

IXI Investments



OFFERING SUPPLEMENT

OFFERING SUPPLEMENT No. 1

in relation to the offer of Investment Shares in

IXI GROW

a Compartment of

IXI Alternative Investment Fund V.C.I.C. PLC

an Alternative Investment Fund authorized to operate with more than one Compartment and

Addressed to Professional and Well-Informed Investors

This Offering Supplement is being issued pursuant to the offering of Investment Shares in **IXI GROW** (the “Compartment”) and contains supplemental information to that contained in the Prospectus dated **April 2019** issued by **IXI ALTERNATIVE INVESTMENT FUND V.C.I.C. PLC** (the “Prospectus”). This Offering Supplement contains specific information in relation to the Compartment. It forms part of, and must be read in the context of and together with, the Prospectus. Distribution of this Offering Supplement, which forms part of the Prospectus, is not authorized unless accompanied by a copy of the Prospectus.

Dated February 2020



Meaning of Terms

All capitalized terms shall have the same definition/interpretation as in the Prospectus. In this Offering Supplement, the term Compartment shall refer to **IXI GROW**, unless the context clearly indicates otherwise. To the extent of any inconsistency between the terms of this Offering Supplement and the Prospectus, this Offering Supplement shall prevail with respect to **IXI GROW**.

Key Features

INVESTMENT STRATEGY	Hedge Fund - Diversified Portfolio: <ul style="list-style-type: none"> • Financial Derivative Instruments /Foreign Exchange; • Listed Equity; • Fixed Income; • Cash and Cash equivalent;
TARGET MARKETS	Worldwide
GENERAL MANAGER	Dr Aristodemos Cleanthous
STRUCTURE	Open-Ended
LIFE DURATION	Unlimited
AVAILABLE CLASSES	<ul style="list-style-type: none"> • IXI Grow Class A Investment Shares – Accumulating Class of Investment Shares • IXI Grow Class B Investment Shares – Accumulating Class of Investment Shares • IXI Grow Class C Investment Shares – Accumulating Class of Investment Shares
USE OF LEVERAGE	Yes, targeted max 1:20, targeted average 1:2
BASE CURRENCY	EUR
MINIMUM CAPITAL RAISING	EUR 500,000
VALUATION DAYS	<ol style="list-style-type: none"> 1. Last Business Day of each month 2. Ad-hoc basis, upon request
DEALING DAYS	First Business Day after each Valuation Day
MANAGEMENT FEE	2%
PERFORMANCE FEE	20% above the High Watermark
HURDLE RATE	N/A

Terms of Authorization

IXI GROW is an authorized Open-Ended Compartment established under the umbrella of the Company for the sole purpose of raising funds from a number of Investors. The assets and liabilities allocated to the Compartment are segregated from the asset and liabilities of other Compartments that are currently established or maybe established in the future under the Company's umbrella.



Life Duration

The Compartment is established for an infinite period of time.

Offering Summary

As at the date of the present Offering Supplement, the following Classes of Investment Shares are issued by the Company in respect to the Compartment:

NAME	IXI Grow Class A Investment Shares	IXI Grow Class B Investment Shares	IXI Grow Class C Investment Shares
BASE CURRENCY	EUR	JPY	USD
TYPES OF INVESTORS	Professional & Well-Informed	Professional & Well-Informed	Professional & Well-Informed
INITIAL SUBSCRIPTION PRICE	EUR 100	JPY equivalent to EUR 100	USD equivalent to EUR 100
MINIMUM INITIAL SUBSCRIPTION AMOUNT	EUR 20,000	JPY equivalent to EUR 20,000	USD equivalent to EUR 20,000
MINIMUM SUBSEQUENT SUBSCRIPTION AMOUNT	NONE	NONE	NONE
LOCK-UP PERIOD	NONE	NONE	NONE
MINIMUM HOLDING PERIOD	NONE	NONE	NONE
DEFERRAL POLICY	NONE	NONE	NONE
SUBSCRIPTION FEE	NONE	NONE	NONE
REDEMPTION FEE	NONE	NONE	NONE
ENTRY CUT-OFF	Three (3) Business Days prior each Valuation Day	Three (3) Business Days prior each Valuation Day	Three (3) Business Days prior each Valuation Day
EXIT CUT-OFF	Seven (7) Business Days prior the relevant Valuation Day	Seven (7) Business Days prior the relevant Valuation Day	Seven (7) Business Days prior the relevant Valuation Day
DIVIDEND POLICY	No Dividends	No Dividends	No Dividends



At a later stage, additional Classes of Investment Shares may be issued subject to the prior notification and approval of CySEC. In such case, this Offering Supplement will be updated accordingly.

General Manager

The Directors of the External Manager have assigned the duties of the General Manager of the Compartment to Mr. Aristodemos Cleanthous. His background and expertise are further detailed in the section titled “**MANAGING BODY AND SENIOR MANAGEMENT**” of the Company's Prospectus.

The General Manager addresses and resolves the day to day operational issues of the Compartment, including:

- Overseeing the design, promotion, marketing, delivery and quality of services received from the various service providers to the Compartment.
- Reviewing the outstanding financial position of the Compartment's Portfolio, monitor liquidity, financials and accounting records of the Compartment.
- Support to operations and administration by advising and informing the Managing Body in relation to any issues affecting the Compartment.
- Managing the Compartment on a daily basis and ensuring that its objectives and services are consistently presented in strong, positive image to the External Manager and prospective Investors and existing Investment Shareholders of the Compartment.

Investment Objective

The External Manager aims to provide to the Investors of the Compartment capital growth by investing the Compartment's raised capital in a diversified portfolio strategies by investing primarily in the foreign exchange markets.

Investment Strategy

Asset Allocation

The Compartment will be investing exclusively by way of algorithmic trading in different types of financial instruments. In particular, the Compartment will invest either directly or through the use of financial derivative instruments in currencies such as CFDs. To a lesser degree, the Compartment may invest in equity securities, debt securities (including convertible bonds, asset-backed securities, mortgage-backed securities, and covered bonds), deposits with credit institutions, commodities, Invested Funds and ETFs.

The External Manager's intention with regards to the Compartment is to trade mainly in FX pairs. The External Manager has developed a robust set of strategies and an efficient execution framework that allows it to tap into the FX market in a timely and systematic manner from the signal generation stage to trades execution.

The Compartment will be investing in Financial Derivative Instruments to achieve its investment objective. Such instruments may also be used for the purposes of hedging. These instruments may include, but are not limited to CFDs, futures, options, forward contracts on financial instruments and options on such contracts, and swap contracts and other currency derivatives.

The External Manager utilizes specialized mathematical algorithms through the use of systems which are made by processing historical and current market data using technical analysis, statistical data processing methods and fundamental information. The External Manager seeks to capitalize principally on short and medium term price trends in bull and bear markets. The strategy is based on the use of long and short positions, achieved through the use of FX Financial Derivative Instruments and variance of exposure to different asset classes and markets in response to market conditions and opportunities.

The Compartment reference class is denominated in EUR and the investments pursued are denominated in a variety of currencies and currency exposures may but not necessarily be hedged.



Investment Processes and Strategies

The Compartment employs direct investments in trading strategies based on statistical analysis, data mining, neural networks and other artificial intelligence methods. The External Manager has selected to apply these methods on a variety of strategies, some of which are analyzed below:

Price Patterns

Correlations of price, traded volumes and volatility

Adaptive trend following algorithms

Counter-Trend Patterns

Price Patterns: Price pattern recognition is a key concept in technical analysis. By analyzing price actions, the External Manager attempts to predict markets by identifying efficiently and with conviction any recurring patterns. The signals produced are further enhanced by combining a number of technical, fundamental and informational indicators to predict volatility and directionality especially in changing market conditions.

Correlations of the price, traded volumes and volatility: The External Manager attempts to exploit historically significant correlations within or between financial markets. The External Manager looks at numerous types of correlations. For example, it would look at lead-lag relationships, autocorrelation but it would also factor into the analysis the co-dependence of prices, traded volumes and their volatility and analyze how the causality flows between them.

Adaptive trend following algorithms: Trend following is a trading mechanism followed by the External Manager that is based on identifying upward or downward trends in the instruments it trades. In doing so the External Manager makes use of several calculation techniques and time frames in order to determine the general direction of the market and generate a trading signal. In identifying those trends the External manager considers the price history of assets, volatility, moving averages, rate of change of trends and the overall market environment's conditions.

Counter Trend Patterns: This is another type of strategy followed by the External Manager which is characterized as a method that can give to the Compartment a competitive advantage over other market participants. This can be achieved through the ability of the External Manager to exploit the likelihood of reversion of prices to their longer term mean. Various techniques are employed to locate high probability turning points in the price action of the instruments.

The External Manager may generally employ any techniques and instruments relating to the Compartment's investments for the purpose of their efficient management and diversification, including techniques and instruments designed to protect the Compartment against currency exchange, interest rate risks and other risks to the full extent permitted under the governing legislation.

Secondary additional strategies may also be pursued in order to create a more diversified portfolio. Specifically, the External Manager aims to diversify the Compartment's Portfolio by investing a portion of its total assets in cash, cash equivalent, money market instruments and in OTC financial derivatives instruments so as to mitigate the Portfolio risk. Specifically, the General Manager may invest a portion of the Portfolio in products which include, but are not limited to, the following:



OTC Financial Derivatives Instruments: forward contracts on financial instruments and currencies, credit linked instruments, currencies, spot and option contracts, credit default swaps, total return swaps and certain options on currencies.

Cash and Cash Equivalent: fixed deposits, time deposits or call accounts, securities issued by sovereign governments, their agencies and instrumentalities, repurchase agreements (other than equity repurchase agreements), certificates of deposit, bankers' acceptances, commercial paper (rated in one of the two highest rating categories), and bank money market deposit accounts.

Investment Policy

The External Manager uses a quantitative approach to purchase and sell instruments for the Compartment. The quantitative investment approach uses proprietary computer models that analyse financial data, risk indicators and other relevant parameters to find predictable patterns from historical data to assist in selecting investments.

In addition to its quantitative research, in rare cases, the External Manager might overwrite the quantitative outputs to reduce overall leverage and to address extreme market events, such as significant central banks' interventions or high impact country-specific decisions, which are difficult to capture through any quantitative model.

Target Markets

There are no geographical restrictions regarding the investment strategy of the Compartment as the External Manager does not wish to restrict the Portfolio to hold positions in Investments presenting opportunities due to geographical constraints. The Compartment will seek investment opportunities mainly on internationally regulated capital and currency markets based on expected returns, estimated risk and volatility ratios.

Use of Leverage

Leverage will be utilised when the External Manager considers appropriate, primarily for investment purposes to increase investment positions in Financial Derivative Instruments. Leverage may be employed by means of conventional margin arrangements, or through options, swaps, forwards and other Financial Derivative Instruments.

Leverage may also be obtained inter alia, by entering into repurchase transactions, cash or physical settlement of Financial Derivative Instruments and also by margin trading (i.e. with credit supplied by any broker through which the investments are purchased).

The maximum targeted level of Leverage utilized on behalf of the Compartment is equal to 1:20 according to its NAV.

The use of Leverage for investment purposes can increase the risk and volatility of the Compartment's Portfolio.

Liquidity Management

The External Manager has established effective liquidity management mechanisms that are specifically tailored to the degree of liquidity risk that the Portfolio of the Compartment is exposed to, subject to its investment objective and targeted investments. The External Managers ensure effective liquidity management by trading liquid instruments and by using multiple sources of liquidity.

By employing sound liquidity management procedures, the External Manager measures, monitors and controls the overall liquidity profile of the investments of the Compartment, hence ensuring, among others, the timely settlement of operating expenses and providing an extra layer of comfort that Redemption requests are met in accordance with the commitments made in the present Offering Supplement in varied market conditions.



Even though the Compartment will be focusing in liquid assets that can be converted into cash speedily, the External Manager has in place a diverse set of liquidity management tools, which include, but are not limited to:

- The conduction of stress tests on a regular basis, under normal and exceptional liquidity conditions, which enable the External Manager to assess and monitor the liquidity risk of the Compartment. This tool supplement other elements of the liquidity risk management process. The results are used to inform investment decisions and, where appropriate, the level of limits on portfolio liquidity. Factors that will be used for the purposes of stress tests include the volume of Redemption requests and current market conditions;
- The External Manager may use Leverage, subject to the Leverage policy as set forth under section **"USE OF LEVERAGE"** of the present Offering Supplement, in order to address any mismatches between the liquidity of underlying assets and the Compartment's Redemption policy and prevent potential premature liquidation of investments;
- The ongoing assessment of the Compartment's Subscriptions and Redemptions arrangements in order to ensure that such arrangements remain in line with the Compartment's Portfolio composition and overall investment strategy.
- The performance of a regular assessment of liquidity demands, which include, but are not limited to Redemptions and other obligations of the Compartment. This assessment includes, but is not limited to, the development of a range of potential Redemption scenarios and risks, on the basis of an analysis of the composition of the Investment Shareholders to the Compartment and the historic pattern of the Compartment's flows. Based on such assessments, the External Manager may decide, as part of the liquidity management policy in place, to maintain a certain amount of funds equivalent to a specific ratio of the Compartment's NAV. This ratio is decided on an ad hoc basis by the External Manager and it will be proportional to the liquidity demands of the Compartment at a given point in time.

Investor Profile

The Compartment is suitable for persons qualifying as Professional or Well-Informed Investors who seek short to medium gains who wish to invest their capital in opportunities with a return potential that reflects the short to medium term risk features of the Compartment.

Each Investor subscribing for Investment Shares in the Compartment will have to prove such a capacity for compliance as well as AML purposes. These Investors should be Natural or Legal Persons who understand the risks associated with the investments of the Compartment.

Risk Considerations

Investment in the Compartment may entail significant risks associated with Portfolio concentration. Investors are encouraged to draw their attention to the risk considerations outlined in the section of the Prospectus titled **"RISK FACTORS"**.

Subscriptions

Initial Offer

IXI Grow Class A Investment Shares, IXI Grow Class B Investment Shares and IXI Grow Class C Investment Shares are offered for Subscription during an Initial Offering Period at the Initial Subscription Price of EUR 100 (or equivalent to EUR 100 if IXI Grow Class B Investment Shares or IXI Grow Class C Investment Shares). The initiation of investment operations is conditional upon the minimum capital raise of EUR 500,000 before expenses, being raised no later than the Last Offering Day. In the event of not completing the minimum capital raise by the Last Offering Day, the amount collected will be returned to the Investors without interest.

Investment Shares will be issued one (1) Business Day after the Closing Day.



Further Subscriptions

Following the Initial Offering Period, IXI Grow Class A Investment Shares, IXI Grow Class B Investment Shares and IXI Grow Class C Investment Shares in the Compartment may be subscribed on a monthly basis i.e. on the first Business Day of each month, being the Dealing Day, and on any other date the External Manager may determine at its absolute discretion, upon consideration of an application for an ad-hoc Subscription, at the Subscription Price calculated with reference to the NAV per Share on the last Business Day of the previous month, being the Valuation Day. Investors should settle payment of the Subscription monies at least three (3) Business Days prior to the Valuation Day. Payment of Subscription monies should be made to the bank account whose details are provided in the Subscription Application Form.

The Subscription application process followed with respect to the Compartment is prescribed in detail in the Company's Prospectus under sub-section "**SUBSCRIPTIONS**" of section "**TRANSACTIONS OF INVESTMENT SHARES**".

Entry Cut-Off

Subscription requests must be received by the Fund Administrator before 17:00 (Cyprus time, GMT +2) three (3) Business Days prior to the relevant Valuation Day or such other time as the External Manager may determine from time to time.

Any applications received after the Entry Cut-Off will normally be held over until a subsequent Dealing Day but may be accepted for dealing on the forthcoming Dealing Day, at the discretion of the External Manager, subject to the requirements of the applicable law and internal rules.

Minimum Initial Subscription Amount

The External Manager sets a Minimum Initial Subscription Amount for the acquisition of IXI Grow Class A Investment Shares, equal to a minimum aggregate amount of EUR 20,000 (or equivalent to EUR 20,000 if IXI Grow Class B Investment Shares or IXI Grow Class C Investment Shares). The External Manager has the discretion, from time to time, to waive or reduce any applicable Minimum Initial Subscription Amount.

Minimum Subsequent Subscription Amount

No Minimum Subsequent Subscription Amount is levied.

Subscription Fee

No Subscription Fee is charged to Investors upon any initial or subsequent Subscriptions to either IXI Grow Class A Investment Shares, IXI Grow Class B Investment Shares or IXI Grow Class C Investment Shares.

Redemptions

Redemption of Investment Shares

Investment Shares in the Compartment may be redeemed on a monthly basis i.e. on the first Business Day of each month being the Dealing Day, and on any other date the External Manager may determine at its absolute discretion, upon consideration of a request for an ad-hoc Redemption at a Redemption Price calculated on the basis of the NAV per Share as determined on the last Business Day of the previous month, being the Valuation Day.

Redemption proceeds are paid in cash in the Base Currency of the relevant Class.

The Redemption process followed with respect to the Compartment is prescribed in detail in the Prospectus under sub-section "**REDEMPTIONS**" of section "**TRANSACTIONS OF INVESTMENT SHARES**".

Exit Cut-Off

Redemption requests must be received by the Fund Administrator before 17:00 (Cyprus time, GMT +2) not less than seven (7) Business Days prior to the intended Valuation Day.



Any applications received after the Exit Cut-Off will normally be held over until a subsequent Dealing Day but may be accepted for dealing on the forthcoming Dealing Day, at the discretion of the External Manager.

Redemption Fee

Investment Shareholders shall not be charged with a Redemption Fee upon redemption of either IXI Grow Class A Investment Shares, IXI Grow Class B Investment Shares or IXI Grow Class C Investment Shares.

Transfers

Transfer of Investment Shares

Investment Shareholders have the option to immediately transfer the Investment Shares held by them in the Compartment.

Investment Shareholders are not obliged to transfer their Investment Shares based on their NAV at the time of the transfer. If an ad-hoc calculation of the NAV of transferred Investment Shares is requested by the Transferor or Transferee, the External Manager may decide to accept or reject such a request at its absolute discretion and reserves the right to charge any legal, accounting or administrative costs associated with the determination of the NAV to the requesting party.

The process of transferring Investment Shares with respect to the Compartment is prescribed in detail in the Prospectus under sub-section **"TRANSFERS"** of section **"TRANSACTIONS OF INVESTMENT SHARES"**.

Valuations

The Compartment's assets and receivables will, together with any cash or cash equivalents minus any fees and expenses, consist the NAV of the Compartment. The NAV will be valued on each Valuation Day, defined as the last Business Day of each month and on any other date the External Manager, at its sole discretion, determine. The NAV of the Compartment is valued in the Base Currency of the Compartment, being the EUR. The Fund Administrator shall on, or with respect to, each Valuation Day, determine the NAV of the Compartment and the NAV per Share in accordance with the provisions set out in the sub-sections titled **"DETERMINATION OF THE NET ASSET VALUE"** and **"NAV PER SHARE"** of the Company's Prospectus.

Distribution Policy

IXI Grow Class A Investment Shares, IXI Grow Class B Investment Shares and IXI Grow Class C Investment Shares are designated as Accumulating Classes of Investment Shares, and therefore are not entitled to participate in any Dividends and/or other distributions.

Fees and Expenses

Company's Expenses

The Compartment shall bear its attributable portion of the operating expenses and service provider fees of the Company based on its latest available NAV or any other reasonable basis given the nature of the expense. A summary of such fees and expenses is set out in the sub-section titled **"COMPANY EXPENSES"** of the Company's Prospectus.

Set-up costs

The Compartment shall bear any set-up costs relating to its own launching. Such costs will be amortized for a period of five (5) years in such manner as deemed fit.

Management Fee

The Company will pay on behalf of the Compartment an annual Management Fee, payable to the External Manager for the overall management services to be provided to the Compartment as per the provisions of the Management Agreement. The External Manager is entitled to an annual Management Fee equal to 2% of the Compartment's GAV. The annual Management Fee is accrued and payable on a monthly basis, upon the calculation of the GAV.



Administration Fee

As per the Administration Agreement signed between the Fund Administrator, the External Manager and the Company on behalf of the Compartment, the Fund Administrator is entitled to an annual Administration Fee equal to 0,06% of the Compartment's GAV, subject to an annual minimum fixed fee of EUR 30,000. The annual minimum fixed fee is accrued and payable on a monthly basis. The remaining fee, if any, calculated as the positive difference between 0,06% of the GAV and the minimum fixed fee, is invoiced by the Fund Administrator on a monthly basis, upon the calculation of the GAV.

Depositary Fees

The Company will pay to the Depositary an annual Depositary fee on behalf of the Compartment, as agreed with the Depositary. In any event, the Depositary is entitled to an annual Depositary Fee (i) equal to 0,08% of the Compartment's NAV should the Compartment's assets under management reach or surpass the total value of EUR 20.000.000 or (ii) equal to 0,04% of the Compartment's NAV should the concerned Compartment's assets under management are below the total value of EUR 20.000.000. The Depositary Fee is mutually agreed between the Depositary, the External Manager and the Company. The Depositary Fee is calculated by the Depositary and communicated to the Fund Administrator for reconciliation.

Transaction Fees

The Compartment bears all costs and expenses of buying and selling investment assets including, without limitation, any commissions, interest, taxes, governmental duties, charges and levies and any other transaction related expenses.

Performance Fee

The External Manager is entitled to receive a Performance Fee in respect of the Compartment on a share by share basis so that each Investment Share issued with respect to the Compartment is charged a Performance Fee which equates with its performance. The rate at which the Performance Fee is charged is 20%. This method of calculation ensures that (i) any Performance Fee paid to the External Manager is charged only to those Investment Shares that have appreciated in value; (ii) all Investment Shareholders of the Compartment have the same amount at risk per Investment Share; and (iii) all Investment Shares issued in respect to the Compartment have the same NAV per Share.

The Performance Fee is calculated and accrued at each Valuation Day and is paid on a monthly basis (the "Calculation period"). The Performance Fee for each Calculation Period is equal to a percentage of the appreciation of the NAV per Share during the Calculation Period above the High Watermark. The percentage of this appreciation is equal to the rate at which the Performance Fee is charged for the Compartment (the "Performance Fee Rate").

The High Watermark of an Investment Share is the greater of the original issue price of that Investment Share and the highest NAV per Share achieved as of the end of any previous Calculation Period.

The Performance Fee in respect of each Calculation Period is calculated as the difference between the NAV per Share prior to making any deduction for Performance Fees (equals to the GAV per Investment Share after Management Fee calculation) and the High Watermark, multiplied by the Performance Fee Rate. For example, if the difference between the GAV after the Management Fee calculation and the High Watermark is 20%, the Performance Fee will be equal to 20% of the 20% over-performance.

In the case of Investment Shares redeemed before the Calculation Period ends, the accrued Performance Fee related to the proportion of the Investment Shares redeemed becomes payable.

If an Investor subscribes for Investment Shares at a time when the NAV per Share is less than the High Watermark of the Compartment, then the External Manager sets aside up front, on Subscription, an Equalisation Amount. The Equalisation Amount is to be deducted from the money transferred in the Company's bank account and therefore, the Subscription Amount that will be invested in the Compartment will be less than the actual money transferred.

In the event that the Investor requests to redeem (partly or wholly) his/her/its Investment Shares before the NAV per Share is equal or higher than the High Watermark of the Compartment, then the External Manager is obliged to return to the Investor any unused part of the Equalisation Amount, that was set aside up front on Subscription. The



actual amount to be returned, is calculated based on the High Watermark applicable to each particular Investor (Investor's High Watermark) and the High Watermark of the Compartment.

The Performance Fees of the External Manager will be calculated by the Fund Administrator and verified by the of the Depositary or the Auditors in the scope of the annual financial audit.



