, international events, war and other unforeseen events can also have a significant impact on the price of securities.

10. Various techniques are employed to attempt to reduce the risks inherent to the trading strategies. The ability to achieve the desired effect through a particular technique depends on many factors, including the liquidity of the market at the desired time of execution, but not exclusively. Thus, substantial risk remains that the techniques employed on behalf of the Fund cannot always be effective in reducing losses. The activities undertaken by the Board of Directors may involve a degree of leverage. Accordingly, a relatively small price movement may result in substantial and immediate losses in excess of the amount committed by the Fund. At various times, markets for exchange-listed securities may be "thin" or illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. The liquidity of markets may also be affected by a halt in trading on a particular securities exchange or exchanges.

11. **Operational risk:** The Fund's operations (including investment management, distribution and collateral management) are carried out by several service providers. The Fund and/or the Manager follow a due diligence process in selecting service providers. Nevertheless, operational risk can occur and have a negative effect on the Fund's operations, and it can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Shares) or other disruptions.

12. **Use of derivatives:** The Fund and each Sub-Fund may invest, directly or indirectly, in all kind of derivatives (including options, futures, forward contracts and swaps) that are highly volatile and speculative. Certain positions may be subject to large and sudden fluctuations in market value with a resulting fluctuation in the amount of profits and losses. As a result, a relatively small price movement in an instrument may result in immediate and substantial losses for the Investor. In addition, trading securities on margin results in potentially substantial interest charges to the Fund. Thus, any purchase or sale on a leveraged security or derivative instrument may result in losses in excess of the amount invested. The Board of Directors may engage in principal securities or in trading currencies or commodities in which case the Fund will be subject to a risk with respect to the creditworthiness of its counterparty.

13. **Arbitrage transactions:** Among the many risks of arbitrage strategies as these may be employed by the Board of Directors or as the case may be any Manager are that two or more buy or sell transaction orders may not be able to be executed simultaneously at the desired prices, resulting in a loss being incurred on both sides of a multiple trade arbitrage transaction. Also, the transaction costs can be significant because separate costs are incurred on each component of the combination. Consequently, a substantial favourable price movement may be required before a profit can be realised.

14. **Foreign exchange/Currency risk:** The Board of Directors may invest in assets denominated in a wide range of currencies. The Net Asset Value expressed in its respective unit currency will fluctuate in accordance with the changes in foreign exchange rate between the Reference Currency of the relevant Sub-Fund or Class and the currencies in which the relevant Sub-Fund's investments are denominated. If the Shares of a Share Class can be subscribed and redeemed in a currency other than the Reference Currency of the Sub-Fund, a fluctuation in exchange rates could cause the value

of an investment made by Shareholders to diminish or increase irrespective of performance and therefore substantially impact the performance of such Share Class expressed in the corresponding Share Class currency. The Manager may seek to mitigate such risks through hedging transactions. To the extent these hedging transactions are imperfect or are only placed over a portion of the foreign exchange exposure, such Share Class will bear the resulting benefit or loss. There is no guarantee that it will be possible to remove all currency exposure. Attention is further invited to the risk that with respect to the different currency Share Classes within the Sub-Fund, currency hedging transactions for one Share Class may in extreme cases adversely affect the Net Asset Value of the other Share Classes within the Sub-Fund since the single Share Classes do not constitute a legally independent portfolio.

15. **Commission and fee(s) amounts:** The payment of a fee calculated on the basis of performance results could encourage the Board of Directors and/or the Manager to select more risky and volatile placements than if such fees were not applicable.

16. **The Fund:** No assurance can be given that the Fund and the relevant Sub-Funds will achieve their investment objectives.

17. **Potential conflicts of interests:** Prospective Investors should note that the Board of Directors, the Manager, the Depository and possibly other parties may be subject to various conflicts of interests in their relationships with the Fund.

18. **Reliance on management:** The Fund depends significantly on the efforts and abilities of the Directors. The loss of these persons' services could have a materially adverse effect on the Fund and/or the relevant Sub-Fund.

19. **Investments:** The Board of Directors may use complex derivative instruments and may trade in warrants and options, including over-the-counter options. All of these instruments are volatile and carry counterparty risks. If the Fund purchases an option or warrant, it may lose the entire amount of its investment (the premium). Selling uncovered options is potentially far riskier as the concerned Sub-Fund's potential losses are theoretically unlimited.

20. **Leverage:** The Fund may use leverage in its trading and investment activities. Borrowing money to purchase an instrument may provide the opportunity for greater capital appreciation but at the same time will increase the risk of loss with respect to the instrument. Although the use of leverage increases returns to the Fund if it earns a greater return on the incremental positions purchased with the borrowed funds than it pays for such funds, the use of leverage decreases returns to the Fund if it fails to earn as much on such incremental positions as it pays for such funds. The amount of borrowings outstanding at any time by the Board of Directors in respect of assets that it manages may be large in relation to such assets. In addition, the level of interest rates generally, and the rates at which the Manager or the Board of Directors, on behalf of the Fund or any Sub-Fund can borrow in particular, will ultimately affect the results of the Fund.

21. **Concentration of investments:** The Fund's portfolio will normally be diversified among a variety of different investment styles. However, the Fund's assets may be concentrated on a limited number of investment styles and Investment Managers.

22. **Changes in investment styles:** The Board of Directors may decide to alter the Fund's or Sub-Funds' investment styles without prior approval by the Fund or its Shareholders if it decides that such change is in the best interests of the Fund or its Shareholders. Any such change of strategy could result in the exposure of the Fund's assets to additional risks.

23. **Substantial fees and expenses:** The fees and expenses to which the Fund will be subject can be substantial. The Fund will therefore be required to make significant investment profits in order to avoid depletion or exhaustion of its assets.

24. **Tax considerations:** Tax charges and withholding taxes in various jurisdictions in which the Fund will invest can affect the level of distributions made to it and accordingly to its Investors. No assurance can be given as to the level of taxation applicable to the Fund or its investments.

25. **Changes in applicable law:** The Fund must comply with various regulatory and legal requirements, including securities and tax laws as imposed by the jurisdictions in which it operates. Should any of those laws change over the life of the Fund, the regulatory and legal requirements to which the Fund and its Shareholders may be subject could differ materially from current requirements.

26. **Litigation:** The Fund might be named as a defendant in a lawsuit or regulatory action stemming from the conduct of its business and the activities of the Board of Directors. In the event such litigation occurs, the Fund would bear the costs of defending against it and be at further risk if the defence in the litigation was unsuccessful.

27. **Counterparty risk:** The Fund may have credit exposure to one or more counterparties by virtue of its investment positions. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting and/or claiming its rights. Such risks will increase where the Fund uses only a limited number of counterparties.

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

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

29. **Custody risk:** Assets of the Fund are safe-kept by the Depository and investors are exposed to the risk of the Depository not being able to fully meet its obligation to reconstitute in a short time frame all of the assets of the Fund in the case of bankruptcy of the Depository. The assets of the Fund will be identified in the Depository's books as belonging to the Fund. Securities held by the Depository will be segregated from other assets of the Depository which mitigates but does not exclude the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy. The Depository does not keep all the assets of the Fund itself but uses a network of sub-custodians which may not be part of the same group of companies as the Depository. Investors

are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the Depositary.

A Sub-Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Sub-Fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the Depositary will have no liability.

30. **Short selling:** The Fund may engage in short selling of securities which may expose the portion of the Fund's assets committed to such activities to unlimited risk due the lack of an upper limit on the price to which a security may rise.

31. **Investments on an international basis:** The Funds' international investments involve certain risks, including fluctuations in foreign exchange rates, political and economic developments and the possible imposition of exchange controls or other governmental laws or restrictions. Securities prices in different countries are subject to different economic, financial, political and social factors. In addition, investments may be subject to non-recoverable withholding taxes.

32. **Investments in lower rated securities:** Some Sub-Funds may invest in lower rated securities. The widespread expansion of government, consumer and corporate debt within the economy has made the corporate sector, especially cyclically sensitive industries, more vulnerable to economic downturns or increased interest rates. Because lower rated debt securities involve issuers with weaker credit fundamentals (such as debt-to-equity ratios, interest charge coverage and earnings history), an economic downturn, or increase in interest rates, could severely disrupt the market for lower rated debt securities and adversely affect the value of outstanding debt securities and the ability of the issuers to repay principal and interest. The markets for and prices of lower rated debt securities have been found to be less sensitive to interest rate changes than higher rated investments, but more sensitive to adverse economic changes or individual corporate developments. In addition, periods of economic uncertainty and changes can be expected to result in increased volatility of market prices of lower rated debt securities.

33. **Investments in equities:** Some Sub-Funds can be exposed to equity markets movements and the value of their assets may rise or fall. Therefore, no assurance can be given that Investors will get back the full amount they originally invested.

34. **Investments in high yield debt securities:** Certain high yield bonds rated Ba1 or BB+ and below by Moody's or Standard & Poor's respectively are very speculative, involve comparatively greater risks than higher quality securities, including price volatility, and may be questionable as to principal and interest payments. The attention of potential investors is drawn to the type of high-risk investment that Sub-Funds are authorised to make. Compared to higher rated securities, lower rated high yield bonds generally tend to be more affected by economic and legislative developments, changes in the financial condition of their issuers, have a higher incidence of default and are less liquid. The Sub-Funds may also invest in high yield bonds issued by emerging market issuers that may be subject to greater social, economic and political uncertainties or may be economically based on relatively few or closely interdependent industries. Corporate debt securities may bear fixed coupon, fixed and contingent coupon, or variable coupon and may involve equity features such as conversion or exchange rights or warrants for the acquisition of stock of the same or a different issuer (e.g. synthetic convertibles) or participation based on revenue, sales or profits.

**35. Transactions in warrants, options, futures, swaps and contracts for difference (CFD):** Some Sub-Funds may seek to protect or enhance the returns from the underlying assets by using warrants, options, futures, CFD and swap contracts and entering into forward foreign exchange transactions in currency. The ability to use these strategies may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought from the use of these strategies will be achieved. Participation in the warrants, options or futures markets and in swap contracts and in currency exchange transactions involves investment risks and transaction costs to which the Sub-Funds would not be subject if they would not use these strategies. If the Manager's predictions of movements in securities, foreign currency and interest rate markets are inaccurate, the adverse consequences to a Sub-Fund may leave it in a worse position than if such strategies were not used. Risks inherent to warrants, options, foreign currency, swaps, CFD, futures contracts and options on futures contracts include, but are not limited to: (a) dependence on the Manager's ability to predict movements in interest rates, securities prices and currency markets; (b) imperfect correlation between the price of options and futures contracts and options thereon and movements in the prices of the securities or currencies being hedged; (c) the fact that skills needed to use these strategies are different from those needed to select portfolio securities; (d) the possible absence of a liquid secondary market for any particular instrument at any time; and (e) the possible inability of a Sub-Fund to purchase or sell a portfolio security at a time that otherwise would be favourable for it to do so, or the possible need for a Sub-Fund to sell a portfolio security at a disadvantageous time.

**36. Institutional Risks:** The institutions, including brokerage firms and banks, with which the Fund (directly or indirectly) does business, or to which securities have been entrusted for custodial and prime brokerage purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the Fund. Brokers may trade with an exchange as a principal on behalf of the Fund, in a "debtor-creditor" relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could therefore have title to part of the assets of the Fund (for example, the transactions which the broker has entered into on behalf of the Fund) as principal as well as with regard to the margin payments which the Fund provides. In the event of such broker's insolvency, the transactions which the broker has entered into as principal could default and the assets of the Fund could become part of the insolvent broker's estate, to the detriment of the Fund. In this regard, the Fund's assets may be held in "street name" so that a default by the broker may cause the rights of the Fund to be limited to that of an unsecured creditor. The Fund may intend to potentially use directly a prime broker for custodial and prime brokerage purposes.

**37. Cash held with Prime Brokers:** The Fund's cash held with a Prime Broker will not be segregated from the Prime Broker's own cash and will be used by the Prime Broker in the course of its business and the Fund will therefore rank as an unsecured creditor in relation thereto.

**38. Insolvency of Prime Broker:** The Fund is at particular risk of a Prime Broker entering into an insolvency proceeding. During such a proceeding (which may last many years) the use by the Fund of assets held by or on behalf of the Prime Broker may be restricted. In relation to the Fund's right to return of assets equivalent to those of the Fund's assets which the Prime Broker sells, borrows, lends, pledges, re-pledges, hypothecates, re-hypothecates, transfers or otherwise uses for its own purposes, or in respect of which legal and beneficial title is transferred to a Prime Broker, the Fund will rank as one of that Prime Broker's unsecured creditors and, in the event of the insolvency of the Prime Broker, the Fund might not be able to recover such equivalent assets in full. Depending on the amount of assets held at the Prime Broker at the time of such a proceeding, it may be possible that (a) the ability of the Manager to fulfil the investment objective may be severely constrained, (b) the Fund may be required to suspend the calculation of the Net Asset Value, and/or (c) the value of Shares may be otherwise affected. During such a procedure, the Fund is likely to be an unsecured creditor in relation to certain assets and accordingly the Fund may be unable to recover such assets from the insolvent estate of the relevant Prime Broker in full, or at all.

It should be noted that the Board of Directors and the initiator have consulted with lawyers, service providers and other experts regarding the formation of the Fund. Such personnel are accountable to the Fund only and not to Shareholders themselves. Each potential Investor should consult his own legal, tax and financial advisors regarding the desirability of an investment in the Fund.

#### **4.2.2 Risks related to investments in emerging countries**

1. **Political and other macro risks:** The Sub-Funds' investments can be adversely affected by political, economic and diplomatic changes. Also, individual countries in which the Sub-Funds are active may experience one or more natural or man-made disasters such as floods, hurricane, drought, health epidemic, war, terrorist attack, or civil unrest. Such events, even with an efficient and adequate response, may have a materially adverse effect on the Sub-Funds' portfolio and or operations in the affected country.

2. **Degree of regulation:** The degree of regulation in emerging countries may be less stringent than that in more developed countries. Also, companies in emerging countries may be subject to accounting, auditing and financial reporting standards, practices and disclosure requirements that are not comparable to those used in developed countries. Furthermore, in certain countries and for certain types of securities of the portfolio, the validity of title may be challenged by third parties or by the relevant issuers due to the possible deficiencies arising from applicable laws and regulations.

3. **Efficiency of settlement systems and liquidity issues:** Settlement systems in emerging countries may be less well recognised than in developed countries. There may be a risk that settlement may be delayed and that securities of the Sub-Funds may be in jeopardy because of failures or of defects in the system. Market practice may even require that payment be made prior to receipt of the security, or that delivery of the security be made before payment is received. In such cases, default by the counterparty through whom the transaction is effected might result in a loss being suffered by the Sub-Funds. Also, securities in emerging countries can be substantially less liquid than securities in more developed countries. This may adversely affect the timing and pricing of the Sub-Funds' acquisitions and disposals of such securities. Furthermore, the Sub-Funds may hold investments in companies whose daily trading volumes are low. This may also qualify the shares of such companies as less liquid.

#### **4.2.3 Risks related to the portfolio valuation**

1. Potential Investors should acknowledge that the portfolio of the Sub-Funds will be composed of assets of different natures in terms of *inter alia* geographies, financial statements formats, reference currencies, accounting principles, types and liquidity of securities, coherence and comprehensiveness of data.

2. As a result, the valuation of the portfolio and the production of the Net Asset Value calculation will be a complex process which might in certain circumstances require the Fund to make certain assumptions in order to produce the desired output.

3. The lack of an active public market for securities and debt instruments will make it more difficult and subjective to value investments of the Sub-Funds for the purposes of determining the Net Asset Value.

#### **4.2.4 Risks related to investments in other UCIs**

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

#### **4.2.5 SFDR risks**

##### **1. SFDR – Legal Risk**

The Manager and the Fund seek to comply with all legal obligations applicable to it but note there may be challenges in meeting all the requirements of these legal measures as they are introduced. The Manager and the Fund may be required to incur costs in order to comply with these new requirements as part of the initial implementation phase and to incur further costs as the requirements change and further elements are introduced. This could be the case in particular if there are adverse political developments or changes in government policies as the implementation phase progresses. These elements could impact on the viability of the Sub-Funds and their returns.

##### **2. ESG Data reliance**

The scope of SFDR is extremely broad, covering a very wide range of financial products and financial market participants. It seeks to achieve more transparency regarding how financial market participants integrate Sustainability Risks (as defined hereafter) into their investment decisions. Data constraint is one of the biggest challenges when it comes to sustainability related information to end-investors and there are limitations on sustainability and ESG-related data provided by market participants in relation to comparability. Disclosures in this Offering Document may develop and be subject to change due to ongoing improvements in the data provided to, and obtained from, financial market participants to achieve the objectives of SFDR in order to make sustainability-related information available.

### **4.3 MANAGEMENT AND ADMINISTRATION**

#### **4.3.1 Board of Directors of the Fund**

##### **4.3.1.1 Generality and main duties**

1. The Fund shall be managed by a Board of Directors composed of not less than three (3) members. Members of the Board of Directors need not to be Shareholders of the Fund. The Board of Directors has responsibility for managing the Fund in accordance with this Offering Document, the Articles, Luxembourg law and other relevant legal requirements. The Board of Directors is vested with the broadest powers to perform all acts of disposition and administration within the Fund's purpose.

2. The Board of Directors is responsible for implementing the investment policy of the Fund subject to the risk diversification rules and investment restrictions set out in this Offering Document and the Appendices. The Board of Directors is also responsible for selecting the Depositary, the Administrative Agent, the Manager, the Registrar and Transfer Agent and Paying Agent, the Domiciliary Agent and such other agents as appropriate.

3. The Directors of the Fund as at the date of this Offering Document are:

- **Mr Emmanuel Bégat** graduated from the Lyon Management School in 1991. Since 2015, he has been Chief Operating Officer with ME Business Solutions S.à r.l. Previously, he has created and run a marketing and communication advisory company to financial institutions, after having been Country Manager France for Superfund, building French operations from scratch. He has gained significant experience in asset management, central administration and compliance in his positions as Managing Director of Superfund Luxembourg S.A., as Head of Corporate Banking of Banque Colbert (Luxembourg) S.A. and as Investment Funds Lead Manager at KMPG Luxembourg. Mr. Bégat is also Chairman of the Professional Training Committee of ALFI. Mr. Bégat was appointed on 1 February 2012.
  
- **Mr. Eric Chinchon** holds a diploma from the Business School of Dijon, France. He has been a Managing Partner of ME Business Solutions S.à r.l in Luxembourg since January 2009. He is also an external consultant to the IFBL and a member of the quality circle of the ALFI/IFBL. Previously he has gained significant experience in the financial services sector within his positions as General Manager of Mercuria Services and Mercuria Management Company S.A, senior auditor at KPMG Luxembourg. He is currently a member of the board in several UCITS and UCIs structures and relating financial companies. Mr. Chinchon was appointed in December 2010.

And

- **Mr. Michael Bernth Nielsen** joined Capital Four Management as Chief Operating Officer in April 2016 from a position as Head of Middle Office in Nykredit Portfolio Administration A/S. Here Michael was responsible for strategic and operational matters in Middle Office, covering market and static data, NAV calculations and validations as well as market value calculation of all instruments. Prior to this Michael held various positions within Nykredit Portfolio Administration A/S, initially as an Accountant working with financial reporting and budgeting, and later as a Senior Investment Controller working primarily with NAV calculations and performance controlling. Michael holds a MSc in Business Economics and Auditing and a Graduate Diploma in Business Administration from Copenhagen Business School. Mr. Nielsen was appointed in February 2018.

Both Mr. Eric Chinchon and Mr. Emmanuel Bégat are independent directors. Mr. Michael Bernth Nielsen is currently Chief Operating Officer at Capital Four AIFM A/S. The three directors will always act in the best interest of the Fund.

#### **4.3.1.2 Removal of a Director**

1. Any director may be removed with or without cause and/or replaced, at any time, by a resolution adopted by the general meeting of Shareholders of the Fund.

2. In the event of vacancy in the office of a Director because of death, retirement or otherwise, the remaining Directors may elect, by a majority vote, a Director to fill such vacancy until the next general meeting of Shareholders of the Fund.

#### **4.3.1.3 Liabilities**

1. The Board of Directors shall act with due diligence and fulfil its obligations under Luxembourg law. The Fund and its Directors, officers, employees and agents (including any correspondents) shall not be liable for any error of judgment or

mistake of law, for any loss suffered by the Fund or for any actions taken or omitted to be taken, except for, in the case of each considered individually, any loss resulting from a failure to act with due diligence, the non-fulfilment or improper fulfilment of the Board of Directors' obligations under Luxembourg law.

2. Any claim arising between the Shareholders and the Board of Directors shall be settled according to Luxembourg law and subject to the jurisdiction of the District Court of Luxembourg, provided that the Board of Directors may subject itself and the Fund to the jurisdiction of courts of the countries in which the Shares are sold, with respect to claims by Investors resident in such countries and, with respect to matters relating to subscriptions by Shareholders resident in such countries, to the laws of such countries.

3. Shareholders shall refrain from acting on behalf of the Fund in any manner or capacity other than by exercising their rights as Shareholders in general meetings and shall only be liable to the extent of their contributions to the Fund.

#### **4.3.2 Depositary**

1. The **Bank of New York Mellon SA/NV, Luxembourg Branch**, has been appointed by the Fund as depositary of all of the Fund's assets, including its cash and securities, which will be held either directly or through other financial institutions such as correspondents, nominees, prime broker(s), agents or delegates of the Depositary pursuant to a Depositary Agreement dated 23 October 2014 and with an effective date as of 1 December 2014.

2. The Depositary carries out all operations concerning the day-to-day administration of the assets of the Fund.

3. The Depositary's liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its custody.

4. The principal duties of the Depositary are as follows:

- a. safe-keeping of the assets of a Sub-Fund that can be held in custody (including book entry securities);
- b. record-keeping of assets that cannot be held in custody in which case the Depositary must verify their ownership;
- c. ensure that the Sub-Fund's cash flows are properly monitored, and in particular ensure that all payments made by or on behalf of investors upon the subscription of Shares in a Sub-Fund have been received and that all cash of the Sub-Fund has been booked in cash accounts that the Depositary can monitor and reconcile;
- d. ensure that the issue, redemption and conversion of Shares of a Sub-Fund is calculated in accordance with applicable Luxembourg laws, the Articles and the valuation procedures;
- e. ensure that the value of Shares of a Sub-Fund is calculated in accordance with applicable Luxembourg laws, the Articles and the valuation procedures;
- f. carry out the instructions of the Fund, unless they conflict with applicable Luxembourg laws or the Articles;
- g. ensure that in transactions involving a Sub-Fund's assets any consideration is remitted to the Sub-Fund within the usual time limits;
- h. ensure that a Sub-Fund's income is applied in accordance with applicable Luxembourg laws and the Articles.

In relation to the Depositary's duties regarding custody as referred to at paragraph (a), in respect of financial instruments which can be held in custody (except to the extent that the Depositary has contractually transferred liability to a delegate in accordance with AIFMD), the Depositary is liable to the Fund or the Shareholders for any loss of such financial

instruments held by the Depositary or any delegate. As at the date of this Offering Document, the Depositary has not entered into any arrangements to contractually transfer liability to a delegate.

In relation to all the other Depositary's duties as referred to at paragraphs (b) – (g), the Depositary is liable to the Fund or the Shareholders for all other losses suffered by it or them as a result of the Depositary's negligent or intentional failure to properly fulfil such obligations.

5. The Depositary Agreement shall terminate in accordance with the terms and conditions of the Depositary Agreement as follows:

*"Either Party may terminate this Agreement by giving to the other party hereto a notice in writing specifying the date of such termination which shall not be less than ninety (90) days after the date of giving such notice. The Depositary may not be removed by the Manager unless a new depositary is appointed.*

*This Agreement may further be terminated by either Party immediately by notice in writing to the other if at any time:*

- the other party or the Fund becomes subject to bankruptcy, insolvency or similar procedures;*
- the other party ceases to be licensed for its activity hereunder or loses approval by applicable government or regulatory authorities that are required for its activities; or*
- materially defaults on its obligations under this Agreement and such default is not remedied within 2 weeks upon notice from the other party;*
- in all other cases where this Agreement makes reference to a termination with cause, in accordance with the Escalation Procedure.*

*The Fund will bear the costs and expenses for the transfer and/or re-registration of Assets in case of a termination of this Agreement.*

*In case of termination, the Depositary must be replaced without undue delay but in any case not later than two (2) months upon the effective date of such termination and the Fund is required to use its best endeavours therefor. During such period, the Depositary shall take all necessary steps to ensure good preservation of the interest of the shareholders of the Fund. The Manager and the Fund shall during such period do whatever is reasonable to decrease the risks of a loss of a Financial Instrument as may be required by the Depositary.*

*The Depositary shall, in the event of termination of this Agreement, deliver or cause to be delivered to any succeeding depositary, all the Assets held by or under the name of the Depositary and other documents related thereto in its possession which are valid and in force at the date of termination.*

*The Fund will bear all costs and expenses for the transfer and/or re-registration of Assets in case of a termination of this Agreement."*

6. The Bank of New York Mellon SA/NV, Luxembourg Branch, is regulated by National Bank of Belgium (NBB) and is also authorised by and under the additional supervision of the CSSF. The Bank of New York Mellon SA/NV is a Belgian

public limited liability credit institution ("société anonyme"/"naamloze vennootschap") with registered office at 46 Rue Montoyer, B-1000 Brussels, Belgium. As of 1 August 2017, the Depositary had capital of one billion seven hundred twenty-three million four hundred eighty-five thousand and five hundred twenty-six euros and twenty-one cents (EUR 1,723,485,526.21) but also benefits from a guarantee of its financial liabilities from The Bank of New York Mellon Corporation.

7. Pursuant to the authority of the Fund set out in the Depositary Agreement, the Depositary is discharged under Article 21(13) of the AIFMD (the "Discharge") of its liability under the first and second sub-paragraphs (but excluding the third sub-paragraph) of Article 21(12) of the AIFMD construed, for the avoidance of doubt, in accordance with Article 100 of the Commission Delegated Regulation (EU) No. 231/2013 and applicable in respect of the loss of any financial instruments held in custody pursuant to Article 21(8)(a) of the AIFMD that are deposited with the Prime Broker or its sub-custodian (the "Loss of Financial Instrument Liability").

The Depositary has expressly transferred to the Prime Broker, and the Prime Broker has expressly accepted, the Loss of Financial Instrument Liability. The Prime Broker has agreed that, notwithstanding anything to the contrary in the Prime Broker Agreement (as defined below), the Fund or the AIFM acting on behalf of the Fund, or the Depositary acting on their behalf, may make a claim against the Prime Broker, in respect of a loss of financial instruments held in custody pursuant to the Loss of Financial Instrument Liability.

#### **4.3.3 Administrative Agent, Domiciliary Agent, Registrar and Transfer Agent and Paying Agent**

1. **The Bank of New York Mellon SA/NV, Luxembourg Branch** has been appointed as Administrative Agent, as well as Registrar and Transfer Agent and Paying Agent of the Fund. In this latter function, **The Bank of New York Mellon SA/NV, Luxembourg Branch** will process all subscriptions, redemptions and transfers of Shares and will register these transactions in the Register. In its capacity as Administrative Agent, **The Bank of New York Mellon SA/NV, Luxembourg Branch** is notably responsible for the provision of administrative services to the Fund including carrying out the calculation of the Net Asset Value of the Ordinary Shares of the Fund. The relationship between the Fund and the Administrative Agent, Registrar and Transfer Agent and Paying Agent is subject to the Registrar and Transfer Agency, Paying, Administration and Domiciliary Agency Agreement.

2. In its capacity as paying agent of the Fund, **The Bank of New York Mellon SA/NV, Luxembourg Branch** is in charge of the payment of dividends to Shareholders of the Fund or of the payment of dividends to the various paying agents that can be appointed from time to time by the Fund with the prior approval of the Paying Agent.

3. **The Bank of New York Mellon SA/NV, Luxembourg Branch**, under the responsibility of the Board of Directors of the Fund, ensures the compliance of the Shareholders with any Eligibility requirement provided for under the 2007 Law and inform the Board of Directors if anything is brought to its attention which in its opinion may conflict with such eligibility requirements.

4. The Board of Directors has also appointed **The Bank of New York Mellon SA/NV, Luxembourg Branch** as Domiciliary Agent pursuant to the Registrar and Transfer Agency, Paying, Administration and Domiciliary Agency Agreement.

5. The Fund and **The Bank of New York Mellon SA/NV, Luxembourg Branch** may terminate the Registrar and Transfer Agency, Paying, Administration and Domiciliary Agency Agreement upon ninety (90) calendar days prior written notice,

however, material breach of any clause contained in the Registrar and Transfer Agency, Paying, Administration and Domiciliary Agency Agreement by either party shall entitle the other party to terminate the Registrar and Transfer Agency, Paying, Administration and Domiciliary Agency Agreement upon one (1) calendar month's prior written notice unless such breach is cured within such period.

6. The Bank of New York Mellon SA/NV, Luxembourg Branch is regulated by National Bank of Belgium (NBB) and is also authorised by and under the additional supervision of the CSSF. The Bank of New York Mellon SA/NV is a Belgian public limited liability credit institution ("société anonyme"/"naamloze vennootschap") with registered office at 46 Rue Montoyer, B-1000 Brussels, Belgium. As of 1 August 2017, the Depositary had capital of one billion seven hundred twenty-three million four hundred eighty-five thousand and five hundred twenty-six euros and twenty-one cents (EUR 1,723,485,526.21) but also benefits from a guarantee of its financial liabilities from The Bank of New York Mellon Corporation.

#### **4.3.4 Prime broker**

1. The Fund has entered into a prime broker agreement (the "Prime Broker Agreement") in relation to Sub-Fund A with **BNP PARIBAS**, a company incorporated under the laws of France, whose registered office is at 16 boulevard des Italiens, 75009 Paris, France, acting through its London branch located at 10 Harewood Avenue, London, NW1 6AA ("**BNP**").

2. According to the Prime Broker Agreement, BNP may offer the following services to the Fund: settlement of transactions, securities lending services, foreign exchange trading, custody services, margining across transactions and clearing services.

3. The Fund has undertaken not to use, and the Manager has undertaken to procure that the Fund does not use, BNP to hold any securities in custody on behalf of the Fund under the Prime Broker Agreement for the duration of the Depositary Agreement, unless appropriate contractual arrangements have first been put in place between the Depositary and BNP. Upon reasonable request from the Fund or the Manager on behalf of the Fund, the Depositary shall use reasonable commercial endeavours to enter into such appropriate contractual arrangements with BNP. Hence, as of the date of this Offering Document, BNP is not authorized to reuse the Fund's assets. Moreover, the Depositary has not transferred any of its liability to BNP.

4. More details in relation to the above, to the services currently performed by BNP for the Fund and to any other material arrangements of the Fund with BNP (including a copy of the main provisions of the contracts entered into by the BNP in relation to the Fund) as well as information about the way conflicts of interest in relation to the relationship of the Fund with BNP are managed, are available at the registered office of the AIFM.

#### **4.3.5 Auditor**

The Fund has appointed KPMG Luxembourg S.à r.l., as auditor of the Fund. The Auditor is instructed to perform the annual audit of the Fund's financial statements, to determine whether the Board of Directors, the Manager, the Depositary, the Administrative Agent and the Registrar and Transfer Agent have observed the provisions of this Offering Document as well as those of all applicable laws and regulations.

#### **4.3.6 The Manager**

1. The Fund has entered into an alternative investment fund management agreement with Capital Four AIFM A/S dated 3 November 2014, pursuant to which Capital Four AIFM A/S acts as AIFM of the Fund since 1 December 2014.
2. The Manager is responsible of the portfolio management and risk management functions of the Fund.
3. The management entails the management of the portfolio of the Sub-Funds and the provision of independent risk management and regulatory reporting on behalf of the Fund.
4. The Manager shall be remunerated as detailed in the relevant Appendix.
5. The Manager has adopted a remuneration policy and practices which are consistent with and promote sound and effective risk management. Information on remuneration will be disclosed as required in the Manager's annual report or separately on request to Shareholders.
6. The Manager employs a risk management process and also has risk management procedures and processes which enable it to monitor the risks of the Fund.
7. The Manager maintains a liquidity management process to monitor the liquidity risk of the Sub-Funds, which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions. The liquidity management systems and procedures allow the Manager to apply various tools and arrangements necessary to ensure that the portfolio of each Sub-Fund is sufficiently liquid to normally respond appropriately to redemption requests. In normal circumstances, redemption requests will be processed as set out in section "4.1.5 Redemption of Shares".
8. 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 Shareholders benefit from in normal circumstances as set out below under section "4.1.5 Redemption of Shares" and "4.6 Suspension of the Net Asset Value".
9. Information regarding the risk management process and liquidity management employed by the Manager is available upon request from the registered office of the Fund.
10. The Manager has additional own funds which are appropriate to cover potential liability risks arising from professional negligence.

#### **4.3.7 Conflict of Interests**

1. Prospective Investors should note that the Board of Directors, the Depositary, any other person contributing to the activities of the Fund and any person linked directly or indirectly to the Fund may be subject to various conflicts of interests in their relationships with the Fund and which may be detrimental to the interests of the Funds and/or of its Shareholders. The following considerations are given on a non-exhaustive basis.
2. The Fund maintains and operates effective organisational and administrative arrangements with the view to taking all reasonable steps to prevent conflicts of interests from constituting or giving rise to a material risk detrimental to the Fund's

and/or Shareholders' interests. The conflicts of interests procedure put in place by the Fund shall ensure that, should potential conflicts of interests arise, the interests of the shareholders are adequately safeguarded.

#### **4.3.8 Shareholder Rights Against Service Providers**

It should be noted that Shareholders will only be able to exercise their rights directly against the Fund and will not have any direct contractual rights against the service providers of the Fund appointed from time to time.

### **4.4 EXPENSES**

#### **4.4.1 Subscription, redemption and conversion charges borne by the Investor**

Subscription, conversion and redemption fees disclosed in the relevant Appendix apply to the corresponding Sub-Fund, if applicable.

#### **4.4.2 Fees of the Board of Directors**

Each Director is entitled to receive out of the assets of the Fund a fee calculated in accordance with customary practice in Luxembourg.

#### **4.4.3 Fees of the Manager**

The Manager is entitled to receive from each Class in each Sub-Fund a Management Fee and a Performance Fee payable on such terms as disclosed for each Sub-Fund individually in the relevant Appendix to this Offering Document, plus a Placement Fee, if applicable. The amount of such fees is specified, the case being, for each Class of each Sub-Fund in the relevant Appendix.

#### **4.4.4 Annual charges and expenses borne by the Fund**

1. All costs and expenses relating to the organisation of the Fund and of the first Sub-Fund, including professional fees and expenses in connection with the preparation of the Fund's offering documents and the preparation of its corporate and contract documents, amounting to approximately twenty-eight thousand euros (EUR 28,000.-), have been fully amortised by the Fund over a period of three (3) years from the Fund's commencement of operation.

2. For any additional Sub-Fund created, expenses incurred in connection with the creation of such additional Sub-Fund shall exclusively be borne by it and shall be written off over a period of a maximum of five (5) years as indicated in the relevant Appendix to this Offering Document.

#### **4.4.5 Other expenses**

##### **4.4.5.1 Fees of the Administrative Agent, Registrar and Transfer Agent and Paying Agent**

The Administrative Agent, Registrar and Transfer Agent and Paying Agent is entitled to receive out of the assets of the Fund a fee calculated in accordance with customary practice in Luxembourg (with a minimum fee of EUR 30,000.00 per annum). The fees shall be paid in arrears on a monthly basis. In addition to the above fee, the Administrative Agent, Registrar and Transfer Agent and Paying Agent shall be reimbursed by the Fund of all reasonable out-of-pocket expenses

(including without limitation charges for cable, long-distance telephone calls, telecopy, postage, printing and publication expenses, clearing costs, settlement fees) incurred by it in the performance of its duties and of any extra work performed in connection with its duties.

#### **4.4.5.2 Fees of the Depositary**

The Depositary is entitled to receive out of the assets of the Fund a fee calculated in accordance with customary banking practice in Luxembourg and payable monthly, which represents a maximum of 0.035% per annum for custody fees and depositary bank services, which will be calculated monthly on the basis of the net asset value of each Sub-Fund in addition to transactions fees per market and in consideration of a prevailing minimum fee. The fee shall be paid in arrears on a monthly basis. In addition, the Depositary is entitled to be reimbursed out of the assets of the relevant Sub-Fund for its reasonable out-of-pocket expenses and disbursements and for the charges of any correspondents.

#### **4.4.5.3 Fees of the Domiciliary Agent**

The Domiciliary Agent is entitled to receive out of the assets of the Fund a fee calculated in accordance with customary practice in Luxembourg payable annually for a total amount of ten thousand euros (EUR 10,000.00) per annum for the Fund plus EUR 1,250.00 per sub fund. In addition, the Domiciliary Agent is entitled to be reimbursed out of the assets of the relevant Sub-Fund for its reasonable out-of-pocket expenses and disbursements and for the charges of any correspondents.

#### **4.4.5.4 Fees of the Prime Broker**

The Prime Broker, if any, is entitled to receive out of assets of the Fund a fee at normal commercial rates and calculated in the manner agreed between the Fund and the Prime Broker.

#### **4.4.5.5 Fees to be paid by the Fund**

Any fees incurred in connection with the certification of Well-Informed Investor status in accordance with the Law of 2007 shall be borne by the Fund.

#### **4.4.5.6 Contingent liabilities**

1. The Board of Directors may accrue in the accounts of the Fund an appropriate provision for current taxes payable which are certain or probable to occur and can be measured with reasonable accuracy in the future based on the capital and income on the Valuation Day, as determined from time to time by the Board of Directors, as well as such amount (if any) as the Board of Directors may consider to be an appropriate allowance in respect of any risks or liabilities of the Fund (i.e. liabilities for past events which are definite as to their nature and are certain or probable to occur and can be measured with reasonable accuracy, which might arise during the life of the Fund and may include potential liabilities arising from any disputes (such as with a buyer or a tax authority) or as a result of any warranty or other similar arrangement arising as a result of a disposal of an investment of the Fund), provided that for the avoidance of doubt, on the basis that the assets are held for investment, it is not expected that such provisions shall include any deferred taxation.

2. The Fund also bears its other operational and administrative costs including but not limited to the costs of selling and buying assets, the costs of legal publication, governmental charges, legal, auditing and quality controlling deeds,

reporting expenses, the remuneration of the Directors and their reasonable out-of-pocket expenses, reasonable marketing and investor services expenses. All expenses are accrued on each Valuation Day in determining the Net Asset Value and are charged first against income.

#### **4.5 DETERMINATION OF THE NET ASSET VALUE**

1. The Net Asset Value per Share of each Class shall be calculated by the Administrative Agent under the ultimate responsibility of the Board of Directors with respect to each Valuation Day in accordance with Luxembourg law and regulations.

2. The Net Asset Value of each Sub-Fund will be expressed in its Reference Currency. The Net Asset Value of each Class will be expressed in the Reference Currency of such Class.

3. The Net Asset Value per Ordinary Share is the Net Asset Value that can be properly allocated to the relevant Class divided by the number of Ordinary Shares of the relevant Class outstanding as of the relevant Valuation Day. The Net Asset Value will be rounded to two (2) places of decimals.

4. The Subscription Price and the Redemption Price of the different Classes may differ as a result of the differing fee structure and/or distribution policy applicable to each Class.

5. The total net assets of the Fund will be equal to the difference between the gross assets and the liabilities of the Fund based on consolidated accounts prepared in accordance with Luxembourg generally accepted accounting principles provided that the equity or liability interests attributable to Shareholders derived from these financial statements will be adjusted to take into account the fair (i.e. discounted) value of deferred tax liabilities (calculated on an undiscounted basis) as determined by the Board of Directors in accordance with its internal rules.

6. The valuation of the net asset value of the different classes of shares shall be made in the following manner:

##### **4.5.1 Assets of the Fund**

1. The assets of the Fund shall include:

- (i) All cash in hand or on deposit, including any interest accrued thereon;
- (ii) All bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- (iii) All bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned or contracted for by the Fund (provided that the Fund may make adjustments in a manner not inconsistent with paragraph 4.5.2 below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
- (iv) All stock dividends, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;
- (v) All interest accrued on any interest-bearing assets owned by the Fund except to the extent that the same is included or reflected in the principal amount of such asset;
- (vi) The incorporation expenses of the Fund, including the cost of issuing and distributing Shares of the Fund, insofar

as the same have not been written off;

- (vii) All other assets of any kind and nature including expenses paid in advance.

2. The value of the assets shall be determined as follows:

- (i) The value of any cash in hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is reduced after making such discount as the AIFM of Directors may consider appropriate in such case to reflect the true value thereof;
- (ii) The value of transferable securities, money market instruments and any financial assets admitted to official listing on a stock exchange or dealt in on a regulated market shall be based on the last available closing or settlement price on the relevant market prior to the time of valuation, or any other price deemed appropriate by the AIFM;
- (iii) In the event that any assets are not listed or dealt in on any stock exchange or regulated market or if with respect to assets listed or dealt in on a stock exchange or regulated market, the price as determined pursuant to sub-paragraph (ii) is, in the opinion of the Board of Directors, not representative of the value of the relevant assets, such assets are stated at fair market value or otherwise at the fair value at which it is expected they may sold, as determined in good faith by on under the direction of the AIFM;
- (iv) The liquidating value of futures, forward or options contracts not admitted to official listing on a stock exchange or dealt in on a regulated market shall mean their net liquidating value determined, pursuant to the policies established prudently and in good faith by the AIFM, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts admitted to official listing on a stock exchange or dealt in on a regulated market shall be based upon the last available closing or settlement prices of these contracts on stock exchanges and regulated market on which the particular futures, forward or options contracts are traded on behalf of the Fund; provided that if a future, forward or options contract could not be liquidated on the day with respect to which assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the AIFM may deem fair and reasonable;
- (v) Units of an open-ended undertaking for collective investment ("*UCI*") will be valued at their last determined and available official net asset value, as reported or provided by such UCI or its agents, or at their last estimated net asset values (i.e. estimates of net asset values) if more recent than their last official net asset values, provided that due diligence has been carried out by the Administrative Agent, in accordance with instructions and under the overall control and responsibility of the AIFM, as to the reliability of such estimated net asset values. The net asset value calculated on the basis of estimated net asset values of the target UCIs may differ from the net asset value which would have been calculated on the relevant Valuation Day, on the basis of the official net asset values determined by the administrative agents of the target UCIs. In case of significant differences between the estimated value and the final value of the target UCIs, the Fund may, at its discretion, recalculate the net asset value for the relevant period. Units of a closed-ended UCI will be valued in accordance with the valuation rules set out in items (ii) and (iii) above;
- (vi) **Interest rate swaps** will be valued on the basis of their market value established by reference to the applicable interest rate curve.  
**Swaps pegged to indices or financial instruments** shall be valued at their market value, based on the applicable index or financial instrument. The valuation of the swaps pegged to such indices or financial instruments shall be based upon the market value of such swaps, in accordance with the procedures laid down by the AIFM.

**Credit default swaps** are valued on the basis of a market value obtained from external price providers. The calculation of the market value is based on the credit risk of the reference entity respectively the issuer, the maturity of the credit default swap and its liquidity on the secondary market. The valuation method is recognised by the AIFM and checked by the auditors.

**Total return swaps ("TRS") or total rate of return swaps ("TRORS")** will be valued at fair value under procedures approved by the AIFM. As these swaps are not exchange-traded, but are private contracts into which the Fund and a swap counterparty enter as principals, the data inputs for valuation models are usually established by reference to active markets. However it is possible that such market data will not be available for TRS or TRORS near the Valuation Day. Where such markets inputs are not available, quoted market data for similar instruments (e.g. a different underlying instrument for the same or a similar reference entity) will be used provided that appropriate adjustments be made to reflect any differences between the TRS or TRORS being valued and the similar financial instrument for which a price is available. Market input data and prices may be sourced from exchanges, brokers, external pricing agencies or counterparties. If no such market input data are available, TRS or TRORS will be valued at their fair value pursuant to a valuation method adopted by the AIFM which shall be a valuation method widely accepted as good market practice (i.e. used by active participants on setting prices in the market place or which has demonstrated to provide reliable estimate of market prices) provided that adjustments that the AIFM may deem fair and reasonable be made. The Fund's auditors will review the appropriateness of the valuation methodology used in valuing TRS or TRORS. In any way the Fund will always value TRS or TRORS on an arms-length basis.

**All other swaps** will be valued at fair value as determined in good faith pursuant to procedures established by the AIFM;

- (vii) The value of contracts for differences will be based on the value of the underlying assets and vary similarly to the value of such underlying assets. Contracts for differences will be valued at fair market value, as determined in good faith pursuant to procedures established by the AIFM;
- (viii) All other securities, instruments and other assets are valued at fair market value as determined in good faith pursuant to procedures established by the AIFM.

3. For the purpose of determining the value of the Fund 's assets, the Administrative Agent, having due regards to the standard of care and due diligence in this respect, may, when calculating the Net Asset Value, completely and exclusively rely, unless there is manifest error or negligence on its part, upon the valuations provided by:

- (i) Various pricing sources available on the market such as pricing agencies (i.e., Bloomberg, Reuters) or fund administrators, or
- (ii) Prime brokers and brokers, or
- (iii) (A) specialist(s) duly authorised to that effect by the AIFM, or
- (iv) In the case no prices are found or when the valuation may not correctly be assessed, the Administrative Agent may rely upon the valuation provided by the AIFM.

4. Adequate provisions will be made for expenses to be borne by each Sub-Fund's and off-balance-sheet commitments may possibly be taken into account on the basis of fair and prudent criteria.

5. The value of all assets and liabilities not expressed in the Reference Currency of a Sub-Fund will be converted into the Reference Currency of such Sub-Fund at the rate of exchange prevailing on the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the AIFM.

6. The AIFM, in its discretion, may permit other methods of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

#### **4.5.2 Liabilities of the Fund**

The liabilities of the Fund shall include:

- (i) All loans, bills and accounts payable;
- (ii) All accrued interest on loans of the Fund (including accrued fees for commitment for such loans);
- (iii) All accrued or payable expenses;
- (iv) All known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Fund;
- (v) An appropriate provision for future taxes based on capital and income to the Valuation Day, as determined from time to time by the Fund, and other reserves (if any) authorised and approved by the Board of Directors and/or the AIFM, as well as such amount (if any) as the Board of Directors and/or the AIFM may consider to be an appropriate allowance in respect of any contingent liabilities of the Fund;
- (vi) All other liabilities of the Fund of whatsoever kind and nature reflected in accordance with generally accepted accounting principles. In determining the amount of such liabilities the Fund shall take into account all expenses payable by the Fund which shall comprise formation expenses, administrative expenses, fees payable to its AIFM, Manager, including Performance Fees, fees and expenses payable to its Board of Directors, Auditors and accountants, Depositary and its correspondents, Prime Brokers, Domiciliary Agent and corporate agent, Registrar and Transfer Agent, listing agent, Paying Agents, permanent representatives in places of registration, as well as any other agents employed by the Fund, the remuneration of the Directors (if any) and their reasonable out-of-pocket expenses, insurance coverage, and reasonable traveling costs in connection with the activity of the Board of Directors, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in Luxembourg and in any other country, reporting and publishing expenses, including the cost of preparing, printing, advertising and distributing the Offering Document, explanatory memoranda, periodical reports or registration statements, and the costs of any reports to Shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. The Fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount on a prorata basis for yearly or other periods.

#### **4.5.3 Allocation of the assets and liabilities of the Fund**

1. The Board of Directors shall establish a Sub-Fund in respect of each Class of Shares and may establish a Sub-Fund in respect of two or more Classes of Shares in the following manner:

- (i) If two or more Classes of Shares relate to one Sub-Fund, the assets attributable to such Classes shall be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned. The proceeds to be received from the issue of Shares of a Class shall be applied in the books of the Fund to the Sub-Fund established for that Class of Shares, and the relevant amount shall increase the proportion of the net assets of such Sub-Fund attributable to the Class of Shares to be issued, and the assets and liabilities and income

and expenditure attributable to such Class or Classes shall be applied to the corresponding Sub-Fund subject to the provisions of this clause;

- (ii) On each occasion when Shares are issued or redeemed, the Net Asset Value to be allocated to each Share Class and/or sub-class of Shares shall be increased or reduced by the amount received or paid out;
- (iii) Where any asset is derived from another asset, such derivative asset shall be applied in the books of the Fund to the same Sub-Fund as the assets from which it was derived and on each revaluation of an asset, the increase or decrease in value shall be applied to the relevant Sub-Fund;
- (iv) Where the Fund incurs a liability which relates to any asset of a particular Class or Sub-Fund or to any action taken in connection with an asset of a particular class or Sub-Fund, such liability shall be allocated to the relevant Class or Sub-Fund;
- (v) In the case where any asset or liability of the Fund cannot be considered as being attributable to a particular Class of Shares or Sub-Fund, such asset or liability shall be allocated to all the Classes of Shares or Sub-Fund pro rata to the Net Asset Values of the relevant Classes of Shares or Sub-Funds or in such other manner as determined by the Board of Directors acting in good faith. Each Class of Shares or Sub-Fund shall only be responsible for the liabilities which are attributable to such Class of Shares or Sub-Fund;

2. Upon the payment of distributions to the holders of any Class of Shares, the Net Asset Value of such Class of Shares shall be reduced by the amount of such distributions (causing a reduction in the amount of the net asset value to be allocated to the Shares of this Class). Whereas the net asset value of accumulation shares shall remain unchanged (causing an increase in the amount of the net asset value to be allocated to accumulation shares).

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

4. In the absence of bad faith, wrongful misconduct, gross negligence or manifest error, or except where otherwise expressly decided by the AIFM at its sole discretion, every decision in calculating the net asset value taken by the Board of Directors, the AIFM or by an appointee of the AIFM, under its overall responsibility, in calculating the Net Asset Value, shall be final and binding on the Fund and on present, past or future Shareholders. The result of each calculation of the Net Asset Value shall be certified by the AIFM or a duly authorised representative or an appointee of the AIFM.

5. For the purpose of this Clause:

- (i) Shares of the Fund to be redeemed/converted thereof shall be treated as existing and taken into account until immediately after the time specified by the Board of Directors on the Valuation Day on which such redemption is made and from such time and until paid by the Fund the price therefore shall be deemed to be a liability of the Fund;
- (ii) Shares to be issued by the Fund shall be treated as being in issue as from the time specified by the Board of Directors on the Valuation Day on which such issue is made and from such time and until received by the Fund the price therefore shall be deemed to be a claim due to the Fund;
- (iii) All investments, cash balances and other assets expressed in currencies other than the Reference Currency of the relevant Sub-Fund shall be valued after taking into account the market rates or rates of exchange in force on the relevant Valuation Day; and

- (iv) Where on any Valuation Day the Fund has contracted to:
- Purchase any asset, the value of the consideration to be paid for such asset shall be shown as a liability of the Fund and the value of the asset to be acquired shall be shown as an asset of the Fund;
  - Sell any asset, the value of the consideration to be received for such asset shall be shown as an asset of the Fund and the asset to be delivered shall not be included in the assets of the Fund;

provided however, that if the exact value or nature of such consideration or such asset is not known on such Valuation Day, then its value shall be estimated by the AIFM.

#### **4.6 SUSPENSION OF THE NET ASSET VALUE**

1. The Board of Directors may temporarily suspend the determination of the Net Asset Value per Share of any Sub-Fund and the issue and redemption of its Ordinary Shares as well as the conversion from and to Ordinary Shares of each Class:

- (i) During any period when any of the principal stock exchanges, regulated market on which a substantial part of the Fund's investments attributable to such Sub-Fund is quoted, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Sub-Fund is denominated, are closed otherwise than for ordinary holidays or during which dealings are substantially restricted or suspended; or
- (ii) When political, economic, military, monetary or other emergency events beyond the control, liability and influence of the Fund make the disposal of the assets of any Sub-Fund impossible under normal conditions or such disposal would be detrimental to the interests of the Shareholders; or
- (iii) During any breakdown in the means of communication network or data processing facility normally employed in determining the price or value of any of the relevant Sub-Fund's investments or the current price or value on any market or stock exchange in respect of the assets attributable to such Sub-Fund; or
- (iv) During any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Ordinary Shares of such Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Ordinary Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange; or
- (v) During any period when for any other reason the prices of any investments owned by the Fund cannot promptly or accurately be ascertained; or
- (vi) During any period when the Board of Directors so decides, provided all shareholders are treated on an equal footing and all relevant laws and regulations are applied (i) as soon as an extraordinary general meeting of Shareholders of the Fund or a Sub-Fund has been convened for the purpose of deciding on the liquidation or dissolution of the Fund or a Sub-Fund and (ii) when the Board of Directors is empowered to decide on this matter, upon its decision to liquidate or dissolve a Sub-Fund; or
- (vii) Whenever exchanging or capital movements' restrictions prevent the execution of transactions on behalf of the Fund; or
- (viii) When exceptional circumstances might adversely affect shareholders' interests or in the case that significant requests for subscription, redemption or conversion are received, the Board of Directors reserves the right to set the value of Ordinary Shares in one or more Sub-Funds only after having sold the necessary securities as soon as possible on behalf of the Sub-Fund(s) concerned. In this case, subscriptions, redemptions and conversions that are simultaneously in the process of execution will be treated on the basis of a single net

asset value in order to ensure that all shareholders having presented requests for subscription, redemption or conversion are treated equally.

2. Subscribers or Shareholders requesting subscription, redemption or conversion of their Ordinary Shares shall be notified by the Fund on receipt of their request for subscription, redemption or conversion.

3. Suspended subscriptions, redemptions and conversions will be taken into account on the first Subscription Day / Redemption Day after the suspension ends in the order in which they have been received by the Registrar and Transfer Agent and Paying Agent.

4. Such suspension as to any Class of Ordinary Shares shall have no effect on the calculation of the Net Asset Value per Ordinary Share, the issue, redemption and conversion of Ordinary Shares of any other Class or of any other relevant Sub-Fund(s).

#### **4.7 DISTRIBUTION POLICY**

Except as otherwise mentioned in the relevant Appendix, it is not envisaged that any income or gains derived from the Sub-Funds' investments be distributed by way of dividends.

#### **4.8 TAXATION**

1. The following is based on the Fund's understanding of, and advice received on, certain aspects of the law and practice currently in force in Luxembourg. There can be no guarantee that the tax position at the date of this Offering Document or at the time of an investment will endure indefinitely.

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

##### **4.8.1 Taxation of the Fund in Luxembourg**

1. The Fund is currently not liable to any Luxembourg tax on profits or income, nor are distributions paid by the Fund liable to any Luxembourg withholding tax. The Fund is, however, liable in Luxembourg to a tax ("*taxe d'abonnement*") of 0.01% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Fund at the end of each calendar quarter. In case some Sub-Funds are invested in other Luxembourg investment funds, which in turn are subject to the subscription tax provided for by the law of 17 December 2010 relating to UCIs or the Law of 2007, no subscription tax is due from the Fund on the portion of assets invested in such investment funds.

2. No stamp duty, capital duty or other tax is payable in Luxembourg on the issue of Ordinary Shares. No Luxembourg tax is payable on the realised capital appreciation of the assets of the Fund.

3. A registration fee of seventy-five euros (EUR 75.00) is payable in Luxembourg in respect of the amendments of the Articles as well as for its incorporation according to the Luxembourg law of 19 December 2008.

4. Dividends and interest received by the Fund on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin. Neither the Fund nor the Depositary collects receipts for such withholding taxes on behalf of the individual or all Shareholders.

#### **4.8.2 Luxembourg Taxation of Shareholders**

1. Shareholders are not currently subject to any Luxembourg income tax on capital gain or income or any Luxembourg withholding tax other than Shareholder domiciled, resident or having a permanent establishment in Luxembourg.

2. Shareholders who are not residents of Luxembourg may be taxed in accordance with the laws of other jurisdictions. Save as set out herein in relation to certain United Kingdom tax aspects, this Offering Document does not make any statement regarding those jurisdictions. Before investing in the Fund, investors should discuss with their tax advisers the implications of acquiring, holding, transferring and redeeming Shares.

3. The following is based on the Board of Directors' understanding of, and advice received on, certain aspects of the law and practice currently in force in Luxembourg. It should not be taken as constituting legal or tax advice and Investors are advised to obtain information and, if necessary, advice regarding the laws and regulations applicable to them by reason of the subscription, purchase, holding and realisation of Shares in their countries of nationality, origin, residence or domicile.

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

5. The Fund, as it is formed as a SICAV-SIF may benefit from certain double tax treaties signed by Luxembourg as set out hereunder. The current countries mentioned by the Luxembourg tax authorities ("*Administration des Contributions Directes*") are the following:

- |                  |                 |                |                        |
|------------------|-----------------|----------------|------------------------|
| ➤ Austria        | ➤ Ireland       | ➤ Morocco      | ➤ Sri Lanka            |
| ➤ Armenia        | ➤ Isle of Man   | ➤ Panama       | ➤ Tajikistan           |
| ➤ Azerbaijan     | ➤ Israel        | ➤ Poland       | ➤ Taiwan               |
| ➤ Bahrain        | ➤ Kazakhstan    | ➤ Portugal     | ➤ Thailand             |
| ➤ Barbados       | ➤ Jersey        | ➤ Qatar        | ➤ Trinidad & Tobago    |
| ➤ China          | ➤ Laos          | ➤ Romania      | ➤ Tunisia              |
| ➤ Czech Republic | ➤ Liechtenstein | ➤ San Marino   | ➤ Turkey               |
| ➤ Denmark        | ➤ Macedonia     | ➤ Saudi Arabia | ➤ United Arab Emirates |
| ➤ Finland        | ➤ Malaysia      | ➤ Seychelles   | ➤ Uzbekistan           |
| ➤ Germany        | ➤ Malta         | ➤ Singapore    | ➤ Vietnam.             |
| ➤ Georgia        | ➤ Moldavia      | ➤ Slovakia     |                        |
| ➤ Hong Kong      | ➤ Monaco        | ➤ Slovenia     |                        |
| ➤ Indonesia      | ➤ Mongolia      | ➤ Spain        |                        |

This list may vary from time to time and can be found on the following website

<http://www.impotsdirects.public.lu/fr/conventions/opc.html>

#### **4.8.3 COMMON REPORTING STANDARDS (CRS)**

The Organisation for Economic Co-operation and Development ("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.

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 was applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI had to 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.

#### **4.8.4 FATCA**

1. The Foreign Account Tax Compliance Act ("**FATCA**"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("**foreign financial institutions**" or "**FFIs**") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States and a memorandum of understanding in respect thereof. The Fund has 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. Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("FATCA reportable accounts"). Any such information on FATCA reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States pursuant to Article 28 of the convention between the Government of the United States and the Government of the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. 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% withholding tax with respect to its share of any such payments attributable to actual and deemed US investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

2. 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 FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c. report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;
- 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; and
- e. divulge any such personal information to any immediate payor of certain US source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Fund reserves the right to refuse any application for shares if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the Luxembourg IGA.

#### **4.8.5 US Taxation for Non-US and US-Tax-Exempts Investors**

The following is a summary of certain US federal income tax consequences relating to an investment in the Fund by investors that are not "United States persons" ("**Non-US Investors**") under the Internal Revenue Code of 1986, as amended (the "**Code**") and, where noted, US Tax-Exempts. This federal income tax summary is based in part on the advice of US counsel to the Fund. This summary is based upon the provisions of the Code, the Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as currently in effect, and all subject to differing interpretations or change, possibly on a retroactive basis. The Internal Revenue Service could disagree with any conclusions set forth in this section. Our US counsel was not asked to review, and has not reached a conclusion with respect to, the federal income tax treatment of the assets held by the Fund. The discussion below applies only to Non-US Investors and, where noted, US Tax-Exempts. Investment in the Fund is not intended for US Persons other than US Tax Exempts. **All investors are urged to consult their own tax advisers concerning the potential federal, state, local and foreign tax consequences of an investment in the Fund, with specific reference to their own tax situations, prior to any investment therein.**

The Fund expects to be classified as a corporation for US federal income tax purposes. Accordingly, Non-US Investors that otherwise are not subject to US federal income taxation generally should not incur US federal income tax liability with respect to any income, gain or loss recognised from their investment in the Fund. Similarly, Non-US Investors that otherwise are not subject to US federal income tax filing obligations should not become subject to any such filing obligations as a result of their investment in the Fund.

However, the Fund may incur liability for US federal income taxes with respect to certain types of income and gains that it recognises, including income and gains that are treated as effectively connected with a US trade or business and certain other types of income that are derived by the Fund from US sources (including primarily dividends and certain types of interest). In addition, the Fund may incur liability for foreign, state, local and other taxes in connection with its investment activities. Any tax liability incurred by the Fund generally will reduce the Fund's overall economic returns. The Fund intends to operate in a manner and to structure its investments so as to minimize, to the extent commercially practical, its liability for US federal income taxes and other taxes.

### **US Tax-Exempt Investors**

Generally, a US Shareholder that is exempt from the payment of US federal income tax (a "**US Tax-Exempt**") is exempt from federal income tax on certain categories of income, such as dividends, interest, capital gains and similar income realised from securities investment or trading activity. This type of income is exempt even if it is realised from securities trading activity which constitutes a trade or business. This general exemption from tax does not apply to the "unrelated business taxable income" ("**UBTI**") of a US Tax-Exempt. Generally, except as noted above with respect to certain categories of exempt trading activity, UBTI includes income or gain derived from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the US Tax-Exempt's exempt purpose or function. UBTI also includes (i) income derived by a US Tax-Exempt from debt-financed property and (ii) gains derived by a US Tax-Exempt from the disposition of debt-financed property.

A US Tax-Exempt investing in the Fund should not recognise UBTI with respect to an unleveraged investment in Shares. However, US Tax-Exempts are urged to consult their own tax advisers concerning the US tax consequences of an investment in the Fund.

### **Information Reporting Obligations**

Any US Shareholder owning ten percent (10%) or more of the value or voting power of shares of a foreign corporation such as the Fund generally will be required to file an information return with the US Internal Revenue Service containing certain disclosure concerning the filing Shareholder, other Shareholders and the Fund. The Fund has not committed itself to provide the information about the Fund or its Shareholders needed to complete the return.

**The preceding discussion is intended as a summary of US federal income tax consequences of a Non-US Investor's or US Tax-Exempt's investment in the Fund. The summary does not address all of the provisions of the Code that might be applicable to a particular investor. Moreover, changes in applicable tax laws after the date of this Offering Document may alter anticipated tax consequences. None of the Fund, the Manager, or any of their respective officers, directors, employees, agents, accountants, counsel or consultants assumes any responsibility for the tax consequences to any Shareholder of an investment in the Fund.**

#### 4.9 PREVENTION OF MONEY LAUNDERING

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, and circulars and regulations of the Regulatory 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 registrar agent of a Luxembourg undertaking for collective investment must ascertain the identity of the applicant in accordance with Luxembourg laws and regulations. The registrar agent may require subscribers to provide acceptable proof of identity. In addition, the registrar agent, as delegate of the Fund, may require any other information that the Fund may require in order to comply with its legal and regulatory obligations, including but not limited to the CRS Law.

Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons.

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 UCIs nor the Registrar and Transfer Agent and Paying Agent have any liability 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 the relevant laws and regulations.

#### 4.10 MARKET TIMING AND LATE TRADING

"Market Timing" is to be understood as the process (of arbitraging) by which the investor purchases and redeems or converts on a consistent basis units or shares of the same undertaking of collective investment within a short time period by exploiting time zone differences and/or inefficiencies or weaknesses in the determination of the net asset value. In order to protect the Fund against arbitrage opportunities, Investors are not allowed to place transactions at a known Net Asset Value. Transaction instructions received on behalf of the Fund after the Cut-Off Time will therefore not be given effect before the next Redemption Day / Subscription Day. The Fund may not be used by Investors to serve as a vehicle for frequent and / or short term trading and does not permit practices related to market timing. The Fund monitors Investors' transactions in order to prevent and to detect excessive trading and market timing practices. Subscriptions or switches from Investors who the Fund suspects of using excessive trading or market timing practices may be rejected.

#### 4.11 LUXEMBOURG REGISTER OF BENEFICIAL OWNERS

The Luxembourg law of 13 January 2019 creating a register of beneficial owners (the "**RBO Law**") entered into force on 1 March 2019. According to the provisions of the RBO Law, each entity registered in Luxembourg with the Luxembourg companies register (*Registre de Commerce et des Sociétés*), including the Fund, has to identify its beneficial owners ("**Beneficial Owners**"). The Fund must register Beneficial Owner-related information with the Luxembourg register of beneficial owners, which is established under the authority of the Luxembourg Ministry of Justice.

The RBO Law broadly defines a Beneficial Owner as any natural person(s) who ultimately owns or controls the relevant entity through direct or indirect ownership of a sufficient percentage of the shares (more than 25%) or voting rights or ownership interests in the entity (as applicable), or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.

In case the Beneficial Owner criteria are fulfilled by an investor with regard to the Fund, this investor and/or nominee is obliged by the RBO Law to provide the required supporting documentation and information necessary for the Fund to fulfil its obligations under the RBO Law.

Failure by the Fund and the relevant Beneficial Owners to comply with their respective obligations deriving from the RBO Law will be subject to criminal fines.

## **4.12 OTHER INFORMATION**

### **4.12.1 Information to Shareholders**

1. Audited annual reports will be mailed or emailed free of charge by the Fund to the Shareholders upon their request. In addition, such reports will be available free of charge at the registered office of the Fund.

2. The Fund's financial year shall start on 1 January of each year and shall end on 31 December of the same year.

3. The accounts of the Fund are maintained in euros.

4. Any other financial information concerning the Fund, including the periodic calculation of the Net Asset Value per Ordinary Share, the Subscription and the Redemption Prices will be made available at the registered office of the Fund. Any other substantial information concerning the Fund may be published in such newspaper(s) and notified to Shareholders in such manner as may be specified from time to time by the Fund.

5. Investors may at any time request historical performance information at the registered offices of the Fund.

As required by the AIFMD, and to the extent only that such requirements are applicable, the following information shall be periodically provided to Investors by means of disclosure in the annual reports of the Fund or, if the materiality so justifies, notified to Shareholders:

- the percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature;
- any new arrangements for managing the liquidity of the Fund;
- any changes to the maximum level of leverage which the Fund may employ on behalf of the Fund or a Sub-Fund as well as any right of the reuse of collateral or any guarantee granted under any leveraging arrangement;
- the total amount of leverage employed by the Fund or a Sub-Fund.

### **4.12.2 Meetings of Shareholders**

1. The annual general meeting of the Shareholders of the Fund will be held at the registered office of the Fund in Luxembourg on the second Tuesday of May of each year at 2:00 p.m. (Luxembourg time) and if such day is not a Business Day on the preceding Business Day.

2. Under the conditions set forth in Luxembourg laws and regulations, the annual general meeting of Shareholders may be held at a date, time or place other than those set forth in the preceding paragraph, that date, time or place to be decided by the Board of Directors.

3. Notices of a general meeting and other notices will be given in accordance with Luxembourg law. Notices will specify the place and time of the meeting, the conditions of admission, the agenda, the quorum and the voting requirements will be given at least eight (8) days prior to the meeting. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in the Articles and in the Luxembourg law of 10 August 1915 on commercial companies, as amended from time to time. All Shareholders may attend the annual general meeting, any general meetings and class meetings of the Sub-Funds in which they hold Ordinary Shares and may vote either in person or by proxy.

4. Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of shareholders may provide that the quorum and the majority at this general meeting shall be determined according to the shares issued and outstanding at a certain date and time preceding the general meeting (the "Record Date"), whereas the right of a shareholder to attend a general meeting of shareholders and to exercise the voting rights attaching to his/its/her shares shall be determined by reference to the shares held by this shareholder as at the Record Date.

#### **4.12.3 Dissolution and liquidation of the Fund**

1. The Fund has been established for an unlimited period of time.

2. At the proposal of the Board of Directors and unless otherwise provided by law and the Articles, the Fund may at any time be dissolved by a resolution of the general meeting of Shareholders adopted in the manner required to amend the Articles, and subject to the approval of the Board of Directors.

3. In particular the Board of Directors shall submit to the general meeting of the Shareholders the dissolution of the Fund when all investments of the Fund have been disposed at or liquidated.

4. Whenever the share capital falls below two-thirds of the subscribed capital increased by the share premium, if any, indicated in article 5 of the Articles, the question of the dissolution of the Fund shall be referred to the general meeting by the Board of Directors of the Fund. The general meeting, for which no quorum shall be required, shall decide by a simple majority of the validly cast votes, which for the avoidance of doubt shall not include abstention, nil vote and blank ballot paper.

5. The question of the dissolution of the Fund shall further be referred to the general meeting whenever the subscribed capital increased by the share premium, if any, falls below one-fourth of the subscribed capital increased by the share premium, if any, set by article 5 of the Articles; in such an event, the general meeting shall be held without any quorum requirements and the dissolution may be decided by Shareholders holding one-fourth of the Shares represented and validly cast at the meeting.

6. The meeting must be convened so that it is held within a period of forty days from ascertainment that the subscribed capital increased by the share premium, if any, of the Fund have fallen below two-thirds or one-fourth of the legal minimum, as the case may be, or they have fallen below the amount of one million two hundred fifty thousand euros (EUR 1,250,000.00), as defined by the Law of 2007.

7. Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, appointed by the general meeting of shareholders which shall determine their powers and their compensation.

8. Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the Law of 2007. The Law of 2007 specifies the steps to be taken to enable Shareholders to participate in the distribution(s) of the liquidation proceeds and provides for a deposit escrow at the "*Caisse de Consignations*" at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period will be liable to be forfeited in accordance with the provisions of the Luxembourg law.

#### **4.12.4 Dissolution and liquidation of Sub-Funds**

1. In the event that, for any reason whatsoever the value of the net assets in any Sub-Fund or the value of the net assets of any Class of Shares within a Sub-Fund has decreased below such an amount considered by the Board of Directors as the minimum level under which the Class and/or the Sub-Fund may no longer operate in an economic efficient way, or in the event that a significant change in the economic or political situation impacting such Class and/or Sub-Fund should have negative consequences on the investment of such Class and/or Sub-Fund, the Board of Directors may decide to compulsorily redeem all the shares of the relevant Class or Classes issued in such Sub-Fund. Such redemption will be made at the Net Asset Value applicable on the day on which all assets attributable to such Sub-Fund have been realised. The decision of the Board of Directors will be published (either in newspapers to be determined by the Board of Directors or by way of a notice sent to the Shareholders at their addresses indicated in the Register) prior to the effective date of the compulsory redemption and the publication will indicate the reasons for, and the procedures of the compulsory redemption operations.

2. Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the Shareholders of any one or all Classes of Shares issued in any Sub-Fund may at a general meeting of such Shareholders, upon proposal from the Board of Directors, redeem all the Shares of the relevant Class or Classes and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of the validly cast votes.

3. Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the "*Caisse de Consignations*" on behalf of the persons entitled thereto.

4. All redeemed Shares shall be cancelled.

5. The liquidation procedure will be verified by the Auditor of the Fund as part of its audit of the annual report. The annual report must refer to the liquidation decision and describe the progress of the liquidation.

#### **4.12.5 Data Protection**

The Fund collects, stores and processes by electronic or other means the data supplied by Shareholders at the time of their subscription for the purpose of fulfilling the services required by the Shareholders and complying with its legal obligations. The data processed includes the name, address and invested amount of each Shareholder (the "**Personal Data**"). The Investor may, at its discretion, refuse to communicate the Personal Data to the Fund. In this event however the Fund may reject its request for subscription for Ordinary Shares in the Fund. In particular, the Personal Data supplied

by Shareholders is processed for the purpose of (i) maintaining the Register of Shareholders, (ii) processing subscriptions, redemptions and conversions of Ordinary Shares and payments of dividends or interests to Shareholders, (iii) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of late trading and market timing practices. The Personal Data is not used for marketing purposes. The Fund undertakes not to transfer the Personal Data to any third parties except when required by law or with the prior consent of the relevant Shareholder. The Fund may however transfer this information to any duly appointed intermediary or Prime Broker and any named licensed entity who is appointed by the Board of Directors to provide certification of an Investor's Well-informed status. Each Shareholder has a right to access its Personal Data and may ask for a rectification thereof in cases where such Personal Data is inaccurate and/or incomplete. The Shareholder may contact the Administrative Agent in this regard. Personal Data shall not be retained for periods longer than those required for the purpose of its processing subject to any limitation periods imposed by law.

The Fund is responsible for the treatment of the Personal Data collected under the CRS Law and/or the FATCA Law. These Personal Data will only be used for the purposes of the CRS Law and/or of the FATCA Law and may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*). The Fund will communicate to the Investor any information according to which responding to CRS- and/or FATCA-related questions is mandatory and accordingly the potential consequences in case of no response. The Investor has a right of access to and rectification of the data to be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

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

#### **4.12.6 Documents Available**

Copies of the following documents may be obtained for inspection during usual business hours on any Business Day in Luxembourg at the registered office of the Fund:

- The Articles;
- The current Offering Document;
- The Depositary Agreement;
- The Registrar and Transfer Agency, Paying, Administration and Domiciliary Agency Agreement; and
- The latest audited annual report.

#### **4.12.7 Sustainability-Related Disclosures and SFDR Fund Classification**

##### **Sustainability - Related Disclosures**

Pursuant to the SFDR, the Fund is required to disclose the manner in which Sustainability Risks (as defined below) are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Fund.

This section of the Offering Document has been prepared for the purpose of meeting the specific financial product level disclosure requirements contained in SFDR.

It is noted that the regulatory technical standards to specify the details of the content and presentation of the information to be disclosed pursuant to SFDR have been delayed and will not be issued when the relevant disclosure obligations in SFDR become effective.

It is also noted in this respect that the European Commission has recommended, that from the effective date of SFDR, financial market participants seek to comply with the specific disclosure obligations in SFDR that are reliant on regulatory technical standards on a "high-level, principles-based approach".

The Manager and the Fund therefore seek to comply on a best-efforts basis with the relevant disclosure obligations and make this disclosure as a means of achieving this objective.

It is expected that this section of the Offering Document will be reviewed and updated once the relevant regulatory technical standards come into effect, noting in particular that the regulatory technical standards are expected to contain details on the form and presentation of the information to be disclosed and this could therefore require a revised approach to how the Manager and the Fund seek to meet the disclosure obligations in SFDR.

### **SFDR Fund Classification**

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

For SFDR purposes, the Fund does not promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of SFDR or has sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR. Accordingly, the Fund shall not be expected to pursue an investment approach that explicitly promotes environmental or social characteristics or to have sustainable investment as its objective.

Notwithstanding this classification, the Manager and the Fund still consider that the Fund is managed responsibly. Further details regarding the Responsible Investment Policy of the Manager for each Sub-Fund can be found on the Manager's website as set out in the relevant Appendix.

Further details on how Sustainability Risk and other ESG factors are integrated into the investment process for each Sub-Fund and assessment of such risk is set out in the relevant Appendix.

As used in this Offering Document "**Sustainability Risk**" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment, including but not limited to, risks stemming from climate change, natural resource depletion, environmental degradation, human rights abuses, bribery, corruption and social and employee matters.

#### **4.12.8 Applicable Law and Jurisdiction**

The Fund is incorporated under the laws of the Grand Duchy of Luxembourg.

By applying for Shares, the relevant Investor agrees to be bound by the terms and conditions of the Application Form, the Offering Document and the Articles. This contractual relationship is governed by Luxembourg laws. The Fund and the Shareholders 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 matter.

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 a 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 Member States without any special procedure being required and shall be enforceable in the other Member States without any declaration of enforceability being required.

#### **4.12.9 Fair Treatment of Shareholders**

The Manager has taken into account the need to treat Shareholders fairly in all procedures put in place in accordance with the AIFMD (and notably in the conflict of interest policy). Nevertheless, it cannot be excluded that the Manager grants preferential treatment to some Shareholders (through side letter or other arrangements). In that regard, Shareholders are informed that certain Shareholders in Sub-Fund A and Sub-Fund C have been granted preferential fee conditions for their investment in these Sub-Funds in the form of discount to the Management Fee and discount to or reimbursement of any Performance Fee.

The Manager may, in its sole discretion, offer co-investment opportunities alongside the Fund to third parties, including, without limitation, certain Shareholders, strategic investors of the Manager and funds and accounts advised by the Manager or its affiliates.

## APPENDIX I

### Appendix A

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#### Specific Information in relation to Capital Four Invest – Credit Opportunities Fund or "Sub-Fund A"

This Appendix A is an integral part of the Offering Document of **Capital Four Invest** a public limited liability company ("société anonyme", "S.A.") incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital ("société d'investissement à capital variable", "SICAV"), established as a specialised investment fund ("Fonds d'Investissement Spécialisé", "SIF"). Except as otherwise indicated in this Appendix, terms capitalised herein shall have the meaning ascribed to them in the Offering Document.

1. **Name of the Sub-Fund:** Capital Four Invest – Credit Opportunities Fund or "Sub-Fund A".

2. **Main definitions**

<b>Class or Classes</b>	"Class or Classes" means each class of Ordinary Shares in issue or to be issued in respect of the Sub-Fund A.
<b>Class A Shares</b>	"Class A Shares" refer to the Class A (EUR) Shares of Sub-Fund A.
<b>Class B Shares</b>	"Class B Shares" refer to the Class B (EUR) Shares of Sub-Fund A.
<b>Class C Shares</b>	"Class C Shares" refer to the Class C (CHF) Shares of Sub-Fund A.
<b>Class D Shares</b>	"Class D Shares" refer to the Class D (USD) Shares of Sub-Fund A.
<b>Cut-Off Time</b>	<i>For subscription or conversion:</i> "Cut-Off Time" means 5.00 p.m. (Luxembourg time) on the last Business Day of the preceding month.  <i>For redemption:</i> "Cut-Off Time" means 5.00 p.m. (Luxembourg time) on the Business Day immediately preceding the beginning of the one full month period prior to the Redemption Day.
<b>ESG</b>	"ESG" means environmental, social and governance.
<b>High Water Mark</b>	The "High Water Mark" means that any Performance Fees paid are to be retained despite net trading losses which might occur in subsequent periods but no further performance fees will be payable during the period until the Class recoups the trading losses and achieves additional trading gains.
<b>Initial Offering Period</b>	For Class A Shares: 27 November 2009 to 18 January 2010. For Class B Shares: 14 February 2011 to 30 April 2011. For Class C Shares: 26 November 2015 to 1 December 2015. For Class D Shares: 14 April 2017 to 28 April 2017.

<b>Initial Offering Price</b>	EUR 100 for the Class A Shares and Class B Shares. CHF 100 for the Class C Shares. USD 100 for the Class D Shares.
<b>Invested Assets</b>	All Assets invested (Net Asset Value + loan/leverage).
<b>Manager</b>	The "Manager" means Capital Four AIFM A/S, Per Henrik Lings Allé 2, 8 Floor, DK-2100 Copenhagen Ø, Denmark, an independent alternative investment fund manager.
<b>Performance Period</b>	A "Performance Period" will comprise a one-month period ending on the last Business Day of each month.
<b>Redemption Day</b>	The "Redemption Day" means the first Business Day of each month.
<b>Redemption Price</b>	Subject to the articles, the "Redemption Price" will be equal to the Net Asset Value per Share of the relevant Class as at the relevant Redemption Day, after adjustment for any accrual of Management Fees and Performance Fees due. The Redemption Price will be expressed in the reference currency of the relevant Share Class.
<b>Reference Currency</b>	The "Reference Currency" of the Sub-Fund A means the lawful currency of the European Union (Euro or "EUR"). Share Classes may however be denominated in other currencies than the Reference Currency.
<b>Responsible Investment Policy</b>	"Responsible Investment Policy" means the responsible investment policy of the Sub-Fund established by the Manager, as may be amended from time to time. Further information can be found on the Manager's website: <a href="http://capital-four.com/sustainability-related-disclosures.html">http://capital-four.com/sustainability-related-disclosures.html</a> .
<b>Seed Shareholders</b>	The "Seed Shareholders" are the investors who have subscribed to Class A Shares before 31 January 2011.
<b>Shares</b>	"Shares" mean the Class A Shares, the Class B Shares, the Class C Shares, and the Class D Shares.
<b>Subsequent Subscription Fee</b>	The "Subsequent Subscription Fee" means a fee of 0.50% of the relevant Net Asset Value per Share. This fee shall be charged to all subscriptions made after the Initial Offering Period of the first Share Class of the Sub-fund. Such fees shall be booked directly on the account of Sub-Fund A, which as a result, and for the avoidance of doubt, will issue new shares at a premium to Net Asset Value as defined under the "Subscription Price". The Manager can, in its own discretion, reduce the Subsequent Subscription Fee in part or in full, only where a subscription is covered in part or in full by a same-day redemption in Sub-Fund A.

**Subscription Day or Dealing Day** The "Subscription Day" or "Dealing Day" means the first Business Day of each month.

**Subscription Price** The "Subscription Price" means the Net Asset Value per Share calculated on the relevant Subscription Day in accordance with the Articles, the Offering Document, plus the Subsequent Subscription Fee, if applicable, and any Placement Fee.

**Valuation Day** The "Valuation Day" means every Business Day.

### 3. **Term of the Sub-Fund A**

The Sub-Fund A has been created for the lifetime of **Capital Four Invest**.

### 4. **Target Investors**

The Sub-Fund A is directed at Eligible Investors, as defined in the Offering Document and more precisely in section 7 below. Investment in the Sub-Fund A should be viewed as medium to long term and may not be appropriate for all investors (see section 14 "risk factors" below).

### 5. **Investment Objective and Policy**

#### **Investment Objective of the Sub-Fund A:**

The Sub-Fund A aims to exploit market inefficiencies with focus on the European credit markets by applying fundamental credit research and selection skills.

The objective of Sub-Fund A is to achieve capital appreciation over the medium to long-term by investing in a diversified portfolio of bonds, loans, credit market instruments, debt instruments, debt-related instruments, and within the limits mentioned under "Asset Class Exposure limits" below, other types of securities including equities and equity-related instruments. There is no formal restriction on the proportion of the Sub-Fund A's assets that can be invested in any one geographical region comprising Europe, the United States, Canada, Hong Kong, Japan and the OECD's member states.

The Sub-Fund is exposed to Sustainability Risks. The Manager identifies and evaluates such Sustainability Risks and other relevant ESG factors at multiple stages throughout the investment process and Sustainability Risks are integrated into the investment decision-making and risk-monitoring to the extent that they represent potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns. The process is further described in the Manager's Responsible Investment Policy.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and type of investment. In general, where a sustainability risk occurs in respect of an investment, there can be a negative impact on, or entire loss of, its value.

The Sub-Fund shall invest in accordance with the Responsible Investment Policy of the Manager.

However, the Sub-Fund A shall always invest, in compliance with the limits set out below in the section "Investment restrictions".

**Investment Target:**

The Sub-Fund A's goal is to achieve 8-12% p.a. returns over a credit cycle.

**Investment Philosophy:**

The Sub-Fund A's effort to achieve best possible risk adjusted returns within its investment target is driven by bottom up credit analysis and selection with a mid-term investment horizon and disciplined portfolio monitoring & risk management.

**Asset Class Exposure limits:**

Convertibles/other equity linked securities: maximum 40% of invested assets;

Equity: maximum 20% of invested assets; and

CLO/CDOs with a credit rating below Baa3 or BBB- (including non-rated notes): maximum 50% of invested assets.

The Fund is not targeting foreign exchange as an active return component. Investments may be hedged into the Reference Currency of the Sub-Fund (EUR), while non-EUR Share Classes shall be hedged to the respective currencies in which they are denominated.

**Trading Frequency (# Trades per week)**

The Sub-Fund A is characterised by a mid-term investment focus with modest turnover. The current investment vehicles of the Manager (long only and long short) have experienced turnover of 50%-200% per year.

**Liquidity of instruments**

The Sub-Fund A will invest part of its assets in instruments with limited liquidity that might be difficult to sell (in particular in volatile markets). The structure of the Sub-Fund A liability aim to compensate for the less liquid nature of the invested asset base, with monthly redemption and minimum notice period.

**Use of leverage**

The Sub-Fund A may use leverage in order to enhance returns. The leverage shall apply to the Sub-Fund. The maximum level of leverage permitted in respect of Sub-Fund A is as follows:

- (a) under the commitment method: 250% of the Net Asset Value of the Sub-Fund; and
- (b) under the gross method: 600% of the Net Asset Value of the Sub-Fund (or 400% of the Net Asset Value of the Sub-Fund if derivatives (such as FX forwards) that are used for currency hedging purposes, including for share class FX-hedging, are excluded).

Please refer to section 4.1.2 "Investment objectives, policy, restriction and strategy" in the main part of the Offering Document for details about the calculation methods. In particular, please note that the calculation under the commitment method does not take into account derivatives (such as FX forwards) that are used for hedging purposes, including for share class hedging.

Leveraging instruments can be (but are not restricted to): borrowing, repo, credit default swaps (CDS), total return swaps (TRS), options and futures.

**6. Investment restrictions**

Sub-Fund A will comply with the following investment restrictions:

- (1) The Sub-Fund A may not invest more than twenty per cent (20%) of its net assets to subscribe securities of the same type issued by the same issuer. This restriction does not apply to (i) investments in securities issued or guaranteed by an OECD Member State, its regional or local authorities or by EU, regional or global supranational institutions and bodies; (ii) investments in target UCIs that are subject to risk-spreading requirements at least comparable to those applicable to SIFs. For the purpose of the application of this restriction, every sub-fund of a target umbrella UCI is to be considered as a separate issuer provided that the principle of segregation of liabilities among the various sub-funds vis-à-vis third parties is ensured. The Sub-Fund A may not invest more than 20% of its net assets to subscribe securities of the same type issued by the same issuer except for ten (10) Business Days in a row where this limit of 20% can be increased up to 30%. For avoidance of doubt, and provided their underlying investments are not the same, the following issuers are not considered as being the same entity for the purpose of this paragraph:
- i. entities related by close links, being either a direct or indirect participation of more than 20% of the voting rights or capital;
  - ii. entities related by control, as defined in Articles 1 and 2 of Seventh Council Directive 83/349/EEC of 13 June 1983;
  - iii. entities related by a qualifying holding, being either a direct or indirect holding in a company which represents more than 10% of the capital or voting rights or which makes it possible to exercise a significant influence over the management of such company;
  - iv. entities related with each other under the meaning of IAS 24.
- (2) Short sales may not in principle result in the Sub-Fund holding a short position in securities of the same type issued by the same issuer representing more than thirty per cent (30%) of its assets.
- (3) When using financial derivative instruments, the Sub-Fund must ensure, via appropriate diversification of the underlying assets, a similar level of risk-spreading. Similarly, the counterparty risk in an OTC transaction must, where applicable, be limited having regard to the quality and qualification of the counterparty.

## 7. **Share Classes**

The Sub-Fund A offers the following Classes of Shares which are open to Eligible Investors as described in clause 4 of this Appendix A, investing in their own name and on their own behalf, as set out below:

- Class A Shares (Code ISIN: LU0471720556): Capitalisation of Income
- Class B Shares (Code ISIN: LU0592269830): Capitalisation of Income
- Class C Shares (Code ISIN: LU1324926036): Capitalisation of Income
- Class D Shares (Code ISIN: LU1600645011): Capitalisation of Income

Class A Shares are only offered to Seed Shareholders, employees, directors and board members of the Manager and of its affiliates and to employees, directors and board members of companies who are direct or indirect shareholders of the Manager and their affiliates, which qualify as Well-Informed Investors according to the Law of 2007. Class A Shares are neither subject to a Performance Fee, a Placement Fee nor to a Management Fee.

The pricing currency of the Class A Shares and the Class B Shares is the Euro. The Net Asset Value of the underlying holdings in both Classes of Shares is in Euro. The pricing currency of the Class C Shares is in CHF. The pricing currency of the Class D Shares is in USD.

## 8. Listing

The Board of Directors may decide when considered necessary to list the Shares on the Euro MTF and/or on any other exchange. The Net Asset Value per Shares would hereafter be published on the Luxembourg Stock Exchange website and/or the website of the Fund and/or in data services such as Reuters, Bloomberg, Lipper, Morningstar and/or Telekurs as the case may be.

In case of a listing, the Offering Document will be updated accordingly to reflect such listing and the Shareholders will receive a notice of such amendment of the Offering Document.

## 9. Terms of the Sub-Fund A:

### a. Subscriptions

Within this Sub-Fund A, Shares are available for subscription at the Subscription Price as of the relevant Subscription Day.

In order to ensure that subscription applications are processed as of any Subscription Day, the Application Forms, together with the necessary identification documents, must be received by the Registrar and Transfer Agent together with the necessary identification documents by fax before the relevant Cut-Off Time with the originals of all documents to follow soon after by post. Subscription monies shall be remitted within 3 (three) Business Days from the relevant Subscription Day, by telegraphic transfer to the relevant subscription account specified for the relevant currency of payment in the Application Form. All bank collection or other charges imposed for such telegraphic transfer payments by an applicant shall be borne by and charged to that applicant.

In case subscription is made through clearing, subscription will be executed against payment with the clearing account after the Administrative Agent has checked eligibility of the Prospective Investor(s).

For Application Forms or subscription amounts received by the Registrar and Transfer Agent after the aforesaid dates, the Shares will be allotted at a price corresponding to the next Subscription Day, plus any Placement Fee. The aforesaid periods for the submission of the Application Forms and the payment of the subscription amounts may be waived at the discretion of the Board of Directors. The Board of Directors in exercising its discretion will take due consideration of treating shareholders fairly and equally. The Shares will be issued as of the Subscription Day. The Shares will be issued in registered form.

The minimum initial investment that will be accepted from a new investor will be ten thousand euros (EUR 10,000.00) (and ten thousand euros (EUR 10,000.00) for any subsequent investment), or the counter-value of ten thousand euros (EUR 10,000.00) in the denomination currency of the relevant share class (being understood that, in such case, Well-informed Investors other than Institutional and Professional Investors must provide a certificate delivered by a credit institution within the meaning of Directive 2006/48/EC, another investment company within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2009/65/EC stating that they are experienced enough to appreciate in an adequate manner an investment in a specialised investment fund) or the equivalent amount hereof dependent on the reference currency of the Share Class subscribed to, subject however to the Board of Directors' right to reject any offer from Investors for any reason or to accept subscriptions in lesser amounts subject to the requirements of the Law of 2007.

Subject to the compliance to the requirements of the Law of 2007 as detailed above, the Board of Directors may decide, at its sole discretion, to waive in whole or in part the minimum initial and subsequent investment amounts in relation to subscriptions of Class A Shares provided that the principle of equal investments between holders of Class A Shares be ensured.

**b. Redemption Day and Notice Period for Redemptions:**

All Shares are redeemable at the option of the Investors on each Redemption Day. The Board of Directors may accept to waive the applicable Cut-Off Time generally or in any particular case as they may determine in their discretion from time to time. Shares will be redeemed at the relevant Redemption Price.

In case redemption is made through clearing, redemption will be executed against payment with the clearing account after the Administrative Agent has performed the eligibility controls.

The redemption proceeds will in principle be paid out within 3 (three) Business Days following the Redemption Day as of which Shares are redeemed.

Subject to the Articles, the "Redemption Price" will be denominated in the applicable currency and will be equal to the Net Asset Value per Share of the relevant Class as at the relevant Redemption Day, after adjustment for any accrual of Management Fees and Performance Fees due.

In case the monthly redemption exceeds more than 10% of the Fund's Net Asset Value, the Board of Directors may decide that part or all of the redemption requests in relation to Shares will be deferred for a period and in a manner that the Board of Directors considers to be in the best interest of the Fund. Following that period, with respect to the next relevant Redemption Day, these redemption requests will be met in priority to later requests.

**10. Fees and other expenses**

**a. Management Fee**

The Sub-Fund A shall pay to the Manager on a monthly basis in arrears a Management Fee equal to one percent (1%) per annum of the Net Asset Value of the Class B, Class C, and Class D Shares calculated monthly and paid quarterly in arrear (the "**Management Fee**").

**b. Performance Fee**

The Sub-Fund A shall pay a Performance Fee equal to twenty percent (20%) of any excess increase in the Net Asset Value applicable to each Class B, Class C and Class D Share in issue in respect of each monthly Performance Period to the Manager.

Each time a Performance Fee is earned and paid, the Net Asset Value per Class B Share, Class C and Class D Share at the time of payment is set as a High Water Mark net asset value (the "**High Water Mark**"). Therefore, any Performance Fees are to be retained despite net trading losses which might occur in subsequent periods but no performance fees will be payable during the period until the Class recoups the trading losses and achieves additional trading gains.

**c. Placement Fee**

A placement fee of a maximum of one percent (1%) of the Net Asset Value per Class B Share, Class C share and Class D Share may be payable to the Manager on subscription within the Sub-Fund A.

**d. Redemption Fee**

No Redemption Fees apply to Sub-Fund A.

**e. Other Fees**

The Administrative Agent is entitled to receive out of the assets of the Sub-Fund a fee calculated in accordance with customary banking practice in Luxembourg.

The Registrar and Transfer Agent and Paying Agent is entitled to receive out of the assets of the Sub-Fund a fee calculated in accordance with customary banking practice in Luxembourg.

The Depositary is entitled to receive out of the assets of the Sub-Fund a fee calculated in accordance with customary banking practice in Luxembourg.

The Domiciliary Agent is entitled to receive out of the assets of the Sub-Fund a fee calculated in accordance with customary banking practice in Luxembourg.

**11. Tax considerations**

Please refer to section "Taxation" of the Offering Document.

**12. Risk factors**

Investors are advised to carefully consider the risks of the Sub-Fund A and should refer in relation thereto to the section "Risk Considerations" in the Offering Document.

Moreover, the Sub-Fund A's success depends solely on the Manager's ability to identify eligible assets which will positively contribute to the Sub-Fund A's capital appreciation. There can be no assurance that the investing and/or trading methods employed by the Manager will produce profits. Moreover, the Manager is dependent on the services of a limited number of key persons, and if the services of such persons were to become unavailable, this might have a serious impact on the Sub-Fund's performance and continuity.

**Appendix B**

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## Appendix C

### Specific Information in relation to Capital Four Invest – European Loan & Bond Fund or "Sub-Fund C"

This Appendix C is an integral part of the Offering Document of **Capital Four Invest** a public limited liability company ("société anonyme", "S.A.") incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital ("société d'investissement à capital variable", "SICAV"), established as a specialised investment fund ("Fonds d'Investissement Spécialisé", "SIF"). Except as otherwise indicated in this Appendix, terms capitalised herein shall have the meaning ascribed to them in the Offering Document.

1. **Name of the Sub-Fund**: Capital Four Invest – European Loan & Bond Fund or "Sub-Fund C".

2. **Main definitions**

<b>Class or Classes</b>	"Class or Classes" means each class of Ordinary Shares in issue or to be issued in respect of the Sub-Fund C.
<b>Class A Shares</b>	"Class A Shares" refers to the Class A (EUR) Shares of Sub-Fund C.
<b>Class B Shares</b>	"Class B Shares" refers to the Class B (CHF) Shares of Sub-Fund C.
<b>Class C Shares</b>	"Class C Shares" refers to the Class C (EUR) Shares of Sub-Fund C.
<b>Class D Shares</b>	"Class D Shares" refers to the Class D (EUR) Shares of Sub-Fund C.
<b>Class E Shares</b>	"Class E Shares" refers to the Class E (NOK) Shares of Sub-Fund C.
<b>Class F Shares</b>	"Class F Shares" refers to the Class F (GBP) Shares of Sub-Fund C.
<b>Class G Shares</b>	"Class G Shares" refers to the Class G (USD) Shares of Sub-Fund C.
<b>Class H Shares</b>	"Class H Shares" refers to the Class H (USD) Shares of Sub-Fund C.
<b>Class I Shares</b>	"Class I Shares" refers to the Class I (USD) Shares of Sub-Fund C.
<b>Cut-Off Time</b>	<i>For subscription or conversion:</i> "Cut-Off Time" means 5.00 p.m. (Luxembourg time) on the relevant Valuation Day. <i>For redemption:</i> "Cut-Off Time" means 5.00 p.m. (Luxembourg time) ten (10) Business Days before the Redemption Day.
<b>Distribution Period</b>	A "Distribution Period" means a period for which a distribution shall be calculated. A "Distribution Period" for Class D Shares shall be a full fiscal year in line with the fiscal year of the Fund.
<b>ESG</b>	"ESG" means environmental, social and governance.

<b>Initial Offering Period</b>	<p>For Class A Shares: 14 November 2014 to 28 November 2014.</p> <p>For Class B Shares: 26 November 2015 to 1 December 2015.</p> <p>For Class C Shares: 15 April 2016 to 29 April 2016.</p> <p>For Class D Shares: 15 March 2016 to 31 March 2016.</p> <p>For Class E Shares: 23 September 2016 to 3 October 2016.</p> <p>For Class F Shares: 25 September 2016 to 31 October 2016.</p> <p>For Class G Shares: 15 May 2017 to 15 June 2017.</p> <p>For Class H Shares: 1 May 2019 to 15 June 2019.</p> <p>For Class I Shares: 1 May 2019 to 15 June 2019.</p>
<b>Initial Offering Price</b>	<p>EUR 100 for the Class A Shares.</p> <p>CHF 100 for the Class B Shares.</p> <p>EUR 100 for the Class C Shares.</p> <p>EUR 100 for the Class D Shares.</p> <p>NOK 100 for the Class E Shares.</p> <p>GBP 100 for the Class F Shares.</p> <p>USD 100 for the Class G Shares.</p> <p>USD 100 for the Class H Shares.</p> <p>USD 100 for the Class I Shares.</p>
<b>Invested Assets</b>	All Assets invested.
<b>Launch Date</b>	The first Business Day following the end of the Initial Offering Period.
<b>Manager</b>	The "Manager" means Capital Four AIFM A/S, Per Henrik Lings Allé 2, 8. floor, DK-2100 Copenhagen Ø, Denmark, an independent alternative investment fund manager.
<b>Record Date</b>	"Record Date" shall mean the date at which a distribution of income is paid out to the Shareholders of the relevant Share Classes.
<b>Redemption Day</b>	The "Redemption Day" means the first Business Day of each month and the 11 <sup>th</sup> Business Day of each month.
<b>Redemption Price</b>	Subject to the Articles, the "Redemption Price" will be equal to the Net Asset Value per Share of the relevant Class as at the relevant Redemption Day, after adjustment for any accrual of Management Fees. The Redemption Price will be expressed in the reference currency of the relevant Share Class.

<b>Reference Currency</b>	The "Reference Currency" of the Sub-Fund C means the lawful currency of the European Union (Euro or "EUR"). Share Classes may however be denominated in other currencies than the reference currency.
<b>Responsible Investment Policy</b>	"Responsible Investment Policy" means the responsible investment policy of the Sub-Fund established by the Manager, as may be amended from time to time. Further information can be found on the Manager's website: <a href="http://capital-four.com/sustainability-related-disclosures.html">http://capital-four.com/sustainability-related-disclosures.html</a> .
<b>Shares</b>	"Shares" mean the Class A, the Class B, the Class C, the Class D, the Class E, the Class F, the Class G, the Class H and the Class I Shares of Sub-Fund C.
<b>Subscription Day or Dealing Day</b>	The "Subscription Day" or "Dealing Day" means the first Business Day of each month and the 11 <sup>th</sup> Business Day of each month.
<b>Subsequent Subscription Fee</b>	The "Subsequent Subscription Fee" means a fee of 0.25% of the relevant Net Asset Value per Share. This fee shall be charged to all subscriptions made after the Initial Offering Period of the first Share Class of the Sub-fund. Such fees shall be booked directly on the account of Sub-Fund C, which as a result, and for the avoidance of doubt, will issue new shares at a premium to Net Asset Value as defined under the "Subscription Price". The Manager can, in its own discretion, reduce the Subsequent Subscription Fee in part or in full, only where a subscription is covered in part or in full by a same-day redemption in Sub-Fund C.
<b>Subscription Price</b>	The "Subscription Price" means the Net Asset Value per Share calculated on the relevant Subscription Day in accordance with the Articles, the Offering Document, plus the Subsequent Subscription Fee, if applicable, and any Placement Fee.
<b>Subsequent Offering Period</b>	The Subsequent Offering Period starts on the first Business Day following the end of the Initial Offering Period.
<b>Valuation Day</b>	A "Valuation Day" is the last Business Day of each month and the 10 <sup>th</sup> Business Day of each month.

### 3. **Term of the Sub-Fund C**

The Sub-Fund C is created for the lifetime of **Capital Four Invest**.

### 4. **Target Investors**

The Sub-Fund C is directed at Eligible Investors, as defined in the Offering Document and more precisely in section 7 below. Investment in the Sub-Fund C should be viewed as medium to long term and may not be appropriate for all investors (see section 14 "Risk factors" below).

## 5. Investment Objective and Policy

### Investment Objective of the Sub-Fund C:

The Sub-Fund C's Investment Policy is based on credit markets. Credit markets offer attractive investment opportunities based on a cyclical perspective (high spreads) and based on systemic factors:

- Increased risk awareness;
- Reduced activity from traditional buyers of credit assets; and
- Continuing high supply from refinancing activities.

The Sub-Fund C's investment strategy is based on detailed fundamental analysis and careful portfolio construction and risk management.

The objective of the Sub-Fund C is to receive running income on its investment and to achieve moderate capital appreciation over the medium to long-term by investing in a diversified portfolio of bonds, loans, other types of debt and debt-related instruments, either directly or indirectly, and within the limits mentioned under "Asset Class Exposure limits" below, other types of securities.

The Sub-Fund is exposed to Sustainability Risks. The Manager identifies and evaluates such Sustainability Risks and other relevant ESG factors at multiple stages throughout the investment process and Sustainability Risks are integrated into the investment decision-making and risk-monitoring to the extent that they represent potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns. The process is further described in the Manager's Responsible Investment Policy.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and type of investment. In general, where a sustainability risk occurs in respect of an investment, there can be a negative impact on, or entire loss of, its value.

The Sub-Fund shall invest in accordance with the Responsible Investment Policy of the Manager.

The Sub-Fund C shall always invest, in compliance with the limits set out below in section 6 "Investment restrictions".

### Investment Target:

The Sub-Fund C's goal is to achieve net returns of Euribor + 300bp per annum.

### Investment Philosophy:

The Sub-Fund C's effort to achieve best possible risk adjusted returns within its investment target is driven by bottom up credit analysis and selection with a mid-term investment horizon and disciplined portfolio monitoring and risk management.

### Asset Class Exposure Limits:

Structured Products: The Sub-Fund C may invest a maximum of 20% of its Invested Assets in asset backed securities (ABS's) and credit default swaps (CDS's).

European high yield bonds or loans: Minimum 80% of Invested Assets.

Investments in loans may be done indirectly via participation in the economics, net of any running costs, of loans held in separate and dedicated loan vehicles, whether by way of debt, equity or otherwise. Any such indirect loan investments will be fully included for the purposes of the Asset Class Exposure Limits, Net Asset Values etc., as if they were held directly in Sub-Fund C.

The Sub-Fund C is not actively pursuing foreign exchange as an active return component and will only seek to use currency derivatives for the purposes of hedging any foreign exchange risk to the Reference Currency. It is the aim of the Manager to hedge non-Euro foreign exchange exposure back into the reference currency (EUR) and thereby actively minimize the foreign exchange risk. Non-EUR Share Classes shall be hedged to the respective currencies in which they are denominated.

The Asset Class Exposure Limits do not apply to equity and equity linked securities acquired through, or received in satisfaction of, debt previously contracted. Any such equity acquired in satisfaction of debt previously contracted will actively be disposed of as soon as possible, although with any such sale being subject to obtaining a fair market value. For the avoidance of doubt, the Sub-Fund C is not actively pursuing a strategy of obtaining a controlling equity stake in any obligor, and will in case it unintentionally holds a controlling stake, look to remedy this as soon as practically possible.

#### **Trading Frequency (# Trades per week)**

The Sub-Fund C will be characterized by a mid-term investment focus with modest turnover. The current investment vehicles of the Manager (long only) have experienced turnover of 20%-50% per year, and Sub-Fund C is expected to be in that range in normal market environments.

#### **Liquidity of instruments**

The Sub-Fund C expects that a reasonable portion of its assets will be in instruments with limited liquidity that might be difficult to sell (in particular in volatile markets). Investments loans will generally be in large and/or broadly syndicated leveraged loans, where a secondary market for trading is expected to provide liquidity.

#### **Use of leverage / Borrowing**

The Sub-Fund C may only use leverage in order to hedge and manage foreign currency exposure or in respect of unfunded commitments. The leverage shall apply to the Sub-Fund. The maximum level of leverage permitted in respect of Sub-Fund C is as follows:

- (a) under the commitment method: 100% of the Net Asset Value of the Sub-Fund, although, for the purpose of hedging and managing foreign currency exposure or in respect of unfunded commitments, the permitted leverage under the commitment method is 110% of the Net Asset Value of the Sub-Fund.
- (b) under the gross method: 200% of the Net Asset Value of the Sub-Fund.

Please refer to section 4.1.2 "Investment objectives, policy, restriction and strategy" in the main part of the Offering Document for details about the calculation methods. In particular, please note that the calculation under the commitment method does not take into account derivatives (such as FX forwards) that are used for hedging purposes, including for share class hedging.

#### **Short selling**

The Sub-Fund C may not short sell.

## 6. Investment restrictions

Sub-Fund C will comply with the following investment restrictions:

- (1) The Sub-Fund C may not invest more than six per cent (6%) of its net assets to subscribe to securities of the same kind (either directly or synthetically by the use of derivative financial instruments) issued by a single issuer or by issuers of the same group.
  - i. Exception 1: The above restriction does not apply to the securities of the investment structure for the purpose of indirect investments in loan via participation in the economics, net of any running costs, of loans held in separate and dedicated loan vehicles, whether by way of debt, equity or otherwise. Rather, the restriction applied to the individual underlying loan investments.
- (2) The Sub-Fund C may not invest more than thirty per cent (30%) of its net assets to subscribe to securities (either directly or synthetically by the use of derivatives) of issuers from the same industry, with industry classification to be determined, in good faith, by the Manager with due regard to underlying investment characteristics and standard market practises.
- (3) At any point in time the Sub-Fund C shall have a minimum of 80% of the Invested Assets invested (either directly or synthetically by the use of derivative financial instruments) in European high yield bonds or loans with the geographical classification to be determined, in good faith, by the Manager with due regard to underlying investment characteristics and standard market practises, including domicile and/or majority of business. For the purposes of this restriction any and all indirect loan investments via participation in the economics, net of any running costs, of loans held in separate and dedicated loan vehicles, whether by way of debt, equity or otherwise, is to be fully included for the purposes of the restriction, as if they were held directly in Sub-Fund C.
  - i. Exception 1: The above restriction does not apply for a thirty (30) day period following inflows of more than fifteen percent (15%) of the Net Asset Value of Sub-Fund C.
  - ii. Exception 2: The above restriction does not apply for a thirty (30) day period following notification to the Manager of the receipt of redemptions of more than fifteen percent (15%) of the Net Asset Value of Sub-Fund C.
- (4) After carrying out a reasonable due diligence the Manager may enter into exchange traded or OTC derivative financial instruments on behalf of the Sub-Fund C with counterparties, which, in the reasonable opinion of the Manager, must be considered as suitable and prudent counterparties to the Sub-Fund C. The Manager shall continuously monitor the financial conditions of these counterparties.

## 7. Share Classes

The Sub-Fund C offers the following Classes of Shares which are open to Eligible Investors as described in clause 4 of this Appendix C, investing in their own name and on their own behalf, as set out below:

- Class A Shares (Code ISIN: LU1121114414): Capitalisation of Income
- Class B Shares (Code ISIN: LU1324926622): Capitalisation of Income
- Class C Shares (Code ISIN: LU1391434930): Capitalisation of Income
- Class D Shares (Code ISIN: LU1389075463): Distribution of Income
- Class E Shares (Code ISIN: LU1499703715): Capitalisation of Income

- Class F Shares (Code ISIN: LU1499703988): Capitalisation of Income
- Class G Shares (Code ISIN: LU1617830309): Capitalisation of Income
- Class H Shares (Code ISIN: LU1995611388): Capitalisation of Income
- Class I Shares (Code ISIN: LU1995611891): Distribution of Income

Class C Shares are only offered to employees, directors and board members of the Manager and of its affiliated companies and to employees, directors and board members of companies that are direct or indirect shareholders of the Manager and their affiliated companies.

Class D Shares shall make a periodic distribution. The distribution shall be calculated for the relevant Distribution Period by taking for such a Distribution Period the Class attributed accrued income less any related withholding taxes less the Class attributed accrued expenses, distributed equally to all outstanding shares in the Share Class as of the Record Date. The amount to be distributed will be proposed by the Board of Directors at the annual general meeting of Shareholders.

The pricing currency of the Class A, the Class C and the Class D Shares is the Euro. The Net Asset Value of the Class A, the Class C and the Class D Shares will be expressed in Euro. The pricing currency of Class B Shares is in CHF. The pricing currency of Class E Shares is in NOK. The pricing currency of Class F Shares is in GBP. The pricing currency of the Class G, the Class H and the Class I Shares is in USD.

## 8. Listing

The Board of Directors may decide when considered necessary to list the Shares on the EURO MTF and/or on any other exchange. The Net Asset Value per Share would be published on the Luxembourg Stock Exchange website and/or the website of the Fund and/or in data services such as Reuters, Bloomberg, Lipper, Morningstar and/or Telekurs as the case may be.

In case of a listing, the Offering Document will be updated accordingly to reflect such listing and the Shareholders will receive a notice of such amendment of the Offering Document.

## 9. Terms of the Sub-Fund C:

### a. Subscriptions

Within this Sub-Fund C, Class A Shares, Class C Shares, and Class D Shares are available for subscription during the Initial Offering Period at an Initial Offering Price of one hundred Euros (EUR 100) per Share and after the Initial Offering Period at the Subscription Price as of the relevant Subscription Day. Class B Shares are available for subscription during the Initial Offering Period at an Initial Offering Price of one hundred Swiss Franc (CHF 100) per Share. Class E Shares are available for subscription during the Initial Offering Period at an Initial Offering Price of one hundred Norwegian Kroner (NOK 100) per Share. Class F Shares are available for subscription during the Initial Offering Period at an Initial Offering Price of one hundred British Pounds (GBP 100) per Share. Class G Shares, Class H Shares and Class I Shares are available for subscription during the Initial Offering Period at an Initial Offering Price of one hundred United States Dollar (USD 100) per Share. The Board of Directors may change, extend or shorten the Initial Offering Period for any Class of Shares at its absolute discretion at any time.

In order to ensure that subscription applications are processed as of any Subscription Day, the Application Forms, together with the necessary identification documents, must be received by the Registrar and Transfer Agent together with the necessary identification documents by fax before the relevant Cut-Off Time with the originals of all documents to follow soon after by post. Subscription monies shall be remitted within 10 (ten) Business Days from the relevant Subscription Day, by telegraphic transfer to the relevant subscription account specified for the relevant currency of payment in the Application Form. All bank collection or other charges imposed for such telegraphic transfer payments by an applicant shall be borne by and charged to that applicant.

In case subscription is made through clearing, subscription will be executed against payment with the clearing account after the Administrative Agent has checked eligibility of the Prospective Investor(s).

For Application Forms or subscription amounts received by the Registrar and Transfer Agent after the aforesaid dates, the Shares will be allotted at a Subscription Price corresponding to the next Subscription Day. The aforesaid periods for the submission of the Application Forms and the payment of the subscription amounts may be waived at the discretion of the Board of Directors. The Board of Directors in exercising its discretion will take due consideration of treating shareholders fairly and equally. The Shares will be issued as of the Subscription Day. The Shares will be issued in registered form.

The minimum initial investment that will be accepted from a new investor will be ten thousand euros (EUR 10,000.00) (and ten thousand euros (EUR 10,000.00) for any subsequent investment), or the counter-value of ten thousand euros (EUR 10,000.00) in the denomination currency of the relevant share class (being understood that, in such case, Well-informed Investors other than Institutional and Professional Investors must provide a certificate delivered by a credit institution within the meaning of Directive 2006/48/EC, another investment company within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2009/65/EC stating that they are experienced enough to appreciate in an adequate manner an investment in a specialised investment fund) or the equivalent amount hereof dependent on the reference currency of the Share Class subscribed to, subject however to the Board of Directors' right to reject any offer from Investors for any reason or to accept subscriptions in lesser amounts subject to the requirements of the Law of 2007.

Subject to the compliance to the requirements of the Law of 2007 as detailed above, the Board of Directors may decide, at its sole discretion, to waive in whole or in part the minimum initial and subsequent investment amounts in relation to subscriptions of Class C Shares provided that the principle of equal investments between holders of Class C Shares be ensured.

**b. Redemptions:**

All Shares are redeemable at the option of the Investors on each Redemption Day. All redemptions are subject to a Cut-Off Time as defined in section 2 'Main definitions'. The Board of Directors may accept to waive the applicable Cut-Off Time generally or in any particular case as they may determine in their discretion from time to time. Shares will be redeemed at the relevant Redemption Price.

In case redemption is made through clearing, redemption will be executed against payment with the clearing account after the Administrative Agent has performed the eligibility controls.

The redemption proceeds will in principle be paid out within twenty (20) Business Days following the Redemption Day as of which Shares are redeemed.

Subject to the Articles, the "Redemption Price" will be denominated in the applicable currency and will be equal to the Net Asset Value per Share of the relevant Class as at the relevant Redemption Day, after adjustment for any accrual of Management Fees due.

In case the redemptions on a Redemption Day exceeds more than 10% of the Fund's Net Asset Value, the Board of Directors may decide that part or all of the redemption requests in relation to Shares will be deferred for a period and in a manner that the Board of Directors considers to be in the best interest of the Fund. Following that period, with respect to the next relevant Redemption Day, these redemption requests will be met in priority to later requests.

#### 10. **Fees and other expenses**

##### **a. Management Fee**

The Sub-Fund C shall pay to the Manager a Management Fee equal to fifty basis points (0.5%) per annum of the Net Asset Value of the Class A Shares, the Class B Shares, the Class D Shares, the Class E Shares, the Class F Shares, and the Class G Shares, a Management Fee equal to five basis points (0.05%) per annum of the Net Asset Value of the Class C Shares, and a Management Fee equal to sixty-five basis points (0.65%) per annum of the Net Asset Value of the Class H Shares and the Class I Shares. The Management Fees shall be calculated monthly, on the basis of Net Asset Values on the relevant Valuation Days, and paid quarterly in arrears (the "**Management Fee**"). The Management fee shall start accruing on the Launch Date. For the avoidance of doubt, the Manager is only entitled to receive such share of the Management Fee, if any, relating specifically to the period for which the Manager has been appointed to perform the services set out in the AIFM Agreement.

##### **b. Placement Fee**

A placement fee of a maximum of one per cent (1%) of the Net Asset Value per Class A Share, Class B Share, Class C Share, Class D Share, Class E Share, Class F Share, Class H Share and Class G Share may be payable to the Manager on subscription within the Sub-Fund C.

##### **c. Redemption Fee**

No Redemption Fees apply to Sub-Fund C.

##### **d. Other Fees**

The Administrative Agent is entitled to receive out of the assets of the Sub-Fund C a fee calculated in accordance with customary banking practice in Luxembourg.

The Registrar and Transfer Agent and Paying Agent is entitled to receive out of the assets of the Sub-Fund C a fee calculated in accordance with customary banking practice in Luxembourg.

The Depositary is entitled to receive out of the assets of the Sub-Fund C a fee calculated in accordance with customary banking practice in Luxembourg.

The Domiciliary Agent is entitled to receive out of the assets of the Sub-Fund C a fee calculated in accordance with customary banking practice in Luxembourg.

The loan documentation service provider, whether related to administration for loans held directly or indirectly, is entitled to receive out of the assets of the Sub-Fund C a fee calculated in accordance with customary banking practice in Luxembourg.

Any other service provider in relation to the following services is entitled to receive out of the assets of the Sub-Fund C a fee calculated in accordance with customary banking practice in Luxembourg:

Tax services in relation to tax considerations in respects of individual loan assets, whether held directly or indirectly, or in respect of tax services for the Sub-Fund and/or any other vehicle relevant for the purpose of indirect investments in loans.

Domiciliation, accounting, tax returns, VAT, administration and other customary services in relation to any vehicle relevant for the purpose of indirect investments in loans.

The fees referred to in the three preceding paragraphs should range on an annual basis from 0.05 % to 0.15 % of the Net Asset Value of Sub-Fund C, with possible higher fees if the assets of Sub-Fund C do not reach the expected level of assets for the application of the above range, as reflected in more detail in the financial reports made available at the registered office of the Fund.

#### 11. **Tax considerations**

Please refer to section "Taxation" of the Offering Document.

#### 12. **Risk factors**

Investors are advised to carefully consider the risks of the Sub-Fund C and should refer in relation thereto to the section "Risk Considerations" in the Offering Document.

Moreover, the Sub-Fund C's success depends solely on the Manager's ability to identify eligible assets which will positively contribute to the Sub-Fund C's capital appreciation. There can be no assurance that the investing and/or trading methods employed by the Manager will produce profits. Moreover, the Manager is dependent on the services of a limited number of key persons, and if the services of such persons were to become unavailable, this might have a serious impact on the Sub-Fund's performance and continuity.

Finally, the Sub-Fund C's return derived from investments in loans, whether directly or indirectly, is potentially subject to withholding tax in certain jurisdictions, either currently or in the future, with a possible resulting adverse impact. There can be no assurance that the contemplated structure for the investments in loans will not be subject to return leakage and/or challenge, either in the current environment or as a result of future tax, regulatory or other changes.

## Appendix D

### Specific Information in relation to Capital Four Invest – Sub-Fund Capital Four Invest – NEFO or "Sub-Fund D"

This Appendix D is an integral part of the Offering Document of **Capital Four Invest** a public limited liability company ("société anonyme", "S.A.") incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital ("société d'investissement à capital variable", "SICAV"), established as a specialised investment fund ("Fonds d'Investissement Spécialisé", "SIF"). Except as otherwise indicated in this Appendix, terms capitalised herein shall have the meaning ascribed to them in the Offering Document.

1. **Name of the Sub-Fund**: Capital Four Invest – Sub-Fund Capital Four Invest – NEFO or "Sub-Fund D".

2. **Main definitions**

<b>Benchmark</b>	<p>For Class A Shares "Benchmark" means the BofA Merrill Lynch BB-B European Currency Non-Financial High Yield Constrained Index (Bloomberg ticker: HP4N), 100% hedged to DKK.</p> <p>For Class B Shares "Benchmark" means the BofA Merrill Lynch BB-B European Currency Non-Financial High Yield Constrained Index (Bloomberg ticker: HP4N), 100% hedged to USD.</p>
<b>Class or Classes</b>	"Class or Classes" means each class of Ordinary Shares in issue or to be issued in respect of the Sub-Fund D.
<b>Class A Shares</b>	"Class A Shares" refers to the Class A (DKK) Shares of Sub-Fund D.
<b>Class B Shares</b>	"Class B Shares" refers to the Class B (USD) Shares of Sub-Fund D.
<b>Cut-Off Time</b>	<p><i>For subscription or conversion:</i> "Cut-Off Time" means 5.00 p.m. (Luxembourg time) on the relevant Valuation Day.</p> <p><i>For redemption:</i> "Cut-Off Time" means 5.00 p.m. (Luxembourg time) on the relevant Valuation Day.</p>
<b>ESG</b>	"ESG" means environmental, social and governance.
<b>Initial Offering Period</b>	<p>For Class A Shares: 10 July 2017 to 14 July 2017.</p> <p>For Class B Shares: 10 July 2017 to 14 July 2017.</p>
<b>Initial Offering Price</b>	<p>DKK 100 for the Class A Shares.</p> <p>USD 100 for the Class B Shares.</p>
<b>Invested Assets</b>	All Assets invested.

<b>Launch Date</b>	The first Business Day following the end of the Initial Offering Period.
<b>Manager</b>	The "Manager" means Capital Four AIFM A/S, Per Henrik Lings Allé 2, 8. floor, DK-2100 Copenhagen Ø, Denmark, an independent alternative investment fund manager.
<b>Redemption Day</b>	The "Redemption Day" means every Business Day.
<b>Redemption Price</b>	Subject to the Articles, the "Redemption Price" will be equal to the Net Asset Value per Share of the relevant Class as at the relevant Redemption Day, after adjustment for any accrual of Management Fees. The Redemption Price will be expressed in the reference currency of the relevant Share Class.
<b>Reference Currency</b>	The "Reference Currency" of the Sub-Fund D means the lawful currency of the European Union (Euro or "EUR"). Share Classes may however be denominated in other currencies than the reference currency.
<b>Responsible Investment Policy</b>	"Responsible Investment Policy" means the responsible investment policy of the Sub-Fund established by the Manager, as may be amended from time to time. Further information can be found on the Manager's website: <a href="http://capital-four.com/sustainability-related-disclosures.html">http://capital-four.com/sustainability-related-disclosures.html</a> .
<b>Shares</b>	"Shares" mean the Class A, and the Class B Shares of Sub-Fund D.
<b>Subscription Day or Dealing Day</b>	The "Subscription Day" or "Dealing Day" means every Business Day.
<b>Subsequent Subscription Fee</b>	The "Subsequent Subscription Fee" means a fee of 0.00% of the relevant Net Asset Value per Share. This fee shall be charged to all subscriptions made after the Initial Offering Period of the first Share Class of the Sub-fund. Such fees shall be booked directly on the account of Sub-Fund D, which as a result, and for the avoidance of doubt, will issue new shares at a premium to Net Asset Value as defined under the "Subscription Price".
<b>Subscription Price</b>	The "Subscription Price" means the Net Asset Value per Share calculated on the relevant Subscription Day in accordance with the Articles, the Offering Document, plus the Subsequent Subscription Fee, if applicable, and any Placement Fee.
<b>Subsequent Offering Period</b>	The Subsequent Offering Period starts on the first Business Day following the end of the Initial Offering Period.
<b>Valuation Day</b>	The "Valuation Day" means every Business Day.

### 3. Term of the Sub-Fund D

The Sub-Fund D is created for the lifetime of **Capital Four Invest**.

#### 4. **Target Investors**

The Sub-Fund D is directed at Eligible Investors, as defined in the Offering Document and more precisely in section 7 below. Investment in the Sub-Fund D should be viewed as medium to long term and may not be appropriate for all investors (see section 12 "Risk factors" below).

The Sub-Fund D is not intended to be marketed in Germany.

#### 5. **Investment Objective and Policy**

##### **Investment Objective of the Sub-Fund D:**

The Sub-Fund D's Investment Policy is based on credit markets. Credit markets offer attractive investment opportunities based on a cyclical perspective (high spreads) and based on systemic factors:

- Increased risk awareness;
- Reduced activity from traditional buyers of credit assets; and
- Continuing high supply from refinancing activities.

The Sub-Fund D's investment strategy is based on detailed fundamental analysis and careful portfolio construction and risk management.

The investment objective of Sub-Fund D is to seek current income and to achieve moderate capital appreciation over the medium to long-term in excess of the return of the Benchmark. By investing in a diversified portfolio of bonds, and other types of debt and debt-related instruments, either directly or indirectly, within the limits mentioned under "Asset Class Exposure limits" below, other types of securities.

The Sub-Fund is exposed to Sustainability Risks. The Manager identifies and evaluates such Sustainability Risks and other relevant ESG factors at multiple stages throughout the investment process and Sustainability Risks are integrated into the investment decision-making and risk-monitoring to the extent that they represent potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns. The process is further described in the Manager's Responsible Investment Policy.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and type of investment. In general, where a sustainability risk occurs in respect of an investment, there can be a negative impact on, or entire loss of, its value.

The Sub-Fund shall invest in accordance with the Responsible Investment Policy of the Manager.

The Sub-Fund D shall always invest, in compliance with the limits set out below in section 6 "Investment restrictions".

Sub-Fund D uses "other strategies", and more particularly fixed income fund strategies.

**Investment Target:**

The Sub-Fund D's goal is to achieve a net-return in excess of the return of the Benchmark including any XOVER overlay and/or interest rate hedge over a 3 year rolling period.

**Investment Philosophy:**

The Sub-Fund D's effort to achieve best possible risk adjusted returns within its investment target is driven by bottom up credit analysis and selection with a mid-term investment horizon and disciplined portfolio monitoring and risk management.

**Asset Class Exposure Limits:**

Structured Products: The Sub-Fund D may invest a maximum of 10% of its Invested Assets in asset backed securities (ABS's).

Minimum 80% of Invested Assets shall be invested in high yield bonds.

The Sub-Fund D is not actively pursuing foreign exchange as an active return component and will only seek to use currency derivatives for the purposes of hedging any foreign exchange risk to the Reference Currency. It is the aim of the Manager to hedge non-EUR currency foreign exchange exposure back into the reference currency (EUR) and thereby actively minimize the foreign exchange risk. Non-EUR Share Classes can be hedged to the respective currencies in which they are denominated. Unhedged foreign exposure shall be limited to -/+ 2% measured on the total assets of the Sub-Fund.

The Sub-Fund D may use derivatives to directly obtain or reduce risk.

The Asset Class Exposure Limits do not apply to equity and equity linked securities acquired through, or received in satisfaction of, debt previously contracted. Any such equity acquired in satisfaction of debt previously contracted will actively be disposed of as soon as possible, although with any such sale being subject to obtaining a fair market value. For the avoidance of doubt, the Sub-Fund D is not actively pursuing a strategy of obtaining a controlling equity stake in any obligor, and will in case it unintentionally holds a controlling stake, look to remedy this as soon as practically possible.

**Trading Frequency (# Trades per week)**

The Sub-Fund D will be characterized by a mid-term investment focus with modest turnover. The current investment vehicles of the Manager (long only) have experienced turnover of 20%-50% per year, and Sub-Fund D is expected to be in that range in normal market environments.

**Liquidity of instruments**

The Sub-Fund D expects that a reasonable portion of its assets will be in instruments with limited liquidity that might be difficult to sell (in particular in volatile markets).

**Use of leverage**

The Sub-Fund D may only use leverage in order to hedge and manage foreign currency exposure, interest rate exposure, market risk exposure or in respect of unfunded commitments. The leverage shall apply to the Sub-Fund. The maximum level of leverage permitted in respect of Sub-Fund D is as follows:

- (a) under the commitment method: 100% of the Net Asset Value of the Sub-Fund, although, for the purpose of hedging and managing foreign currency exposure, interest rate exposure, market risk exposure or in respect of unfunded commitments, the permitted leverage under the commitment method is 110% of the Net Asset Value of the Sub-Fund.
- (b) under the gross method: 300% of the Net Asset Value of the Sub-Fund.

Please refer to section 4.1.2 "Investment objectives, policy, restriction and strategy" in the main part of the Offering Document for details about the calculation methods. In particular, please note that the calculation under the commitment method does not take into account derivatives (such as FX forwards) that are used for hedging purposes, including for share class hedging.

### **Short selling**

The Sub-Fund D may not short sell, but shall however be allowed to short sell indirectly through appropriate instruments for hedging purposes.

### **6. Investment restrictions**

Sub-Fund D will comply with the following investment restrictions:

- (1) The Sub-Fund D may not invest more than six per cent (6%) of its net assets to subscribe to securities of the same kind (either directly or synthetically by the use of derivative financial instruments) issued by a single issuer or by issuers of the same group.
- (2) The Sub-Fund D shall only be allowed to actively seek exposure through investment in non-financial corporate credit instruments and therefore the industries "Insurance" and "Banking" shall be excluded for investment purposes.
- (3) The Sub-Fund D shall not invest more than twenty-five per cent (25%) of its net assets relative to the Benchmark in securities (either directly or indirectly through the use of financial derivative instruments) of issuers from the same industry, with industry classification to be determined, in good faith, by the Manager with due regard to underlying investment characteristics and standard market practices.
- (4) Sub-Fund D shall not actively invest in securities rated CCC+ or below, but shall be allowed to keep already acquired assets that are subsequently downgraded to such ratings. For the avoidance of doubt the methodology used for the calculation of an instrument rating shall follow the methodology used for the calculation the constituents of the Benchmark.
- (5) Sub-Fund D shall not invest more than 20% of its net assets in un-rated securities.
- (6) Sub-Fund D shall not invest more than 20% of its net assets in securities with a higher rating than BB+/Ba1.
- (7) The recognized rating agencies for the purposes of determining the rating of securities for the investment restrictions shall be Moody's, Fitch and Standard & Poor's. Compliance with the rating criteria is determined by the rating of the individual bond issue or in the alternative the issuer's long-term rating in the denomination currency. If a given bond is rated by more than one rating agency, the average of the ratings applies when determining whether the Fund complies with the rating criteria. In the case of investment in new bond issues, it

is sufficient that the issue conditions include an undertaking to meet these requirements and that such requirements are met within one year of the issue date.

- (8) The following exceptions shall apply to the investment restrictions and exposure limits mentioned above in section 6, sub-sections 1-8:
- i. The restrictions do not apply for a thirty (30) day period following inflows of more than fifteen percent (15%) of the Net Asset Value of Sub-Fund D.
  - ii. The restrictions do not apply for a thirty (30) day period following notification to the Manager of the receipt of redemptions of more than fifteen percent (15%) of the Net Asset Value of Sub-Fund D.
- (9) Any instruments meant for hedging shall not be considered for section 6, sub-sections (1), (2), (3), (6), (7).

## 7. **Share Classes**

The Sub-Fund D offers the following Classes of Shares which are open to Eligible Investors as described in clause 4 of this Appendix D, investing in their own name and on their own behalf, as set out below:

- **Class A Shares (Code ISIN: LU1641085383)**: DKK; Capitalisation of Income
- **Class B Shares (Code ISIN: LU1641088486)**: USD; Capitalisation of Income

The Class A Shares and the Class B Shares shall be reserved for the investors subscribing during the Initial Offering Period all being affiliates of North East Family Office and all domiciled in either North America, Asia or Denmark. Any subsequent subscriptions from investors not invested during the Initial Offering Period shall be (a) approved by North East Family Office and the Board of Directors of the Fund and (b) domiciled in either North America, Asia or Denmark. The pricing currency of the Class A Shares is the Danish Kroner (DKK). The pricing currency of Class B Shares is USD.

## 8. **Listing**

It is not the intention to list any of the Shares Classes of Sub-Fund D. It is at the discretion of the Board of Directors to initiate a listing process should this be deemed beneficial for the Sub-Fund.

In case of a listing, the Offering Document will be updated accordingly to reflect such listing and the Shareholders will receive a notice of such amendment of the Offering Document.

## 9. **Terms of the Sub-Fund D:**

### a. **Subscriptions**

Within this Sub-Fund D, Shares are available for subscription at the Subscription Price as of the relevant Subscription Day.

In order to ensure that subscription applications are processed as of any Subscription Day, the Application Forms, together with the necessary identification documents, must be received by the Registrar and Transfer Agent together with the necessary identification documents by fax before the relevant Cut-Off Time with the originals of all documents to follow soon after by post. Subscription monies shall be remitted within 3 (three) Business Days from the relevant Subscription Day, by telegraphic transfer to the relevant subscription account specified for the relevant currency of

payment in the Application Form. All bank collection or other charges imposed for such telegraphic transfer payments by an applicant shall be borne by and charged to that applicant.

In case subscription is made through clearing, subscription will be executed against payment with the clearing account after the Administrative Agent has checked eligibility of the Prospective Investor(s).

For Application Forms or subscription amounts received by the Registrar and Transfer Agent after the aforesaid dates, the Shares will be allotted at a price corresponding to the next Subscription Day, plus any Placement Fee. The aforesaid periods for the submission of the Application Forms and the payment of the subscription amounts may be waived at the discretion of the Board of Directors. The Board of Directors in exercising its discretion will take due consideration of treating shareholders fairly and equally. The Shares will be issued as of the Subscription Day. The Shares will be issued in registered form.

The minimum initial investment that will be accepted from a new investor will be one million euros (EUR 1,000,000.00) (and ten thousand euros (EUR 10,000.00) for any subsequent investment) or the counter-value of one million euros (EUR 1,000,000.00) in the denomination currency of the relevant share class (being understood that, in such case, Well-informed Investors other than Institutional and Professional Investors must provide a certificate delivered by a credit institution within the meaning of Directive 2006/48/EC, another investment company within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2009/65/EC stating that they are experienced enough to appreciate in an adequate manner an investment in a specialised investment fund) or the equivalent amount hereof dependent on the reference currency of the Share Class subscribed to, subject however to the Board of Directors' right to reject any offer from Investors for any reason or to accept subscriptions in lesser amounts subject to the requirements of the Law of 2007.

Subject to the compliance to the requirements of the Law of 2007 as detailed above, the Board of Directors may decide, at its sole discretion, to waive in whole or in part the minimum initial and subsequent investment amounts in relation to subscriptions of Shares provided that the principle of equal investments between holders of Shares be ensured.

**b. Redemptions**

All Shares are redeemable at the option of the Investors on each Redemption Day. The Board of Directors may accept to waive the applicable Cut-Off Time generally or in any particular case as they may determine in their discretion from time to time. Shares will be redeemed at the relevant Redemption Price.

In case redemption is made through clearing, redemption will be executed against payment with the clearing account after the Administrative Agent has performed the eligibility controls.

The redemption proceeds will in principle be paid out within 3 (three) Business Days following the Redemption Day as of which Shares are redeemed.

Subject to the Articles, the "Redemption Price" will be denominated in the applicable currency and will be equal to the Net Asset Value per Share of the relevant Class as at the relevant Redemption Day, after adjustment for any accrual of Management Fees and Performance Fees due.

In case the monthly redemption exceeds more than 10% of the Fund's Net Asset Value, the Board of Directors may decide that part or all of the redemption requests in relation to Shares will be deferred for a period and in a manner that

the Board of Directors considers to be in the best interest of the Fund. Following that period, with respect to the next relevant Redemption Day, these redemption requests will be met in priority to later requests.

10. **Fees and other expenses:**

**a. Management Fee**

For the first EUR 100 million of the Net Asset Value invested into the Sub-Fund D, The Sub-Fund D shall pay to the Manager a Management Fee equal to forty-five basis points (0.45%) per annum. For investments that exceed EUR 100 million of the Net Asset Value invested into the Sub-Fund D, the Sub-Fund D shall pay to the Manager a Management Fee equal to thirty-seven and a half basis points (0.375%) per annum. The Management Fees shall be calculated monthly, on the basis of Net Asset Values on the relevant Valuation Days, and paid quarterly in arrears (the "Management Fee"). The Management fee shall start accruing on the Launch Date. For the avoidance of doubt, the Manager is only entitled to receive such share of the Management Fee, if any, relating specifically to the period for which the Manager has been appointed to perform the services set out in the AIFM Agreement.

**b. Placement Fee**

No Placement Fees shall be charged.

**c. Redemption Fee**

No Redemption Fees apply to Sub-Fund D.

**d. Other Fees**

The Administrative Agent is entitled to receive out of the assets of the Sub-Fund D a fee calculated in accordance with customary banking practice in Luxembourg.

The Registrar and Transfer Agent and Paying Agent is entitled to receive out of the assets of the Sub-Fund D a fee calculated in accordance with customary banking practice in Luxembourg.

The Depository is entitled to receive out of the assets of the Sub-Fund D a fee calculated in accordance with customary banking practice in Luxembourg.

The Domiciliary Agent is entitled to receive out of the assets of the Sub-Fund D a fee calculated in accordance with customary banking practice in Luxembourg.

Any other service provider in relation to the following services is entitled to receive out of the assets of the Sub-Fund D a fee calculated in accordance with customary banking practice in Luxembourg:

Tax services in relation to the Sub-Fund and/or any other vehicle relevant for the purpose of indirect investments.

Domiciliation, accounting, tax returns, VAT, administration and other customary services in relation to any vehicle relevant for the purpose of indirect investments.

The fees referred to in the three preceding paragraphs should range on an annual basis from 0.05 % to 0.15 % of the Net Asset Value of Sub-Fund D, with possible higher fees if the assets of Sub-Fund D do not reach the expected level of assets for the application of the above range, as reflected in more detail in the financial reports made available at the registered office of the Fund.

11. **Tax considerations**

Please refer to section "Taxation" of the Offering Document.

12. **Risk factors**

Investors are advised to carefully consider the risks of the Sub-Fund D and should refer in relation thereto to the section "Risk Considerations" in the Offering Document.

Moreover, the Sub-Fund D's success depends solely on the Manager's ability to identify eligible assets which will positively contribute to the Sub-Fund D's capital appreciation. There can be no assurance that the investing and/or trading methods employed by the Manager will produce profits. Moreover, the Manager is dependent on the services of a limited number of key persons, and if the services of such persons were to become unavailable, this might have a serious impact on the Sub-Fund's performance and continuity.

## APPENDIX II

The term "US Person" means a person described in one or more of the following paragraphs:

1. With respect to any person, any individual or entity that would be a US Person under Regulation S promulgated under the 1933 Act. The Regulation S definition is set forth below.
2. With respect to individuals, any US citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under US income tax laws to generally include any individual who (i) holds an Alien Registration Card (a "green card") issued by the US Immigration and Naturalization Service or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (a) the individual was present in the US on at least 31 days during such year *and* (b) the sum of the number of days on which such individual was present in the US during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days.
3. With respect to persons other than individuals:
  - a. a corporation or partnership created or organized in the United States or under the laws of
  - b. a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US Persons have the authority to control all substantial decisions of the trust; and
  - c. an estate which is subject to US tax on its worldwide income from all sources.

Set forth below is the definition of "US person" contained in Regulation S under the 1933 Act.

1. "US person" means:
  - a. Any natural person resident in the United States;
  - b. Any partnership or corporation organised or incorporated under the laws of the United States;
  - c. Any estate of which any executor or administrator is a US person;
  - d. Any trust of which any trustee is a US person;
  - e. Any agency or branch of a non-United States entity located in the United States;
  - f. Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit of a US person;
  - g. Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
  - h. Any partnership or corporation if: (A) organised or incorporated under the laws of any jurisdiction other than the United States; and (B) formed by a US person principally for the purpose of investing in securities not registered under the Securities Act unless it is organised or incorporated, and owned, by "accredited investors" (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.
2. The following are not "US Persons"
  - a. any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed to be a "US person";
  - b. any estate of which any professional fiduciary acting as executor or administrator is a US person shall not be deemed to be a "US person" if: (i) an executor or administrator of the estate who is not a US person has sole or shared investment discretion with respect to the assets of the estate; and (ii) the estate is governed by laws other than those of the United States;

- c. any trust of which any professional fiduciary acting as trustee is a US person shall not be deemed to be a "US person" if a trustee who is not a US person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US person;
- d. an employee benefit plan established and administered in accordance with (i) the laws of a country other than the United States and (ii) the customary practices and documentation of such country, shall not be deemed to be a "US person";
- e. any agency or branch of a US person located outside the United States shall not be deemed a "US person" if: the agency or branch (i) operates for valid business reasons, (ii) is engaged in the business of insurance or banking, and (iii) is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
- f. none of the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, or their agencies, affiliates and pension plans, or any other similar international organisation, or its agencies, affiliates and pension plans, shall be deemed to be a "US person".

The US Commodity Futures Trading Commission definition of a "US Person" is:

- (i) any natural person who is a resident of the United States;
- (ii) any estate of a decedent who was a resident of the United States at the time of death;
- (iii) any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund or any form of enterprise similar to any of the foregoing (other than an entity described in prongs (iv) or (v) below) (a "legal entity"), in each case that is organized or incorporated under the laws of a state or other jurisdiction in the United States or having its principal place of business in the United States;
- (iv) any pension plan for the employees, officers or principals of a legal entity described in prong (iii), unless the pension plan is primarily for foreign employees of such entity;
- (v) any trust governed by the laws of a state or other jurisdiction in the United States, if a court within the US is able to exercise primary supervision over the administration of the trust;
- (vi) any commodity pool, pooled account, investment fund, or other collective investment vehicle that is not described in prong (iii) and that is majority-owned by one or more persons described in prong (i), (ii), (iii), (iv), or (v), except any commodity pool, pooled account, investment fund, or other collective investment vehicle that is publicly offered only to non-US Persons and not offered to US Persons;
- (vii) any legal entity (other than a limited liability company, limited liability partnership or similar entity where all of the owners of the entity have limited liability) that is directly or indirectly majority-owned by one or more persons described in prong (i), (ii), (iii), (iv), or (v) and in which such person bears unlimited responsibility for the obligations and liabilities of the legal entity; and
- (viii) any individual account or joint account (discretionary or not) where the beneficial owner (or one of the beneficial owners in the case of a joint account) is a person described in prong (i), (ii), (iii), (iv), (v), (vi), or (vii).